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Report of Neil Evans, Director, Environment & Housing

Report to Executive Board

Date: 17th July 2013

Subject: Commissioning a new advice service for Leeds

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	☐ Yes	× No
Are there implications for equality and diversity and cohesion and integration?	× Yes	☐ No
Is the decision eligible for Call-In?	× Yes	☐ No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number:	☐ Yes	× No

Summary of main issues

- 1. This paper supports the welfare, benefits and poverty agenda outlined in the report of the Assistant Chief Executive (Citizens and Communities) and the Director of City Development to June's Executive Board. This outlined the role of the new Citizens and Communities Directorate in leading on tackling poverty and deprivation. The development of a new advice service will ensure that services are more integrated and accessible. The new contract will specifically address issues regarding access to financial advice and advice regarding affordable banking and credit. This will support the delivery of the common assessment framework for financial support and include close working with the Council. The new service will be led by, and accountable to, the Assistant Chief Executive (Citizens and Communities).
- 2. A review of advice services across the city was undertaken between September 2012 and March 2013. This work, led by Environment and Housing (E&H) with support from services across the Council, involved mapping and analysing advice provision within Leeds (Council-funded and otherwise) and detailed consultation with service-users and providers. The aim was to inform the development and commissioning of a new advice service for the city, capable of meeting the growing demand for free, impartial and confidential advice. At the current time a number of funding arrangements are in place between the Council and advice agencies. Key grant arrangements are approved annually and this does not support long term planning. In addition not all services are based in areas of most need and there is not capacity within current services to meet the demand for telephone or face to face advice.

- 3. A number of highly respected organisations have provided excellent services to people in Leeds over many years, with financial support from the Council. These efforts in the past, however, have not been properly coordinated. By commissioning services in a coherent way which seeks to use the strengths of these organisations; it is believed that the existing level of financial support can be made to go further.
- 4. As part of the review of advice services, and in the interests of openness, transparency and value for money, a market-sounding exercise was carried out between November 2012 and January 2013. This was to gain a clear understanding of which organisations possessed the experience, expertise and capability to deliver the type of service required i.e. one that can meet the needs of Leeds' many diverse communities and neighbourhoods in a timely and effective manner. The outcome of this exercise was also important in terms of informing how the new service should be commissioned.
- 5. Following a thorough assessment of the responses to the market-sounding, it was concluded that there is not a developed market of suppliers for the delivery of the new service. This was due to the fact that only one of the five responses that received from a consortium made up of Leeds Citizens Advice Bureau, Chapeltown Citizens Advice Bureau, Leeds Law Centre and Burley Lodge Advice Centre (Leeds Advice Consortium) demonstrated the capability to deliver the required service.
- 6. In March 2013 the Director of E&H agreed to waive Contract Procedure Rule 13 in order that negotiations with the consortium could commence with a view to the Leeds Advice Consortium delivering the new service from early 2014. It was agreed, however that the decision to commission the consortium should rest with Executive Board as the new service is so critical for the Council and the city as a whole. It is anticipated that this decision would be part-informed by the consortium's progress in forming robust financial and governance structures, and the outcome of negotiations between the Council and the consortium, particularly the need to embrace new ways of working.
- 7. The new service presents an opportunity to significantly increase the amount of advice provision at a time of unprecedented high demand for such support. It will make better use of technology, council assets and targeted neighbourhood provision to help more clients, whilst focussing most resources on advice related to debt, welfare benefits and housing. In addition, the proposed appointment of the Leeds Advice Consortium to deliver the service will bring a number of significant benefits, such as retaining local employment and volunteering opportunities, attracting additional public and charitable investment into the city and further developing the city's strong local advice network.
- 8. The Council has made a commitment to maintain the level of financial investment for advice over the lifetime of the new contract but is expecting in return that the service will be remodelled and able to meet the needs of substantially more people.

Recommendations

9. Subject to on-going successful negotiations, to agree that a 3 year contract with capacity for two one year extensions is put in place with the Leeds Advice Consortium to deliver a new advice service for Leeds from early 2014. The value of the contract will be approximately £1.36m per year (£1.23m from Environment and Housing Directorate and £135K from Children's Services). The size of the contract may increase if current

- funding for advice via Adult Social Care and Public Health is invested from April 2014 onwards.
- 10. Agree that responsibility for the new advice service will be transferred from the Director of Environment and Housing to the authority of the Assistant Chief Executive (Citizens and Communities).

