

Cabinet Member for Adults and Health	Ref No: AH15 18/19
February 2019	Key Decision: Yes
Commissioning of community advice services from Citizens Advice in West Sussex	Part I :
Report by Executive Director, Children, Adults, Families, Health and Education and Director of Communities	Electoral Division(s): All
<p>Summary</p> <p>The community advice contract with Citizens Advice to provide a generalist advice service across West Sussex will cease in March 2019. The contract is funded via a long-standing partnership arrangement between the County Council and the District and Borough Councils that dates back to 2010. The current 2017-18 contract provides the majority of the core funding (£1M) for the Citizens Advice service provided across West Sussex. The remainder of the funding (£200K) is raised by Citizens Advice through fundraising and income generated from additional contracts.</p> <p>In summer 2018 representatives from the funding partnership met to discuss the contract including future funding arrangements, revised terms of reference and contract development. The funding partnership proposed that the County Council, working in partnership with the district and borough councils, awards a single tender contract to continue the current service provision for 2019-21 on a 1+1+1 annual basis. Funding from all the partners will remain the same for a two year period with an option to reduce funding by up to 10% in the final year by negotiation.</p> <p>During the first and second years of the contract the service will be remodelled to meet the changing needs and demographics in West Sussex; for example the introduction of universal credit, changes to housing support services and the creation of local community hubs. Funding will be awarded each year over three years subject to positive progress being made to remodel the service.</p> <p>In January 2019 the proposal for a single tender contract was reviewed at Procurement Board and approved subject to the remodelling element being a key element of the contract based upon the County Council's partnership principles with the voluntary sector and evidence of positive service performance in 2019-21. The contract duration of 1+1+1 was proposed as an incentive to the provider to progress at pace with this remodelling.</p>	
<p>West Sussex Plan: policy impact and context</p> <p>The funding of the community advice service for up to three years is a clear commitment from the County Council to support effective partnership working with district and borough partners and voluntary and community sector service providers.</p> <p>The community advice service in West Sussex is a universal service with a high-profile brand identity that is well known to the general public. The service is often the first point of contact for people in crisis situations and works with other</p>	

voluntary and statutory sector organisations that operate within county, district and borough and parish boundaries. Through its universal advice offer the Citizens Advice service contributes to the following key West Sussex Plan objectives:

- Best start in life
- A prosperous place
- A strong, safe and sustainable place
- Independence for later life
- A council that works for the community

The Citizens Advice service in West Sussex is 80% delivered by volunteers and supports volunteering opportunities across the county. The service in West Sussex also supports better partnership working between the voluntary and the statutory sectors including the County Council, for example in promoting place-based local service delivery and the future development of volunteering.

Financial impact

The contract will be for 1+1+1 years in order to provide an incentive to both progress with and show evidence of service remodelling which is a key requirement to meet the changing needs and demographic of West Sussex. There will be no inflationary uplift during this period. Funding from all the partners will remain the same for a two year period (the County Council's share being £350,000) with an option to reduce funding by up to 10% in the final year (2022) by negotiation and agreement in summer 2021. This decision will be subject to progress being made on service remodelling and performance.

Recommendations

The Cabinet member is asked to approve:

- 1) The procurement of a generalist community advice service via a single tender process, with Citizens Advice as the preferred provider, from 1st April 2019 for a period of 1+1+1 years.
- 2) That the County Council leads the tendering process on behalf of our funding partners, the West Sussex District and Borough Councils.
- 3) Authority is delegated to the Executive Director, Children's Adults' Families Health and Education, to award the contract to the bidder as set out in the report for an initial one year period and agree to future extensions of the contract up to a further two one year periods.
- 4) That the contract is let at the same price as the current contract with an option to reduce funding by 10% in the third and final year, subject to available budget, negotiation with funding partners and overall service performance.

1. Background and context

- 1.1 The community advice service is part of the information and advice (I and A) commissioning portfolio within public health. It primarily provides support to working age adults and families and is commissioned as part of the Council's general duty for the promotion of wellbeing under the Care Act. The other I and A services commissioned by the County Council include I and A for people over the age of 55 years provided by Age UK West Sussex and Healthwatch West Sussex.

