

***Neighbourhood Services
and Community
Involvement
Scrutiny Commission***

***Social Welfare Advice
Re-procurement***

**Lead director: Alison Greenhill
Date: 6th September 2017**



Useful information

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- Report version number: 1

1. Purpose of report

- 1.1 This report gives an update on the re-procurement of Council funded Social Welfare Advice (SWA) contracts which are due to end on 31st March 2018.
- 1.2 It also provides details of the current public consultation on the proposed model of advice provision in the city.

2. Background

- 2.1 The Council currently funds five voluntary sector advice contracts and also one internal advice service, which are managed across six service areas.¹ This has resulted in an uncoordinated and silo-working approach to advice provision and contract management.
- 2.2 The current cost of this advice provision is £914k per annum which includes £580k per annum for the Voluntary and Community Sector (VCS) contracts and £334k for the internal service. This equates to approximately £4.5m over the life of the five year contracts.
- 2.3 The Council continues to face funding reductions and needs to make savings of £40m by 2020 and the proposals, in this report, will contribute to these savings, However, the level of savings is yet to be identified as this will be dependent on the final model of advice provision.
- 2.4 As the current VCS advice contracts are due to end in March 2018 this has provided an opportunity to review current advice provision and to develop proposals to improve this.
- 2.5 Our aim is to ensure the continued provision of free and accessible advice to the most vulnerable city residents, who need assistance to resolve their issues. The aims of the procurement exercise are detailed in Appendix A.

¹See Section 4.3 for details of advice services in scope.

2.6 A sector-wide engagement event was held in 2016 and also individual meetings took place with 21 advice organisations; to better understand the challenges currently being faced by clients accessing their services. Regular updates are given at the Social Welfare Advice Partnership (SWAP) meetings and calls for evidence, to demonstrate demand, have been made to the advice sector.

2.7 As we are proposing changes to the way Council funded advice is both provided and accessed, we are currently consulting on these. The consultation period is for ten weeks and was launched on 31st July, ending on 6th October 2017.

2.8 A report to the Executive and Scrutiny, detailing the results of the consultation and the proposed final model of provision, will be submitted towards the end of the year.

3. Recommendations

3.1 Members of the Neighbourhood Services and Community Involvement Scrutiny Commission are asked to note the update on the social welfare advice re-procurement exercise.

4. Overview of the current advice offer

4.1 Advice is currently provided across seven categories – welfare benefits, debt, housing, employment, immigration, community care and family issues.

4.2 This advice is provided using a three tier model. More detail on each of these Tiers is included in Appendix B.

- Tier 1 - Assisted information and sign-posting clients to self-help
- Tier 2 - General advice, some with casework, usually completed in one call/visit
- Tier 3 - Specialist advice which includes appeals and tribunal representation

4.3 Initially, only five VCS advice providers were included in the procurement scope which included Age UK; Citizens Advice LeicesterShire (CitAL); Mosaic; Somali Development Services and The Race Equality Centre.

4.4 As the aim of the procurement exercise is to develop a streamlined and co-ordinated advice offer, it was subsequently agreed by the Executive (June 2017) to include the Council's in-house Welfare Rights Service (WRS) in the proposed model, currently being consulted on.

