

Proposal for a Renewed Contract for the Provision of Advice Services to Maldon District Council (MDC) by Maldon Citizens Advice (MCA)

Background

MDC in its Corporate Plan commits to delivering “healthy, safe and vibrant communities” and so procures Advice Services from MCA under a contract expiring on 31st March 2021 to support residents seeking independent advice on the problems they face. MDC have indicated that this service is required beyond the expiry date.

Executive Summary of MCA’s Proposal

- Service levels remain strong and resilient having adapted to a largely work from home basis.
- Demand for employment, redundancy, debt and homelessness advice services is expected to increase significantly as a result of the pandemic and to remain high for several years.
- **We propose a new three year term from April 2021 to enable:**
 - the **renewal of major specialist service contracts** and increased likelihood of winning other contracts that will bring additional services to the District; **a longer MDC commitment for core services is particularly important for the 2021 Lottery renewal** dealing with homelessness prevention,
 - **long term service planning** including staff retention and recruitment.
- A stepped increase in funding: **Year 1: £75,000. Year 2: £77,500, Year 3: £80,000 representing an inflation related increase.** Because of our highly efficient, volunteer based service MCA expects to be able to deal with an increase in demand with limited additional costs.

We set out below a more detailed assessment of our

- Current Service Level
- Current Operational Considerations
- Service Planning for 2021 and beyond

Current Service Level

- **Last Year MCA re-instated funding to the previous year's level of £73,500 which enabled**
 - Maldon office now open five days per week; the previously closed afternoon re-instated
 - Enhanced participation in partnership working enabling more specialist fundraising to be undertaken and secured (Warm Homes (£17,644pa), Energy Redress (£4,122pa), Help to Claim contract extended (£33,907 pa).
 - Manager hours re-instated enabling more funding activity plus a comprehensive coronavirus response including full engagement with Maldon District Coronavirus Response.
- **Service Level Summary**
 - Coronavirus caused the closure of the MCA office on 20/3/2020 and an immediate transition to a work from home service offer.

Service levels were maintained as follows:

	March- August 2019	March- August 2020
Clients assisted	1577	1574
Face to Face	1942	12
Phone Calls	1368	2408
Emails	356	1018
Visits to CA website from Maldon	1,570pm	2,700pm
Client age profile	Over 50	Under 50

- 98% client satisfaction recorded but concerns regarding suppressed demand for:
 - face to face meetings particularly from those less technically able,
 - debt and housing advice when the Government support scheme ends.
- Our management team achieved an exceptional 98% in our latest national Citizens Advice Leadership audit.
- Close co-operation with MDC to maintain joint service levels, e.g., in Housing, as MDC went through a period of restructuring and further adapted in relation to coronavirus changes. (For contracted service levels see Appendix One).
- Close co-operation with National Citizens Advice to make full use of national services including Advice line, coronavirus policy guidance, best practice and funding.

Current Operational Considerations

- MCA financing remains stable but reserve ratio to turnover continues to drop and is now at a minimum taking a prudent view towards our obligations.
- Upskilling of the MCA team with new IT and training to meet increased online demand including of volunteers to specialist levels. National CA provided funding for IT.

- Pursuit of efficiency gains continues including increased use of technology facilitating homeworking, continuity of recruitment and training together ensuring the same number of clients have been seen with a slimmer resource base.
- Business Continuity Plan tested by coronavirus and found to be effective demonstrating resilience.

Service Planning for 2021 and beyond

- **The economic and social backdrop is acute**

- The Bank of England expects unemployment to rise from 3.9% to 7.5% by year end, which means about 2.5 million unemployed.
- 19% of 18-24 year olds furloughed during lockdown were unemployed in September. Only 43% of those who had lost their jobs since March had found new work by September.
- Citizens Advice estimates that 6 million people have fallen behind on a household bill during the pandemic, including 2.8 million on council tax and 1.2 million on rent.
- Maldon has the second highest furlough rate in Essex; 9,500 people comprising 34% of those eligible for furlough.
- Universal Credit claimants in Maldon increased threefold to 1,980 between March and August.
- The Money and Pension Service expects an increase in demand for debt advice of 60% over pre-coronavirus levels.