- 1.2 The contract with Citizens Advice to provide a generalist advice service across West Sussex will cease in March 2019. The contract is funded via a long-standing partnership arrangement between the County Council and the West Sussex District and Borough Councils that dates from 2010. The current 2017-18 contract provides the majority of the core funding (£1m) for the Citizens Advice service provided across West Sussex. The remainder of the funding (£200k) is raised by Citizens Advice through income generated from additional contracts that depend upon the core service and fund raising.
- 1.3 Many of the clients supported by the service are in a crisis situation, so the direct impact of the service is greatest for Integrated Prevention and Early Help (IPEH) and LAN. However the service has a considerable indirect impact on other County Council services including adult's services, public health and economic development through supporting the workforce in West Sussex to be employment ready.
- 1.4 Over the past 18 months there has been increased liaison with IPEH services and the LAN regarding priority clients. There has also been ongoing liaison with the library service to develop libraries as outreach sites across the county. West Sussex Citizens Advice will continue to liaise with service leads to ensure their participation in new developments, for example through community hubs and provider forums.
- 1.5 The service works in partnership with other I and A providers to ensure a coordinated approach across West Sussex. Increased co-ordination of I and A provision has been proposed as part of service remodelling for 2019 onwards, subject to available funding.
- 1.6 The service is monitored on a quarterly basis and demand has consistently increased throughout the previous contract period(s), most likely due to the impact of the national economic situation during this period. This has resulted in an increased number and complexity of cases in West Sussex.
- 1.7 In 2017 Citizens Advice in West Sussex piloted a new national data recording system which provides much more specific performance data, including income generated for clients. Through this the Council has improved information around the direct impacts of the service, for example in the numbers of clients supported to access Personal Independence Payments (PIP) and Attendance Allowance. The new recording system calculates income gained from these activities, which is additional monies brought into the county that benefits the local economy (see **Appendix 1**. 2018 Q2 example data report)
- 1.8 The service has performed well against the objectives and parameters set for the 2015-19 contract period. The current contract has focused on improving service access, working with priority groups and service modernisation including the use of new technology, with strong support provided by national Citizens Advice to the West Sussex service.

2. Proposal details

- 2.1 In summer 2018 the County Council working in partnership with the District and Borough Councils agreed the award of a single tender contract to continue the current service provision for 2019-21 on a 1+1+1 basis. Funding from all the partners will remain the same for a two year period with an option to reduce funding by up to 10% in the final year by negotiation.
- 2.2 The proposal for a single tender contract has been reviewed at Procurement Board this month and approved, subject to a remodelling of the service being a key element of the contract and positive service performance in 2019-21. Any remodelling will be based upon the County Council's partnership principles with the voluntary sector. The new service specification will be completed in February 2019, allowing for the commissioning of the contract from April 2019 onwards.
- 2.3 The remodelling will take place during the first and second years of the contract in order to meet the changing needs and demographics in West Sussex, for example the introduction of universal credit, changes to housing support services and the creation of local community hubs. Funding will be awarded each year over three years subject to positive progress being made.
- 2.4 Subsequently, a new specification will be prepared in Year 3 which will allow for the commissioning of a new contract to meet the needs of West Sussex based on a better understanding of service need and service performance.
- 2.5 Continuing with the current arrangements is the preferred option for the County Council and its funding partners as this will ensure service continuity through to 2022. It will also allow time to review key service changes as a part of the service remodelling.
- 2.6 Assurance of funding levels from all West Sussex authorities has been received and work is ongoing with the provider to continually develop the service. Consequently the public should not notice any overt difference to the service they experience given the regular review of the service for the first year on the contract.
- 2.7 There are no new resource implications for the Council as the service provider has agreed to continue providing the same service for the same contract value for an initial period prior to service remodelling being implemented. Due to the introduction of universal credit, the service has begun to provide additional advice and support to clients at no extra cost to the councils. This illustrates the value for money derived from the contract as well as the support provided to vulnerable clients before they reach crisis point.
- 2.8 The service provider will however still be required to demonstrate how their proposal balances technical and quality requirements against commercial elements to ensure the delivery of an affordable service that is best value for money. The service is provided by a large body of volunteers supported by a management team and the national Citizens Advice organisation. This ensures good value for money when compared to private providers.

2.9 Breakdown of year one expected funding allocations is as follows. All figures shown are per annum.

Local authority	Yr. 1 allocation
West Sussex County Council	£350,000
Crawley Borough Council	£125,000
Mid Sussex District Council	£116,000
Arun District Council	£112,000
Horsham District Council	£93,000
Worthing Borough Council	£80,040
Adur District Council	£79,080
Chichester District Council	£74,000
Total	£1,029,120

2.10 It is proposed to delegate the authority to the Executive Director, Children, Adults, Families, Health and Education to let the contract on behalf of all the West Sussex authorities as funding partners for this service.

