

# **Cherwell District Council**

## **Executive**

**7 November 2022**

## **Commissioning of the General Information and Money Advice Service 2023 - 2024**

### **Report of Assistant Director Wellbeing and Housing**

This report and appendices 1 – 5 are public. Appendix 6 is exempt from publication by virtue of paragraph 3 of Schedule 12A of Local Government Act 1972

#### **Purpose of report**

To delegate authority to Assistant Director Wellbeing and Housing Service to award the contract for the provision of “General Information and Money Advice Services”.

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To delegate authority to Assistant Director Wellbeing and Housing to award the contract for the provision of an Agency and Temporary Staff Managed Service in consultation with the Monitoring Officer and s151 Officer.
- 1.2 To delegate authority to the Monitoring Officer to enter into the agreement with the successful provider.

#### **2.0 Introduction**

- 2.1 The Homelessness and Rough Sleeping Strategy 2021-2026 determines that a money advice service be available to the constituents of Cherwell District. The current contract is solely money advice in nature and held by Citizens Advice North Oxfordshire (CANO). The contract began in 2020, expires in December 2022, and is valued at £428,552 over a two-year period.
- 2.2 To inform future commissioning and to ensure value for money a data gathering exercise was conducted. In this exercise, service data provided by CANO was explored, as were the money advice services provided by neighbouring authorities, and our own internal housing data.
- 2.3 The average commission value of money advice services comparable to the one currently in place with CDC was £90,000 per annum. However, it was noted this

did not account for the cost-of-living increase now impacting residents. To address new cost of living pressures, officers considered that a competitive budget appropriate for this new pressure should be set at £150,000 per annum, totalling £300,000 over two years. This takes into account expected efficiencies in the service and allows for an expansion into a wider, more holistic advice approach to tackle the cost of living rise.

### 3.0 Report Details

- 3.1 To understand the continued need for a money advice service, a review was completed of the current arrangement and its effectiveness. The current money advice contract became operational as the COVID-19 crisis emerged. From CANO contract monitoring, it was clear that both prior and following the COVID crisis, the majority of customers preferred to utilise the service remotely, either by telephone or online. Although there was a small uptick in approaches driven by the COVID crisis, it was less than predicted and the level of contacts by telephone, online and face to face remained consistent with pre-COVID demand. The trend in preference to access services in this way has allowed Cherwell to be more agile in its future service design and expect partners to follow the same ethos. This has enabled CDC to commission a service at the cost of £150,000 per annum for two years (£300,000 total), against the current cost of £252,089 per annum (£504,178 total), realising a saving of £102,089 per annum. (£204,178 total).
- 3.2 Data presented by CANO showed that in the first quarter of the contract, 83% of individuals accessed the service by phone (largely because of lockdown restrictions), 14% via the web and 2% in person. However, in the most recent quarter of the contract, the percentages are lower but there remains a clear preference in remote access with 57% accessing by phone, 24% via the web and 19% in person. This evidence has supported the decision to rebalance the specification towards remote access and meeting need within the community. This has been reflected in the specification with an enhanced focus on the expansion of home visits and community embedded approaches. To emphasise this, the tender specification encouraged applicants to consider moving away from a central base of operations. This has increased value for money and allowed a potential provider to deliver the service within the budget proposed.
- 3.3 Even as we can consider the COVID crisis to have abated, it is evident through all avenues of Government and local data (**Appendix 1**) that the rising cost-of-living has displaced COVID as the central pressure on the wellbeing of Cherwell residents. It is understood that affordability concerns can affect many areas of life. To address this, the specification was amended to ensure the supplier offer a generalist information and assistance function alongside specialist money advice.
- 3.4 CDC have commissioned a service with 4 main directives
  - Provide “A General Information and Money Advice Service” by telephone and online
  - The service should operate within the community via community surgeries or home visits
  - The service should help tackle the cost-of-living crisis

- The service will provide sound Financial Conduct Authority accredited advice to all in Cherwell.

3.5 To inform the report, officers drew reference from Government statistics and the current State of the District report commissioned in 2020 (**Appendix 2**) which highlights population demographic and segments income deprivation and need. The key influences on this commission are:

- Areas in Cherwell rank within the top 2% of need in country within the Index of Multiple Deprivation, indicating there are areas suffering intense poverty and social hardship
- The Average House price is £345,220 (as per 2020) and rendered unaffordable to most residents
- 9% of children live-in low-income families
- The over 60s population is rising faster than other demographics.
- 4748 Households in fuel poverty (as per last recording in 2020)
- The CPIH annual indicator shows the cost of living has risen 8.6% over the last 12 months

3.6 CANO also reported that throughout the life of the current contract, Housing has not been their primary trigger for assistance. Cost of living pressures have always taken precedent. In Quarter 1 of the contract, Benefits (including Universal Credit) accounted for 1413 approaches and Debt 365 approaches, with Housing amounting to 281 approaches. In the last recorded quarter (Year 2 Quarter 3,) Benefits accounted for 944 approaches, Debt 325 approaches and Housing was relegated out of their top 5 approaches of high demand. Housing demand was replaced by the need for assistance with food bank and charity assistance. This need totalled 234 approaches.