5. Demand overview

- 5.1 Although the Council is not required by law to fund social welfare advice, we feel this is an important service for local people particularly in light of the city demographics and also the cumulative impact of continued public sector funding reductions and welfare reforms.
- 5.2 Demand for funded advice services increased by approximately 37% during 2016/17 which included providers responding to 48,266 separate client issues. Advice services report seeing more people with complex issues that require detailed work to be undertaken over several appointments. They are also reporting a rise in the number of people with mental health or disability issues and also people in crisis.
- 5.3 The largest increase in demand was at Tier 1 at 61.4%, with 24% at Tier 2 and 5% at Tier 3. This trend analysis only relates to Citizens Advice LeicesterShire (which represents approximately 84.5% of our advice provision) as data collection and monitoring methods are inconsistent across advice services, making it difficult to establish a baseline position to inform future trends.
- 5.4. Demand in relation to welfare benefits, debt, housing, employment and immigration accounts for 83.7% of total demand for funded advice services.
- 5.5 Those people most at risk include those with changing circumstances e.g. moving into work from unemployment/sickness or insecure employment; those who are benefit dependent and/or in debt or with no savings buffer.
- 5.6 The roll out of the Full Service Universal Credit is anticipated to drive demand from March 2018. As this requires forms to be completed online, there will be a continued need for support with assisted form filling at Tiers 1 and 2, either by supporting people to complete the forms themselves, if they are able to, or by completing the forms for people who are not able to do this without help. The need for this support is driven by a combination of poor literacy levels, language issues and digital exclusion. (Either lacking access to a computer, not having an email address or lacking the skills to access on-line services.)
- 5.7 The changing ethnic make-up of the city, particularly in relation to new arrivals, puts additional pressure on advice services in relation to new communities and language support.
- 5.8 We have identified the following priority groups for inclusion in the contract specification:- people with a disability or mental health issue; older people; families; lone parents on low incomes; carers; people moving into

work or training; vulnerable young people; new arrivals and ex-services personnel.

6. Benefits of providing non-statutory advice

6.1 It is widely accepted that the provision of legal and social welfare advice not only pays for itself but also makes a significant contribution to households, local economies and reducing public expenditure.

6.2 The main benefits for the city of providing advice include benefit maximisation, increased collection rates for local authorities, resulting in increased financial contributions to the local economy. For example, CitAL (£52m) and WRS (£4.5m) raised a combined total of approximately £56.5m in additional income for clients.

7. Proposed model of provision

7.1 We consider advice could be more efficiently and effectively delivered through a partnership, with a lead provider sub-contracting to specialist providers, where required. This would fundamentally change how services are currently delivered, ensuring a clearer route of access and also client outcomes.

7.2 It is proposed to combine the five VCS contracts into one contract, which would also include the in-house Welfare Rights Service (WRS). This service and associated duties would transfer to the procured lead provider. The work undertaken by WRS is currently undergoing a business analysis to ensure we have a clear picture of the tasks they undertake.

7.3 A core part of the WRS offer is to provide complex Tier 3 advice, reconsiderations and appeals support to Lower and Upper Tribunals. It is recognised that this requires a specialist skill set to ensure the effective delivery of this work. However, these skills are not mutually inclusive to an in-house service and are currently available and replicated within the SWA market. Work undertaken at Tiers 1 and 2 can be (and already is) provided across the independent and voluntary agencies.

7.4 WRS also provides outreach advice for families at a number of Children's Centres, as part of the Children's Service offer. The Children, Young People and Schools (CYPS) budget for this work is currently £64k (2017/18), reducing to £54k in 2018/19. This forms part of the total WRS budget cited in section 2.2 of this report. This work will continue to be delivered through the new advice contract.

7.5 Advice would continue to be provided using a three tier model, with all organisations being required to hold the appropriate accreditation.

(Appendix C)

- 7.6 General advice (Tiers 1 and 2) would continue to be available across all advice categories and specialist advice (Tier 3) would be available in relation to welfare benefits, debt, housing and employment.
- 7.7 The proposed model would include a robust assessment process at Tier 1. This would ensure a standardised assessment of customers' needs with the aim of correctly identifying issues, the level of advice required and ensuring clients are referred to the most appropriate advice service. This would also ensure the early identification of clients in immediate need or crisis².
- 7.8 The service would be accessed through a mix of self-referrals / agency referrals; using a combination of digital information, self-help tools and also face to face contact during weekday, working hours.
- 7.9 There are people who will be able to help themselves if they are signposted to the correct information source. We believe that approximately 20-30% of clients at Tier 1 can be directed towards self-help, resulting in more capacity at Tiers 2 and 3 to deal with vulnerable people, in crisis or with complex issues.
- 7.10 The proposals include a continued Tier 3 specialist advice provision which enables people to challenge legal decisions. This can involve appeals, reconsiderations, and tribunals.
- 7.11 The lead organisation will provide the Council's Universal Credit 'Personal Budget Support' service which is grant funded by the Department for Work and Pensions (DWP). The level of funding is linked to the DWP's predicted level of demand for the service. This funding is ring-fenced and so is outside the scope of the re-procurement exercise and does not form part of the consultation.
- 7.12 The model retains home visits for those people unable to leave their homes and also an outreach provision delivered from the Council's Centres.³ Outreach advice is currently delivered across ten Council and Community buildings and the proposal to deliver advice from these centres fits with the Using Buildings Better (UBB) project.

