

Commissioning and Procurement Executive Committee – 09 November 2021

Subject:	Financial Vulnerability and Debt Advice - 2022/23		
Corporate Director/ Director:	Clive Heaphy – Corporate Director Finance and Resources Katy Ball – Director Commissioning and Procurement		
Portfolio Holder:	Councillor Sam Webster		
Report author and contact details:	Louise Graham – VCS Partnerships Manager louise.graham@nottinghamcity.gov.uk 07885 790195		
Other colleagues who have provided input:			
Key Decision: Yes			Subject to call-in Yes
Reasons: Expenditure of £750,000 or more taking account of the overall impact of the decision			Revenue
Significant impact on communities living or working in two or more wards in the City			Yes
Type of expenditure:	Revenue		
Total value of the decision:	£812,988		
Wards affected:	All wards		
Date of consultation with Portfolio Holder:	27 May 2021		
Relevant Council Plan Key Outcome:			
Clean and Connected Communities	X		
Keeping Nottingham Working	X		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Healthy and Inclusive	X		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	X		
Financial Stability	<input type="checkbox"/>		
Serving People Well	X		
Summary of issues (including benefits to citizens/service users):			
<p>The current arrangements for financial vulnerability are due to end on 31st March 2022. Given the increasing demand for advice in Nottingham City it is important that financial vulnerability and debt advice support is maintained therefore this paper outlines the new arrangement to be put in place for April 2022.</p> <p>To ensure that support reaches citizens most in need of support, it is crucial that community focused advice and support around all aspects of financial vulnerability both reaches into local communities and provides an easily accessed digital offer. This delivery should be flexible to be able to react to emerging needs and the impact of Covid on vulnerable citizens in agreement with the Council.</p> <p>It is proposed a one-year conditional grant process for April 2022-March 2023 is approved.</p>			
Exempt information:	None		
Recommendations:			

1	To approve spend of £812,988 on Financial Vulnerability and Debt Advice through a grant application process, subject to the outcome of current budget discussions.
2	To delegate approval of the grants process to the Director of Commissioning and Procurement.
3	To delegate approval of the outcome of the process and award of funding to the Director of Commissioning and Procurement in line with the outcome of the Council budget for 2022/23.

1. **Reasons for recommendations**

- 1.1 The current arrangements for funding advice services for people experiencing financial difficulty, which were delivered under contracts come to an end on 31 March 2022, and a new arrangement needs to be implemented by 1 April 2022.
- 1.2 The creation of a one-year grant aligned to intended outcomes of the organisations will ensure stable provision of financial vulnerability support and debt advice and also enable a broader conversation about what the future community focused delivery model should look like both within the Council and in partnership.
- 1.3 To use the opportunity of the ending of the current arrangements to enable the re-aligning of outcomes delivered by this resource as a response to the changing need within local communities. This includes understanding the impact of Covid and the new landscape that has emerged as a result of this.
- 1.4 The award of a one-year grant also enables the successful delivery organisation to use this funding as match-funding against other grant opportunities such as those advertised by Central Government, Big Lottery etc.
- 1.5 This activity is already being delivered in the City by VCS organisations as part of their core function, NCC's funding serves as a contribution to the overall activities these organisations deliver. This approach will drive efficiencies and will open up the field to smaller organisations that work at a neighbourhood level with a 'reach' into local communities. The requirements via the procurement route often deter smaller organisation from applying, despite these organisations often being best placed to deliver this type of support.

2. **Background (including outcomes of consultation)**

- 2.1 The current contracts in place for the provision of advice to assist people experiencing debt and other financial difficulty are due to end in March 2022.
- 2.2 The rationale for undertaking a grant process is:
 - Is that these services are already being delivered in the City by VCS organisations as part of their core function and our funding serves as a contribution to the overall services these organisations deliver.
 - A grant process will enable local charitable organisations who already provide advice to bid, plus bring in additional resource for this activity in the city.

- A one-year grant will also enable the organisations flexibility to respond to needs as they present and for the Council to consider the funding it wishes to provide within the City as it changes.
- Currently the impact of COVID on people's mental health and finances is still unknown and this approach will allow services to flexibly meet unknown need in agreement with the Council.
- This will drive efficiencies and a grant approach will open up the field to smaller organisations that can work at neighbourhood level and reach those 'hard to reach' groups, as the requirements via the procurement route often deters the smaller organisations from applying, who are generally best placed to deliver this.

3. **Other options considered in making recommendations**

3.1 **Discontinuing current arrangements and not proceeding with a grant award**

- Not recommended due to significant detrimental effect on citizens, particularly the most vulnerable and in need of support.

3.2 **A longer grant agreement**

- Not recommended as this would not align with the commissioning activity around the Community Support offer for vulnerable citizens and the ICS Community Transformation work stream.