- **Over the next three years in Maldon we therefore expect that:**

- The ending of the furlough scheme will translate directly into higher levels of longer term unemployment in the District.
- The ending of controls on debt recovery and homelessness will result in more people living in or on the brink of poverty.
- The rise in unemployment and debt will cause an increase in mental health and domestic issues requiring advice from MCA.

These issues are of course interrelated.

- **And in consequence a significant increase in demand for MCA's services including:**

- employment and redundancy advice,
- benefits enquiries from people who are unused to making a claim,
- debt and homelessness prevention advice including partnership working with MDC's housing team,
- vulnerable groups, such as the elderly, who are excluded from an increasing number of services which require understanding of and access to information technology.

- **Whilst operationally we will also deal with:**

- cost inflation; staff , office costs, volunteer travel costs, work from home costs,
- work to retain and secure funding from non-MCA sources to provide long term benefits to the District. In particular, the significant National Lottery funding for specialist debt, homelessness prevention and welfare benefits which ends in 2021,
- participation in Essex and National Citizens Advice projects providing significant funding for specialist services,
- continued partnership working with MDC to maintain service levels, e.g., in housing,

- service initiatives under consideration include GP surgery support and a new outreach centre in the north of the District.

Our Proposal

The current economic conditions and associated increased levels of demand are expected to persist for at least the next three years. A new three year term would enable MCA to:

- **plan and manage our resources in a more strategic fashion** to enable an efficient and resilient service to be delivered across the District over a period of particular need,
- meet the expected **pre-condition of secure core service funding** for contract renewal negotiations with the National Lottery.

We would therefore propose:

- a new **three year contract** from April 2021,
- a stepped increase in funding: **Year 1: £75,000. Year 2: £77,500, Year 3: £80,000 representing an inflation related increase.** Because of our highly efficient, volunteer based service MCA expects to be able to deal with an increase in demand with limited additional costs.

Appendix One

Performance in Delivering Key Contractual Priorities

Key Priority	Results
Planning for future known changes	<ul style="list-style-type: none"> Adjusting our business model to reflect the conditions imposed by the coronavirus Universal Credit support extended through “Help to Claim” renewal Planning for post-Brexit contingencies continues
Promoting, encouraging and enabling Digital Inclusion	<ul style="list-style-type: none"> Help set up and understand how to use email address Show, encourage and support how to access UC journal Supporting Blue badge applications
Encouraging Self Help	<ul style="list-style-type: none"> Over 32,000pa visits by Maldon District residents to Citizens Advice website for detailed information Empowering clients to resolve their own issues by providing high quality information and advice Preventing future indebtedness through budgeting advice Capability in providing advice by telephone and webchat rapidly expanded; a vital service given limits on face to face meetings
Delivering High Quality Services that achieve the best value for money	<ul style="list-style-type: none"> Every £1 in MDC funding is matched by £2.30 in volunteer time 98% of clients are positive about MCA’s work MCA achieved 98% in the national performance and quality audit In response to coronavirus MCA demonstrated the resilience of its Business Continuity Plan and ability to flex and execute change whilst maintaining service levels
Maximising the opportunities for securing external funding	<ul style="list-style-type: none"> MDC funding now represents 31.7% of all income; down from 80% at the commencement of the contract Warm Homes successfully commenced: £17,644 Energy Redress about to start: £4,122
Maximising opportunities for working with partners	<ul style="list-style-type: none"> Working with Peabody support, providing debt advice Working with Home Start families Delivering workshops with Essex Child and Family Wellbeing Service Working with MDC/ CVS to deliver Maldon Coronavirus Response
Adding value and enhancing the services delivered by the Council	<ul style="list-style-type: none"> MCA serves over 3,000 people pa supporting MDC’s Corporate Plan commitments to healthy, safe and vibrant communities MCA provides 11,440 hours of trained volunteer time each year via 47 volunteers and 5.94 FTE paid staff. This value combination could not be delivered directly by MDC Homelessness prevented for c30 families per annum supporting MDC in delivering its statutory obligations
Focused on outcomes	<ul style="list-style-type: none"> MCA Report against the Required Outcomes set out in the Contract at stipulated intervals Required Outcomes have been met throughout the contract