

**Cheltenham Borough Council**  
**Cabinet – 11<sup>th</sup> October 2016**  
**Advice and Inclusion Contract**

<b>Accountable member</b>	<b>Councillor Peter Jeffries, Cabinet Member - Housing</b>
<b>Accountable officer</b>	<b>Martin Stacy, Lead Commissioner – Housing Services</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>The council's Advice and Inclusion Contract with County Community Projects (CCP) expires on 31<sup>st</sup> March 2017. This therefore provides the council with an opportunity to review the outcomes and service specification, to ensure that it is best placed to meet the needs of Cheltenham residents most affected by the ongoing changes being brought about by the welfare reforms, particularly with regard to the implementation of Universal Credit.</p> <p>The introduction of Universal Credit, whilst simplifying the benefits system, will provide challenges to some residents. Benefit claimants will be expected to make their claims online, and recipients of Universal Credit will, in the main, receive all of their means-tested benefits in a single payment, which will be paid monthly.</p> <p>From experiences found elsewhere during the piloting of Universal Credit, it is clear that more vulnerable residents have struggled to adapt to these changes, resulting in clients falling into debt – including rent arrears, leading to increased risks of homelessness.</p> <p>If approved, the new Advice and Inclusion Contract will seek to mitigate against the risks of households falling into debt, thereby preventing homelessness.</p>
<b>Recommendations</b>	<p><b>To retender the Advice and Inclusion Contract for a term of 3 years from April 1<sup>st</sup> 2017, with the option of extending the term for a further 2 years, subject to satisfactory performance and available finance.</b></p> <p><b>To authorise the Managing Director of Place and Economic Development, in consultation with Cabinet Member – Housing, to award the contract to the successful tenderer, following evaluation of bids.</b></p> <p><b>To authorise the Managing Director of Place and Economic Development, in consultation with Cabinet Member – Housing, to extend the contract for a further 2 years following the end of the first 3 years of the service contract, subject to satisfactory performance and available finance.</b></p>

<b>Financial implications</b>	<p>The council estimates that the value of the contract will be around £130,000 a year. Potential savings may be derived from the General Fund, subject to Council approval to use £25k/year from the HRA to support the delivery of this service.</p> <p>Re-tendering of the Advice &amp; Inclusion Contract will be a financial commitment for a period of 3 years, plus a further 2 years, subject to satisfactory performance of the Provider(s) and available finance.</p> <p><b>Contact officer: Sarah Didcote, GOSS Business Partner Manager</b> <b>sarah.didcote @cheltenham.gov.uk, 01242 264125</b></p>
-------------------------------	---

<p><b>Legal implications</b></p>	<p>The existing Advice &amp; Inclusion Contract does not need to be formally terminated as it will expire on 31<sup>st</sup> March 2016. Any new contract awarded will go through a tendering process, within the timelines specified in this Report.</p> <p>The value of the contract means that the tendering process is subject to the Public Contracts Regulations 2015. However, the nature of the services places the contract within the regulations’ “light touch” regime: The council is required to advertise via an OJEU notice but has considerable leeway in the process it uses to award the contract. The council need not use one of the formal procedures described in the regulations as long as it utilises a method that conforms to the wider obligations imposed by European law to ensure fairness in procurement i.e. equality of treatment of bidders and transparency in the process.</p> <p>Statutory guidance relating to local authorities’ Best Value Duty requires the Council to undertake the consultation of “representatives of a wide range of local persons” at “all stages of the commissioning cycle, including when considering the decommissioning of services.” As the current service contract is due to expire and a new service is to be commissioned the consultation described in section 7 of this Report is a legal requirement.</p> <p>In designing and commissioning the service the Council has to pay due regard to its public sector equality duty, as contained in Section 149 of the Equality Act 2010 : i.e. “the need to:</p> <ul style="list-style-type: none"> <li>(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;</li> <li>(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;</li> <li>(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li> </ul> <p>A protected characteristic is defined by the Act as “age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation</p> <p>In effect the council should consider the relevance of the duty to the service and then retain evidence in order to show that it has done so.</p> <p><b>Contact officer: Linden Dunham, Chartered Legal Executive (Commercial)</b></p> <p><b><a href="mailto:linden.dunham@teWKesbury.gov.uk">linden.dunham@teWKesbury.gov.uk</a>, 01684 272065</b></p>
----------------------------------	---

