

REVIEW OF ADVICE SERVICES

1.0 EXECUTIVE SUMMARY

- 1.1 The current arrangements for the provision of advice services are unsustainable and requires to change. Key drivers include changing national policy; an increasing demand for support by clients, reducing council budgets and a more challenging funding climate for advice agencies. At Policy and Resources Committee on the 24th May 2018 it was agreed to undertake more detailed work on the options of outsourcing and revised mixed economy; and the options of extending affordable credit across Argyll and Bute.
- 1.2 This paper details the outcome of this work and proposes a strategy and a sustainable, affordable model by which the Council could support advice services for the future. This has been developed having regard to national and local drivers, the need to achieve budget savings, and through consultation with other advice providers, clients and other local authorities.
- 1.3 The key issues in the report are:
- a. The advice strategy should dovetail into the Council's corporate priorities, local outcomes and its anti-poverty strategy. Clear governance arrangements are a key part of the new model, and the Council strategy for advice services strategy is proposed as *"collaborative working, to provide a strategic lead role in the development of policy (e.g. anti-poverty strategy etc.); deliver its statutory services; provide core intervention work to vulnerable in our communities, and to support other external agencies to carry out promotional and preventative advice to clients"*.
 - b. The mixed economy model provides the most resilient and effective option for Argyll and Bute. The removal of duplication and better partnership working were important aspects of any new model. Contracting one advice agency to work alongside the council removes duplication of resources in terms of management and accommodation costs and possible duplication through same service being provided by two organisations in the same geographical area.
 - c. There is no cost neutral solution to directly extend affordable credit. There is the no- cost opportunity for the Council to promote affordable credit and the schemes operating across its area which include the two local credit unions, Scotwest Credit Union and Scotcash, (the alternative affordable low-cost lender.

1.4 Finance. At the budget meeting on the 22nd February 2018, Council agreed that: no saving would be taken in 2018/19; and that the decision on the future of advice support to local people that meets budget savings for 2019/20 and 20/21 (£57.1k and £105.1k respectively); including consideration of credit union services would be delegated to this committee.

1.5 **RECOMMENDATIONS**

Members are asked to consider the following recommendations:

- a. approve the new model and implementation of the new arrangements for advice services of mixed economy and support to a single advice provider, commencing on the 1st April 2019 (paragraph 5.4)
- b. agree that the focus of Council activity should be on the vulnerable and acknowledge the critical role for the Health and Social Care Partnership in identifying and referring vulnerable clients (paragraph 5.4.a.)
- c. agree the new Governance arrangements and the changing remit and name of the Welfare Reform Working Group (paragraphs 5.5 & 5.6)
- d. approve the “no-cost” option for affordable credit (paragraph 6.3)
- e. endorse the development of the Council’s website to provide a “single landing page” for advice services which can signpost clients to appropriate services, provide links to national and local advice via other websites, and highlight issues relating to advice services across Argyll and Bute (paragraph 6.3)

The budget savings agreed during the budget meeting on February 22nd 2018 will be achieved through the delivery of items a. to e. above

REVIEW OF ADVICE SERVICES

2.0 INTRODUCTION

- 2.1 The advice landscape in Argyll and Bute is diverse and consists of internal Council services (e.g. welfare rights, homelessness, debt counselling), two advice agencies (Argyll and Bute Citizens Advice Bureau and Bute Advice Centre) and a range of voluntary and third sector providers (e.g. Ali-energy, etc.) delivering local services. Council support is provided through the delivery of its own internal advice focused services and through core funding to Argyll and Bute Citizens Advice Bureau and Bute Advice Centre.
- 2.2 The paper to Committee on the 24th May 2018 proposed a new model for the delivery of advice services aimed at finding capacity with a reducing budget, addressing issues of duplication and ensuring that the vulnerable in our communities have access to advice. This report details the outcome of this detailed work and proposes a strategy and a sustainable, affordable model by which the Council could support advice services for the future. This has been developed with the support of an external contractor, ATInnovations.