1 Purpose of this report

- 1.1 To update Executive Board on progress towards commissioning a new advice service for Leeds, including the outcomes of the review of advice services across the city and the market-sounding exercise to determine the capability of potential providers of the service.
- 1.2 To highlight the benefits of the new service and the significant added value that the Leeds Advice Consortium will bring to its delivery. In addition, to set out the progress made to date by the consortium towards establishing robust structures for the successful delivery of the service, and the outcomes of negotiations between the Council and the consortium.
- 1.3 To gain input and guidance from Executive Board on the development of the new service, and to secure the Board's approval to award a 3 year contract with capacity for two one year extensions to the Leeds Advice Consortium to commence delivery from 2014.

2 Background information

- At present, the majority of funding for Council commissioned advice services comes from Environment and Housing's Advice Agencies Grant. This totals £1.23m for 2013/14 and supports three agencies:- Leeds Citizens' Advice Bureau (£727k), Chapeltown Citizens' Advice Bureau (£334k) and Leeds Law Centre (£165k). This arrangement will continue until the new service commences.
- 2.2 In addition to this, Children's Services fund advice from a number of Children's Centres to the value of £135k per annum. This is delivered by a consortium made up of Leeds Citizens Advice Bureau, Chapeltown Citizens Advice Bureau and the Burley Lodge Advice Centre. Adult Social Care also funds advice for people with mental health conditions and for people who are housebound. The former is cofunded by Public Health, who also currently fund advice from some medical settings across the city e.g. GP surgeries and health centres.
- 2.3 In July 2012, the Council's Corporate Leadership Team (CLT) agreed that detailed work should be undertaken to inform how advice provision across Leeds is commissioned and delivered in the future.
- 2.4 Current funding arrangements have existed for a number years and have enabled delivery of a range of excellent services, but there is now a need for better coordination between the organisations involved. There is also a need for the Council to be more specific about the services it wants to fund in order to meet

- increasing demand and for the Council to make a longer term financial commitment to funding advice services in the city.
- 2.5 In essence, the above work needed to inform what the Council wants to buy in terms of advice provision and how it wants to buy it. The aim was to put in place a more coordinated and accessible service that makes best use of technology, innovation and public sector assets to meet the rising and changing demand for free, impartial and confidential advice. The development and commissioning of the new service also had to be undertaken in an open and transparent manner that necessitated some level of competition and market exposure.
- 2.6 Following CLT's endorsement, Environment and Housing Directorate led a more detailed review of advice provision across the city. This included advice commissioned by different parts of the Council and NHS Leeds, alongside advice delivered directly by the Council e.g. the Welfare Rights Unit, ALMOs and the Housing Options Service. The work was overseen and directed by a project board and steering group made up of senior officers from the Council and NHS Leeds.
- 2.7 The review mapped advice provision against areas of highest deprivation and areas most likely to be affected by changes to welfare benefits, in order to identify any gaps or duplication. It also undertook detailed consultation with advice providers, key stakeholders and, most importantly, over 300 service users. This information will be used to inform the service specification.
- 2.8 Consultation with advice providers and stakeholders in Leeds found that a new service would need to make better use of technology to support more clients, more quickly (with an enhanced telephone gateway being the main means of achieving this), and that advice access points need to be located in areas of highest need and demand for example, places where the welfare benefit changes will have most impact.
- 2.9 The review also considered the options for commissioning the new advice service, and it was agreed by the project board that a market-sounding exercise should be undertaken to determine the extent to which a developed market currently exists for the design and delivery of a new city-wide advice service. The outcomes of the market-sounding would then inform how the service should be commissioned i.e. via a full, open and competitive tendering process if several organisations demonstrated their capability to deliver the new service, or, via a direct commission if only one organisation could demonstrate this. This latter option would require a waiver of the Council's procurement rules.
- 2.10 A final element of the review was the consideration of how advice is funded across the Council and NHS Leeds, with the aim of consolidating, and/or, aligning funds in order to achieve improved outcomes for clients and back-office efficiencies within advice providers. To date, this work has resulted in Children's Services agreeing to jointly commission and fund (to the value of £135k per annum) the new service with E&H. This will result in the new service initially being co-funded and commissioned to the value of approximately £1.36m per annum.
- 2.11 It is possible that the funding provided by Public Health and Adult Social Care for advice services in medical settings, and to support some clients with physical and

mental health conditions, may also be added to the contract for the new advice service from April 2014 onwards. This will be dependent on funding allocations from the Department of Health, with provision during 2013/14 being closely aligned to the new service.

