



CABINET

Tuesday, 5 January 2021

EAST SUFFOLK CITIZENS ADVICE REVIEW

EXECUTIVE SUMMARY

1. Cabinet agreed at its March 2020 meeting to make funding of up to £7,500 available to enable the three East Suffolk Citizens Advice to secure independent support to explore the opportunities for the transformation of Citizens Advice (CA) services in East Suffolk.
2. Touchstone Renard Management Consultants were commissioned jointly by the Council and the three Citizens Advice to undertake a review, evaluate options for change and recommend a preferred option. Their comprehensive report is attached as Appendix A to this report and summarised in paragraphs 4.1 to 5.8 below. An Executive Summary is attached as Appendix B to the report.
3. This report was presented to the Chairs and Chief Officers of the three Citizens Advice at a meeting on November 19th when an initial joint response to the report was presented on behalf of the three Citizens Advice Chairs.
4. This report seeks Cabinet approval for the next steps in the transformation process, including the allocation of funding (already available within the Council's budgets) to support further transformation work and additional, one off, funding (also from within existing budgets) for Citizens Advice North East Suffolk.

Is the report Open or Exempt?	Open
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Wards Affected:	All Wards in East Suffolk
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Cabinet Member:	Cllr Letitia Smith Cabinet Member with responsibility for Communities, Leisure and Tourism
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1 INTRODUCTION

- 1.1 The East Suffolk Council area is served by three Citizens Advice – North East Suffolk, Leiston and Saxmundham and Felixstowe and District. These three independent, sovereign bureaux provide services to almost 250,000 people, many of whom are vulnerable and present with a range of complex issues.
- 1.2 East Suffolk Council currently provides funding totalling £199,600 per annum, allocated across the three bureaux as follows:
- Citizens Advice North East Suffolk: £78,000
 - Leiston and Saxmundham CA: £63,900
 - Felixstowe and District CA: £57,700
- 1.3 At its meeting in March 2020, Cabinet confirmed its commitment to funding Citizens Advice in East Suffolk at the same level until the end of the current Council term in 2023, and agreed that it would invest additional resources in providing independent support for a review of the opportunities for the transformation of Citizens Advice Services.
- 1.4 Whilst ESC is not proposing to reduce the total amount of funding available to Citizens Advice in East Suffolk during the term of this Council, it is keen to work alongside our three Citizens Advice to further transform CA services and, initially to explore the potential benefits (and disbenefits) of reducing the number of independent sovereign bureaux within the District.
- 1.5 There were/are a number of drivers for this review, including the recent review of funding for Citizens Advice across Suffolk by Suffolk County Council, the disparity of funding allocated to our three Bureaux (based on historical funding arrangements under the previous Suffolk Coastal and Waveney Councils) and the opportunities, in the context of the formation of the new single Council, for the further transformation of advice services in East Suffolk.
- 1.6 Work on the review was delay slightly due to the focus of the three Citizens Advice and the Council's Communities Team being understandably on the immediate Covid-19 response but Touchstone Renard Management Consultants were appointed lead consultants on the project in July 2020 and they delivered their report in October 2020, having agreed its contents with each of the three Citizens Advice and the Council.
- 1.7 A Skype meeting to consider the findings of the report was held between the Cabinet Member, the Chair and Chief Officer from each Citizens Advice and the consultants, Touchstone Renard on November 19th.

2 EAST SUFFOLK COUNCIL FUNDING

- 2.1 For the last five years, Suffolk Coastal District Council and Waveney District Council (and from 2019/20 East Suffolk Council) have provided a total of £199,600 of funding per year for the three Citizens Advice – Citizens Advice North East Suffolk (CANES), Felixstowe and District CA and Leiston and Saxmundham CA – covering the East Suffolk geography, this is allocated as follows:

Table 1

Citizens Advice	£	%
SLA Felixstowe & District CA	57,700	29%
SLA Leiston and Saxmundham CA	63,900	32%
SLA Citizens Advice North East Suffolk	78,000	39%
TOTAL	199,600	

2.2 Our Citizens Advice provide an invaluable service to the population of East Suffolk. The report to Cabinet in March this year provides information about client contacts and issues dealt with but updated versions of this information, and much more background about Citizens Advice services is available in the Citizens Advice Service Review Final Report which is the Appendix to this report. Key sections include:

- Finances – section 5.3 (pp8-11)
- Staff costs, numbers and roles – Section 5.4.1. (pp11-12)
- Premises – Section 5.4.2 (pp12-13)
- Volunteers – Section 5.5 (pp13-14)
- Locations – Section 5.6 (pp14-15)
- Clients Profiles and Issues – Section 5.7 (pp15-18)
- Delivery Channels – Section 5.8 (pp 18-20)
- Performance – Section 5.9 (pp20-21)

3 SUFFOLK COUNTY COUNCIL FUNDING

3.1 Suffolk County Council currently contributes £120,000 to the seven Citizens Advice in Suffolk. From this £120,000, the proportion of funding allocated to the three CA in East Suffolk is 32.9% or £39,480 across the three Bureaux.

