

Request to Oxford City Council to reconsider £25,000 reduction in core funding for Advice Centres

1. Executive Summary

Oxford City Council's Communities Grants Strategic Review Report explains the need to make grant savings of £200,000 per annum, and recommends that part of this saving is achieved by ending the £45,000 pa Advice Development Fund and reducing core funding to the Advice Centres by £25,000 pa.

Agnes Smith Advice Centre (ASAC), Oxford Community Work Agency (OCWA) and Rose Hill and Donnington Advice Centre (RHD) request that the City Council do not make the proposed reduction to Advice Centre core funding.

The Strategic Review Report shows that, even without the reduction, the council will achieve their target of total grant savings of £200,000 pa.

There would still be significant savings from overall advice funding as the Advice Development Fund would still be cut. However removing the reduction to our core costs would reduce the impact on those who need advice in the most deprived areas of Oxford.

If this proposal isn't accepted, we ask that the cut is achieved through assisting Citizens Advice Oxford to relocate, avoiding the need to cut funding across the advice agencies.

2. Introduction

Our three advice centres provide a vital service in the most deprived areas of Oxford. Our City Council grant funding has not increased in line with inflation since 2010 so, effectively, we have been subject to funding cuts year on year, (an approximate 30% cut over the last 10 years using the Bank of England inflation calculator). The Advice Development Fund was established by cutting our core funding by 5% in 2018. The proposal to remove the Advice Development Fund now is a cut of 8.7% to our funding. A further reduction to our vital core costs would seriously risk damaging advice-service provision for the most vulnerable Oxford residents at a time when they are under huge and increasing pressures.

We therefore request that the Communities Grants Strategic Review Report is amended as follows:

- Recommendation 3 is increased to £500,000 for advice centres
- The £25,000 reduction to advice services is removed from savings at Table 1

3. Our service

ASAC, OCWA and RHD have worked hard to reduce costs, develop innovative projects, and collaborate with each other and with Citizens Advice, to ensure that we deliver an efficient and high-quality advice service to beneficiaries. Our work supports City Council priorities and reduces demand for City Council services; for instance, by increasing financial inclusion, targeting inequality, and preventing homelessness and fuel poverty. Our outcomes are outstanding: in 2020-21 the three agencies achieved total financial gains of nearly £10 million for almost 6,000 service users. A cut in funding resulting in a reduction in service could well lead to a cut in the amount of financial gain, which would adversely affect the local economy.

We already work hard to bring in external funding. In 2020-21, the Oxford City Council core grant formed less than 35% of Agnes Smith Advice Centre's total grant income. However, fundraising for core costs has become much more challenging in the wake of Covid-19, while at the same time demand for our services has increased. ASAC has seen a 52% increase in client numbers between January and October 2021, compared with the same period in 2020.

Unlike Citizens Advice, our three agencies are not able to make cost reductions by co-locating or by under-using our premises during the Covid-19 crisis. Because we support the most vulnerable members of society, and because we provide in-depth, transformational advice, we have focused on remaining accessible in our local communities for those who need us most. Digital and telephone advice are an important part of our offer. However, our clients have told us how much they need face-to-face advice - particularly our most vulnerable clients who are less likely to have internet access/digital skills, and often find it difficult to manage by phone. At ASAC we staffed the centre throughout the crisis, to provide emergency/essential face-to-face advice and support, and so that people could knock on our door if they had no other way of reaching us. RHD and OCWA have not always had full access to their premises but face-to-face advice remains a vital part of their commitment to a blended in-person, telephone and e-mail service

The impact of a £25,000 cut

A £25,000 cut applied equally across the four advice agencies would mean each agency would lose £6,250 per annum. £6,250 roughly equates to a 1 day per week adviser salary. Reducing adviser hours by 1 day a week would mean we could each see just under 100 fewer clients per year. This would reduce financial gains for clients, from benefits claimed, debts written off etc, by at least £100,000 per year for each agency, and would put more people in risk of homelessness due to rent arrears or unclaimed benefit entitlement. Waiting times for clients would be longer, with more pressure on staff/volunteers. More Manager time would be taken up with core fundraising, which leaves less time for projects, strategy and development, including liaising with other organisations such as the OCC Locality Hubs.

Please note that there is no evidence that the Hubs will reduce our workloads (Section 39 of the Strategic Grants Report). Since April 2021, ASAC has referred 6 clients to the South Hub for help from the Community Larder. Those clients still needed ongoing advice from us. During the same period, Oxford City Council has referred 19 clients to us for social-welfare advice, and we have also distributed Covid Winter Support Grants and Household Support Grants on behalf of the Council. We are very happy to do this, and gladly accept referrals/work with the Hubs, but this cannot be used to justify a cut to our funding.

It is worth pointing out also that the advice agencies are much more cost-effective than other forms of provision, because so much of their work is carried out by volunteers.

4. Our proposal

5.1 Proposal 1 – remove the £25,000 cut to advice services. This will still mean we have a cut due to inflation and of £45k in the Advice Development Fund.

This is our preferred proposal since it minimises likely consequences for beneficiaries. The Communities Grants Strategic Review Report states the 2020-21 Grants budget totals £1.72 million, with a £200k reduction required. The report proposes the following:

Community Impact Fund	£558k
Commissioning Fund for domestic abuse and advice services	£475k

Homeless monies pot	£442k
Total proposed grants for 2021-22	£1.47 million

This results in savings of £245k. Therefore, removing the £25k cut to advice services would still leave savings over the target of a £200k reduction.

5.2 Proposal 2 – do not apply the £25,000 reduction to the three smaller advice centres

Face to face advice and a physical presence in communities is key to how ASAC, RHD and OCWA reach the most disadvantaged people in our communities. We understand Citizens Advice Oxford have achieved significant savings in 2020-21, following changing their model to be almost entirely remote. They also intend to relocate in December 2022 to reduce cost. These cost saving options are not open to ASAC, RHD and OCWA, who need to maintain their existing premises and focus on face-to-face advice in the community, in order to target those suffering greatest deprivation. Applying a cut to the smaller agencies is very likely to reduce advice provision.

Citizens Advice Oxford are our trusted partners, and we do not want to make proposals that would be harmful to CA. However, if a £25,000 cut cannot be avoided, it appears to us that this could be applied to Citizens Advice’s funding without detriment, as they will recoup this from reduced rental in Years 2 and 3. Citizens Advice should also be in a position to use the savings they made in 2020-21 to cover costs of current rent between April and December 2022.

5.3 Proposal 3 – a pro-rata cut during Year 1 only

If the cut in funding is applied to all advice agencies, we ask that the cut is applied on a pro-rata basis according to the size of our existing grants. We also request that the cut only applies in the first year, with grants returning to the existing amounts in Year 2 once Citizens Advice’s lease has ended and they have been assisted to co-locate to cheaper premises.

This is our least preferred option and we hope this can be avoided, as any cut to our core funding will very seriously reduce our organisational resilience and jeopardise services for residents in the most deprived areas of Oxford.

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