

Cheltenham Borough Council
Cabinet – 18 October 2011
Advice and Inclusion Contract

Accountable member	Councillor John Webster, Cabinet Member Finance & Community Development
Accountable officer	Martin Stacy, Housing & Communities Manager
Accountable scrutiny committee	Social & Community
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>The Council's Single Advice Contract with the Citizens' Advice Bureau expires on 31st March 2012. This provides the Council with an opportunity to review the outcomes and service specification to ensure we are best able to meet the needs of Cheltenham residents most affected by the changes being brought about to the welfare benefits system.</p> <p>The proposed way forward is supported by Officers and Members of the Housing Review Group.</p>
Recommendations	To authorise the Director of Built Environment to re-tender this contract, as the 'Advice & Inclusion Contract', for a term of 3 years from April 1st 2012, plus a further 2 years, subject to satisfactory performance and available finance.

Financial implications	<p>Funding at the current level of £155,000 is built into the council's medium term financial strategy. If the new contract terms outlined in paragraph 3.1 of this report are approved, there will be an annual budget saving of £25,000, which will be built into the medium term financial strategy as part of the 2012/13 budget setting process.</p> <p>Re-tendering of the Advice & 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).</p> <p>Contact officer: Sarah Didcote, sarah.didcote @cheltenham.gov.uk, 01242 264125</p>
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Legal implications	<p>The existing Single Advice Contract does not need to be formally terminated, as it will expire on 31st March 2012. Any new contract awarded will go through the normal tendering process in accordance with the Council's contract procedure rules, within the timelines specified in this Report.</p> <p>Contact officer: Donna Ruck, Solicitor</p> <p>Donna.ruck@teWKesbury.gov.uk, 01242 272696</p>
HR implications (including learning and organisational development)	None.
Key risks	The risks are set out in the risk matrix, Appendix 1
Corporate and community plan Implications	One of our key corporate objectives is to strengthen communities. Re-tendering this contract with a new service specification will support this objective.
Environmental and climate change implications	

1. Background

- 1.1** Cheltenham Borough Council currently has a Single Advice Contract with the Citizens' Advice Bureau to deliver Debt Advice, Benefit Take-Up Advice, Housing Advice to the single homeless, along with advice and assistance to Cheltenham residents about their rights in respect of these matters.
- 1.2** The existing contract expires on 31st March 2012, giving the Council the opportunity to re-tender the service, but also to review the service specification in light of the proposed changes outlined in the Welfare Reform Bill and Local Housing Allowance Regulations. More detail about the changes is outlined in Appendix 2. In summary, they are likely to lead to:
- Private rented accommodation and some social housing becoming less affordable for low-income households;
 - More challenges on benefits decisions, as households are assessed and move onto benefits which are less favourable financially;
 - A greater reliance on individuals managing their benefits and financial affairs better themselves, through the introduction of Universal Credit. This will have a greater impact on our most vulnerable residents.
- 1.3** The impact of these changes have been considered by the Housing Review Group, with a recommendation being to ensure that any negative impacts are mitigated by the future Advice & Inclusion Contract.

2. Outcomes

2.1 Key outcomes identified within the proposed Advice and Inclusion Contract are as follows:

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

2.2 These outcomes are complemented by a Statement on the Council's vision, aims and priorities, as detailed within the Service Requirements and Specification document. Please see Appendix 3.

3. Financing the Contract and Maintaining Local Priorities

3.1 Budgetary pressures on the Council mean that any proposed contract will see a reduction of £25,000/year, reducing the value of the contract to approximately £130,000/year. The proposed contract will run for 3 years, with potential for a further 2 years, subject to satisfactory performance and available finance.

3.2 In order for the Council to retain its focus on achieving the outcomes stated in paragraph 3.1 against a reduced budget, we propose the following changes to the original Contract Specification:

- Debt advice will be restricted to those with a housing related debt issue (i.e. rent or mortgage arrears) as part of their overall debt;
- There will be a strong focus on debt prevention work (i.e. tackling financial exclusion and improving financial capability), but that this will be restricted only to those seeking advice on their existing debt and/or benefits issues;
- Any duplication in the provision of Housing Options Advice to single homeless people is removed from the contract specification. Currently, both the Council's Housing Options Service at Cheltenham First Stop and the Citizens' Advice Bureau provide this service;
- Greater emphasis will be placed on supporting the needs of vulnerable people;
- Core opening hours will be reduced from 9am-5pm to 10am-4pm, Monday – Friday.

4. Timeline

4.1 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 2011. This is to ensure that there is sufficient time for transitional arrangements to be in place by the start of the contract on April 1st, should there be a change in provider.

4.2 It is proposed that the Evaluation Panel will comprise, Cllr John Webster, Cabinet Member for Finance and Community Development; Cllr Klara Sudbury, Cabinet Member for Housing and Safety; Mike Redman, Director of Built Environment; Martin Stacy Housing & Communities Manager and Sarah Didcote, Group Accountant.

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

5. Alternative options considered

5.1 Three alternative options have been considered:

- 1. To integrate the Cheltenham Advice Contract within a County-wide Single Advice Contract. Whilst a county-wide approach to delivering advice services is still favoured in principle, the conditions for entering into such a contract at this time is not considered to be in the best interests of Cheltenham residents. A number of factors contributed to this conclusion, including the differences between the length of time the County Council were able commit to funding their Advice Contract; uncertainty over the commitment of other District Authorities at this time; uncertainty over whether a Grant or a tendered Contract would be the final way forward for the County; and a potential variance between the Council and the County over the contract/grant specification details. Given these uncertainties, it was considered necessary for Cheltenham Borough Council to set in motion the re-tendering of its own contract for Cheltenham, in view of the remaining timescales and the need to have a service in place by April 1st 2012.
- 2. To issue a grant instead of a contract. This was rejected on the basis of the need to demonstrate that value for money will be achieved in the delivery of the service specification, as well as to ensure that the successful provider(s) can ultimately be held accountable, by terminating the contract, should there be unsatisfactory performance which cannot be resolved by other means.
- 3. To provide the full specified service in-house. This was rejected on the basis of the significant potential for 'added value' which it is believed can be achieved through contracting this service out to an external provider.

6. Consultation and feedback

- 6.1 Consultation has taken place with the Citizens' Advice Bureau, County Community Projects, Cheltenham Housing Aid Centre and Shelter. All agree the proposed service specification as a reasonable way forward, in light of the welfare reform changes and potential financial cuts to the contract.
- 6.2 Wider consultation has also been carried out with the Third Sector, via GAVCA, on the proposed service requirements for the new contract. No concerns have been raised by this Sector..
- 6.3 Consultation has also been carried out with Officers and Members of the Council's Housing Review Group. This Review Group supports the proposals.

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Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Summary of Benefit Changes3. Service Requirements and Specification4. Timeline for Re-tendering the Contract

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, 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 the 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 financial cost to the Council.	MSt	14.9.11	3	4	12	Reduce	Seek to bring about a collaborative approach amongst key Providers to tacking the worst effects of the changes	April 2012	MSt	