3.2 One of the specifics included in the ‘ask’ from SCC was that transformational progress includes a reduction to four CAs across Suffolk. The two West Suffolk CAs have recently moved to one entity, so removing West Suffolk and Ipswich CAs from the equation effectively means a reduction from five CAs to two CAs across Babergh, East Suffolk and Mid Suffolk. SCC have retained Citizens Advice nationally to undertake their own review, covering the whole of Suffolk – this report is not yet in the public domain.

4 CITIZENS ADVICE SERVICE REVIEW REPORT

4.1 The East Suffolk report produced by Touchstone Renard (Appendix A) sets out the background, scope, work done and current situation and provides a comprehensive overview of current services. It also explores potential future demand for Citizens Advice Services, highlights experiences of other Citizens Advice that have recently merged and evaluates the options for change.

4.2 The Executive Summary to the report provides a good overview of the findings and this is summarised below (and attached as Appendix B to this report):

- The three East Suffolk Citizens Advice are *‘working well and have many strengths. They are solvent, able to deliver services to clients even during Covid-19, have capable and dedicated staff and volunteers and have good relationships with funders’*
- Touchstone Renard highlight that the basis of their work is a ‘transformation review’ and state *‘we believe that a merger of all three CAs offers the best opportunity for a genuine transformation of services across East Suffolk’*
- This recommendation is based on a review of the current situation which shows significant differences in the ways that the CAs operate, and discussions with other CAs nationally which have shown the potential that mergers offer for expanding and improving services

- They objectively scored three options – no merger, merger of two of the three CAs and merger of all three CAs – against a set of criteria, including those agreed by ESC and the three CAs in the Request for Quotation
- They emphasise that the case for merger is not about cost savings or efficiency but about creating better opportunities to fund and improve services, including better relationships with core funders, co-location, closer cooperation, project funding opportunities and the ability to recruit more specialised skills to be deployed across a wider area
- Citizens Advice that have merged have reviewed their systems and practice and rolled out the best existing practice across the new area, although there are some risks associated with this (see report Sections 7 and 9)
- Other opportunities identified include closer links with Councils, Department for Work and Pensions (DWP) and other Voluntary Community and Social Enterprise (VCSE) organisations in relation to prevention work, recording client outcomes more fully and consistently in order to better demonstrate impact, better career progression for staff, better strategic planning across the whole area and combined lessons learned, including in relation to remote working during Covid-19
- Touchstone Renard make the point that there has clearly been an unmet need for face to face services during lockdown especially for more elderly and vulnerable clients, and caution against closing offices or reducing outreach locations on the grounds of efficiency
- They emphasise that a merger of CAs does not have to mean a loss of identity
- Finally, they identify that a merger between Felixstowe and Leiston CAs would still deliver benefits – and be a lower risk option

4.3 The report includes a SWOT analysis of Citizens Advice in East Suffolk (collectively rather than individually) which identifies a number of strengths, weaknesses, threats, and opportunities that the three have in common (pp21-22)

4.4 Section 6 focusses on future demand, including *'pent up demand which could generate a tidal wave of problems post Covid-19'* and references the work that our Community Partnership Board has done to anticipate the impacts of Covid-19 in the longer term. This section also references Sizewell C.

4.5 Section 7 of the report (pp23-29) highlights in detail the experiences of four CABs that have recently merged, both local and national, identifying the benefits and setting out in detail their experiences.

4.6 Section 8 focusses on the Options for Change and these are explored in detail in Section 5 below.

5 TRANSFORMATION OF CITIZENS ADVICE SERVICES – Options for Change

5.1 The options considered as part of the review were as follows:

- A. Do nothing / retain three separate CAs
- B. Merger of the three East Suffolk CAs
- C. Partnership/consortium working across the three CAs
- D. Merger of CANES and Leiston CAs
- E. Merger of Leiston and Felixstowe CAs

- 5.2 Each of these options was evaluated against nine evaluation criteria, these are set out on page 30 of the report. Key points arising from this are as follows:
- Quality scores demonstrate good quality of service for clients and this should not be put at risk
 - Anything that makes CA interventions more preventative and less reactive improves the quality of service
 - Face to face remains an essential delivery channel for clients who struggle with remote services for any reason, which implies having more not less outreach locations, although the lockdown has helped CAs to develop the ability and technology to deliver services by phone, email and webchat
 - Cost savings in relation to mergers have been hard to achieve and are often offset by additional expenditure
 - Creating a single, bigger entity may help CAs become more effective strategic partner for councils
 - Relations are already good with ESC – Councillors sit on Trustee Boards and there are good links with the Housing and Communities teams
 - Leiston and Felixstowe are both small CAs that have been very successful in obtaining funding and building strong reserves and this should not be put at risk
- 5.3 The key point in this section is that *‘for a merger to succeed, the willingness to merge must be there and people from all CAs must be able to work together to develop a genuinely shared service with one coherent vision and consistent processes’*.
- 5.4 Section 8.4 of the report sets out the Decision Matrix that Touchstone Renard used to assess the option set out in 5.1 above. This displays the options as columns and maps them against the evaluation criteria shown as rows – each criterion has a weighting which shows its relative importance against the other criteria. The score and weighting are multiplied together to provide a ranking of options and the scores for each option are as follows:
- A. Do nothing / retain three separate CAs - 348
 - B. Merger of the three East Suffolk CAs - 465
 - C. Partnership/consortium working across the three CAs - 356
 - D. Merger of CANES and Leiston CAs - 363
 - E. Merger of Leiston and Felixstowe CAs - 392
- 5.5 This shows that Merger of the three CAs (465) is the option that best meets the criteria, followed by Merger of Leiston and Felixstowe CAs (392) and Merger of CANES and Leiston CAs (363).
- 5.6 The remainder of the report provides a more detailed **analysis of the three ‘merger’ options**, with particular focus on the ‘Merge all three CA’s’ option. This includes (pp 39 – 30) Principles and key features of this service delivery model, financial implications, HR implications and Risks and mitigation. The financial analysis suggests that savings of up to £74,500 could be achieved.
- 5.7 A **risk analysis** is included on p42 and indicates that the risks with the highest probably and impact are:
- Delays - 16
 - Failure of trustees and key managers to work effectively together to deliver the merger – 15
 - Loss of key staff – 12

