

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

1. **REPORT TITLE** **Contract Extension for Debt and Benefit Advice Service 2017-18**
- Submitted by:** **Executive Management Team**
- Portfolio:** **Policy, People & Partnerships**
- Ward(s) affected:** **All**

Purpose of the Report

To advise Cabinet of the current situation with regard to the continuing delivery of a Generalist Debt Advice in the borough and the potential impact from the county decisions on the service. To seek Cabinet approval for a contract extension to allow further review.

Recommendations

- (a) **That members approve the allocation of funding as set out in this report and authorise officers to engage and develop a short term agreement as stated with the service provider**
- (b) **That members support a review of future advice service provision by officers where the impact of Welfare Reform and expected changes to how users access services are considered.**

Reasons

Due to the delays at the County Council on the decision to withdraw Better Care funding, caused by a lengthy call-in procedure for the reports, there now arises a difficult situation where the local CAB bureau and AgeUK provider will potentially no longer be under contract after 2 March 2017 and due to the time constraints the borough is unable to undertake a commissioning process. The contract procedural rules do not allow the service to be extended unless Cabinet approval is given.

The aim of a review is to identify if the service will need to be re-commissioned going forward and whether the current debt service delivery if the county contract ceases, continues to deliver outcomes that clearly deliver benefits against the Council key priorities, or whether it is in need of redesign. A further consideration is a potential reduction in available funding for the future internally and the impact of funding reductions externally on future service delivery. The review also seeks to ensure that efficiencies and improvements can be made to ensure value for money for the Council funding and continue to deliver essential and good quality services.

1. Background

- 1.1 The Third Sector Commissioning Framework was launched by the Borough in 2009 and subsequently services were commissioned in 2012, 2014 and 2015. During this period funding and the level of services commissioned have continued to be reduced,
- 1.2 In 2014 the Borough Council funded a Debt, Benefit and Consumer Advice service (DBCA) as part of and in collaboration with the County Council's 'Public Sector Commissioning in Partnership' (PSCiP) contract. Staffordshire South West Citizens Advice Bureau was the successful service provider and acting as the lead organisation they subcontracted elements of the contract to other CAB agencies, including at NULBC's request AgeUK as an additional sub-contracting agent. The value of the Borough Council's contribution to this contract is £131,813 per annum.

- 1.3 The County Council's contribution pays for the delivery of three contact centres in Staffordshire (one contact centre is based at the Well Street bureau, Newcastle-under-Lyme) and generalist advice for 150 clients per district.
- 1.4 The NuLBC contribution pays for a weekly service delivered as follows:-
- CAB - 25 hours face to face advice and 16 hours telephone advice service (with an allocation of outreach advice work in Kidsgrove and Madeley)
 - AgeUK - 20 hours face to face advice work.

2. Issues

County Council Contract

- 2.1 The Borough contract with the County Council was for a 2 year period with the option to extend for a further 2 x 12 month periods. On 2 March 2017 the contract will only have one 12 month period left but as the county has advised the contract may end at this time, and we as a partner will be unable to extend the contract for a further period (this outcome is dependent on the Cabinet decision at the county).

Impact of reduced funding from the county due to the loss of Bettercare funding

- 2.2 A report was presented by the County Council at their February Cabinet meeting to discuss the future of the DBCA contract, where the original decision to withdraw funding (for the final one year extension of the contract) was upheld. It was agreed that funding would cease on 2 March 2017 and the option to extend the contract would not be taken up (the process of approval having commenced by the County Council in July 2016). The withdrawal of these monies will impact both on current service providers (with the potential closure of some offices), and also on the design of any future service delivered in the borough. The future service outline would need to reflect the implications and impact of any changes brought about by the County decision.

External impacts on commissioned projects

- 2.3 Third sector organisations continue to face reductions in funding opportunities generally and there is a recognised need for these bodies to change the way they do things, to become more sustainable and not to depend on funding streams of old. Ideas that have been promoted recently are an increase in collaborative working, the potential for forming consortia and a requirement to challenge the norm in order to access funding streams previously not available, which may lead to back office efficiencies and shared resources, or by delivering the service in a new and different way.

Review and need for the currently commissioned project

- 2.4 An Impact Analysis report on the implications of the withdrawal of funding has been produced by the county and the borough contributed to this, however a copy has not been made available to the Borough Council by the County Council.
- 2.5 An impact assessment with the current providers has been undertaken independently by the borough, to identify the issues for users going forward.
- 2.6 In the period from April to December 2016, a total 2,327 users have used the currently funded service. Due to the issues and impacts mentioned in this report, it is necessary to review (with internal client officers) how the service is currently delivered and how (and if) there is a need to redesign, and whether delivery in the future is considered necessary. It is felt from initial discussion that the service delivered may not be as effective due to the possible withdrawal of the telephone centres (county contract), the passage of time, the effect of a changing environment and changing priorities across the borough.

- 2.7 Officers have held a meeting with the local providers, the Chief Executive Officers of Staffordshire North & Stoke on Trent Citizens Advice Bureaux and AgeUK. The intention being to discuss the consequences of recent events, and review with them if their organisations are in a position to deliver a possible offer of a service extension, subject to agreement of a proposal by Members.

3. Options considered

- (i) Allow the funding for the service to cease in March 2017 (subject to the County decision).

This option would not allow for a planned exit strategy for the service and no local arrangements for a service to be developed.

- (ii) Cabinet members to agree funding of £55-60,000 for a six month period extension for the delivery of a local General Debt Advice service for the period April-September 2017. The issuing of a contractual agreement would be dependent on internal officers and the providers being in agreement as to the services to be delivered during this period.

This option would allow for a planned exit strategy and the opportunity to review the service and redesign a delivery option if necessary.

- (iii) Implement (ii), and in addition, review the service and where there remains a service, determine the future design before re-commissioning a further debt advice service.

This is the recommended option that officers believe would address the issues highlighted and ensures that any available funding awarded realises maximum benefit for the Council and service users.

These options are, of course, subject to and dependent on the imminent county decision.

4. Recommendation

The proposal, once we receive the outcome from the county decision, is to undertake the following planned actions:

- Agree an extension of the local service delivered by the current providers for a term of six months: - 1 April -30 September 2017, and the cost to be no greater than £55-60,000.
- Undertake a Debt Advice review, utilising the information already gained from consultation with the current stakeholders and seeking additional information where deemed necessary to inform the review.

5. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities

The delivery of the service is linked to, and positively contributes to the corporate priority of a 'Borough of Opportunity', by directly delivering significant benefit for the local economy.

6. Legal and Statutory Implications

The decision by the county to remove funding will not require ending the contract before the end of the original contract (March 2016). The option to extend the contract for a further year (March 2018) will not be taken up if the county proposal is approved. There are no statutory requirements.

7. Equality Impact Implications

The loss of funding could impact on protected groups which have been identified in the Equalities and Risk Assessment undertaken in the service review.

8. Financial and Resource Implications

The budget for the proposed service is included as part of the Third Sector Commissioning funding from the borough for 2017-18.

9. Major Risks

If the county decision is approved, there will be no contracted service, which will impact locally on residents, some who are vulnerable, facing difficulties dealing with debt, financial and benefit problems. Added to this is the resulting impact on officers and partners, and a need to signpost to other agencies.

10. List of Appendices

None

11. Background Papers

Working papers held by officers responsible for undertaking engagement with providers.

12. Earlier Cabinet/Committee Resolutions

Minute number 4:-Public Sector Commissioning in Partnership report presented to Active and Cohesive Scrutiny Committee 25 February 2014.