3.0 RECOMMENDATIONS

- 3.1 Members are asked to consider the following recommendations:
- a. approve the new model and implementation of the new arrangements for advice services of mixed economy and support to a single advice provider, commencing on the 1st April 2019 (paragraph 5.4)
 - b. agree that the focus of Council activity should be on the vulnerable and acknowledge the critical role for the Health and Social Care Partnership in delivering this model (paragraph 5.4.a.)
 - c. agree the new Governance arrangements and the changing remit and name of the Welfare Reform Working Group (paragraphs 5.5 & 5.6)
 - d. approve the “no-cost” option for affordable credit (paragraph 6.3)
 - e. endorse the development of the Councils website to provide a “single landing page” for advice services which can signpost clients to appropriate services, provide links to national and local advice via other website, and highlight issues relating to advice services across Argyll and Bute (paragraph 6.3)

The budget savings agreed during the budget meeting on February 22nd 2018 will be achieved through the delivery of items a. to e. above

4.0 COUNCIL STRATEGY FOR ADVICE SERVICES

4.1 National strategies and drivers relating to advice services have a direct impact to this review, as Council strategy should be consistent with these which represent best practice. The key principles are:

1. Better understanding of demand to inform future funding decisions.
2. Joined-up decision making to avoid duplication and improve collaboration.
3. Funding decisions to focus more on early intervention and on prevention by supporting interventions which develop capabilities and address areas of low skill which potentially will reduce longer-term demand on services
4. To work towards achieving more consistent measurement of outcomes using common indicators to enable measurement across service providers.
5. To achieve outcomes-focused grant agreements, interventions should be embedded across sectors (e.g. involve the Third Sector and NHS).

4.2 There are significant challenges ahead with an increase in debt nationally, increasing fuel poverty, and the roll out of universal credit which has increased demand for advice in the areas where it has already been introduced. It is important that the Council recognises its role in developing clear strategies which can be delivered through collaborative working linked to community planning outcomes; delivering our statutory duties and tailoring services to meet the needs of clients, particularly the vulnerable.

4.3 At Policy and Resources Committee on the 24th May 2018, the Anti-Poverty Strategy was agreed, namely:

We want an Argyll and Bute where no-one lives in poverty. Everyone should be able to achieve their potential and feel healthy, happy and valued. We want to be a place where everyone understands that tackling poverty is everyone's responsibility. We believe that if we act locally, and in partnership, we can make a real difference

The strategy for advice services is co-dependent with the Anti-Poverty strategy and it is essential that these dovetail with one another. The broad advice services strategy which was detailed in a report to the same Committee, has been reviewed in light of the detailed assessment, and remains appropriate, namely:

“working in partnership with others, providing a strategic lead role in the development of policy , to deliver our statutory services through the provision of core intervention work to vulnerable in our communities, and to support other external agencies to carry out promotional and preventative advice to clients.”

This strategy will form the basis upon which the Council supports the delivery of advice services and targets its resources accordingly.

5.0 OPTIONS APPRAISAL OF FUTURE DELIVERY MODELS

- 5.1 Further work has been undertaken to evaluate the models of outsourcing of all advice services to another agency, and mixed economy which is a mixture of delivered by Council and a single advice agency. Supported by an external contractor, ATInnovations, , this work included discussions with other local authorities and the Improvement Service, a stakeholder and client consultation and the visits to East Ayrshire Council who have these models in place.
- 5.2 The outcomes of this work were:
- a. Of the two local authorities approached for discussions around the models they adopt for advice provision, only East Ayrshire Council was visited. Due to staff changes and other commitments South Lanarkshire were unable to host a visit within the timescales
 - b. The meeting with East Ayrshire Council (hereafter referred to as EAC) officials concentrated on the model, why it was the preferred model, how it worked, referrals, monitoring and performance arrangements and reporting to elected officials. The meeting with East Ayrshire Citizens Advice Bureau (hereafter referred to as EACAB) concentrated on how they delivered on behalf of the council and the effectiveness of the partnership arrangements in place. During initial discussions with East Ayrshire it became apparent that they operated a mixed economy model whereby EAC work with vulnerable clients and EACAB work with complex debt cases. The Service Level Agreement between EAC and EACAB reflects this and is monitored by EAC with performance reported to the Financial Inclusion Group and quarterly information is presented to elected officials
 - c. The comparable level of funding with East Ayrshire Council (£1 million) is significantly greater that Argyll and Bute (£396,383).
 - d. East Ayrshire Council define vulnerable as anyone who is in the Social Work Information System (SWIS).
 - e. The key learning point agreed with all respondents was how the partners in East Ayrshire Council worked together to make the model a success. It was felt that having a focused group – EA Financial Inclusion Group – contributed to this success and the effective partnership working that was in place there. The importance of having a clear strategy, priorities, and a focus on delivering Council services to meet these. Linkages to Community Planning outcomes were important as was having good linkages with the Health and Social Care Partnership. The importance of involving all the partners in the development and direction of advice in East Ayrshire was important.
 - f. The importance of one reporting structure that combined all advice agency statistics – public and contracted – that is then fed into elected officials that keeps the profile of advice high with elected officials and allows a mechanism for reporting key issues was important.
 - g. A confidential on-line referral system is essential in avoiding duplication and ensure that clients have easy access to services from a single contact. They have a similar system to our Argyll and Bute Advice Network (ABAN system) which provide this infrastructure.
 - h. Discussions with the Improvement Service has identified that the majority of Councils deliver a mixed economy model, with relatively few fully outsourcing.
- 5.3 **Consultation process:** A consultation process was undertaken to obtain the views of key stakeholders and also of clients on key areas of the advice services review. A good response was received from the Stakeholder Survey from five key agencies and there