3. Consultation

3.1 The partners consider the current specification to be sufficient for the single tender period 2019-22 subject to the service remodelling requirement. In 2014 a survey was conducted to gauge the opinions of residents around the provision of information and advice and its availability within West Sussex. The outcomes of the survey were used to develop the specification for the service from 2018-19.

3.2 The current provider undertakes a regular client satisfaction survey and additional evidence had been collected from stakeholders to allow for commissioning in 2019 through effective performance monitoring.

4. Financial (revenue and capital) and resource implications

4.1 Revenue consequences of proposal

	Year 1 2019/20 £m	Year 2 2020/21 £m	Year 3 2021/22 £m
Revenue budget	0.350	0.350	0.350*
Cost of Proposal	0.350	0.350	0.350*
Remaining budget	0.0	0.0	0.0

*Subject to the option to reduce

The contract will be let at the same price as the current contract with an option to reduce funding by 10% in the 3rd and final year, subject to available budget, negotiation with funding partners and overall service performance.

4.2 This will be a single tender award with specified outputs and outcomes for a period of up to three years. (See para 2.9 for proposed allocations).

5. Legal implications

- 5.1 The general duty to provide information and advice services and prevent escalation to long term care services is provided within the Care Act.
- 5.2 The services described in this report are of the type listed in Schedule 3 (Social and Other Specific Services) to the Public Contracts Regulations 2015 (PCR 2015). Where the value of such services exceeds the threshold of €750,000 (£615,278), the "**light touch**" procurement regime (LTR)(Chapter 3 Section 7 PCR 2015) will apply, requiring an advertisement and contract award notice in the OJEU. The LTR allows contracting authorities to design their own award procedure but this must comply with EU treaty principles of transparency and equal treatment of bidders.
- 5.3 The three year single tender contract value for 2019-2022 exceeds the relevant threshold and the LTR will apply. The PCR 2015 offer no clear legal basis for a direct award of the contract to Citizens Advice - such an award is not compliant with the regulations or with EU treaty principles of transparency, non-discrimination and equal treatment. Therefore, the award of a three year single tender contract to Citizens Advice presents a risk of procurement challenge to the County Council. Such a substantial contract value may attract challenge from providers who would have bid for the contract had it been advertised. A successful claim could be costly to the County Council, with damages awarded or (in limited circumstances) the contract declared ineffective and set aside.
- 5.4 In 2010, when the original contract was let, Citizens Advice was the only provider capable of delivering all key service requirements. In 2018, the funding partnership reviewed the potential of other providers in the market. It found the market unchanged and whilst certain service elements, including legal advice, might attract a wider market, Citizens Advice is the dominant and likely sole provider of universal generalist advice required under the contract.
- 5.5 Therefore, in light of the funding partnership's review and given that the County Council proposes the continuation of an existing direct award to Citizens Advice, it considers the risk of challenge from other providers to be low.

6. Risk assessment implications and mitigations

- 6.1 There are a number of risks associated with this decision that have been identified and taken into consideration, as follows:
 - a. Whilst the existing service will be maintained for an initial period it is expected that the service remodelling will result in an enhanced service provision for the same or lower budget, although achieving this outcome remains a risk. The award to support and develop the service model, including the generation of performance evidence to inform future funding and commissioning, is in recognition of this.
 - b. The current service will be maintained by an existing partnership of funders and providers. The single tender award maintains the current status-quo; however there is a slight risk that other potential providers

of services may challenge the decision to maintain the existing arrangements, the single tender award and the lack of opportunity to compete for a contract to deliver this service. This issue was discussed at Procurement Board and on balance the value of supporting the existing partnership via a single tender was seen as the best option, the risk of challenge from other providers being low-minimal for the reasons set out in paragraph five above.