<b>HR implications (including learning and organisational development)</b>	<p>In the event that the contract is awarded to a new provider this will qualify as a service provision change under the “Transfer of Undertakings (Protection of Employment) Regulations 2006” (as amended by the “Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014”). Accordingly the staff employed by the current provider will transfer on their terms and conditions at the date of transfer to the new provider.</p> <p><b>Contact officer: Carmel Togher, HR Business Partner West</b></p> <p><a href="mailto:Carmel.togher@cheltenham.gov.uk">Carmel.togher@cheltenham.gov.uk</a>, 01242 775215</p>
<b>Key risks</b>	<p>The risks are set out in the risk matrix, Appendix 1</p>
<b>Corporate and community plan Implications</b>	<p>This advice service will support our community outcome: People live in strong, safe and healthy communities.</p>
<b>Environmental and climate change implications</b>	<p>None as a direct result of this report.</p>
<b>Property/Asset Implications</b>	<p>None as a direct result of this report.</p> <p><b>Contact officer: David Roberts, Head of Property Services</b></p> <p><a href="mailto:david.roberts@cheltenham.gov.uk">david.roberts@cheltenham.gov.uk</a> 01242 264151</p>

## **1. Background**

- 1.1 Cheltenham Borough Council currently has an Advice and Inclusion Contract with the County Community Projects to deliver Debt and Debt Prevention advice, Benefits Advice, and Housing Rights Advice to residents within Cheltenham.
- 1.2 This contract expires on 31<sup>st</sup> March 2017, giving the Council the opportunity to consider whether to re-tender the service and to review the service specification in light of the ongoing welfare reforms, and in particular the introduction of Universal Credit. More information about the changes that have been introduced since April this year, in addition to details about the changes that are yet to come, are summarised in Appendix 2 of this report.

## **2. Reasons for the decision**

- 2.1 The introduction of Universal Credit, whilst simplifying the benefits system, will provide challenges to some residents. Benefit claimants will be expected to make their claims online, and recipients of Universal Credit will, in the main, receive all of their means-tested benefits in a single payment, which will be paid monthly.
- 2.2 From experiences found elsewhere during the piloting of Universal Credit, it is clear that more vulnerable residents have struggled to adapt to these changes, resulting in clients falling into debt – including rent arrears, leading to increased risks of homelessness.
- 2.3 The council considers that introduction of Universal Credit, in addition to the other welfare reforms, will therefore have the following potential consequences:
  - Private rented accommodation and some social housing will become less affordable for low-income households.
  - There will continue to be challenges on benefits decisions, as households are assessed and move onto benefits which are less favourable financially.
  - With the introduction of Universal Credit and the requirement for online claims to be made for this benefit, this poses risks to vulnerable residents who have poor budgeting skills and/or who are digitally excluded.
  - There may be an increase in homelessness as households fall into debt.
- 2.4 It is in having regard to these factors that the new service specification will be centred on the draft service requirements as detailed within Appendix 3 of this report.

## **3. Outcomes**

- 3.1 Key outcomes identified within the proposed Advice and Inclusion Contract are as follows:
  - To prevent homelessness
  - To reduce debt
  - To prevent future debt arising
  - To improve digital inclusion
  - To maximise incomes
  - To ensure the rights of individuals are protected; and
  - To ensure vulnerable residents are adequately assisted in securing their rights and other

outcomes

- 3.2 These outcomes are complemented by a Statement on the Council's vision, aims and priorities, which are also detailed within Appendix 3 of this report.

#### **4. Key changes to the Advice and Inclusion service**

4.1 It is proposed that the Advice and Inclusion service will remain largely the same as it is currently, in view of the fact that welfare reforms are continuing, and because the priority for the council continues to be to mitigate against any potential adverse impacts arising from these reforms. The key changes that are proposed reflect the introduction of Universal Credit, as this will present significant changes to the way those on benefits will be able to claim their benefit and manage their financial affairs.

4.2 A summary of the key changes to the draft service specification at Appendix 3 are as follows:

- Greater emphasis on digital inclusion and budgetary support
- Increased availability of computers for clients requiring help and assistance with online claims (at least 3 must be available at any one time).
- The service to be open for at least 2 hours a week during evenings or weekends.
- The opportunity for providers to offer much greater flexibility in terms of opening times (provided a minimum number of opening hours is maintained) to take better account of the needs of residents.