- 2.12 The market-sounding exercise included a number of detailed questions designed to determine if respondents possessed the experience, expertise and capability to deliver the required service i.e. one that can meet the changing and growing need for free, impartial and confidential advice across the city on a range of issues, including welfare benefits, debt, housing, employment, consumer affairs, utilities and immigration/asylum. Examples of the type of capabilities required included: organisational standards for advice provision, staff qualifications for advice provision, use of volunteers, track record in attracting public and/or charitable funding for advice provision and use of client feedback to improve services.
- 2.13 Following a thorough assessment of each of the five responses, it was concluded that only one (that submitted by the Leeds Advice Consortium) demonstrated the experience, expertise and capability to deliver the service. This response was by far the most detailed, with particular strengths related to quality standards in advice, professional development of paid and unpaid staff, attracting additional external funding and, understanding of the local area and its advice needs.
- 2.14 It was concluded that there is not a developed market for the type of service set out within the market sounding-document, and that, as a result, a business case to waive the council's contract procurement rules should be made. Following this, negotiations with the Leeds Advice Consortium should commence with a view to them delivering the new service from early 2014.
- 2.15 The market sounding exercise led to key local advice agencies demonstrating that they were prepared to work together and form a consortium to better coordinate their services and to respond to the opportunity to deliver the new advice contract. Consequently, in March 2013 the Director of E&H agreed to waive contract procurement rules and that negotiations with the consortium should begin. The Director recommended that the decision to directly commission the consortium should rest with Executive Board via a report to its July 2013 meeting.

3 Main issues

- 3.1 The new service will build on the good practice that already exists, to develop an even more integrated and high quality service capable of meeting the rising demand for advice brought about by the welfare benefit changes. The design of the service is as outlined in this report. Payment to the Leeds Advice Consortium will be dependent on delivery of the service and outcomes outlined in the contract.
- 3.2 Following a visioning and planning workshop on the 24th April, the key features of the service were determined and a set of headline outcomes agreed. The key features of the new service will include:-
 - A universal service accessible to all Leeds residents, but with flexibility to deliver targeted provision for specific groups.

- The service will focus predominantly on advice related to debt, housing and welfare benefits but other advice such as employment and immigration will be included.
- An enhanced telephone gateway that offers more flexible opening hours and is able to respond to more calls;
- City-wide booking system.
- access points in areas of most need,
- better use of existing public sector assets and a more proactive and flexible approach to outreach
- capacity to deliver short-term targeted provision on specific issues in specific neighbourhoods e.g. fuel poverty, budgeting and debt advice.
- The service will be delivered in a way that complements and is joined up with other advice in the city delivered by public sector and third sector agencies.
- 3.3 The new service will have the capacity to support significantly more clients than at present. This will be achieved by enhancing the current telephone service enabling it to answer all calls, and by introducing access points in a number of key locations. These are to be determined, but will be in areas with high levels of need and demand, with good access via public transport and in buildings where other key public services are delivered (e.g. one-stop centres, shared-service centres, children's centres, GP surgeries). Clients will be able to access one-to-one appointments at the access points after being initially assessed via the telephone gateway. Clients will be able to access some support on a 'drop-in' basis and in case of emergencies. However, it is expected that demand for this will be reduced as the telephone gateway becomes more established and well-used.
- 3.4 The new service will also have a shared appointments-booking system to be used by all advice providers across Leeds. This will enable clients to access one-to-one support more quickly, and give them more choice in terms of when and where the appointment takes place. Also, booking appointments via the telephone gateway will allow the provider to prepare in advance, ensuring that a suitable adviser is in place and making the meeting more effective for both parties.
- 3.5 There will be a more proactive approach to addressing client need and demand within the new service, particularly related to advice on debt and welfare benefit changes. It will have a stronger focus on referrals into and from the service as a key performance measure, on training frontline staff across the public and third sector on more basic elements of advice and on how to access the service for their clients, and on continuing to recruit and train volunteers to support career progression for local people, whilst also broadening the reach and capacity of the service. There will also be the opportunity to deliver more targeted advice in specific neighbourhoods and on specific issues e.g. short-term advice from a community setting on fuel poverty or money management. This will be responsive to evidence of need and likely client take-up.