has also been engagement with the Councils Welfare Reform Group which has membership of a range of different agencies. A client survey was published on the Council website, but the response was poor (1 response).

The key findings of the survey were:

- All respondents agreed with the main aims of the strategic position
- The continued provision of face to face advice, particularly for vulnerable clients, was identified as the most important element of any new advice proposal.
- The use of national advice lines as a first point of call for residents raised concerns among advice providers. Five of the respondents were against this and four were in favour. There was concern raised about how vulnerable clients who may use this service are referred to local advice providers for face to face support. It was felt that a triage system should be in place with these national providers to allow this to happen
- There was consensus that a single advice agency working in partnership with Argyll and Bute Council would help to eliminate duplication in terms of management costs and in the provision of advice. There was a concern whether a single provider would be able to provide a service across the geography of Argyll and Bute
- All respondents agreed that any contract issued by Argyll and Bute Council should be linked to performance against key criteria/outcomes
- The mixed economy model provides the best holistic approach utilising the present mix of skills but it should be integrated in a more meaningful way.
- A collaborative approach is essential as is the means of confidentially sharing referrals and caseload
- Two-thirds of respondents agreed that increasing financial resilience of our residents and better use of national advice sources will lead to reduced pressure on services in the future.

5.4 **Model:** On further evaluation (see Appendix 1) the mixed economy model is the most resilient option for Argyll and Bute. The removal of duplication and better partnership working were important aspects of the new model. Contracting one advice agency, (rather than two which we currently do), to work alongside the Council removes duplication of resources in terms of management and accommodation costs and will provide the same level of service across Argyll and Bute.

Critical to its success will be:

a. Clear definition of client groups

The proposed new model would provide a split in client groups, where the Council will deliver its statutory functions (welfare rights, homelessness) and debt counselling to vulnerable clients only, and contract the external provider to provide similar advice to non-vulnerable. The definition of vulnerable is fundamental in distinguishing between services and the support of the Health and Social Care Partnership is critical to developing a referral process for those who they deem vulnerable. Discussions are ongoing but it is proposed the following will be classed as vulnerable and should be referred to the Council through ABAN:

- anyone who is currently homeless; OR
- anyone who is at risk of becoming homeless; OR

- anyone who has an assigned Social Work case worker; AND
- who has a current housing benefit or council tax claim

If the client is not vulnerable, they should be referred elsewhere. There are ongoing discussions with the Health and Social Care Partnerships to ensure their participation in identifying and referring vulnerable clients for advice.

b. Advice service design and utilising all advice avenues

The Council cannot directly impact on non-Council funded agencies or third sector, but the model for Council services and the external provider will be based on the principles of promotion, prevention and intervention, namely:

- Prevention and Interventions only, with all front-line promotional and early preventative intervention work being undertaken by free national advice agencies or other non-Council funded agencies or third sector
- Specific advice to non-vulnerable clients relating to debt, maximising income and other poverty related advice debt would be outsourced to a single provider. This may be delivered by an Advice Agency, a national provider or “arms-length organisation
- Priority given to statutory services (Welfare rights and homeless)
- Debt counselling and advocacy provided to a level commensurate with budget savings agreed by members at Council meeting in February 2018 ie. Cases can only be accepted up to resources which deploy 1 FTE debt counsellor with priority given to vulnerable clients and non-vulnerable signposted to external providers.

c. The continued use of the confidential on-line Argyll and Bute Advice Network (hereafter called ABAN) system.

