

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE
14 JANUARY 2015

Subject:	Financial Vulnerability Advice and Assistance Commissioning Intentions		
Corporate Director(s)/ Director(s):	Alison Michalska, Corporate Director – Children and Adults Candida Brudenell, Strategic Director for Early Intervention		
Portfolio Holder(s):	Councillor Graham Chapman – Portfolio Holder for Resources and Neighbourhood Regeneration Councillor Alex Norris – Portfolio Holder for Adults, Commissioning and Health		
Report author and contact details:	Bobby Lowen, Lead Commissioning Manager 0115 876 3571 alan.lowen@nottinghamcity.gov.uk		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total value of the decision: £6.467m			
Wards affected: All	Date of consultation with Portfolio Holder: Councillor Chapman – 17 December 2014		
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter			<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input checked="" type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users): This report puts forward recommendations for commissioning advice and support to assist citizens who are vulnerable to financial difficulty.			
Exempt information: Appendix 3 to this report is exempt from publication under paragraph 5 of Schedule 12A to the Local Government Act 1972: Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. Having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it will reveal legal advice provided which identifies risks to the Council in respect of which a legal challenge could be made in the courts. This is information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. Appendix 4 to this report is exempt from publication under paragraph 3 of schedule 12A to the Local Government Act 1972: Information relating to the financial or business affairs of any particular person (including the authority holding that information). Having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because to make available to other organisations contract values of existing contracts, which are planned to be market tested, would prejudice the open tender process.			

Recommendation(s):	
1	To approve the reconfigured model of advice and support to assist citizens in (or at risk of) financial difficulty (see appendix 1) to be delivered from 1 October 2015.
2	To approve the commissioning of advice services detailed in section 1.2 and in exempt appendix 4.
3	To delegate authority to the Strategic Director of Early Intervention to approve the outcome of the tenders and award contracts to secure best value for Nottingham's citizens.
4	To delegate authority to the Head of Quality and Efficiency to sign contracts arising from the tender process once the tender outcome is agreed.
5	To approve the procurement of a freephone telephone number for access to advice and support for citizens in financial difficulty as detailed in exempt appendix 4.
6	To approve the variation of the contract for the Crisis Intervention Drop In (CIDI) service as detailed in exempt appendix 4.
7	To approve the creation of a fund for the trial of activities designed to prevent financial difficulty from occurring or worsening as detailed in exempt appendix 4.
8	To note the savings of £0.200m per annum against funds currently allocated towards the provision of advice and assistance for citizens who are vulnerable to financial difficulty from the start of the 2015/16 financial year.
9	To approve expenditure associated with the contracts included in this report.
10	To approve dispensation from contract procedure rules 5.1.2 under financial regulation 3.29, in order to extend contracts for current services at a reduced level of funding (see exempt appendix 4) for a period of up to 6 months in order to ensure uninterrupted delivery of support for citizens.
11	To delegate authority to the Strategic Director of Early Intervention to extend current contracts at a reduced contract value for services detailed in exempt appendix 4 for a period of up to 6 months for the period 1 April 2015 to the 30 September 2015.

1 REASONS FOR RECOMMENDATIONS

1.1 Analysis of the current offer of advice and support completed to inform the Financial Vulnerability Advice and Assistance Strategic Commissioning Review (FVAA SCR) suggests that there are a number of opportunities to use resources more effectively to assist citizens experiencing or at risk of financial difficulty. The commissioning of advice services in line with a new model (appendix 1) is therefore recommended in order to make better use of resources to assist citizens in financial difficulty and to manage pressure on the Council's budget.

1.2 Approval is sought to procure the following services in accordance with the outcome of a competitive tender in order to deliver the model described in appendix 1 and to secure best value for Nottingham's citizens:

- Neighbourhood Advice Provision in Community Settings
- Citywide Advice Services
- Community Specific Advice for Refugees and Asylum Seekers
- Community Specific Advice for Deaf Citizens
- Housing Debt Advice

Current contracts let by NCC for the delivery of advice services (which it is intended that the above services will replace) are also due to expire 31 March 2015 (see recommendation 7 and section 1.5 of this report). Indicative values of each service can be found in exempt appendix 4.

1.3 The creation of a freephone number (also to be free via mobile phone) for access to advice is proposed in order to remove a barrier to support for citizens in financial difficulty.

