

Cheltenham Borough Council
Officer Decision – 14th October 2014
Extension of the Advice & Inclusion Contract

Accountable member	Peter Jeffries (relevant portfolio holder)
Accountable officer	Pat Pratley, Executive Director
Ward(s) affected	All
Key Decision	No
Executive summary	<p>In October 2011 Cabinet agreed to the re-tendering of the Advice Contract for a period of 3 years from 1st April 2012 to 31st March 2015, plus a further 2 years subject to satisfactory performance and available finance.</p> <p>County Community Projects (CCP) were successful in their bid for the contract, which began on 1st April 2012</p> <p>Since setting up the service, relevant Officers from Cheltenham Borough Council have monitored and reviewed the performance of CCP in the delivery of this service.</p> <p>Officers are satisfied that overall the service is supporting the outcomes identified within the service specification, and key performance issues are highlighted within the main body of this report.</p>
Recommendations	To extend the Advice and Inclusion Contract with CCP for a further 2 years , from 1st April 2015 to 31st March 2017.

Financial implications	<p>The cost of the contract at the current level of £108,000 per year is built into the council's medium term financial strategy.</p> <p>Contact officer: Des Knight, des.knight@cheltenham.gov.uk, 01242 264124</p>
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Legal implications	<p>The Council and CCP can agree to extend the contract for a further two years by way of an extension letter signed by both parties which agrees that the terms of the contract will continue for that period.</p> <p>Contact officer: Donna Ruck, Solicitor. donna.ruck@tewkesbury.gov.uk, 01684 272696</p>
HR implications (including learning and organisational development)	<p>None as a direct consequence of this report</p> <p>Contact officer: Richard Hall, Richard.hall@cheltenham.gov.uk, 01242 774972</p>
Key risks	Please see risk assessment – appendix 1
Corporate and community plan Implications	<p>This decision supports our corporate objective: strengthening our communities</p>
Environmental and climate change implications	<p>None as a direct consequence of this report</p>
Property/Asset Implications	<p>None as a direct consequence of this report</p> <p>Contact officer: David Roberts, david.roberts@cheltenham.gov.uk</p>

1. Background

1.1 In October 2011 Cabinet agreed to the re-tendering of the Advice Contract for a period of 3 years from 1st April 2012 to 31st March 2015, plus a further 2 years subject to satisfactory performance and available finance.

1.2 It was agreed by Cabinet that the Advice and Inclusion Contract (as it came to be called) would focus on: Debt Advice, Financial Inclusion (i.e. debt prevention), Benefits Advice and Housing Rights, with a view to meeting the following outcomes:

- Preventing homelessness
- Reducing debt
- Preventing future debt arising (through the provision of financial inclusion and financial capability work)
- Ensuring the rights of individuals are protected (in respect of benefits, debt and housing), and
- Ensuring that our most vulnerable residents are adequately supported in securing their rights.

1.3 County Community Projects (CCP) were successful in their bid for the contract, which began on 1st April 2012.

2. Reasons for recommendations

2.1 The Council has monitored CCP's outcomes under the contract on a quarterly basis and is satisfied overall with CCP's performance to date.

2.2 There are two full years of reporting by CCP under the contract. The first year highlighted some challenges, particularly around the turnover of staff that had originally been transferred from the CAB, and this is reflected in the overall performance. The second year has resulted in staff stability and as a result there has been a noticeable improvement in the delivery of outcomes.

2.3 The improvement in performance can be summarised as follows in the table below:

	2012/2013	2013/2014	Q1 2014/15
Homelessness Preventions	38	83	13
Benefit Take-Up/Direct Income gained for all clients	c.£48k	c.£343k	c.£69k
Successful Tribunal appeals/reviews against Benefit decisions	16 (out of 40) 40%	53 (out of 81 clients) 65%	12 (out of 15) 80%
Financial Inclusion – number of clients that consider they are better able to manage their affairs than before	7 (out of 36 clients) 19%	81 (out of 125 clients) 65%	14 (out of 16 client with complex needs or considered to be vulnerable) plus: 65 (out of 65 clients with no complex needs or vulnerability)
Debt set aside	c.£5k	c.£490k	c.£0k
Complaints	4 (1 upheld)	0	1 (0 upheld)
Compliments	13	21	21

2.4 The table clearly shows year on year improvements in service outcomes from year 1 to year 2. Quarter 1 for 2014/15 show outcomes that are roughly within the range of performance for individual quarters within year 2 (2013/14), specifically for homelessness prevention and benefit take-up outcomes; along with a notable improvement in financial inclusion outcomes, largely as a result of earlier identification of issues at the first point of contact.

