

Neighbourhood Services and Community Involvement Scrutiny Commission

Social Welfare Advice Procurement Options Paper 2017/22

Lead director: Alison Greenhill

Date: 24th August 2016

Useful information

- Ward(s) affected: All
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- Report version number: 2

1. Summary

- 1.1 A number of social welfare advice contracts are due for re-procurement in March 2017, providing a timely opportunity to review and rationalise the Council's approach to procuring advice services.
- 1.2 In principle, there are a number of options for re-procurement:-
- Option 1 – Procure a mixed model of social welfare advice services, to streamline services and remove duplication
 - Option 2 – Procure social welfare advice using a consortium model of delivery or similar contractual arrangements with multiple providers working together
 - Option 3 – Procure a reduced level of advice services but above statutory minimum requirements
 - Option 4 – Maintain statutory advice provision and do not procure non-statutory advice services
- 1.3 The Council also needs to save money, to meet the anticipated budget gap of £55m in 2017/18 and advice services is part of the Council's spending review programme.
- 1.4 It is proposed to look at what the Council wants from advice services and made a recommendation to the Executive in October 2016

2. Recommendations

Scrutiny Commission Members are asked to:-

- 2.1 Note the report and consider how they would wish to be engaged in the procurement review.

3. Background information

- 3.1 The most recent review of some of the social welfare advice provision in the city was conducted by Adult Social Care in 2011/12. It found that whilst the Council had a long record of supporting welfare advice services, it did not have a strategic vision for the sector nor a means of bringing together all the partners involved to support and develop a future vision. It also found there was a lack of coordination across

providers, with a confusing pathway for clients.¹

3.2 Since then, significant funding challenges and demands on the advice sector have emerged, resulting from the government's programme of welfare reform. As several existing advice contracts are due to end in March / April 2017, this provides a timely opportunity to review and rationalise the Council's approach to procuring advice services.

3.3 An in-depth analysis of existing provision is being undertaken, the findings so far show that information for sign-posting, advice and guidance relating to social welfare advice is fragmented, with duplicate service provision and scope for improvement in the referral pathway between contracted organisations.

3.4 There are differences in the costs of service provision and monitoring, and the way services are evaluated.

3.5 As contracts are managed by different departments, there is no single Council wide model.

3.6 There is differing understanding of the agreed tiers of advice. These are explained in Appendix 1.

- Tier 1 - Information and signposting to enable clients to self-help
- Tier 2 - General advice and general help with casework
- Tier 3 - Specialist advice and tribunal representation

3.7 Performance monitoring is inconsistent and there is a lack of Key Performance Indicators embedded in some contracts. A standardised model of targets, tiers of support and delivery has not been adopted and contracts do not guarantee appropriately qualified staff.

3.8 Assisted signposting and information (Tier 1) is currently provided face to face however benchmarking with other authorities suggests that Tier 1 information / signposting is more usually provided on-line, supported by an element of face to face support for those who are most vulnerable.

3.9 Many of the existing contract specifications have not been revisited and have been renewed year on year, potentially resulting in "traditional" contracts and not reflective of the current climate.

4. Social welfare advice overview

4.1 There are various definitions of what social welfare law and advice is and also what constitutes advice and at what level. However, following the Social Welfare Advice Review 2011/12, the Council adopted the definitions set out in the New Quality Mark (NQM) for Legal Advice 2010. In 2012/13, Advice Services Alliance took over ownership of the Standard, known as the current Advice Quality Standard (AQS).

