

SINGLE ADVICE CONTRACT - EXECUTIVE REPORT. 4th March 2007

1. The Cabinet considered a report entitled 'Single Housing and Benefits Advice Contract for Cheltenham' on 12th December 2006. The report advocated that all the funding allocated by the Council to the 4 main agencies that related to Housing and Benefits advice should be pooled into one budget and that the various agencies should then tender for a contract to deliver this advice. It was argued that this would produce a better and cheaper service.
2. Overview and Scrutiny (Social and Community) established a working party to examine the proposal on 10th January. The working party agreed to a potential two stage approach. The first stage would be to look at the justification for the agency, and the second stage, depending on what Scrutiny decided, would look at how the issue could be pursued.
3. The four agencies involved were:
 - Cheltenham Housing Aid Centre (CHAC)
 - Citizens Advice Bureau (CAB)
 - Cheltenham Community Support Centre (CCSC)
 - Cheltenham Community Projects (CCP)
4. There were serious criticisms of the way this report was introduced and the reliability of some of the information it contained that sought to justify its recommendation. The concerns with the report were that:
 - Voluntary sector organisations would have to compete with each other for a contract in a way that could be divisive to partnership working and therefore damaging to the service as a whole.
 - The information used to justify the suggestion and from which the amounts of finance were deduced was subject to debate.
 - Organisations that failed to win the contract could cease to exist along with the additional work they did that was not deemed to be part of the contract, and that this would be a loss to the town and its people.
5. It was acknowledged that there are difficulties in quantifying the information produced by different agencies because things were recorded in different ways, but the report considered by Cabinet failed to provide the basic information necessary with which to make judgements. **Regardless of what is decided there needs to be some agreed 'counting rules' for recording advice issues**
6. In order to address this the agencies were interviewed and on the basis of these interviews and the use of the same statistical base used in compiling the original report the following information was constructed:

Agency	Housing Advice cases	Benefits Advice cases	'Money' advice inc. Benefits advice cases	Total Cases	Clients	Staffing
CHAC	700	200	200	900	c900	3f/t/ 7p/t and 20 volunteers
CAB	773	1925	7908	12869	c5000	3 ft/ 12 p/t and 47 volunteers totally dedicated to this just for Cheltenham
CCSC	152	2078	2184	2744	2744	2 ft staff/ 2 non advice staff on 30hrs each + 1 permanent volunteer
CCP	600	646	646	3469*	1246	1 f/t + bit of manager (total organisation 53ft/ 9pt and 51 volunteers running a wide range of other services).
TOTALS	2225	4849	10938	19982	9890	

Definitions were one of the great objections to the suggestions outlined in the original Cabinet report. There is a difference between Benefits advice and 'Money Advice'. **Benefits** include all those things that can be claimed – unemployment benefit, incomes support, council tax benefit, housing benefit, tax credits, disability benefits etc etc. **'Money advice'** includes debt as a result of failing to keep up credit payments, credit card debt, failure to pay bills, loans and so on. This may lead on to benefit advice but is not the initial catalyst that motivates the client to seek advice.

7. The statistical information gathered indicated that some 9890 clients use the current advice services annually – almost 20% of households in the town. These generated, on average, 2 cases each. This figure was supported by figures for Housing/ Council Tax Benefit payments that showed that £26.5million was paid in these two benefits alone last year in Cheltenham involving 7405 Council Tax and 6103 Housing benefit claimants. In addition to these were a large range of other benefit claimants by other agencies – such as disability benefit, income support etc. These figures indicated that there was a clear link between housing issues and benefit issues and that 'benefits' and 'means testing' is now a way of life for a significant group of Cheltenham's people, but that broader debt issues were a separate, though related, category
8. The original report claimed that the following amounts of funding could be allocated to each organisation based on the proportion of housing and benefits advice that they provided under their CBC Service Level Agreement:

