



**REPORT of  
DIRECTOR OF CUSTOMERS AND COMMUNITY**

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**to  
STRATEGY AND RESOURCES COMMITTEE  
5 DECEMBER 2019**

**REVIEW OF ADVICE SERVICES FUNDING 2020 / 21**

**1. PURPOSE OF THE REPORT**

- 1.1 To consider the implications of the reduction in funding for 2019 / 20, and to consider levels of funding for 2020 / 21.

**2. RECOMMENDATION**

- (i) That Members note this report;

To the Council:

- (ii) That there is no change to the current levels of funding to Maldon Citizens Advice;

OR

- (iii) That a further reduction to the current funding to Maldon Citizens Advice be considered;

OR

- (iv) That funding to the Maldon Citizens Advice is increased to the previous level of £73,500.

**3. SUMMARY OF KEY ISSUES**

**3.1 Background**

- 3.1.1 From April 2016 Maldon Citizens Advice (MCA) were successful in being awarded a three-year contract to deliver an Advice Service for the Maldon District. The Council awarded £73,500 under this contract. This contract has been extended to April 2021.
- 3.1.2 As part of the contract MCA receive served accommodation at no additional costs. The notional value of this is £34,000 and based upon the rent charged for other accommodation within the building and leased to partners.













- 3.1.3 In 2019 / 20 a 15% reduction in MCA funding to was applied to ensure consistency with the levels of staffing reduction that the Council was implementing through its Future Council transformation programme, reducing the amount that was paid to MCA to £62,475.
- 3.1.4 Members agreed that they would review this decision after nine months (November 2019).
- 3.1.5 This report is summarising:
- a. The key implications on the Advice Services being delivered as a result of the change to the levels of funding for 2019 / 20;
  - b. A summary of the MCA performance to date.
- 3.1.6 The Advice Service will be subject to a light touch Procurement during 2020, and the Service Specification will be brought to Members to approve in the Spring of 2020.

### 3.2 **Implications of changes to funding**

- 3.2.1 During 2019 / 20 MCA have responded to the funding changes by:
- reducing the number of hours that they are open to the public by 10%, and no longer offer a service on a Wednesday afternoon.
  - reducing the hours of the paid staff.
- 3.2.2 The reduction in opening hours has not significantly affected the total number of clients accessing the service, but it has reduced access to the service to some of our most vulnerable residents. There has also be some corresponding reduction in outcomes, however it is not possible to definitively link this to the reduction in opening hours, but it is likely.
- 3.2.3 The reduction in hours of the paid staff has had a short-term impact of reducing the levels of partnership working, but the biggest impact has been the capacity to apply for and secure additional funding sources. The MCA has identified a significant risk that the levels of external funding that have been achieved during the course of the current contract will not be sustained, increasing the reliance on Maldon District Council (MDC) for funding. As MDC and Essex County Council's contribution to the MCA costs has reduced significantly from **99%** in 2013 / 14, to **51%** in 2018 / 19 this presents a very real risk.

### 3.3 **Performance to date**

- 3.3.1 The MCA continues to deliver on all of the priorities that have been set out in the contract. The table overleaf compares the full year performance for 2018 / 19 against 2017 / 18, and shows the Quarter Two (Q2) performance for 2019 / 20 compared to the same period in 2018 / 19:

Activity	2018 / 19 performance compared to 2017 / 18 (Full Year)	Comments	Q2 2019/20 performance compared to 2018/19	Comments
Increased opening hours		Increased by 65% from 18 hours to 30 hours in 2016. Whilst this was sustained for 2018 / 19, this has fallen to 27 hours in 2019 / 20 as a result of funding changes.		Opening hours reduced as a result of funding reduction, from 30 hours to 27 hours per week
Extended telephone access		Increased by 65% from 18 hours to 30 hours in 2016, with access outside of these times to the national advice line of which MCA is now a member which has been sustained since start of contract. Whilst this was sustained for 2018 / 19, this has fallen to 27 hours in 2019 / 20 as a result of funding changes.		Hours available to public reduced as a result of funding reduction, from 30 hours to 27 hours per week
Clients assisted with debt issues		Up by 15% to 631 clients		Decrease to 289 clients Q2 19/20 compared to 315 Q2 18/19
Clients assisted with financial capability support		Up by 19 % to 167 clients, plus additional training to 569 young people, 24 Guides and 18 young carers.		Decrease to 69 clients Q2 19/20 compared to 73 Q2 18/19
Clients helped to overcome barriers to work		Down from 81 to 49 clients		Decrease to 19 clients Q2 19/20 compared to 26 Q2 18/19
Clients advised on fuel poverty		Up by 4% to 55 clients		Decrease to 12 clients Q2 19/20 compared to 28 Q2 18/19