² This typically involves a crucial or decisive situation, where there is an immediate risk and usually an imminent deadline for action.

³ St Matthews Centre; Pork Pie Library and Community Centre, New Parks Centre, Beaumont Leys Library, BRITE Centre, Hamilton Library and Community Centre and Belgrave Library. The final location in the east of the city is still to be confirmed.

7.13 The lead provider will be based in the Customer Service Centre in Granby Street and will identify a further location for their telephony services.

7.14 Providing an appropriate level of language assistance, during the initial point of contact, will ensure clients' needs for translations are fulfilled at Tier 1. This will be achieved through recruitment processes; by encouraging people to bring their own interpreters/family members to meetings or gaining agreement to act on their behalf through emails and phone calls. We will use translation services, where required, however as this is an expensive service, it would only be used when there were no other options available.

8. Benefits of the proposed model

- Encourages and co-ordinates the collaborative delivery of advice services to meet the needs of clients;
- Provides opportunities for new providers to join the partnership to meet service gaps/needs;
- We will ensure the evaluation scoring is robust, resulting in the procurement of a good quality lead provider;
- Enables joint access to information, demand monitoring, trend analysis and mitigating actions;
- Improved specialist qualifications;
- Ensures the most appropriate provider is procured for the appropriate specialisation;
- Reduces duplication amongst service providers; and
- Provides an increased voice and bargaining power; increased opportunities to access external funding, achieve economies of scale and make efficiency savings.

9. Social welfare advice consultation

9.1 The public consultation was launched on 31st July and ends on 6th October 2017. (10 weeks)

9.2 Details about the consultation, the link⁴ to the online consultation and also paper copies of the questionnaire have been circulated to a wide audience

⁴ Appendix D

including: members; funded and non-funded advice agencies; GP surgeries; Housing Associations, the Tenants' and Leaseholders' Partnership and other key partners. Paper copies have also been delivered to a range of council front line services such as children's centres, Housing Offices and libraries.

9.3 The SWA Project Team have attended Council Team Meetings to provide more information to LCC staff on the proposals and also held a session with current Contract Mangers to seek their views.

9.4 The SWA Project Team hosted a sector wide engagement session at the Social Welfare Advice meeting at the end of August 2017 and feedback from this session will be included in the consultation evaluation.

10. Next steps

10.1 Determine the most appropriate procurement route which allows us to have a flexible approach to the procurement of social welfare advice. This will enable us to identify weak or unclear aspects of the proposals and suppliers will gain a better understanding of our requirements and can improve their solutions to meet these. We will also gain a better understanding of various delivery models and pricing structures and we can help suppliers to further develop their tenders.

10.2 Following the evaluation of the consultation, and agreement on the preferred model of provision, we will identify the TUPE⁵ implications across the VCS contracts and the WRS.

10.3 Evaluation of the business analysis of the work of WRS.

10.4 Following the evaluation of the consultation and agreement on the preferred model of provision, an equality impact assessment will be developed in response.

10.5 A final report will be submitted to the Executive and Scrutiny, towards the end of year, to seek agreement on the final model to be procured.

⁵ Transfer of Undertakings (Protection of Employment) regulations

11. Details of Scrutiny

11.1 The SWA Procurement Options Report was presented to Neighbourhood Services and Community Involvement Scrutiny Commission for comment on 24th August 2016.

11.2 Members were keen that an effective advice offer was available for vulnerable city residents.

11.3 There was concern that the expertise and specialisms, within the city, were not lost and that protected groups were able to access the advice and language support they need.