- The new service will support the work led by Citizens and Communities
 Directorate to establish a common assessment framework for financial support,
 integrating financial support schemes with welfare and advice services delivered
 by the Council and advice sector. An annual plan for advice will be developed and
 delivered as part of this contract that contributes to the Council's objective of
 tackling poverty.
- 3.7 There are a number of clear benefits for the Council, and the city, of the new service being delivered by the Leeds Advice Consortium. These include, the individual members are all existing Leeds-based advice agencies with a good understanding of the city, and of its diverse range of neighbourhoods and communities. This, and their existing infrastructure (much of which has been invested in by the Council and other parts of the public sector in recent years) will enable them to 'hit the ground running' in terms of bringing about the required changes to current provision. The members also provide local employment and volunteering opportunities (over 300 volunteers at present), which will be retained and expanded over the lifetime of the proposed contract.
- In addition, all consortium members are affiliated to national organisations and, as such, have clear and robust quality-assurance mechanisms in place. They also possess relevant quality standards directly related to advice provision and their employees (paid and unpaid) possess a range of advice accreditations. This provides reassurance and confidence that the service will be delivered in accordance with recognised guidelines and by suitably qualified staff.
- 3.9 Appointing the consortium to deliver the new service will enhance the existing strong partnership network of advice providers across the city, led by Advice Leeds. All members are key players in Advice Leeds and were involved in its recent successful £350k (over two years) bid to the Big Lottery's National Advice Services Transition Fund. This is an example of how being able to submit strong local partnership bids is critical in bringing additional investment to the city.
- 3.10 Lottery funds will support the development of the new service and in particular some of the infrastructure required. The following activities will be funded:
 - Developing a local consortium of advice providers to increase capacity to win contracts and develop new income streams.
 - Developing more joined up services and systems including a single telephone advice line, a joint electronic referral & appointments system and a joint outcomes and evaluation framework.
 - Developing joint organisational structures, such as shared training, finance and IT resources.
 - Training volunteers to deliver new channels of advice / services.
 - Researching new sources of income such as social enterprise activities.
- 3.11 A clear benefit to working with the consortium is its track-record in attracting investment into the city to bolster advice provision. Excluding the above Big Lottery bid, the consortium members have attracted over £7m of advice-funding into Leeds from national government and charitable sources over the last five

- years (Council investment has often been used to lever this through public sector match). It is expected that the success of future bids will be enhanced as a result of the consortium delivering the new service.
- 3.12 The Leeds Advice consortium has made good progress towards establishing a strong and robust consortium to take on and deliver the contract. It is working with an independent facilitator from the National Council for Voluntary Organisations and a legal expert in consortia-development, to help establish the appropriate financial, governance and legal structures. This has required substantial investment from the individual members in terms of time and money. Two local third sector organisations, Community Links and Age UK, have also been invited to participate in the consortium's regular meetings to help address issues in a fair, consistent and transparent manner. Advice Leeds, as the advice sector's representative network, is also involved in the meetings. Negotiations between the consortium and the Council are progressing well.
- 3.13 The specification for the service is being drafted. Subject to Executive Board approval, work will continue to develop this in close consultation with the steering group, project board and the consortium over the coming weeks. Input from Members in this process would also be welcomed.
- 3.14 Guidance and opinion from Executive Board is requested on a number of specific issues related to the development of the new service. Firstly, whether the components of the new service listed above are the right ones. Secondly whether there are any particular areas or venues that should have access points or outreach services. Thirdly whether there are any advice themes that should be offered as specific one off campaigns. Fourthly whether the proposed hub and outreach services should, where possible be co-located in Council buildings e.g. one-stop centres or shared service centres. Finally, whether it is right that the service should mainly focus on those areas of advice in most demand (welfare benefits, debt and housing) and provide a lower level of capacity for advice on other issues such as immigration, consumer affairs and family.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The review of advice services has involved consultation with advice agencies, other key stakeholders and service-users (over 300) throughout. The results have been used to inform how the new service should be commissioned, and will also inform the service specification, particularly related to demand for advice and preferred access routes. Members and senior officers within the Council have been consulted throughout the review process, and regular presentations have been made at meetings of the Advice Leeds Network, Financial Inclusion Steering Group and Welfare Reform Board Customer Access Group.
- 4.1.2 The market-sounding itself was a consultation exercise as it asked for the views of organisations on how the new service could be taken forward. It also placed the Council's intentions firmly in the public domain, in the process ensuring that the new service will be commissioned in an open and transparent manner.

