

# **Cherwell District Council**

## **Executive**

**5 December 2016**

### **Contract Award – Debt and Money Advice Service**

#### **Report of Chief Finance Officer and Head of Regeneration & Housing Services**

This report is public

#### **Purpose of report**

To seek approval for the contract award for the provision of Debt and Money Advice services across the Cherwell District.

#### **1.0 Recommendations**

The meeting is recommended to:

- 1.1 Approve the award of a contract for the provision of Debt and Money advice across all areas of the Cherwell District to North Oxfordshire and South Northants Citizens Advice (formerly known as Citizens Advice Bureau). The bid includes partnership working with Bicester Citizens Advice who will provide services in Bicester and Kidlington. The contract will operate for a period of two years from 1 April 2017 and includes an option to extend the contract for a further one year from 1 April 2019.

#### **2.0 Introduction**

- 2.1 Cherwell District Council has held a corporate contract for Debt and Money Advice for the past 5 years with North Oxfordshire and South Northants Citizens Advice. This contract has also included services to support Volunteering and Volunteer Car Driving.
- 2.2 In May 2011 Cherwell's executive agreed to change the way in which funding was made available to organisations previously funded through its grants programme. It agreed to implement a commissioning process to fund strategically relevant services. It issued a tender which included advice, volunteering and volunteer car driving to be provided across three geographical areas within the Cherwell District and to be accessible to all residents of the District.
- 2.3 The outcome of this exercise was the award of a contract to North Oxfordshire and South Northants Citizens Advice to deliver all 3 types of services. The contract was

broken into 3 lots, to cover the Cherwell district (a total of 9 lots) starting from 1 April 2012 for an initial three years. The services included:

- Debt and Money advice
- Volunteer car driving services
- Services to increase volunteering

In 2014 an option to extend the contract for an additional two years from April 2015 was taken and will expire 31 March 2017. The contract cannot be extended beyond this date.

- 2.4 The Debt and Money advice service for the current contract has supported over 5000 people each year since the contract has been in existence.

It has supported residents with issues such as benefit claims/disputes, priority and non-priority debts, housing costs, and resulted in significant financial gains for Cherwell residents. It has also supported the council with its statutory duties including the prevention of homelessness.

The service has also been seen to be an essential point of access for independent and impartial advice in light of the range of welfare reforms that have been introduced during the contracts lifetime.

- 2.5 Officers have considered how to re-commission similar services to those being delivered within the existing contract. It has been agreed a new contract will not include Volunteering and Volunteer Car Driving. Plans are still being developed to address the authority's future need for these services.
- 2.6 Debt and Money advice is a vital service for the District to help mitigate and support local residents with the various welfare reform changes being implemented nationally including the introduction of Universal Credit and the new Benefit Cap reductions which were introduced on 7 November 2016.
- 2.7 Officers have undertaken a full procurement exercise subject to the Public Contracts Regulations 2015 to procure a new Debt and Money Advice service for two years (2017 – 2019) with the option for the council to extend this for a further year.
- 2.8 A Contract Notice was sent for publication to the Official Journal of the European Union on the 14 of September reference 2016/S 180-323787

### **3.0 Report Details**

- 3.1 As the current contract reaches its full term in March 2017 a re-tendering exercise has been undertaken to commission a similar debt and money advice service to continue this vital service. In addition, this contract will also include the provision of Personal Budgeting Support, which is a requirement for local authorities to make available to assist people claiming Universal Credit. It will also include the development of Credit Union membership across the district.

- 3.2 This tender was split into three individual geographical lots (appendix 1). These were:
- Banbury and surrounding villages (lot 1)
  - Bicester and surrounding villages (lot 2)
  - Kidlington and surrounding villages (lot 3)

Applicants were offered the opportunity to apply for individual or multiple lots.