Clients require to have easy access to advice and ideally be able to access a range of services through a single contact. The new model will utilise the existing ABAN system, which allows any member agency and enquiries/cases to other agencies with the clients expressed permission. Work is ongoing at present to ensure that the system meets the requirements of the General Data Protection Regulation (GDPR compliant). Integral to the new model, will be a drive to increase ABAN membership to include health and social care/NHS and review the remit of the ABAN Steering Group and consider how it links to the new governance arrangements.

d. The development of appropriate measures for contract outcomes and monitoring.

The contract with the external provider will be prescriptive in terms of client group, outcomes and measures. The tender specification is still to be developed but will include:

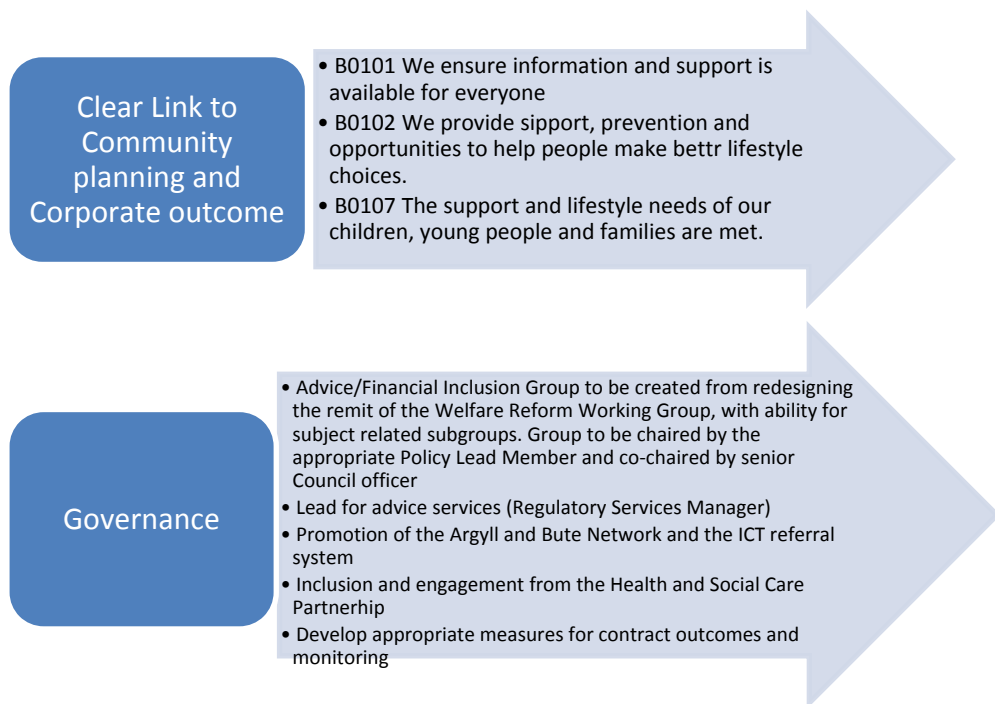
- The contract will require the service to cover the whole area of Argyll and Bute and promote inclusiveness, equality and access to services for all.
- Performance and outcome measures will be consistent with the Common Advice Performance Management Framework. This framework aims to capture key performance indicators (See Appendix 4) for money and welfare rights advice services funded by local authorities on both an in-house and commissioned basis. It provides a consistent basis for reporting and measuring money and welfare rights advice performance. These measures will identify the benefits the

services deliver for their users.

- The option for the single provider to subcontract some services to another advice providers. This will ensure promoting collaborative working, yet ensuring common reporting and performance measures

5.5 **Governance:** A delivery model in itself will not achieve the outcomes of the review, and it is important that there are clear governance arrangements in place. These will improve the links between strategy and delivery of all advice services activities, promote collaboration across agencies; enhance the reporting of demand, performance, outcomes and trends, and provide regular reports on the “state of advice services” in Argyll and Bute Council to elected members, and the wider public.

The key components will be:



Note: OPERATIONAL MATTERS ARE NOT WITHIN THE REMIT OF THIS GROUP. Operational matters include: Case Work, Case Review work, Welfare Rights & Debt Counselling event planning, day-to-day work, attending team meetings etc, contract management.