7. Other options considered (and reasons for not proposing)

- 7.1 During the course of 2018 the funding partnership discussed the potential for other providers who may be able to undertake this service. The marketplace does not appear to have changed since the letting of the original contract in 2010 whereby Citizens Advice were the only provider able to meet the key requirements for the provision of a universal, easy-to-access information and advice service. Therefore an open tender would be an inefficient use of resources compared to a simpler single tender process.
- 7.2 Funding partners from the district and borough councils have also indicated that they may be unwilling to continue with the current countywide partnership arrangements if a full open tender for the service is required. If a sufficient number of partners cease to support the partnership then funding will default back to individual local arrangements and the funding partnership may cease.
- 7.3 Equally the County Council could choose to end its participation in the funding partnership, including its leadership role, in which case service funding would default back to individual local arrangements with countywide co-ordination becoming a task for the district and borough councils.
- 7.4 Citizens Advice is not the only provider of information and advice services in the community. Others providers, such as Age UK West Sussex, work to a specific age band in the community or have a restricted geographical area so would not have the ability to provide the current service. Some also focus on a specific issue or group, for example Shelter who provide housing support, rather than more generalist or universal support. However, Citizens Advice is the lead provider for generalist community advice services. Liaison with other local authorities in the South East has confirmed this picture, although funding patterns and partnerships do differ across local authority areas
- 7.5 Citizens Advice has evidenced good levels of performance for 2015-19. The provider has also demonstrated positive results in their own regular client satisfaction surveys. The provider has demonstrated an adeptness to adjust the service model according to changing legislation and the needs of residents in West Sussex throughout the contract lifecycle.
- 7.6 The funding partnership has worked effectively for many years and has the potential to continue operating for the benefit of residents in West Sussex. The funding partnership has therefore concluded that there appears to be little to be gained by conducting an open tender process at this time or ending the current partnership arrangements.

8. Equality and human rights assessment

- 8.1 There is no adverse impact on people with protected characteristics covered by the Equality Act 2010. The service is universal in nature and therefore

available and accessible by the whole population of West Sussex.

- 8.2 The primary purpose of the contract held jointly between all West Sussex local authorities is to minimise the areas of the county where access to help, information and guidance has previously been limited. This could be as a result of a lack of access to an advice centre, opening hours which limit access by people in daytime employment and access to language assistance being hard to find when needed to aid the advice process.

9. Social value and sustainability assessment

- 9.1 The service will be based on the principle of co-production to ensure that social value is at the forefront of any remodelling exercise.

- 9.2 The social value outcomes proposed in the aims of the service support the ambitions of the West Sussex Plan through:

- Ensuring more opportunities for disadvantaged people and promoting local skills and employment
- Supporting more local people into employment
- Supporting the growth of local businesses
- Helping people live a healthy family, home and work life
- Utilising volunteering opportunities and local partnerships with the VCS to provide a sustainable and thriving business and strengthen social and community capital
- Supporting a strong community to reduce the risks of families in temporary accommodation
- Empowering residents to take responsibility for their choices to improve their lives, health and wellbeing

- 9.3 In providing this service it will deliver value for money by addressing complex and multiple issues at the earliest opportunity to prevent escalation to crisis. This generates wider social and economic benefits amongst other local services by reducing demand and resolving complex issues before there is a need to access intensive support services.

- 9.4 The service will operate multiple access points to increase sustainability and reduce the impact on the environment by operating in local areas and offering a telephone, email and online chat service. It will consider the impact of transport in the provision of the service by utilising assets in local communities, ensuring that travel is kept to a minimum and the carbon footprint of the service is low.

- 9.5 This service will generate added social value by utilising an effective and diverse volunteer workforce to achieve its aims, reflective of the local community and the citizens using the service. The recruitment, training, support and retention of volunteers and the building of skills for employment will form part of its core business ethos. The volunteer base has equal opportunities in all areas of the service, including job opportunities and professional skills development.

- 9.6 The service will also promote a positive infrastructure for volunteering within West Sussex. The service will be a centre of excellence for recruitment,

training, deployment and retention of volunteers in the delivery of triage and general advice services. This includes recruiting volunteers that can accommodate the diversity of language needs in West Sussex to broaden the accessibility of the service.

- 9.7 The service will take an active role in local and county partnerships in order to fulfil their role as an influencer and maximise social value. It will develop effective links with other public and voluntary sector services and work with all relevant partners to enable clear pathways.
- 9.8 It is also expected that where the service is asked to support funding partners in the delivery of a targeted service in a particular area or tackling a specific issue (e.g. a benefit take-up campaign or raising awareness of scams) that it will respond positively within its resources and remit. Work will be carried out at a local level and include other organisations in the community and the local authority where appropriate to maximise the impact of the proposed social value benefits.
- 9.9 The service will ensure that its customers and other organisations can contribute to its development. This will enable the service to identify trends and respond to changing needs and effectively report on the service provision gaps in West Sussex that may inform future commissioning decisions and investment in preventative services.

10. Crime and disorder reduction assessment

- 10.1 The provision of financial advice and support to clients in financial crisis may have an impact in reducing crime and anti-social behaviour in West Sussex.

Report Author Kim Curry

Executive Director, Children, Adults, Families, Health and Education

Contact Officer

Seth Gottesman, Senior Contracts and Commissioning Officer,
Public Health and Wellbeing

Tel: 033022 28706 Mobile: 07841628361

Appendices

Appendix 1. 2018 Q2 example data report