4. **Consideration of Risk**

4.1 If the decision is to not fund advice for people experiencing financial difficulty, the resulting impact of less funding could mean less support is available and the impact on citizens may include increased debt, not maximising benefits, and increased risk of homelessness that could ultimately result in a reduction in collection of rent and council tax.

4.2 There are no perceived direct risks attached with this decision. The current contracts are due to expire and the Council's intended objectives for ensuring these types of services are offered in the City will still be being provided by the VCS organisations under their core model of delivery. Consideration of other potential risks will be undertaken as the proposal is taken forwards.

5. **Finance colleague comments (including implications and value for money/VAT)**

5.1 Existing MTFP budget provision of £0.813m is contained within Commissioning & Procurement, within the Finance & Resources directorate, for this contract. This contract is therefore deemed affordable with no financial pressure occurring as a result of approving this decision.

It should be noted that 50% of this budget is made up from the Public Health reinvestment grant. Any future service redesign and/or savings proposals should be made in consultation with the NCC Public Health team, considering this funding element.

At the time of writing, there are no future savings in relation to this contract embedded in the MTFP.

Phil Gretton – Strategic Commercial Business Partner – 26 October 2021

6. **Legal colleague comments**

- 6.1 The proposal in this report is to approve the funding for financial vulnerability and debt advice services to VCS organisations in the City.
- 6.2 It is understood that services were previously offered under service contracts paid for by the Council. Following a review of the provision in the City and in line with the Council's policy objectives, it is deemed more appropriate that funding is allocated through a grant application process to existing VCS organisations who already deliver these kind of services. It is proposed to initiate a grant application process for a one-year period, whilst an assessment of the broader community model requirements is undertaken.
- 6.3 As the money will no longer be provided under a service contract, the Council will not be able to be as explicit about deliverables as it may have been previously, as this is not how grant agreements are intended to operate. Use of the funds will however be monitored in accordance with the bid process criteria to ensure alignment with the Council's objectives to support these types of services being available within the City.
- 6.4 Grants are not governed by the Public Contracts Regulations 2015 and so there is no requirement for a procurement process to be followed. Appropriate grant agreement terms should however be put in place between the parties in order to reflect this arrangement, following the completion of a fair and transparent grant award process.
- 6.5 The Grant recipients shall be required to provide such information and comply with any instructions from the Council to ensure that a Grant remains compliant with the Subsidy Control Rules, including where appropriate or required to do so, obtaining independent advice on receipt of the Grant to ensure compliance.

Dionne Screamon – 22.10.21
Solicitor, Legal and Governance

7. **Other relevant comments**

- 7.1 This report proposes the funding of financial vulnerability debt advice activities delivered by the Voluntary and Community Sector from April 2022 through a grant funding process. The Procurement Team have been consulted on the proposals and are supportive of the proposed approach. As the arrangements will be grant funding and not services contracts, they are not subject to the UK Procurement Regulations or the requirements of the Council's Contract Procedure Rules. A grant application process should be undertaken and appropriate grant agreements entered into to reflect the award of funding.

Jo Pettifor – 13.10.21
Category Manager Strategy and People, Commissioning and Procurement

- 7.2 HR and EDI considerations should be discussed in context of the reduced budget and how Lead Organisations plan to achieve this. Consideration will be given to any TUPE implications. Should TUPE apply then associated staff

transfers will need to take place before any restructure and this will likely impact on the timescales for delivering any savings. The costs of any TUPE, particularly in relation to pensions will need to be considered at an early stage.

Paul Slater
HR Business Lead
29 October 2021

8. Crime and Disorder Implications (If Applicable)

8.1 N/A

9. Social value considerations (If Applicable)

9.1 These proposals support Nottingham City Council's approach to social and environmental well-being in connection with public service grant agreements for the VCS by requiring community groups to share space and work in partnership or to form consortia. This work will contribute to an increase and improvement in social and community cohesion and will help to foster a greater understanding and respect between communities and cultures.

9.2 Priorities for the grant programme have been identified in partnership with the VCS through a series of consultation events. Successful applicants will be required to engage with other grant funded programmes, organisations, area partnerships and stakeholders to help direct service outcomes.

10. Regard to the NHS Constitution (If Applicable)

10.1 N/A

11. Equality Impact Assessment (EIA)

11.1 An EIA is not required because there are no significant changes to existing services that will impact on delivery.

12. Data Protection Impact Assessment (DPIA)

12.1 A DPIA is not required because there are no significant changes to existing services that will impact or change the way that data is managed.

13. Carbon Impact Assessment (CIA)

13.1 A CIA is not required because there are no significant changes to existing services that will impact on the minimal carbon production from delivery.

14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

14.1 N/A

15. Published documents referred to in this report

15.1 N/A