#### **5. Timeline**

5.1 Provided the re-tendering of this contract is approved, it is necessary to ensure that the successful Provider(s) are notified of the outcome by the end of December 2016. This will ensure that there is sufficient time for any transitional arrangements to be in place by the start of the Contract on April 1<sup>st</sup>, should there be a change in Provider.

5.2 It is proposed that the Evaluation Panel will comprise: Martin Stacy, Lead Commissioner – Housing Services; Paul Aldridge, Benefits Manager; and Matt Ward, Neighbourhood Performance Manager for Cheltenham Borough Homes.

5.3 Further details of key processes to follow, against timelines, is found in Appendix 4 of this report.

#### **6. Alternative options considered**

6.1 Not to retender this advice service. Whilst there is no statutory requirement for the council to fund this service, it will support the council's community outcome: People live in strong, safe and healthy communities. This service also supports the key outcomes and priorities identified within the council's Housing & Homelessness Strategy 2012-2017. With the ongoing implementation of the government's welfare reforms, in particular the introduction of Universal Credit, this service is considered to be essential in supporting households and families falling into debt, and needing budgeting and benefits advice and assistance, as well as supporting those who are at risk of homelessness, or who are facing eviction as a result of being unable to manage their financial affairs.

6.2 To reduce the range of advice services proposed within the contract. This was rejected on the basis that debt, financial exclusion, poor digital capability and housing can often be inextricably linked. By providing a holistic assessment of a household's overall debt, benefits and housing needs, this will ensure that risks of homelessness are minimised, as vulnerable clients in particular can often become 'lost' when being referred from one agency to another.

6.3 To provide the service in-house. This was rejected on the basis of the significant potential for

Added Value gained through contracting this service out to an external Provider.

## **7. Consultation and feedback**

- 7.1** Consultation has been undertaken with local advice providers to consider gaps and to test whether the council has got its priorities right in terms of its proposed service provision in the context of the local market. All three providers supported the draft proposals and agreed these priorities were appropriate to support local needs.
- 7.2** Consultation has also been undertaken internally with the council's Housing Benefits Service and with Cheltenham Borough Homes, both of which have helped shape the proposed draft service specification.
- 7.3** Wider consultation has also been undertaken with the council's Positive Participation Partnership, and the Housing & Support Forum. The council has received a number of responses, all of which are supportive of this proposed service contract. Suggestions were made to offer more flexible opening hours, and to monitor referrals into organisations providing support and training for those seeking work. The council has included these suggestions within the specification. A further comment was made as to whether the council had considered the availability of other advice agencies within the area, and this has been dealt with in section 6.2 above.

## **8. Performance Management – Monitoring and Review**

- 8.1** If approved, the performance of the contract will be monitored on a quarterly basis against the outcomes and outputs, as detailed within the proposed draft specification at Appendix 3 of this report.

<b>Report author</b>	<b>Contact officer: Martin Stacy,</b> <b>Martin.stacy@cheltenham.gov.uk,</b> <b>01242 775213</b>
<b>Appendices</b>	<ol style="list-style-type: none"><li>1. Risk Assessment</li><li>2. Summary of Benefit Changes</li><li>3. Service Requirements and Specification  (Appendix 3A – draft service specification; Appendix 3B – draft outcomes form; Appendix 3C – principles and standards)</li><li>4. Draft Timeline for Re-tendering the Contract</li></ol>
<b>Background information</b>	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the proposal to re-tender the Advice & Inclusion Contract, along with a new service specification, is not agreed, then this is likely to lead to more residents, particularly vulnerable households, being incapable of managing their financial affairs adequately, falling into debt and/or becoming homeless. This is also likely to put significantly increased pressures on Cheltenham Borough's Housing Options Team and other services. In particular, it is likely to lead to the increased use of inappropriate temporary accommodation, such as Bed & Breakfast, at additional cost to the council.	Martin Stacy	16.8.16	3	4	12	Reduce	Cabinet agrees to retender the Advice & Inclusion Contract.	31.3.17	Martin Stacy	
	If there is no provider willing or able to offer the service as detailed within the service specification for the estimated value of the contract, then local needs will not be supported.	Martin Stacy	30.9.16	3	1	3	Accept	Soft market testing has been undertaken with a number of local advice providers, all of whom support the proposed service specification.  The proposed service specification is not substantially different from the existing specification currently	20.12.16	Martin Stacy	



								being delivered by CCP on behalf of the council.			
--	--	--	--	--	--	--	--	---	--	--	--