Current advice spending				
Voluntary Organisation	Current CBC funding (total)	of which purchases housing & benefits advice	housing advice	benefits advice
CHAC	44,500	44,500	44,500 – (100%)	0 - (0%)
CCP	41,200	41,200	39,100 – (95%)	2,100 – (5%)
CAB	98,600	84,900	4,000 – (4%)	80,900 – (82%)
CCSC	72,500	61,300	4,000 – (5.5%)	57,300 – (79%)
Total	256,800	231,900	91,600	140,300
<i>Activity percentages taken from organisations' monitoring returns.</i>				

An assessment of the statistics arrived at above challenged this data and produced the following chart:

Agency	Total Funding	Housing and Benefits %ge of total work	Allocated Costs	If include 'Money Advice' + Housing
CHAC	£44,500	100%	£44,500	£44,500 (100%)
CCP	£41,200	100%	£41,200	£41,200 (100%)
CAB	£98,600	21%	£20,672	£66,062 (67%)
CCSC	£72,500	62%	£45,206	£61,625 (85%)
	£256,800		£151,578	£213,387

9. A subsequent analysis of data and the Service Level Agreements for each of the organisations using an alternative approach produced the following levels of funding:

Agency	Amount of funding covering Housing and Benefit work in each organisation
CHAC	£44,500
CCP	£41,200
CAB	£20,706*(this did not include a reduction to CAB for rent of premises)
CCSC	£33,376
TOTAL	£139,781

This is £92,119 less than the figure (£231,900) indicated in the original paper.

10. This analysis indicated that the 4 agencies had different but overlapping constituencies, and specialities as follows:
CCSC: The constituency and focus of CCSC is the poor and the benefit dependent, especially disability and housing benefit. Their advisory skill is in benefits. The scale

of the client base corresponds to the increased dependency on the benefits system and the difficulty most people have in completing the forms.

CAB: The CAB is the place all people can go to for general advice and specialist debt, benefit and employment advice. They will refer more difficult housing issues on to CHAC and some benefit cases where the client needs representation at tribunals to CCSC.

CHAC is where the homeless or people with housing and housing related money problems go.

CCP is where the under 25s go for practical housing support. They are then signposted on to a range of other agencies or to the CCP foyer.

- 11 This raised the issue of whether it was worth pursuing the original option given the reduced level of funding available. Despite this qualification it looked at producing a single contract or enhancing partnership working, listing the following arguments for and against.

OPTIONS	FOR	AGAINST (predicated on one or all of the current agencies losing the contract)
Option 1 Produce a single contract for 'Housing and Benefits' (not 'Housing and Money Advice')	Will probably cut costs, but not by as much as originally calculated. Will lead to a better coordinated service, particularly if it is in one building, with standardised procedures etc Will increase the potential for a first time fix for the client Customers know exactly where to go for the help and advice they need.	Could reduce the number of agencies and the choice people have in which one they go to, and the pool of skill they have developed and therefore the quality of advice. Could reduce the additional services these agencies provide Could reduce the amount of funding as a whole levered in by 4 separate organisations. Would be initially very disruptive. Could set organisations against each other and be detrimental to cooperation.
Option 2 Encourage a closer Partnership approach by establishing an umbrella structure for housing and benefits advice	Would lead to better signposting and less duplication. Would lead to a common set of 'counting rules'. Would maintain current expertise. Would safeguard choice for clients. Would allocate specific roles to organisations Would safeguard all additional 'added value' projects not funded by CBC. Would retain the autonomy and size of organisations, and the feeling of empowerment and control that their staff have over them.	May not save any money. May not automatically lead to better coordination.

- 12 The justification for the report to Cabinet relating to a 'Single Housing and Benefits Advice Contract for Cheltenham' is open to question. Unless money is a critical factor a better approach would be to encourage Partnership working between the existing agencies clearly indicating who does what and when – but this is for the agencies to achieve, not the Council. If a contract is opted for, then one needs to be very careful what it includes because if it gets it wrong, then organisations that currently make a substantial contribution to the town will disappear and the people of Cheltenham will suffer.

13 .RECOMMENDATION TO CABINET.

- Keep Status Quo and encourage enhanced Partnership working between agencies:
- Clear protocols need to be developed between those organisation that are prepared to work in Partnership with each other:
- Develop standard counting, monitoring and performance management rules.