

This report is public	
Money Advice Contract	
Committee	Executive
Date of Committee	9 September 2024
Portfolio Holder presenting the report	Portfolio Holder for Housing, Councillor Chris Pruden
Date Portfolio Holder agreed report	9 August 2024
Report of	Assistant Director Wellbeing and Housing – Nicola Riley

Purpose of report

To propose an extension in the current Money Advice contract with Citizens Advice.

1. Recommendations

The Executive resolves:

- 1.1 To approve the extension of the existing money advice contract by one year, until January 2026.
- 1.2 To bring a further report to Executive within six months to consider options beyond 2026, to allow sufficient time to procure such a contract, if necessary.

2. Executive Summary

- 2.1 The Council commissioned Citizens Advice to provide money advice services to Cherwell residents on its behalf in 2022. The contract length was for 2 years with optional extension. The report requests a decision to extend for a further year. The annual contract value exceeds officer delegations, and thus an Executive decision is required.

Implications & Impact Assessments

Implications	Commentary
Finance	The cost of the contract is within the operating budget of the service. Kelly Wheeler, Finance Business Partner, 16 July 2024
Legal	The one year extension proposed is within the terms of the existing contract, and therefore there are no procurement risks to the extension. The Council will need to consider its ongoing need

	for this service in good time to allow a lawful procurement process to run Shahin Ismail, Interim Head of Legal Services, 17 July 2024			
Risk Management	There is no risk arising directly from this report. Any arising risks will be managed through the service operational risk frameworks and escalated as and when necessary. Celia Prado-Teeling, Performance Team Leader, 18 July 2024			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact	x			The proposal aims to have a positive impact on residents across the district, specially those within our most deprived communities. Celia Prado-Teeling, Performance Team Leader, 18 July 2024
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?	x			
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?	x			
Climate & Environmental Impact		x		Not applicable
ICT & Digital Impact		x		Not applicable
Data Impact		x		Not applicable
Procurement & subsidy		x		Not applicable
Council Priorities	Housing that meets your needs			
Human Resources	Not applicable			
Property	Not applicable			
Consultation & Engagement	None			

Supporting Information

3. Background

- 3.1 The Council commenced the current money advice service in 2022 and Citizens Advice (now West Northamptonshire and Cherwell) were successful in securing the contract. The service provides independent advice and assistance in resolving issues related to finances that customers have. At the time of the commencement of the contract, many of these challenges were addressing the rising cost of living.
- 3.2 The contract aimed to provide a free, comprehensive money advice and support service to all residents of Cherwell who need it. The financial assistance provided could include
- Benefit changes
 - Spare room subsidy
 - Council tax arrears
 - Housing issues relating to affordability
 - Rent and mortgage arrears
 - Loss of employment
 - Cost of living payments and grants
- 3.3 The service is well used. In 23-24, 3659 cases were dealt with by the service. The primary users of the service are those requiring benefit, universal credit and tax credit advice.
- 3.4 The service also plays a role in the prevention of homelessness, with around 100 clients a quarter typically accessing the money advice service for assistance with housing costs that could lead to homelessness, such as rent arrears.
- 3.5 The service is accessed predominantly remotely but there is a drop-in service at hubs. The service is available district wide, however around 40% of service users are from some of the most deprived areas within Banbury (Cross & Neithrop, Grimsbury & Hightown, Hardwick and Ruscote)

4. Details

- 4.1 The contract period is from January 2023 until January 2025. There are extension options within the contract.
- 4.2 It is proposed to extend for a further 1 year until January 2026. The service is well used and issues that surround the affordability of accommodation due to inflation, interest rates and rising rents in the private sector are still of concern. Issues relating to the affordability of accommodation are particularly acute across Oxfordshire, including Cherwell.
- 4.3 The Council is experiencing increased demand for its homelessness services. Therefore, an additional agency to assist with some of the main causes of

homelessness, such as affordability of housing and arrears, assists wider Council services.

- 4.4 The current contract value is £300,000. £150,000 per year. Therefore, a further year of continued service would be £150,000. This amount is above officer delegation in accordance with the Council's constitution.
- 4.5 Following expiry of the current contract, the Council will review the provision. A review will focus on demand drivers for the service and how customer needs may best be met in the future. As per the recommendations, if a further contract is considered the best approach, a further report will be presented to the Executive.

5. Alternative Options and Reasons for Rejection

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

Option 1: To end the Money Advice Contract at the end of the contract period (January 2025)

The is an option in accordance with the contract end date. The option is rejected due to the continued cost of living issues being faced by clients and high demand for the money advice and related Council services.

Option 2: To extend the Money Advice Contract by 2 years (until January 2027)

This option is within the scope of the current contract. This option is rejected to ensure that a re-procurement exercise and/or a review of the current provision can take place sooner.

Option 3: To extend the Money Advice Contract by less than 1 year

There is scope to extend for less than two years, and the minimum term of extension is not defined within the contract. Within the contract is an annual cost of services, so a new contract could be required to make this adjustment and therefore we cannot extend the existing contract due to terms within it changing. Extending by a period of one year will also give more time to review and procure a future service, if necessary. This option is rejected

6. Conclusion and Reasons for Recommendations

- 6.1 The money advice service is well used and is used by residents facing financial hardship, who may not be able to access other forms of financial advice and support. It is therefore recommended that it is continued for a further year considering the current contextual factors affecting households and household budgets.

Decision Information

Key Decision	Yes
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Subject to Call in	Yes
If not, why not subject to call in	Not applicable
Ward(s) Affected	All wards

Document Information

Appendices	
Appendix 1	None
Background Papers	None
Reference Papers	None
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