3.7 This shows alongside direct housing advice and benefit guidance that reduces the need for statutory homeless assistance, there is a strong mandate to expand specialist advice to a general area. This would include other avenues of assistance such as foodbank access, charity relief and legal advice referrals

3.8 The balance of need towards mainly financial advice doesn't negate the need for Housing intervention and there is a significant provision for a range of housing advice tools to assist residents alongside CDC's Housing team. This includes homeless prevention support such as eviction defence, referrals to legal advice and private sector tenure advice. We have included provision to share information within the Data Protection Act and expect Supplier 2 to fast track homeless households who need specialist advice and are referred by the Housing Team.

3.9 To source the best partner for this commission, a specification (**Appendix 3**) was issued for the procurement portal, alongside an invitation for qualified parties to submit tender applications. The tender process closed on 30 August 2022 and two organisations submitted tenders for assessment. These tenders were marked against published assessment criteria by three senior Housing officers and CDC's procurement specialist. Following a group moderation exercise a clear winner was identified and the decision was made to seek approval from Executive to delegate authority to the Section 151 officer alongside the Head of Legal to award the contract to Supplier 2

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

- 4.1 Because the setting of the 2022 budget required a saving in the commissioning of a Money Advice service, an extension of the current provision was not an option to explore in ensuring a continued Money Advice Service. For this reason, it was agreed that an entirely new commission would take place. The process was open to any operator in the market with a “general information” and “money advice” specialism.
- 4.2 The current contract with CANO ends on 31<sup>st</sup> December 2022. In order to ensure the required savings, the new contract must begin at the lower rate on 1<sup>st</sup> January 2023.
- 4.3 The current relevance of the service cannot be understated. Data supplied by CANO Cherwell’s own data, and Government statistics highlights a clear need.
- 4.4 In the current contract, evidence of the cost-of-living crisis has become particularly clear, in the last quarter recorded, (Year 2 Quarter 3) 234 individuals sought assistance in accessing charitable funding and foodbank assistance.
- 4.5 An exhaustive procurement exercise was undertaken whereby value for money research was undertaken, a specification that met current and future needs of Cherwell residents was formulated, and in conjunction with Oxford County Council, procurement team, a tender was launched to the market.
- 4.6 Two respondents submitted tenders and these tenders were assessed by the CDC procurement specialist for eligibility and by the Housing Commissioning officer, Housing Manager and by Cherwell’s Housing consultant to assess quality assurance.
- 4.7 It was unanimously agreed that Tender 1 did not meet quality thresholds and that Tender 2 met and exceeded in some areas, all the quality requirements stated.
- 4.8 It was also found that Tender 2 met financial stability requirements, safeguarding and data protection requirements and were a fit and proper organisation to receive public funding. Overall Tender 2 has met and exceeded the stated tender requirements.

## **5.0 Consultation**

Not applicable

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

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Do not award a Contract. This option has been rejected because Cherwell District Council is in need of a Free money Advice and General information service for its residents

Option 2: Extend Current contract at current cost. This option has been rejected because Cherwell District Council is Committed to making savings in 2021/2022. The current cost is unsustainable and when considering comparable public services, not optimal value for money

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 By awarding the 'General Information and Money Advice' contract to Tender 2, the Council will achieve the savings mentioned in the main body of the report whilst providing a more holistic service to meet the needs of Cherwell residents.

Comments checked by:

Kelly Wheeler, Finance Business Partner 01295 221570 [kelly.wheeler@cherwell-dc.gov.uk](mailto:kelly.wheeler@cherwell-dc.gov.uk)

### **Legal Implications**

- 7.2 The Contract has been properly procured and there are no other Legal Implications.

Comments checked by:

Jack Hayward, Contracts Solicitor, 01295 221297,  
[Jack.hayward@Cherwell-dc.gov.uk](mailto:Jack.hayward@Cherwell-dc.gov.uk)

### **Risk Implications**

- 7.3 There are no risk implications directly linked to this report. Any arising risks will be managed by the service operational risk and escalated to the leadership risk register as and when necessary.

Comments checked by:

Celia Prado-Teeling, Performance & Insight Team Leader, 01295 221556,  
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### **Equalities and Inclusion Implications**

- 7.4 This proposal gives equitable advice access to all communities within the Cherwell district, the winning Tender will operate surgeries within the community and/or conduct home visits were necessary.

An equalities impact assessment has been included as Appendix 3

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 Wards

### Links to Corporate Plan and Policy Framework

<https://www.cherwell.gov.uk/downloads/download/1320/homelessness-review-and-strategy>

### Lead Councillor

Councillor Nick Mawer, Portfolio Holder for Housing

### Document Information

#### Appendix number and title

- Appendix 1- Base data
- Appendix 2 -State of the District Report
- Appendix 3- Service specification
- Appendix 4 -Equality Impact assessment
- Appendix 5- Procurement engagement document
- Appendix 6 – EXEMPT

### Background papers

None

### Report Author and contact details

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