¹Leicester City Council Welfare Law Advice Review 2011/12

- 4.2 The AQS demonstrates that an agency has a well-managed service, ensures staff have relevant and up to date knowledge and the quality of advice given remains high. In 2014, the Money Advice Service (MAS) received full accreditation against quality framework.
- 4.3 Social welfare law generally refers to those categories of law which govern entitlement to state benefits and public housing; the management of personal and business debt; an employee's rights at work and access to redress unfair treatment. Additionally, access to appropriate care and support for people with particular health problems.
- 4.4 Within the advice sector, the advice generally given is in relation to welfare benefits, debt, housing, employment and community care.
- 4.5 Some advice services also give advice on issues such as education, family, consumer and general contract law. Immigration and asylum law may also be considered as social welfare law, but the Office of the Immigration Services Commissioner (OISC) separately regulates the provision of advice in this category and so is not covered by the AQS.
- 4.6 Advisers, both paid and voluntary, often (legitimately) give advice on matters of social welfare law, even though they may not be legally qualified or trained in social welfare law or case law. However, any advice, which involves interpreting how the law applies to a client's particular problem or set of circumstances, is defined as legal advice. Legal advice may include:
- Advising someone on whether or not his circumstances satisfy the criteria for the award of a particular social security benefit
 - Advising an employee of her right to make a claim against her employer for unfair dismissal
 - Advising a homeless person on his rights to re-housing
- 4.7 The Council only has a statutory duty to provide advice in line with the following legislation.
- Children (Leaving Care) Act 2000 – duty to provide advice to care leavers, which includes include benefits advice. This is currently provided by the Children, Young People and Schools Service.
 - Care Act 2014 – duty to provide Information, Advice and Guidance (IAG) to residents relating to care and support for adults and their carers.
 - Homelessness Act 2002 – duty to provide preventative advice. This is currently provided by the Housing Service.
 - Fairer Charging Guidance - provide benefits advice to all users of non-residential social services and carers' services, at the time of a charge assessment. This is currently provided by the Adult Social Care Service.

5. National and regional context

- 5.1 In 2014, the Law Commission² highlighted that maintaining the status quo in relation to advice provision was not a viable strategy in the current financial climate. The Commission advised that advice organisations should be constantly reviewing ways of developing their services, or increasing efficiency and sustainability, which may involve partnering or merging with other organisations³.
- 5.2 Nationally, many local authorities are changing the way that Information, Advice and Guidance (IAG) services are funded, with many either vastly reducing funding and provision levels or reconfiguring the way advice services are procured and delivered.

6. Current advice provision in Leicester

- 6.1 There are a number of agencies, both contracted and voluntary, across the city, providing advice on a range of issues including community care, consumer problems, debt and finance management, employment, family, housing and homelessness, welfare benefits and immigration.
- 6.2 The Council funds advice contracts for dedicated Information, Advice and Guidance to a total of £0.6m per annum.
- 6.3 Leicestershire Citizens' Advice was awarded the main contract for Social Welfare Advice in May 2013 with a target of 30,000 clients per year. The contract was varied in 2015/16 to include the provision of Personal Budgeting Support, in relation to Universal Credit, for 55 clients from January 2016 to March 2017.
- 6.4 Advice services are provided using a 3 tier model. Leicestershire Citizens' Advice delivers the service using a gateway assessment but it is unclear how all contract providers undertake this process.

Tier 1 - Assisted information and signposting

Tier 2 - General advice and general advice with casework

Tier 3 - Specialist advice and tribunal representation

- 6.5 These tables show the advice services available in Leicester, as detailed in Social Welfare Advice Partnership Guide to Services. Advice provided includes community care, employment, immigration, consumer problems, family, welfare benefits, debt and finance management and housing and homelessness.

²Tackling the Advice Deficit: A Strategy for Access to Advice and Legal Support on Social Welfare Law in England and Wales - 2014

³ <http://www.lowcommission.org.uk/dyn/1389221772932/Low-Commission-Report-FINAL-VERSION.pdf>

7. Procurement proposals (2016)

7.1 Rationale

7.1.1 Although the Council does not have a duty to ensure advice provision is available, beyond statutory services such as homelessness and community care, the city faces a range of demographic challenges including ranking as the 21st most deprived local authority area (out of 326), falling within the 10% most deprived local authority districts (LADs) in England. Leicester also ranks within the 10% most deprived LADs in relation to income, education, skills and training and crime. 24.5% of Lower Super Output Areas (LSOAs) in Leicester are within the 10% most deprived in England.

7.1.2 The Council needs to make further budget reductions of £55m by 2019-20, in addition to around £100m savings already made, however we recognise the need to respond to the various challenges our most vulnerable residents face including; the impact of welfare reform, the roll out of Universal Credit, the introduction of personalised budgets and the genuine prospects of work requirements. Also, there is a changing landscape of work patterns and debt and for the first time we are seeing working families being impacted and in need of support. In Leicester, there are further challenges for the sector with the national closure programme of the face to face Money Advice Service (MAS), which includes 2 day sessions per week, on both a drop-in and appointment basis, located in the Customer Services Centre. Take up is high and its removal is a significant loss to the City. The Moneywise project is also scaling down with a planned closure in December, dependent on the outcome of their bid to the EIF Fund for Financial and Digital Inclusion.