- 3.3 Interested parties were encouraged to put forward questions and ask for further advice about fulfilling the specification supplied by the council. A number of questions were received and answers to which were circulated to all those expressing an interest to ensure equal treatment and transparency via the Council's online portal.
- 3.4 Following this exercise the council received one submission from North Oxfordshire and South Northants Citizens Advice who applied to deliver all three lots.
- 3.5 The evaluation panel was satisfied with the business case, robust partnerships and forward thinking methodology of North Oxfordshire and South Northants Citizens Advice bid. Their submission meets the requirements of the service specifications across all three lots and provided added value by:

**Economies of scale to deliver services**

- Cost effective as service is delivered as a single entity
- One agency to manage the contract – less in-house resource required to manage the contract

**Effective Partnerships**

A sub-contracting partnership with Bicester Citizens Advice to deliver lots 2 and 3.

**Performance Monitoring**

North Oxfordshire and South Northants Citizens Advice have an extensive CRM and performance monitoring system in place which supports efficient monitoring of the contract whilst also supporting the council to gain further insight into common themes faced by the local community.

**Early Intervention**

Service users will receive an initial triage service, allowing those who only need to be signposted to the correct information/agency to be resolved quickly. This will allow more time and resources to be prioritised towards those who have greater needs or more complex issues.

**Value for Money**

The new tender adds value by incorporating services previously funded separately including Personal Budgeting Support referrals for claimants of Universal Credit. It will also include the ongoing development of credit union in Cherwell.

Citizens Advice uses a large bank of volunteers to deliver advice services and to support local residents. These additional voluntary labour costs are estimated to equate to over £442,050 per annum.

The service also allows residents to gain advice by telephone, email, office interviews and home visits. Clients can also access services from a national pool of advisors working for Citizens Advice.

- 3.6 It is proposed to award a contract to North Oxfordshire and South Northants Citizens Advice for a period of two years with an option for Cherwell District Council to extend this for an additional one year.

This provides the council with an opportunity to give further consideration as to how it may be able to provide debt and money advice services in different ways moving forward. This may include an option to jointly fund a similar service with South Northamptonshire District Council who currently fund a debt and money advice service via grant funding.

Work will be undertaken by officers throughout the two years to explore opportunities and to identify potential savings to the authority whilst also continuing to build on the existing joint working arrangements between both councils.

## **4.0 Conclusion and Reasons for Recommendations**

- 4.1 A full OJEU Compliant procurement exercise has been undertaken
- 4.2 This new contract will enable the Council to ensure that impartial debt and money advice is available to all residence within the district and support key strategic aims for the council.

## **5.0 Consultation**

Councillor Ken Atack, Lead Member for Financial Management

Cllr John Donaldson, Lead Member for Housing

## **6.0 Alternative Options and Reasons for Rejection**

- 6.1 Not to approve the award of this contract. This would result in Cherwell residents having limited access to services to support with Debt and Money issues within the district. This would also potentially result in an increase in the number of people approaching the council as homeless and the district being less financially inclusive.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 This contract continues to use the same level of financial resources as the original contract and has not taken into account any inflationary costs that have occurred since 2012 whilst also expecting the contractor to deliver the same service level as previously. Additionally, the inclusion of extra services currently funded through

separate agreements creates efficiencies and better value for money for Cherwell District Council.

Comments checked by:

Denise Taylor, Group Accountant, 01295 221982

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### **Legal Implications**

- 7.2 The tender exercise undertaken to compete this contract conforms with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015. This contract award requires Executive approval as the gross value exceeds £500,000 due to the overall length of time this agreement is proposed to be in place. The shared legal team will be involved in finalising the terms of the proposed contract.

Comments checked by:

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## **8.0 Decision Information**

### **Key Decision**

**Financial Threshold Met: Yes**

**Community Impact Threshold Met: Yes**

### **Wards Affected**

All

### **Links to Corporate Plan and Policy Framework**

- **A Thriving Community** – C2. Working with partners to support financial inclusion and help local people into paid employment
- **Sound budgets and customer focused council** – D1. Reduce the cost of providing our services through partnerships to include other statutory bodies such Police, Health County Council, joint working and other service delivery models.

### **Lead Councillor**

Councillor Ken Atack, Lead Member for Financial Management

Cllr John Donaldson, Lead Member for Housing

## Document Information

<b>Appendix No</b>	<b>Title</b>
1	Geographic breakdown of lots
<b>Background Papers</b>	
None	
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