5.6 The proposal is that the Advice /Financial Inclusion Group will be chaired by the Policy Lead Member for Communities, Housing, Islands and Gaelic and co-chaired by a Senior Council Officer. This multiagency group will provide leadership on the Anti-Poverty Strategy. It will promote this and other messages by supporting both local and national campaigns. We will make it clear to all stakeholders that we are committed to addressing the causes of poverty and supporting people to improve the quality of their lives. The group can review and influence strategy, identify shared training opportunities and share best practice. This group will report to the Community Services Committee.

6.0 OPPORTUNITIES AND COSTS OF EXTENDING AFFORDABLE CREDIT

6.1 Access to affordable credit is a key element of financial inclusion activity and compliments the work of debt and welfare rights advisers. It is also a priority of the Councils political administration to seek to extend affordable credit across Argyll and Bute.

6.2 Opportunities were considered to extend the level of affordable credit to build upon the current landscape where there are local credit unions (Bute and Cowal Credit Union, and Islay & Jura Credit Union) and SCOTWEST, (based in Glasgow, but available to A&B residents). Discussion with local credit unions identified minimal opportunity of developing or extending the availability of credit and meetings were had with Pollok Credit Union and SCOTCASH to update their proposals and get an up to date costing.

Currently, Debt Counselling staff regularly advise clients to contact an appropriate Credit Union (Bute & Cowal, Islay & Jura or SCOTWEST). Welfare Rights give similar advice, but less frequently. This advice is not currently formally recorded. Neither Debt Counselling nor Welfare Rights are currently signposting to SCOTCASH. There are clear advantages from the schemes operated by Pollok and the enhanced Scotcash schemes, but these require a financial investment in terms of ongoing revenue and some capital costs (see Appendix II).

6.3 The cost neutral solution is to actively promote the SCOTWEST and SCOTCASH basic models. These models have limitations, but they do allow for an affordable credit option to be delivered across the local authority area. It could be that both options are promoted depending upon the financial status & circumstances of the applicant. Both models have eligibility requirements, so may not be appropriate to all clients. SCOTWEST usually require a potential client to be working and to save with them for a period before credit may be granted. SCOTCASH base their eligibility requirements on the client's current circumstances, not their past credit history.

The intention is to develop the Councils website to provide a "single landing page" for advice services which can signpost clients to appropriate services, provide links to national and local advice via other website, promote affordable credit options and highlight issues relating to advice services across Argyll and Bute.

7.0 FINANCIAL IMPLICATIONS

7.1 This review of advice services is predicated on a reducing budget with savings of £105,100 to be achieved, founded on the Council recognising that it cannot provide advice services to all; a focus on core advice types only and a prescriptive contract to a single advice agency.

The savings will be achieved from a reduction in Council posts as a result of transferring "non-vulnerable advice" to the external provider, and the restructuring of the existing contracts. This will see a reduction of a post within each of the debt counselling and welfare rights team and, reduced funding being provided to a single external provider which will be selected through a procurement exercise. (Appendix III provides a breakdown of these savings)

- 7.2 As per previous Budget Strategy decisions relating to advice savings, £57.1k savings (Reduction in core funding to Advice Agencies and 1 FTE post in Debt Counselling) will be taken in 2019/20 with the remaining £48k (1FTE Welfare Rights Officer) taken in 2020/21.

8.0 CONCLUSIONS

- 8.1 The new arrangement for advice services will provide a strategy and model which meets national and local priorities, albeit with a reducing budget. The use of front-line promotional and early preventative intervention work provided free by national advice agencies will help to manage the demand for services while local budgets are reduced. There will be significant challenges in moving to these new arrangements which include implementing the new arrangements, attracting a successful external provider and securing engagement from the Health and Social Care Partnership in respect of identifying and supporting vulnerable clients.
- 8.2 The roll-out of Universal Credit (UC) and other changes is expected to increase demand on advice services but additional support is being provided by Housing Services through two additional temporary Welfare Rights Assistants within budgets agreed at the February Council meeting. It is however essential that the new arrangements are monitored to ensure that they cope with demand. A Scottish Government report states that rent arrears were found to be 2.5 times higher for clients on UC than for those still on housing benefit. There is therefore a risk of an increase in 'bad debt' due to the council for both Council Tax & Housing costs. Current arrangements already attempt to mitigate the amount of bad debt owed by clients, although there may be a need to consider whether a more proactive and cost effective approach might be needed should levels increase. Any new arrangements will be identified through the new Governance structure and reported to the relevant Committees.