- 4.1.3 A planning workshop for the new service took place in April 2013. This was attended by over 30 delegates from across the Council, NHS Leeds and the city's advice sector, including the four agencies within the Leeds Advice Consortium. Using the Outcomes Based Accountability methodology, the workshop was successful in reaching some consensus views on the vision for the new service and on how its success and impact should be measured. Crucially, this will underpin how the service looks and feels for users, providers and key partners, and the contract. The workshop was also successful in reaching agreement on the key features for the new service, including an enhanced telephone gateway, access points in areas of most need, better use of existing public sector assets and a more proactive and flexible approach to outreach i.e. capacity to deliver short-term targeted provision on specific issues in neighbourhoods.
- 4.1.4 Subject to Executive Board approval, on-going consultation will take place with all key stakeholders, including Members, to inform the development of the specification and contract for the new service.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The new advice service will be delivered across the city, but will aim to meet the specific needs of some neighbourhoods and client groups e.g. those areas with the most people affected by welfare changes, and people with mental health conditions and mobility difficulties. Access to advice provision was an element of the consultation referred to above, and will be a key feature of the new service i.e. improved use of technology, services targeted to specific client groups and the use of neighbourhood facilities to broaden and increase take-up of provision.
- 4.2.2 An equality and diversity impact assessment has been undertaken and will be updated as the new service is developed.

4.3 Council policies and City Priorities

4.3.1 The new advice service will contribute towards the delivery of Council priorities, particularly those within the following city priority plans:- the Children & Young People's Plan, the Health & Wellbeing Plan and the Safer & Stronger Communities Plan. It is also a key contributor to the Council's on-going work across the city in response to the changes to welfare benefits.

4.4 Resources and value for money

- 4.4.1 The new service will deliver improved value for money by reaching more clients, within the same budget allocation. This will be achieved through better use of technology and public sector assets, and by targeting and promoting services more effectively i.e. locating provision in places where people are already accessing other services (Children's Centres, community centres, One-Stop Centres and GP practices), and addressing local need by taking the service to neighbourhoods in a more flexible and proactive manner.
- 4.4.2 The proposed approach to working with a consortium of local third sector advice providers via a single contract will realise some back-office efficiencies, and allow more of the Council's investment to be allocated to direct delivery of advice

