



REPORT of DIRECTOR OF CUSTOMERS AND COMMUNITY

**to
COUNCIL (EXTRAORDINARY)
17 JULY 2018**

PROVISION OF ADVICE SERVICES FROM 2019

1. PURPOSE OF THE REPORT

- 1.1 To seek Members' approval to extend the existing Advice Services contract with Maldon Citizens Advice for a further 12 months to 31 March 2020.

2. RECOMMENDATIONS

- (i) That Members approve extension of the existing contract with Maldon Citizens Advice for the provision of an Advice Service for a further 12 months subject to the following conditions:
 - a) that the contract extension will be on the same terms as the current contract;
 - b) that any decision to fund an Advice Service, and the levels of funding will be considered by Members as part of the 2019-20 Strategic Financial Planning process;
 - c) that following the decisions at (b) above a report will be brought to a future meeting of the Community Services Committee to determine the details of a future procurement process, including the contract specification, timetable, and period of contract.
- (ii) That Members approve a procurement exemption for the value of £73,500 under Section 1 paragraph 3 of the Contracts Procedure Rules 2017.

3. SUMMARY OF KEY ISSUES

3.1 Background

- 3.1.1 On 15 July 2014 Members resolved moving to a commissioned service for the provision of an Advice Service for the residents and businesses of the District from April 2016 (Minute No. 263 refers).
- 3.1.2 Following a successful bid, Maldon Citizens Advice (MCA) was awarded a three year contract for the provision of an Advice Service from April 2016.

3.1.3 The new commissioned service was an outcome focused contract with the following key elements;

i. A new focus on key priorities below, including a stronger focus on securing external funding:

- Planning for future known changes
- Promoting, encouraging and enabling Digital Inclusion
- Encouraging Self Help
- Delivering High Quality Services that achieve the best value for money
- Maximising the opportunities for securing external funding,
- Maximising opportunities for working with partners.
- Adding value and enhancing the services delivered by the Council,
- Focused on outcomes.

ii. A greater focus on positive outcomes for customers

iii. Increased frequency of Monitoring

iv. Increased Opening Hours

v. Delivery of an Outreach Service at Burnham

vi. Provision of Accommodation for a peppercorn rent

3.2 Performance of contract

3.2.1 The three year contract awarded for 2016-2019 has been successful, and has resulted in an improved service, with extended opening hours, a higher volume of customers receiving assistance and MCA securing increased levels of external funding.

3.2.2 A separate report on the specific performance of the current contractors (Maldon Citizens Advice) will be considered by the Community Services Committee on 28 August 2018.

3.3 Procurement

3.3.1 The current contract is due to expire in March 2019 and the intention was to re-commission the service for a further 3 years. However, due to budgetary pressures and the need to carefully review all areas of expenditure on discretionary services it is considered that it would more appropriate to extend the existing contract for 12 months. During this twelve month extension officers will consider the delivery of advice services as part of the Strategic Planning process to determine the requirement for and the future funding of Advice Services in the Maldon district.

3.3.2 This approach has the advantages of:

- not committing the Council to any longer term contractual arrangements whilst our long term strategic plans for service delivery are being developed.
- retaining a high performing service with a zero year on year increase in costs.
- enabling Members to review both its decision to fund an Advice Service, and the levels of funding as part of its financial planning process alongside the emerging Maldon FM Project.
- allowing time for the details and opportunities arising from the transformation project to be identified which will allow us to better understand the Council's future requirement for funding an Advice Service in the district.
- ensuring continuity of service to some of the Council's most vulnerable customers.
- enabling further engagement with the wider market, (most likely a market derived from the third sector) about the future models of service delivery for advice services.

3.4 Risks

3.4.1 The current contract is silent as to any provision for an extension to the contractual term. By extending the contract for 12 months without a new procurement process being undertaken the Council could face legal challenge from a supplier on the basis that by so doing the Council has created a distortion of competition. This risk has been considered and on the facts below appears to be low :

- The contract value is below the Official Journal of the European Union (OJEU) limit so is unlikely to attract cross boarder interest;
- This type of social service attracts a "light touch" procurement process, rather than the full rigour of the OJEU rules;
- During the previous procurement exercise only one bidder submitted a tender;
- We are not aware of any new entrants in this market locally;
- The value and nature of the contract is only likely to be of interest to a third sector organisation with a business model predicated on a volunteer workforce;
- The value and nature of the contract would be highly unlikely to attract interest from a commercial organisation,
- The Council will be engaging with the wider market and third sector during the course of the year's extension in order to support and grow the market where possible.

3.4.2 The Director of Resources and the Legal and Democratic Services Manager support the proposals to extend the contract for 12 months, subject to a procurement exemption being agreed.

4. CONCLUSIONS

- 4.1 The current Advice Contract expires on 31 March 2019, and any procurement process would need to be concluded by 31 December 2018 to allow sufficient time for implementation of the contract should there be a change in provider.
- 4.2 The Advice Service supports more than 3,000 of our most vulnerable customers in areas such as debt advice, homelessness and benefits advice. It also offers support to customers as part of the Councils new Homelessness Prevention duties, and helps customers to reach affordable payment plans, especially for Council Tax debts, whilst providing debt advice and budgeting support.
- 4.3 The Council is facing significant financial pressures and has recently decided to proceed with a programme of transformation of the whole organisation. It would not be appropriate to enter into a longer-term contract before this transformation has been designed and implemented. A one-year extension to the existing contract will ensure that our most vulnerable customers continue to have access to independent advice and support whilst the Council considers its Medium Term Financial Strategy (MTFS) which include a review of funding of discretionary services, its longer-term requirements and funding of an Advice Service alongside the opportunities that will come from the FM project.
- 4.4 The cost and time to undertake a procurement exercise for a 12 month contract would be disproportionate to the length of the contract. A procurement exemption is therefore being requested.

5. IMPACT ON CORPORATE GOALS

- 5.1 The delivery of the Advice Service helps to support the corporate goal of strengthening communities to be safe active and healthy, in addition to delivering good quality, cost effective and valued services.

6. IMPLICATIONS

- (i) **Impact on Customers** – The provision of an effective advice service to residents, delivering a wide range of independent advice and assistance, on a broad range of issues, including benefits, debt, housing and employment is essential.
- (ii) **Impact on Equalities** – A service which is easily accessible to residents, through website , telephone, face to face, outreach and which can undertake visits for the most vulnerable residents is essential to ensure equality of access.
- (iii) **Impact on Risk** – An effective Advice Service is essential to directly support Council Services, such as Council Tax Collection, (through Debt Advice), Housing and Benefits advice. It also delivers a range of services which the Council does not have the expertise or knowledge to deliver. A lack of an effective advice service would impact adversely on the wellbeing of residents and would significantly increase the workload of the Council's own staff.

Whilst there are some risks associated with the proposals to extend the contract for 12 months (see section 3.4 above) the risks appear to be low.

- (iv) **Impact on Resources (financial)** – The proposed extension would be in line with previous budget provision, and would protect the Council from entering into a longer term financial commitment whilst it is undergoing a period of significant transformation and review of its MTFS including spending on discretionary services.
- (v) **Impact on Resources (human)** — Failure to deliver an effective Advice Service would have a significant impact upon the Council as it currently does not have the capacity or skills to deliver this service.
- (vi) **Impact on the Environment** – None identified.

Background Papers: None.

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