7.1.3 Demand for advice services is increasing and it is expected to further increase with the continued roll out of Universal Credit and it is vital that those most in need are able to receive appropriate advice, when they need it. This means co-ordinating advice services to ensure they are delivering the best service possible. Current provision and delivery of services appears fragmented with multiple access points and limited guidance available on which service is best placed to meet an individual's needs. There is a high risk that residents will go to the closest or easiest service, rather than the most appropriate one.

7.1.4 The 2011/12 review of advice services identified a number of issues which are still relevant at this time.

- There is increasing demand for advice services which we are investigating
- Signposting and promotion of advice services could be improved
- Advice services are not fully joined up
- There is a lack of strategic planning and co-ordination of advice services which could be improved by the Council
- There is a lack of access, use and promotion of self-help channels such as web-based information⁴

7.1.5 Building on the original findings of the review in 2011/12, and ongoing internal organisational reviews of service areas in the Housing (STAR) and Welfare Rights

⁴ Leicester City Council Welfare Law Advice Review 2011/12

Services, it is proposed that we revisit Council contracted social welfare advice services, prior to procurement in 2017.

7.1.6 It is envisaged that synergies can be realised, particularly through the elimination of duplication, without the loss of provision or accessibility. This could potentially result in cost reductions which would contribute to the indicative savings guideline of £0.5m p.a. for the Advice Services (follow up) spending review announced in June 2016.

7.2 Scope of this procurement

7.2.1 Six contracts have been identified for potential inclusion in the proposed scope, with an annual value of £601,345. These are:

Organisation	Contract (£000)
Age UK	£34
Citizens Advice	£371
Mosaic	£61
SSAFA	£21
Somali Development Service	£32
Race Equality Centre	£82
TOTAL	£601

7.3 Post procurement vision

7.3.1 The aim is to develop a co-ordinated, good quality and accessible model of advice provision which meets the needs of the city and providers are able to demonstrate the impact of their service. A Statement of Aims supports this and is detailed at Appendix 2. This will include a tiered model of advice provision based on the AQS standard as detailed in section four of this report.

7.3.2 Clients will benefit from the synergies achieved with an improved pathway to both access and navigate advice services. Streamlining processes will:

- Remove duplication through the development of a quality advice model, with clearly defined access and referral processes, giving clients appropriate choice
- Provide consistency in advice provision across the city
- Widen the opportunity for channel shift to on-line, 24/7 access to advice
- Improve co-ordination of services
- Provide clients with a quality service
- Deliver efficiency savings to the Council
- Improve reporting and monitoring of client journeys, with a defined set of Key Performance Indicators
- Ensure services use accredited and qualified advisors
- Predict future demand and accustom service provision to any changes.
- Reduce contract management administration

7.3.3 The proposal is to procure good quality general and specialist advice, with some outreach provision, with the aim of removing contract specification duplication which would deliver efficiency savings to the Council. The advice contract would include welfare benefits, community care, debt, personal budgeting support, housing and employment. Advice for protected groups would include disability, age (pensioners), new and emerging communities, including low level immigration advice, and armed forces personnel. Language skills will be a contract requirement, also the provision of an Online Advice Directory. (Tier 1)

7.3.4. Contract specifications would include a Tier 1- 3 model of provision. We are currently talking to providers about advice tiers.

7.3.5. A list of key milestones and dates is detailed in the table below.

Timetable for procurement.	
NSCI Scrutiny Commission	24/8/16
Evaluation of engagement event	02/08/16 - 25/09/16
Engagement event results published	30/09/16
Report to Executive	06/10/16
Publication of Decision (subject to call-in)	TBC
Potential call-in meeting (Oct/Nov)	TBC
Writing of specification for EU Procurement/Comms plan preparation	01/11/2016 to 01/02/2017
ITT Published. All interested parties notified	15/02/17
Bidder event	w/c 20/02/2017
Deadline for supplier clarification questions	07/03/17
ITT closes	15/03/17
3 months' notice given to all current suppliers	31/03/17
Evaluation of Tenders	16/03/2017 to 16/04/2017
Supplier(s) chosen	17/04/17
DPC signed off	18/04/2017 to 19/04/2017
Award decision communicated to suppliers/Comms plan enacted	20/04/17
Stand still period	21/04/2017 to 05/05/2017
End of Standstill Period and final award decision confirmed to suppliers	08/05/17
Contract Signature/Pre-Contract meetings begin/Mobilisation Begins	08/05/2017 to 31/07/2017
Service commencement	01/08/17

7.3.6. We will engage with the advice market to verify and check the validity of this approach which will identify and propose changes as a result. Our proposal is to fund the following areas of advice.

