

**To: City Executive Board**

**Date: 10 September 2014**

**Report of: Head of Customer Services**

**Title of Report: Commissioning Advice Services 2015-18**

# Summary and Recommendations

**Purpose of report**: To seek approval of a new service specification for commissioning advice services.

# Key decision Yes

**Executive lead member:** Cllr Susan Brown, Board Member for Customer Services and Social Inclusion

**Policy Framework:** Financial Inclusion Strategy

**Recommendations:**

That the City Executive Board:

1. Approve the specification for commissioning advice services as set out in Appendix 1.

2. Agree that the identification of the priority area to be included in the service specification together with the associated outcomes and measures are delegated to the portfolio holder for Customer Services and Social Inclusion and the Head of Customer Services to agree with the commissioned advice agencies prior to 1.10.2014.

**Appendices:**

Appendix 1 - Service Specification (Schedule 1 of Standard Funding Agreement)

Appendix 2 - Monitoring Form

Appendix 3 - Payment Schedule Template (Schedule 2 of Standard Funding Agreement)

Appendix 4 - Risk Register

**Background**

1. The Council provides funding and commissions organisations to provide independent advice to support residents facing social and financial problems.
2. One year funding was agreed for 2014/15 so the Council could work with the advice sector to agree a new service specification for a new three year funding programme from April 2015.
3. The draft service specification attached at Appendix 1 has been updated in light of detailed discussions with the advice sector, the current economic climate, learning from the Council’s welfare reform pilots in terms of the scope and nature of customer’s needs in the future and the findings from independent research commissioned by the Council into the impact of welfare reform changes on residents.
4. The return to a three year commissioning cycle is desirable in order to provide security and stability for partner organisations, enabling them to potentially attract more resources at a time when they are experiencing cuts in funding from other bodies.
5. Oxford City Council is a signatory to the Local Compact for Oxfordshire which sets out commitments by the voluntary and statutory sector to improve the way in which we work together for the benefit of local communities. The City Council is committed to working in partnership with the advice sector to meet our shared objectives. This report sets out the rationale for our support in the future.
6. The proposed service specification for delivery of commissioned advice, payment schedule and monitoring form are all attached as appendices to this report.

**A Three Year Commissioned Programme**

1. With ever decreasing resources available to Local Authorities, the City Council has chosen to invest more of its limited resources in tackling financial exclusion in line with its Financial Inclusion Strategy. However, it is increasingly important that the Council delivers value for money for residents, and this includes the provision of commissioned advice. In developing a new service specification for commissioned advice, the aim has been to ensure that the outcomes delivered support the aims of the Council’s Financial Inclusion Strategy, and help deliver the Action Plan.
2. A three year programme brings security for funded organisations. However, it is important that there is flexibility within the programme so resources can be directed to new and emerging priorities. To address this requirement the programme will identify a priority area of activity each year based on the outcomes and learning of the previous year, as well as the requirements of the Financial Inclusion Strategy. A range of outcome targets will be set. However, where priority outcomes are not met, a proportion of future years funding may be withheld and re allocated to enable these outcomes to be delivered.
3. The Council’s Financial Inclusion Strategy addresses the challenges posed by the impact of Welfare Reform and rising food and energy prices. For many people now, maximising benefit entitlement is no longer sufficient to enable them to pay their housing costs, heat their homes and feed their families, and debt is an increasing problem. Sustainable solutions are required which include supporting people into employment, helping those in work look for better paid employment, and equipping them with the necessary skills to manage their money.

**Outcomes and Monitoring**

1. The main changes to the service specification for commissioned advice relate to the outcomes being commissioned and how they will be monitored, these are detailed in Section 2 of the Service Specification at Appendix 1.  The outcomes support the aims of the Financial Inclusion Strategy.
2. The City Council will work with the advice sector each year to review and agree outcomes for the following year and agree a priority area. Monitoring information will be collected on a half yearly basis, with priority outcome activity being collected on a quarterly basis. The Council will meet on site with each organisation at least once every year. The Council will also meet quarterly with all organisations to review the trends identified in monitoring information, and to look for opportunities to improve service provision both within the partnership and with other organisations. Organisations will be required to attend the Voluntary Sector Liaison meetings organised by the Council, and City Council representatives will attend the Oxford Advice Forum.
3. For 2015/16 the priority area is likely to be the provision of financial capability training, in line with the Council’s Financial Inclusion Strategy. Discussions will continue to take place with the advice sector during September 2014 to agree the priority outcomes and measures, and to ensure that individual organisations are able to fulfil the monitoring requirements. In September each organisation will be asked to apply for their funding and put forward their proposals regarding how they will deliver against the revised service specification.
4. The City Council will work with any organisation failing to meet its grant conditions or having difficulty in delivering the outcomes for the priority area, and agree an action plan to improve the situation. Organisations that are not delivering the agreed outcomes for the priority area by the end of any financial year may not receive their full amount of funding in subsequent years. Officers will submit a report to CEB with recommendations for the amount of funding to be provided in such circumstances.
5. The monitoring sheet used to collect customer information and details of outcomes has been updated and is attached at Appendix 2. This may be subject to some final changes following detailed discussions with the advice agencies and meetings with the County Council in September. Officers will provide annual monitoring reports to CEB on advice sector performance.

**Timescale and Application Process**

1. The following process will be used to agree funding to organisations from the advice sector.

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| **Date** | **Action** |
| Week commencing 15 September 2014 | Written invitation to organisations to apply for funding |
| 31 October 2014 | Deadline for responses |
| 3 November 2014 – 21 November 2014 | Council will seek clarification on responses where required |
| 11 February 2015 | CEB to consider report |

**Risk**

1. A risk register is attached at Appendix 4.

**Climate Change**

1. There are no significant climate change or environmental impact issues related to this report; however organisations funded through the commissioning process are encouraged to be responsible when considering any impact on the environment.

**Equalities Impact**

1. Each organisation funded through the commissioning process has to provide their equal opportunities policy or statement to confirm they comply with this legislation.
2. The outcomes commissioned from the advice sector are consistent with the priorities set out in the Council’s Financial Inclusion Strategy which was itself subject to an Equalities Impact Assessment.

**Financial Implications**

1. This report sets out the rationale for commissioned advice for the period 2015 to 2018. The value of each year’s funding will be confirmed following the budget-setting process. In common with all public sector bodies and following decisions taken by national government, the Council expects to have less funding in future, and so will need to make decisions about the size of resource allocated to the sector in that context. Cuts to the funding of the advice sector elsewhere mean that the security provided by a three year funding programme is desirable. The funding given to the commissioned advice sector for the single financial year 2014/15 is £498,379,
2. Community and voluntary organisations funded by the City Council are monitored to ensure funding awarded to them is spent for the purpose intended. Quarterly monitoring will commence from the start of the new agreement period.

**Legal Implications**

1. Oxford City Council will be taking steps to notify all community and voluntary sector funding recipients that their funding is coming to an end and that future funding for the coming financial years is not guaranteed or secure.

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**List of background papers:** None