2.5 A notable reduction in performance in quarter 1 of year 3 is around debt set aside. The drop is due to the government's ending of its Mortgage Rescue Scheme, which formed the bulk of CCP's debt-set aside outcomes in year 2. Discussions have been underway with CCP over how they might improve debt set aside outcomes through Debt Relief Orders (DROs). There has been an initial delay in achieving outcomes through DROs, as specialist debt advisors have to be DRO accredited before they are able to make DRO applications on behalf of clients. CCP lost their

specialist DRO debt advisor fairly early on into the contract, and as a result, a period of training has followed to reacquire that skill base within the team. Whilst debt set aside as a result of a DRO is currently poor, there are encouraging signs. CCP have advised that they are working with a number of clients that have a combined debt in excess of £144,000, all of which are being considered for DRO/bankruptcy orders.

2.6 Our conclusion is that whilst performance by CCP is good overall, further work is required on debt advice provision; both in terms of increasing the levels of debt set aside, and in increasing the number of clients who are able to maintain new debt repayments after 3 months. These areas for improvement have been identified and raised directly with CCP, and we will continue to monitor closely their outcomes in future quarterly meetings.

2.7 CCP also brings **Added Value** to the contract:

2.7.1 Their service is delivered directly from Cheltenham First Stop and is situated alongside Cheltenham Borough Homes' Housing Options Service. This ensures that clients receiving both services are seen under the same roof; and staff from the different organisations are able to communicate more effectively on relevant matters.

2.7.2 In addition, Cheltenham First Stop is a collection point for the Credit Union and this supports the financial inclusion work undertaken by CCP as part of the advice contract.

2.7.3 Clients are also able to benefit from food parcels which are distributed from Cheltenham First Stop, where there is evidence of need. The Council began to monitor the uptake of food parcels by clients from 2013-14, and over 900 collections have been made during this period.

2.8 Finally, CCP are a member of the CAN (Cheltenham Advice Network) project; which along with the CAB and Cheltenham Housing Aid Centre is seeking to develop a network of initial advice points across Cheltenham, made up of trained advisors which assess clients' needs and refer them onto relevant services. This should therefore complement the work already being undertaken by CCP under the Advice and Inclusion contract.

3. Alternative options considered

- 3.1 Re-tender the Advice Contract. This option has been rejected for the following reasons:
- 3.2 Performance by CCP is good overall, although further improvements are needed in relation to debt advice. Current feedback from CCP is that some significant improvements are underway in relation to debt advice outcomes coming about as a result of Debt Relief Orders. However the benefits from their current work will not be seen until later.
- 3.3 Re-tendering the advice contract is a resource intensive process which would be felt at a time when other key housing projects are currently being pursued (such as the review of private sector housing). It is likely that re-tendering the advice contract would result in delays in the council meeting other housing projects.
- 3.4 In the last re-tendering exercise significant savings were made to the council in terms of the cost of the contract (c.£46k/year, of which £21k has been used to invest in other homelessness prevention services). There is no guarantee that further savings would be made on a future contract, and indeed costs to the council could increase.
- 3.5 The service specification which focuses on debt advice, benefit take-up, debt and homelessness prevention are still relevant priorities today (in light of the ongoing welfare reforms) and therefore there is no requirement to change them.
- 3.6 Service-users will benefit from a period of stability for a further 2 years.

4. Consultation and feedback

- 4.1 Cheltenham Borough Homes (CBH) concur with our assessment of CCP's delivery of the service to date. CBH have recently met with CCP (at CCP's request) to discuss operational issues relating to referrals into their debt advice service. This meeting was productive, and a series of ongoing meetings have now been diarised to embed referral arrangements. In addition, a member of CBH's Housing Options Service sits on the quarterly monitoring meetings, and is therefore able to feed in any issues arising on an ongoing basis.

5. Performance management –monitoring and review

- 5.1 Quarterly review of performance, as detailed above.

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Appendices	1. Risk Assessment
Background information	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the council decides not to fund this contract for a further 2 years, then any future re-tendering could lead to a disruption of the service, which could result in poorer outcomes for Cheltenham residents initially as the service transitions to new arrangements	Pat Pratley	24.9.14	2	3	6	Reduce	Fund the existing contract for a further 2 years, as permitted.	14.10.14	Martin Stacy	
	Any environmental risks										
Explanatory notes											
<p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											