11.4 These comments contributed to the proposed model of advice provision.

Financial, legal and other implications

12.1 Financial implications

The steps set out in this report are expected to facilitate savings towards the Spending Review of Advice Services.

Colin Sharpe – Head of Finance - 374081

12.2 Legal implications

The Council has accepted a duty to consult and has designed the consultation to be legally complaint.

Contractual advice will be needed once the final model is decided, both in respect of the termination of current contractual arrangements and the procurement of the new ones. The procurement process and the contract terms must be robust enough to support the future SWA service.

Property based legal advice will be required in relation to the sub-letting of the Customer Service Centre as proposed in the model outlined in the report.

Jenis Taylor- Principal Solicitor (Commercial) - 37 1405

The proposed provision is to change from five contracts with five different organisations and an in-house provision to one contract with a partnership with a lead provider who may sub-contract specialist providers. As a result the TUPE Regulations may apply to the procurement.

It is recommended that TUPE questionnaires are sent to the current providers prior to any procurement process in order that indicative information can be provided for potential bidders to obtain advice as to the application of the TUPE Regulations.

It is noted that the proposed model includes the Council's in-house Welfare Rights Service in the procurement exercise. This may constitute a TUPE transfer depending on the final model proposed. If TUPE did apply, the in-house employees carrying out the work at the point of transfer would transfer under TUPE arrangements to the new provider. The employees' terms and conditions at the point of transfer would be protected in accordance with the requirements of TUPE. Furthermore the Council would be under an obligation to ensure their pensions were protected by the new provider either offering continued access to their current pension scheme or offering a broadly comparable pension certified by GAD.⁶

It is recommended that further legal advice is sought on the proposals as they are developed.

Julia Slipper – Principal Lawyer (Employment & Education) Ext. 37 6855

12.3 Climate Change and Carbon Reduction implications

Where face-to-face IAG services are provided, these will usually contribute to city wide carbon emissions through the travel involved. The proposal to increase the role of online services therefore has the potential to reduce the carbon footprint of the services as a whole, if the numbers of face-to-face appointments are reduced as a result. The Council could seek to minimise the climate change impact of face-to-face appointments through the commissioning process, by including a requirement in the specification for information to be offered to clients about travelling to their appointment by bus, on foot or by bike.

In relation to the information, advice and guidance content, the service could, where appropriate, signpost clients to any help available on affordable warmth issues e.g. any help with energy saving/insulation measures that may be available, and tenants' rights in relation to the energy efficiency of rented accommodation. This could also be reflected in the commissioning

⁶ Government Actuary's Department

specification.

The proposal to transfer the WRS service to the commissioned provider will slightly reduce the Council's own carbon emissions due to the travel associated with providing the service moving across to the provider.

Duncan Bell – Senior Environmental Consultant Ext. 37 2249

12.4 Equalities Implications

Our Public Sector Equality Duty requires decision makers to be clear about any equality implications of the proposed course of action during proposal development and at the time of decision. 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. The proposed consultation will provide the Council with an opportunity to find out the likely impacts of the proposed model on those dependent on welfare advice services as identified by those in receipt of such advice, those providing advice and other interested stakeholders. Once the consultation is complete and the findings analysed, they should inform an Equality Impact Assessment of the proposed model, highlighting potential impacts on those adversely affected and mitigating actions which will seek to reduce or remove those negative impacts.

Surinder Singh Equalities Officer Ext. 374148

12.5 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:

NSCI Scrutiny Commission – SWA Procurement Options Paper – 24th August 2016

14. Summary of appendices:

Appendix A – Aims of the re-procurement exercise

Appendix B – Tiers of Advice

Appendix C – Social Welfare Advice Accreditation

Appendix D – Link to Social Welfare Advice Consultation

<https://consultations.leicester.gov.uk/corporate-resources-and-support/social-welfare-advice-consultation>

15. Is this a private report (If so, please indicate 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.

Yes. The Spending Review Programme (SRP) for Advice anticipates indicative savings of £0.5m pa. The proposals in this report will contribute to these savings. There exists a significant body of Social Welfare Advice providers which may result in substantial public interest in the decision.