Advice type	Area	Standard required	Tier	Additional Notes
General	Welfare benefits	AQS	1,2,3	Welfare Rights Service would deliver Tier 3
	Community care	AQS	1,2	Continue to be provided by ASC
	Debt	AQS / FCA	1,2,3	Includes general budgeting advice
	Housing	AQS	1,2,3	Housing to provide statutory advice
	Employment	AQS	1,2,3	
	Personal budgeting support	FCA	1,2	Universal Credit clients only

Advice type	Area	Standard required	Tier	Additional Notes
Specialist advice for protected groups	Disability	AQS	1,2,3	
	Age (Pensioners)	AQS	1,2,3	
	New and emerging communities Immigration advice	AQS OSIC	1,2 1,2	Signposting and form filling as per OSIC Level 1
	Armed forces personnel	AQS	1,2	

8. Stakeholder engagement

8.1 A stakeholder engagement event took place on 1st August 2016 which was open to all organisations providing information, advice and guidance services, regardless of whether they are funded by the Council, also other interested key stakeholders.

8.2 The aim of the event was to identify the key challenges the city faces in relation to advice provision and to develop a model of what 'good' advice provision looks like, with a clear referral pathway which delivers improved outcomes for clients. The event was facilitated by Voluntary Action LeicesterShire who provided independent facilitation and identification of the key messages made throughout the event.

8.3 The key messages from the event included:-

- Quality advice provision
- Affordable and accredited
- Holistic service to meet client needs
- Outreach services where they are most needed
- Joined up referral system and client journey
- Commitment to partnership and collaborative working

9. Next steps

10.1 A report to the Executive will be presented in October 2016 with detailed analysis of demand mapping, an equality impact analysis of demand, the results from the stakeholder engagement exercise and a detailed appraisal of the options. A follow up report will also be submitted to Scrutiny.

11. Financial, legal and other implications

11.1 Financial implications

As reported to OSC on 22 June 2016, the Advice Services (follow up) spending review has an indicative savings guideline of £0.5m p.a., on annual budgets totalling £2.8m. This is to be achieved by a review of internal and external advice services provided by internal Welfare Rights Service, the STAR service and external organisations and by eliminating duplicate provision.

This report covers constituent budgets totalling £0.6m p.a. The future procurement options present an opportunity to make efficiency savings to contribute towards the £0.5m guideline.

Colin Sharpe, Head of Finance, Ext 37 4081.

11.2 Legal implications

The Council intends to re-procure Social Welfare Advisory Services by setting up a Framework Agreement with multiple providers or single agreement with a Managed Service Provider who may in turn sub-contract some of the services. This is procurement under the light touch regime of the Public Contracts Regulations 2015.

, It should be noted that a change in service provision will trigger a Best Value Duty to Consult and the Council will need to consult service users, local voluntary and community organisations and people that have evinced interest in the services within the area. (Best Value Statutory Guidance 2011). The client department will need to consult the public before a decision is made to make significant changes to services

Padma Srinivasan, Solicitor (Contracts, Property and Planning) 37 1442

11.3 Climate Change and Carbon Reduction implications

There are no climate change implications arising from this report.

Louise Buckley, Senior Environmental Consultant, 37 2293

11.4 Equalities Implications

Any information, advice or specialist advice provision set out in the procurement vision in section 7.3, should be accessible and understandable to the individual regardless of their protected characteristic. Commissioners and providers must be aware of the different access needs arising for users based on their protected characteristics, and how to effectively address them so that there are no barriers to accessing needed social welfare advice. This is reflected in the statement of aims for the advice procurement. The other important dimension to consider is the outcomes to be achieved as a result of people using the service and the extent to which they meet the second general aim of our Public Sector Equality Duty – that of promoting equality of opportunity. Ideally outcomes are about reducing inequality. The proposed service should be able to articulate how it aims to achieve that longer term goal.

Irene Kszyk, Corporate Equalities Lead, 374147

11.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

13. Background information and other papers

None

14. Summary of appendices:

Appendix 1 – Explanation of tiers of advice

Appendix 2 – Statement of Aims

15. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

16. Is this a “key decision”?

Yes

17. If a key decision please explain reason

The proposals will impact all wards across the City.