Activity	2018 / 19 performance compared to 2017 / 18 (Full Year)	Comments	Q2 2019/20 performance compared to 2018/19	Comments
Clients supported to access online services		Up by 35% to 327 clients		Increase to 405 clients Q2 19/20 compared to 107 Q2 18/19. (This is likely to be in part due to Department for Work and Pensions (DWP) funded role to support Universal Credit clients.)
Clients seen with homelessness issues		Up by 2% to 174 clients		Decrease to 88 clients Q2 19/20 compared to 92 Q2 18/19.
Clients were homelessness prevented		32 clients assisted		Annual figure.
Clients assisted in making benefit claims		Up by 56 % to 182 clients		Increase to 469 clients Q2 19/20 compared to 262 Q2 18/19 (This is likely to be in part due to DWP funded role to support Universal Credit clients).
Additional benefit secured for clients		Up by 14% to £1,835,430		Decrease to £775,852 Q2 19/20 compared with £960,480 Q2 18/19.
Successful appeals for clients		Q2 same, Q4 up by 1% to 84%		Increase to 91% for Q2 19/20 compared to 81% Q2 18/91.
Value of additional grants/ income secured		£15,000 in 18 / 19 up from £14,472 in 17 / 18 (plus £7,000 secured in 17 / 18 for 18 / 19)		Decrease £7.2K secured at Q2 19/20.

- 3.4 The MCA have also made consistent year on year reductions in the percentage of MDC and Essex County Council (ECC) funding as a percentage of overall cost of service as follows:

2013 / 14	99%
2014 / 15	80%
2015 / 16	77%
2016 / 17	54%
2017 / 18	49%
<b>2018 / 19</b>	<b>51%</b>

#### **4. CONCLUSION**

- 4.1 The MCA continues to deliver a high level of service to some of our most vulnerable residents. Since the start of the contract in 2016 we have seen an enhanced Advice Service being delivered, with more residents being supported, and consistently better outcomes for residents being delivered. This extended and enhanced service has been delivered at no additional cost to either the District Council, or ECC, at a time when residents have been facing a number of challenges, including significant welfare reform changes, and increasing levels of personal debt.
- 4.2 The MCA has continued to deliver a high quality service, with recognition through its annual external audit of the high levels of service and quality of advice.
- 4.3 The co-location of the MCA in the Council Offices continues to be extremely successful, offering both MCA staff, and residents a significantly enhanced environment to deliver what is a vital service to some of our most vulnerable residents. It has also led to greater partnership, both working with clients, and on events and activities.
- 4.4 MCA has been able to sustain this enhanced service through the initial three years of the contract, however a reduction of 10% of the opening time to the public (following the reduction in funding for 2019 / 20) has started to see an impact upon performance as can be seen in the table above.
- 4.5 MCA has also highlighted that a reduction in the paid staff time is having an impact upon the resources available to seek and secure external funding.
- 4.6 Members undertook to undertake a review of the decision to reduce funding to MCA for 2018 / 19 after nine months of their original decision in February 2019 (Minute No. 865 refers).
- 4.7 Whilst the service has continued to operate successfully during 2019 / 20 with reduced funding levels there has been some reduction in the levels of performance, and the outcomes for clients, and the MCA has raised concerns about its capacity to apply for and secure external funding in the future.
- 4.8 A further reduction in funding is likely to increase the risks and the impact of the decrease in MCA funding for 2019 / 20, in particular the risk of an increased reliance on MDC for core funding as a result of having reduced capacity to seek and secure external funding.

- 4.9 This report deals only with funding for 2020 / 21 as the future commissioning of the Advice Services Contract from 2021 will be subject to a separate report to Members in the spring 2020.

## 5. IMPACT ON STRATEGIC THEMES

- 5.1 The provision of an Advice Service supports the Councils Corporate Priorities of **Excellent services and value for money** through the award of the contract to the MCA who use a volunteering model to deliver services, and the clear prioritisation and measurement of outcomes through the management of the contract. It also supports the priority of **Healthy, safe and vibrant communities**, through the contract targeting key outcomes such as support to manage debts and increase financial capability, increase digital inclusion and helping to reduce homelessness.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – The effective delivery of an Advice Service reflects the corporate plan priorities of delivering excellent services and value for money, and supporting Healthy Safe and Vibrant communities, particularly through the use of a significant level of volunteering within the community.
- (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 deliver a range of services which are not delivered by the Council. 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. Given the wide range of advice that the MCA offer it would not be possible to deliver this service in-house at the current cost. The absence of an Advice Service would impact upon our current resources as the MCA deliver services and advice which support services that we are responsible for such as housing and Council Tax collection.

MCA has indicated that a reduction in paid staff has reduced its capacity to secure external funding. This increases the risk that MCA may become increasingly reliant on MDC for future funding, reversing the trend on decreasing its reliance, or it may face a more significant reduction to its service if further funding was not secured.

- (iv) **Impact on Resources (financial)** – There is currently provision in the budget for £62,475 for 2019 / 20. In addition MDC provides free fully serviced accommodation to MDCA which has a value of £34,500.
- (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.

- (vii) **Impact on Strengthening Communities** – The MCA actively supports volunteering in the District through its use of a high number of volunteers to deliver its services (52 in 2018 / 19).

Background Papers: None.

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