



Leicester  
City Council

**WARDS AFFECTED**  
All Wards

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**  
**OSMB**  
**Cabinet**

**18<sup>th</sup> November 2010**  
**22<sup>nd</sup> November 2010**

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**Community Legal Advice Centre (CLAC) service and future commissioning of advice services in Leicester City**

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**Report of the Divisional Director – Adults and Communities**

**1. Purpose of Report**

- 1.1 The purpose of this report is to seek approval from Cabinet for extending the current CLAC contract by 12 months from 1<sup>st</sup> April 2011 until 31st March 2012 and support a strategic review of advice services in Leicester City.
- 1.2 A cabinet decision in March 2010 gave approval for a full tendering of this contract to take place in 2011 for a new three year contract, however this can not be progressed as the joint funder of the contract, the Legal Services Commission (LSC) have formally advised the council that they are not in a current position to commit to a new three year contract.

**2. Recommendations**

Cabinet is recommended to:

- 2.1 Approve the extension of the current CLAC contract by 12 months from the 1<sup>st</sup> April 2011 until 1<sup>st</sup> April 2012.
- 2.2 Note and support the undertaking of a strategic review of advice services commissioned and/or provided by the council for advice services to adult sin the areas of: housing, financial employment, immigration nationality and asylum and health and community care. This will enable the development of a commissioning model and specification that provides high quality, accessible and cost effective advice services at neighborhood and a city level that is responsive to the changing economic conditions.

**3. Background**

- 3.1. On the 29<sup>th</sup> March 2010 Cabinet approved a specification and tendering process for a new three year contract for the Leicester CLAC with the new provider in place from 1<sup>st</sup> April 2011. Due to the value of the contract the tendering process needed to comply with the European Procurement Directives which include a timetable commencing in July 2010. The Cabinet also approved a specification which set out the elements of advice to

be provided as part of the new contract and reflected an increased focus on immigration work and a greater number of out reach sessions to take place in specified locations.

- 3.2 The LSC have now formally advised the council that they are not able at present to continue with their commitment to the tendering process due to a budget review which is part of the wider public sector budget review process. They are not able to confirm when they will be able to confirm their future position.
- 3.3 The council would not be able to continue with the tendering process as a single entity with a new provider in place by the 1st April 2011 and comply with the timescales and processes set out in the European Procurement Directives.

#### **4. Report**

- 4.1. The council needs to offer a co-ordinated approach to social welfare law services to tackle the common causes of legal problems with a focus on those in the greatest need, those who are vulnerable, living in deprived areas and most excluded. The provision of high quality advice is a key element of prevention and early intervention strategies for families and individuals, tackling inequalities and contributes to wider economic sustainability in the city. To be effective advice services should provide a seamless transition between universal and targeted services so that customers are able to get the right advice at the right time.
- 4.2. Advice services contribute to the delivery of the One Leicester vision, directly impacting on the achievement of the priorities relating to Thriving and Safe Communities and to the wider theme of prosperity. Advice services in the current financial climate will have an even greater role in supporting the residents of Leicester and reducing inequality.
- 4.3. In developing the recommendations for cabinet, consideration was given to tendering the council funded elements of the CLAC only. This option was discounted due the inability to comply with the timescales that would need to be adhered to and also the lack of analysis and mapping on wider council commissioned and provided advice services to inform a revised specification that could respond to the changing economic conditions.
- 4.4. The recent data loss incident reported by the current provider A4e was also considered in developing the recommendation to extend the contract to ensure that sufficient assurance exists in relation to this provider. The subsequent investigation has identified that as commissioners the LSC and the council are satisfied that the appropriate level of response to the incident was provided and that the clear quality assurance mechanisms are in place to manage the contract effectively.
- 4.5. Supporting an extension to the existing contract until 1<sup>st</sup> April 2012 allows the council to maintain the current advantages of having the CLAC and the funding to support this particularly the added value provided by the level of transition from universal to targeted advice that is in place. Though this could be improved both in the short and longer term within the existing contract the CLAC does provide a bridge at the present time for these different elements.
- 4.6. The risk with this option is that no guarantee can be given that the LSC will be able to sustain its present level of funding so the council may be in a position in 2011 having to proceed on a tendering process for the council funded elements. Over the next 12