- 1.4 Approval is sought to vary the agreement with Framework Housing Association for the provision of the Crisis Intervention Drop In (CIDI) service in order to deliver the model described in appendix 1 and to deliver savings needed to manage pressure on the Council's budget. Details of this variation of service and the associated change in contract value can be found in exempt appendix 4.
- 1.5 A range of possible approaches for helping citizens to avoid financial difficulty (or worsening difficulty) have been identified through the FVAA SCR. The creation of a fund paid for by reducing investment in reactive support is proposed in order to allow for the trial of services designed to assist citizens before difficulties escalate and increase in their impact and/or become more costly to resolve.
- 1.6 Budget pressures faced by the Council mean that savings of £0.2m per annum against the current commitment of funds for the provision of advice and assistance for financially vulnerable citizens are needed from 2015/16 in order to contribute to overall savings needed to balance the Council's budgets.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 In March 2014, Executive Board Commissioning Sub-Committee approved plans for a strategic commissioning review of advice and support commissioned by the Council to assist citizens experiencing financial difficulty (known as the Financial Vulnerability Advice and Assistance SCR or FVAA SCR). This review has been prioritised as part of the Early Intervention Directorate's work programme to ensure the Council's response to assist citizens in difficulty is effective (as recommended by the Council's Welfare Reform Task and Finish Group) and in light of increasing demand for assistance within the City.
- 2.2 The recommendations set out within this report are based on a proposed new model of advice for financially vulnerable citizens developed with input from citizens and other stakeholders through a collaborative strategic review process. This process has sought to benefit from the experience of stakeholders (including advice providers, citizens with experience of financial difficulty, providers of associated services and other experts) by seeking out their involvement in the delivery and interpretation of research and in the formation of plans for the future provision of advice services.
- 2.3 Research completed to inform the FVAA SCR identifies financial vulnerability as a significant issue for Nottingham. A report to Executive Board Commissioning Sub-Committee on the 16 July 2014 on progress with the review identified that:
 - many people in the City are experiencing or are at significant risk of financial difficulty, with high rates of unemployment, benefit dependency and a high proportion of citizens experiencing unmanageable debt;
 - demand for advice and assistance with financial problems is increasing;
 - deprivation characterised by low or insecure financial standing is linked to other important outcomes affecting citizens' quality of life (including their health) and prospects.
- 2.4 A number of areas of opportunity to improve support for citizens and manage pressure on budgets have been identified through the FVAA SCR. These include:
 - working to prevent difficulty from occurring or worsening, and increasing resilience among people at risk;
 - improving the co-ordination of advice and support so that more people get the right support at the right time (according to their need and ability), and so that resources (e.g. advice workers' time) are put to the best use;

- helping more people to avoid or self manage reoccurring difficulty, including by supporting more people access to employment or training.

2.5 An options generation process has been followed to work with stakeholders to develop plans for reshaping advice provision in order to capitalise on these opportunities. These plans have been refined with the input of a project group with representation from NCC, the voluntary sector and other stakeholders. Further refinement of plans has come through a two stage consultation process that has sought feedback from citizens and other stakeholders.

2.6 Key features of the model developed through this process include:

- The introduction of a single assessment and an appointment / case management system to help to offer a more consistent response across advice services, and to give citizens (and professionals) access to appointments across all advice provision in the City from one contact. Assessments are to be provided by experienced advisors to support the resolution of difficulties at the first point of contact where possible. The aims of this approach include:
 - offering a clearer access / more co-ordinated pathway of support to target resources (e.g. staff time) more efficiently and to improve the experience of citizens;
 - reducing the duplication of assessments and advice delivered to the same citizens across services;
 - supporting prioritisation of access based on each citizen's needs and ability to self manage, and the more systematic referral to other forms of non-commissioned support (e.g. from national helplines or support from the voluntary sector) where appropriate; and
 - supporting the more systematic identification of problems linked to (i.e. causing and/or arising from) financial difficulty and referral to complementary support.
- Staged transfer of funds from more reactive advice and support to allow the creation of a fund for the trial and evaluation of initiatives aimed at preventing the escalation of financial difficulty (to commence in October 15/16) before problems worsen and become more difficulty to resolve.
- Changes to responsibilities for advice providers, including:
 - increased support for non-commissioned voluntary sector services (e.g. food banks) to increase capacity / effectiveness in the provision of basic advice for people in financial difficulty and supporting referrals to advice services;
 - the requirement to work with citizens (and with services offering employment support) to promote readiness for employment and to support citizens to access opportunities for employment.

More detail on the model and associated rationale can be found in appendix 1.

2.7 Nottingham City Council is under significant pressure to reduce expenditure on its services in order to manage budgetary pressures arising from shrinking funding from central government and increased demand for statutory provision. The FVAA SCR has therefore sought to identify opportunities to maximise the benefits to citizens from available resources. Savings made through the implementation of the recommendations put forward in this paper have been limited to approximately 10% of the Council's current commitment of funds owing to the priority given by the Council to helping citizens to avoid financial hardship, and owing to the factors identified in 2.3 and associated risk of increasing demand for crisis and/or statutory areas of support.