services. Moving to a single contract will also be more efficient and effective for the Council and providers in terms of monitoring and reporting performance.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The market sounding exercise was undertaken in accordance with advice and guidance from the Council's Corporate Procurement Unit (CPU).
- 4.5.2 Cabinet Office procurement guidance states that 'engaging with the market before starting the formal procurement practice is best practice and helps to maximise value for money from the resulting procurement'. With this in mind, it was agreed that undertaking a market-sounding exercise was the most effective and efficient course of action. Following assessment of responses to the exercise, CPU endorsed the Project Board's decision that there was not a developed market and that, subsequently, a request to waive CPR 13 and directly commission the Leeds Advice Consortium was an appropriate and value for money outcome to pursue.
- 4.5.3 It should be noted that European case law in relation to procurement suggests that any contracts which may be of interest to any other organisations within Europe should be subject to a degree of advertising even if they fall within the definition of Part B Services such that the full regime of EU regulations does not apply. It is in the Council's discretion to determine the degree to which advertising is appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc.) and the geographical location of the place of performance.
- 4.5.4 In failing to advertise this contract and appointing a sole provider without competition, there may be a risk of challenge from other potential providers who have not been given the opportunity to bid for this contract. However, given the nature of this contract and the market-sounding exercise that has already been undertaken, which identified a lack of providers able to deliver this service, it is considered that the risk is low.
- 4.5.5 In addition, it is considered that this risk can be diminished further by the publication of a voluntary transparency notice in OJEU immediately after the decision to award the contract has been taken and then waiting 10 days to see if any challenges are made. If no challenges are made a claim for ineffectiveness cannot be brought. Further, publishing such a notice will also start time running for any other potential claim for breach of the Regulations, which must be brought within 30 days of the date that an aggrieved party knew or ought to have known that a breach had occurred.
- 4.5.6 Although there is no overriding legal obstacle preventing this course of action the above comments should be noted by Executive Board in making their final decision as to the award of this contract to the consortium being the best course of action for the Council. Executive Board should be satisfied that this represents best value for the Council.
- 4.5.7 The matters referred to within this report are eligible for 'Call In'. The decision has been placed on the List of Forthcoming Key Decisions.

4.6 Risk Management

4.6.1 All key risks associated with the development and commissioning of the new advice service have been recorded, tracked and updated via a project risk register. The major risks identified are related to communication and procurement. To mitigate the former, a communications plan has been developed and implemented to ensure that all key stakeholders, including Members, are kept up to date with progress. To mitigate the latter, the Council's Corporate Procurement Unit has advised on all key commissioning decisions and has endorsed the course of action undertaken to date.

5 Conclusions

- 5.1 The new advice service presents an opportunity to significantly increase the takeup of free, impartial and confidential advice in Leeds at a time of unprecedented
 high demand for such support. It will make better use of technology, council
 assets and targeted neighbourhood provision to help more clients, whilst
 focussing most resources on advice related to debt, welfare benefits and housing.
 In addition, the proposed appointment of the Leeds Advice Consortium to deliver
 the service will bring a number of significant benefits, such as retaining local
 employment and volunteering opportunities, attracting additional investment into
 the city and further developing the city's strong local advice network.
- The consortium has made good progress towards establishing a strong and robust consortium to take on and deliver the contract. It is working to establish the appropriate financial, governance and legal structures, and is seeking input and support from the sector's representative network, Advice Leeds.
- Negotiations between the consortium and the Council have been progressing well. Following the workshop in April, a shared vision and set of headline outcomes and key features for the new service have been agreed. This has been captured in the draft version of the specification which, subject to Executive Board approval, will be further developed in partnership with all key stakeholders.
- If approved by Executive Board, the contract will commence in early 2014 for an initial period of three years, with an option to extend for two further years subject to performance and the availability of funding. Initially, the contract will be cofunded and commissioned by E&H and Children's Services to the value of £1.36m per year. Advice services currently funded by Public Health and Adult Social Care will be closely aligned to the new contract in 2013/14. Depending on the availability of funding from the Department of Health, these services may then form part of the contract from 2014/15. The service will be complemented by Advice Leeds' successful bid to the National Advice Transition Services fund, and will work closely with the Council's Local Welfare Scheme.
- It is proposed, that a phased contracting approach be adopted. This would see some key elements of the service in place from early in 2014 e.g. the enhanced telephone gateway and a shared appointments-booking system, with others coming on stream from April 2014 onwards e.g. the 'hub and spoke' access points.

6 Recommendations

- 6.1 Subject to ongoing successful negotiations, to agree that a 3 year contract with capacity for two one year extensions is put in place with the Leeds Advice Consortium to deliver a new advice service for Leeds from early 2014 onwards. The value of the contract will be approximately £1.36m per year (£1.23m from Environment and Housing Directorate and £135K from Children's Services). The size of the contract may increase if current funding for advice via Adult Social Care and Public Health, is invested from April 2014 onwards.
- Agree that responsibility for the new advice service will be transferred from the Director of Environment and Housing to the authority of the Assistant Chief Executive (Citizens and Communities).

7 Background documents¹

none

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.