months it is anticipated this funding will also be subject to review as part of the overall council budget review. However the extension of the contract would allow the council to undertake a more strategic review of advice services commissioned and/or provided across the council and develop a more responsive, effective and financially sustainable commissioning model for the future that would also respond to specific city challenges and the neighbourhood agenda.

- 4.7. The strategic review of advice service will have the following scope for tier 1(initial; enquiries and sign posting) and tier 2 (specialist) services delivered to adults:
- Housing
  - Financial
  - Employment
  - Immigration, nationality and asylum
  - Health and community care
- 4.8 It is anticipated the review of advice services will be concluded by the end of March 2011 in time for the tendering of any new services during 2011. Activities to be undertaken during the review will include
- National and local best practice reviews
  - Current provider profile mapping and utilisation: desk top analysis to map all current internal and external funded advice services and their utilisation, client demographic, revenue costs, service performance and outcomes, to include a mystery shop exercise to examine current pathways of advice.
  - Commissioner needs identified and assessed using survey assessments and specific engagement events
  - Wider stakeholder needs identified and assessed using survey assessments and specific engagement events
  - Customer and service user needs identified and assessed using small focus groups, wider customer and service user engagement events, mystery shopping of current providers and pathways of advice modelling with customers and service users.
  - Market assessment and development work with current and future providers including assessment of needs and actions for developing thriving third sector.
  - Equality impact assessment
  - Development with partner's stakeholder and customers of affordable, preferred local delivery models that meets the move towards prevention and early intervention, neighbourhood need and dovetails into changes in specialist functions such as adult social care and the personalisation agenda.
- 4.9 The approval for the original tender process included a revised specification that took into account the concerns of the voluntary sector and other organisations about the lack of immigration and asylum work in the city. In addition members wished to see a greater focus on out reach work. In extending the current contract it is suggested that the council will seek to negotiate with the existing provider on adjustments to the current contract

and explore further opportunities for housing possessions and increased welfare rights advice. However as this is an extension of an existing contract achievement of any adjustments is not guaranteed.

## **5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

### **5.1. Financial Implications – Rod Pearson**

The current (2010/11) Leicester City Council funding for the Leicester CLAC is circa £380k. Funding from the LSC is for 2010/11 is circa £500k. The LSC has confirmed in writing that it is able to support this level of funding for the period covered by the extension.

The report recommends the extension of the current CLAC contract by a year from 1.04.2011 to 31.03.2012 partly due to uncertainty around the LSC's ability to continue its funding contribution. Their contribution for the one year extension has been confirmed in writing by the LSC.

## **6. Legal Implications – Gregory Surtees, Senior Solicitor, Resources**

6.1 This Advice Report has been discussed with the author. Employee liabilities would only be acquired by the Council if an undertaking providing the legal advice in question transferred from the present provider company into the Council. This is not the intention of the Council and (provided that the undertaking either (1) continues, (2) reduces, (3) ceases or (4) transfers directly to another contractor) the Council will not acquire such employee liabilities. The author has also confirmed that the existing contract includes provision for a one-year extension. Therefore, the procurement of that further year's service provision has already been procured and, to that limited extent, there is no need to consider further EU or UK procurement law, or the Council's Contract Procedure Rules. However, all these provisions will need to be followed, when a new contract is procured.

## **7. Other Implications**

7.1 See report

<b>OTHER IMPLICATIONS</b>	<b>YES/ NO</b>	<b>Paragraph/References Within Supporting information</b>
Equal Opportunities	Yes	Through Report
Policy	Yes	Whole report
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	Through Report
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

**Background Papers - See report -**

**8. Consultations**

8.1 See report

**9. Report Authors**

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