- 2.8 A number of activities intended to complement the changes to advice services are to be progressed via the Council's Employment and Welfare Support Programme. These activities include:
- developing communications to support the introduction of new access arrangements for citizens and professionals, and to encourage resilience to financial difficulty among vulnerable citizens;
 - working to engage partner organisations (e.g. health, landlords, etc) and other services provided by the Council (e.g. social care) to explore opportunities for them to support citizens in financial difficulty (e.g. by working to identify people in difficulty sooner and providing support or supporting referrals to advice services) and to identify benefits for each organisation;
 - encouraging services offering employment support to work more closely with advice services.
- 2.9 Nottingham City Council has been awarded a non-reoccurring fund of £0.3m by the Department of Communities and Local Government through the Transformation Challenge Award to help transform advice services in Nottingham and to support more citizens seeking advice to access employment. This fund will be used to build on the proposals put forward in this paper by supporting the transition to the new model of advice and assistance and by increasing the opportunity to pilot initiatives designed to help stop citizens from experiencing financial difficulty.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 To retain the current arrangement of advice and support for citizens in financial difficulty and seek efficiencies through retendering or negotiation with existing providers. Opportunities have been highlighted through the FVAA SCR for the Council and its partners to better utilise resources to better assist citizens in or at risk of financial difficulty. Analysis from the FVAA SCR also suggests that maintaining the existing arrangements for the provision of advice would not enable services to effectively manage the demand pressures identified. For these reasons, this option was rejected.
- 3.2 To allow contracts (detailed in exempt appendix 4) to expire on 31 March 2015. The tender for new advice services will not have been completed in order for new services to be in place from 1 April 2015. This option would therefore result in a significant gap in the provision of advice services at a period of high demand, likely to result in significant adverse impact to citizens experiencing financial difficulty, and the consequent risk of an increase in demand for crisis and/or statutory provision. For these reasons, this option was rejected.
- 3.3 To extend contracts (detailed in exempt appendix 4) at their current values until 30 September 2015 prior to the introduction of new services. Pressure on the Council's budgets requires savings to be delivered from the start of the 2015/16 financial year. For this reason, this option was rejected.
- 3.4 To further reduce the budget for the provision of advice and assistance for citizens in financial difficulty to contribute additional savings to the Council's budget. This would pose an unacceptable risk of undermining an important area of support for Nottingham's citizens (see 2.3) and risk of placing additional pressure on (and the cost of providing) crisis and/or statutory areas of support funded by the Council. For these reasons, this option was rejected.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 4.1 The value of the contracts included in this report, including the extension periods is £6.467m, further detail of the profile of this spend is included in exempt appendix 4.
- 4.2 Savings generated from this process are £0.200m per annum which aligns to the requirements of the Medium Term Financial Plan (MTFP).
- 4.3 Dispensation from financial regulations is required for the contracts set out in exempt appendix 4.
- 4.4 Commissioning of the contracts in this report will ensure value for money is being achieved for services and the requirements of the MTFP are achieved. Before the contracts are awarded a review will need to be undertaken by Commissioning to ensure that the final award value aligns with the values in exempt appendix 4.
- 4.5 Chief Finance Officers Observations on Dispensation: Dispensation from financial regulations 3.29 and contract procedure rule 5.1.2 is supported for this service.

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

- 5.1 The introduction of changes to the provision of advice and assistance necessitates some risk in the continuity of support and in the ongoing ability of services to respond to the needs of financially vulnerable citizens. Whilst presenting some risk, the changes proposed have been developed in collaboration with stakeholders with the aim of using resources more effectively to respond to the need for assistance and prioritising support for citizens with the greatest need.
- 5.2 The recommendations in this report set out to protect funds allocated by the Council to assist citizens in or at risk of financial difficulty (see section 3.2). Whilst this is the case, the reduction in funding (see section 2.7) through the implementation of the recommendations put forward in this report incurs some risk of reducing the availability or efficacy of support to help people avoid or manage difficulty. The links between financial hardship and other problems faced by citizens (including risk of homelessness, poor health, etc) means that there is a consequent risk of increasing demand for other statutory and/or crisis support also funded by the Council and its partners. The proposed changes to the delivery of advice and assistance also recommended seek to use available resources more effectively in order to mitigate this risk.
- 5.3 Legal observations: Please see exempt appendix 3.

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 The recommended changes to advice services put forward by this report specifically seek to improve the economic well-being of citizens in Nottingham. By virtue of the type of services being commissioned, social improvements are expected to be delivered, particularly for citizens receiving services. Economic improvement is also expected with regard to the terms under which service providers employ their staff. Such consideration will support compliance with the

Public Services (Social Value) Act 2012, and this will be embedded into any procurement process.

7 REGARD TO THE NHS CONSTITUTION

7.1 Not applicable.

8 EQUALITY IMPACT ASSESSMENT (EIA)

8.1 See appendix 2.

9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

10.1 2014/15 Strategic Commissioning Intention” – Report to Executive Board Commissioning Sub-Committee 12 March 2014.

10.2 Financial Vulnerability Advice and Assistance Strategic Commissioning Review Progress Update – Report to Executive Board Commissioning Sub-Committee 16 July 2014.

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

11.1 Ceri Walters, Finance Business Partner, Strategic Finance

11.2 Andrew James, Team Leader Contracts and Commercial, Legal Services

11.3 Julie Herrod, Procurement Lead Officer, Strategic Procurement