Aims of the re-procurement exercise

The service will:-

- Provide a quality accredited, appropriate, accessible advice service provided through an assessment and three tier model of provision across the existing eight categories of advice;
- This will include; generalist advice, with and without casework, and specialist legal advice and representation, including tribunal and appeals work;
- Advice provision will be free of charge, independent and confidential;
- Advice will be targeted at agreed priority groups;
- Deliver advice covering multiple legal issues through one service, providing an appropriate, co-ordinated and clear client journey. This will include clear access, assessment and referral processes which result in the client understanding the next steps;
- Eradicate advice gaps caused by disjointed referral processes between advice agencies operating in the city to ensure those most in need do not either 'slip through the net' or disengage from having to repeat their story;
- All cases will be closed when the issue has been resolved which will include the collation of robust client records and outcomes achieved;
- Deliver high quality social welfare advice services to local people based on a clear understanding of local need and priorities, identified through continued collection and analysis of performance data and ensuring services continue to meet these throughout the duration of the contracts;
- Tackle disadvantage and promote social inclusion through the delivery of services which assist individuals to exercise their rights and challenge situations that may otherwise lead to social exclusion;
- Empower individuals to access appropriate advice and information;
- Develop the city's advice sector by bringing together key stakeholders to develop collaborative working to maximise the reach of the service. This will include membership of the Social Welfare Advice Partnership and all partners will attend meetings regularly. The lead provider will also attend scrutiny commission meetings, as require

Tiers of Advice

Tier	Overview	Detail
1	Assisted information and signposting	<ul style="list-style-type: none"> ▪ Involves giving clients the information they need, to enable them to know more and do more about their situation. ▪ Includes information about rights, policies and practices, national and local services and various agencies that can help them. ▪ The responsibility rests with the client whether to take any further action or not.
2	General advice and general advice with casework	<ul style="list-style-type: none"> ▪ Includes diagnosis of a client’s enquiry and their financial circumstances, giving information and explaining their options and identifying further action to take. ▪ Some assistance is provided, for example contacting third parties (e.g. Council Tax Department or enforcement agents on the client’s behalf, form completion and drawing up a budget.) ▪ This level of service may be provided either by self-contained interviews, following by the customer taking responsibility for further action. ▪ Or, ongoing casework support including all of the above and taking action on behalf other client, with the advice provider taking responsibility for follow-up work.
3	Specialist advice and tribunal representation	<ul style="list-style-type: none"> ▪ A specialist service accredited by the Financial Services Authority undertakes advice and casework at a level where detailed knowledge of law is required. ▪ This would involve intensive one-to-one support and casework up to litigation and advice on Court hearings, appeals, lower and upper tribunals; including bankruptcy, insolvency, Debt Relief Orders and appropriate financial products.

Social Welfare Advice Accreditation

1. Organisations must hold the necessary accreditation that is required in order to provide Social Welfare Advice. Accreditations are a set of standards and requirements that assure the quality of advice services provided to clients by organisations that hold these standards.
2. In order to attain these standards, organisations must have demonstrated that they are:
 - Easily accessible;
 - Effectively managed; and
 - Employ staff with the skills and knowledge to meet the needs of their clients.
3. All service providers must be quality assured and hold the Advice Quality Standard (AQS).
4. Service providers who give specialist financial, debt and/or personal budgeting advice must have Financial Conduct Authority (FCA) accreditation or hold the Specialist Quality Mark (SQM), where appropriate, in order to cover the areas of law covered in the specification. All advisors delivering Tier 3 specialist advice within the contract must be qualified.
5. The lead service provider must also have registration or an exemption with the Office of the Immigration Services Commissioner (OISC) to provide immigration advice or services at level one.

Appendix D

Link to Social Welfare Advice Consultation:

<https://consultations.leicester.gov.uk/corporate-resources-and-support/social-welfare-advice-consultation>