9.0 IMPLICATIONS

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| 9.1 | Policy: | Dovetails with corporate and community planning priorities and will be embedded therein |
| 9.2 | Financial | Final strategy will identify savings |
| 9.3 | Legal | None at this stage |
| 9.4 | HR | Loss of Council posts. |
| 9.5 | Equalities | No adverse impact although positive target on vulnerable clients |
| 9.6 | Socio-economic | Positive as directly supports vulnerable and other clients |
| 9.7 | Risk | <ul style="list-style-type: none">• Impact of Universal Credit roll-out to Argyll & Bute may significantly increase demand for advice services resulting in unmet demand for both statutory and non-statutory services• That there will be no interest in contract by external provider |
| 9.8 | Customer Service | None at this stage |

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Appendix I	Evaluation of delivery models of mixed economy and outsourcing
Appendix II	Appendix III: Cost implications for extending affordable credit
Appendix III	Breakdown of proposed savings
Appendix IV	Performance Indicators

Appendix I: Evaluation of delivery Models

	Improved capacity	Value for money	Quality of service	Resilience	Consistency	Impact to clients	Impact to advice agencies	Impact to Council staff	Ability to access other funding streams/external funding/grants	Process of moving to new model
Mixed economy	Positive	Positive	Positive	Positive	Neutral	Positive	Neutral	Positive	Positive	Neutral
Outsourced	Positive	Neutral	Positive	Negative	Positive	Negative	Positive	Neutral	Positive	Negative

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Consistent with national drivers					
	Utilises national advice services	Joined up decisions avoiding duplication	Consistent measured outcomes	Collaborative working	Shift from face-to-face for non-vulnerable clients
Mixed Economy	Positive	Positive	Positive	Positive	Positive
Outsourced	Positive	Positive	Positive	Neutral	Neutral

Table 4 - Scoring Matrix - Key Factors

Preferred model: Mixed economy and single advice provider

Appendix II: Cost implications for extending affordable credit



	SCOTWEST	Pollok CU	SCOTCASH Basic	SCOTCASH Enhanced
Services Offered				
Affordable Credit	✓*	✓	✓	✓
Savings	✓	✓		✓
Bank Account				✓
Delivery Method				
Online	✓	✓	✓	✓
Telephone	✓	✓	✓	✓
Face to Face				✓
Costs				
Capital Costs	£0	£50,000**	£0	£0
Revenue Costs	£0	£12,000	£0	£31,000

* Concentrated on payroll deduction through employers.

** Loan guarantee fund

Table 6 - Affordable Credit Matrix

Appendix III: Breakdown of proposed savings

	Current	Comments	Proposed as of 2019/20	Proposed as of 2020/21	Comments
Council delivered services					
Welfare Rights	£249,593		£249,593	£201,593	Reduction in 1 FTE post
Debt Counselling	£83,040		£36,940	£ 36,940	Reduction in 1 FTE post
Homelessness		Within general housing budget			No change- statutory
Funding to External providers	£63,750	Comprises of £41250 from Regulatory Services budget and £22500 from central budget	£52,750	£ 52,750	This is dependent on being sufficient to attract external provider
Total	£396,383		£339,283	£291,283	
Saving			£57,100	£105,100	

Appendix IV – CAPMF Performance Indicators

Indicator C1 - Services	Money Advice & Welfare Rights provision in area – internal & external. Systems used for case management
Indicator - C2 Demographics	Sex, Age/DoB, Ethnicity, Household Composition, Disability, Income, Housing Tenure,
Indicator C3 - Debt Owed	Amount, number & type of debts owed by clients
Indicator I1 - Staffing	In-house Paid/Volunteer FTE, External Paid/Volunteer FTE
Indicator I2 - Funding	LA Funding internal/external. Any other funding received & source
Indicator A1 - Volume	Numbers of contacts, contacts by channel, referrals, reason for contact, open cases, closed cases
Indicator OP1 – Debt Strategy	Breakdown of debt strategy agreed with client
Indicators OP2, OP3 & OC1 – Welfare Rights financial gain	No of claims submitted, awards made & financial gain for each benefit type. Number of mandatory reconsiderations, appeals & outcome for each benefit type,
Indicator OC1 – Other financial gain	All financial gain not included above (includes money advice) – verified & non-verified
Indicator OC2 – Softer outcomes	Improved health/wellbeing, improved capacity/ability to cope, increased financial capability/resilience
Appendix 1 – Money Advice debt supply survey	Number of clients in defined debt types