- Difficulties in managing services across a large area with poor transport links – 9

5.8 The final section of the report is a **Force Field Analysis** which considers the key forces that support a major change and those that may resist it.

6 RESPONSE FROM CITIZENS ADVICE

6.1 Although the initial findings report and the final draft report were both shared with the three Citizens Advice and ESC individually, it was felt that it would be useful to formally receive the report from Touchstone Renard as a group to enable everyone to ask questions and clarify key aspects of the document. This session took place on 9th November and included the Chair and Chief Officer of each of the three Citizens Advice, plus the Cabinet Member, Strategic Director and Head of Communities.

6.2 During this session, a joint statement on behalf of the three Chairs was read out by the Chair of Leiston and Saxmundham Citizens Advice as follows *'In the light of the Touchstone report on the future of Citizens' Advice services in East Suffolk, the Chairs of CA Felixstowe & District (Doreen Savage), CA North East Suffolk (Jan Wickham) and CA Leiston, Saxmundham & District (Nick Mayo) have discussed and agreed a starting-point for further work. This is also pertinent to the discussions on Eddie Collins' report on CA services in Suffolk as a whole.*

The Chairs have agreed that:

- i. the 'do nothing' approach is not an option;*
- ii. merging CA Felixstowe and CA Leiston and leaving CANES on its own is not a wise or helpful move;*
- iii. merging CA Leiston and CANES is equally unwise and would leave CA Felixstowe an easy target for CA Ipswich to swallow up;*
- iv. merging CA Felixstowe, CA Leiston and CANES into one is the most sensible way forward, if each retains its own identity and advice centre location(s);*
- v. each of the current Bureaux must be involved in discussions and proposals on an equal footing;*
- vi. we will need help to pull this together, and to determine the shape and format of 'CA East Suffolk'. We will be seeking external support to determine workstreams and a methodology for taking these forward including how we select personnel, whether Trustees, staff, or volunteers, to work on them; and*
- vii. the pressure to find a solution will not determine the pace of negotiations. Given the difficulties of meaningful joint working under COVID rules, there must be a sensible and achievable timeframe, which may necessitate delays on major decisions until COVID restrictions are lifted or relaxed. We already have an e-mail from Nicole Rickard at ESC confirming that there is no pressure to act quickly and the timing of any merger must be informed by a detailed assessment of the work that would be involved."*

6.3 This was welcomed at the meeting as a positive and constructive response to the report.

7 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?

- 7.1 The funding that the Council provides for Citizens Advice in East Suffolk contributes to the delivery of the 'Taking Positive Action on What Matters Most' and 'Maximising Health, Wellbeing and Safety in Our District' priorities in the Enabling Our Communities section of the Council's Strategic Plan.

8 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 8.1 The £199,600 funding for Citizens Advice in East Suffolk is already profiled within the budget and therefore the report agreed by Cabinet in March 2020 did not propose a change in funding. However, it did include a paragraph on the potential reallocation of resources from 2021-22 onwards to better reflect the distribution of the population of East Suffolk. This allocation is a legacy of the funding available to the two separate Councils prior to 2019 and means that Citizens Advice North East Suffolk currently serves 47.5% of the population but receives £39% of the funding allocation.
- 8.2 In the interests of fairness and to avoid destabilising two CAs (Leiston and Felixstowe) in order to rebalance the funding available within the budget envelope in favour of Citizens Advice North East Suffolk, it is proposed to provide an additional non-recurrent payment of £16,000 to CANES for the 2021/22 financial year only to cover the period to March 2022 by which time it is hoped that significant progress will have been made in relation to the merger.
- 8.3 The additional sum of £7,500 used to commission Touchstone Renard was made available from within existing budgets and there is still £300 of this funding remaining. It is proposed to supplement this with a further £5,700 from within existing Communities Team budgets in order to pay for Touchstone Renard to work with the three Citizens Advice to develop a phased Merger Implementation Plan and a fuller business case for merger. We would ask the three Citizens Advice to consider supplementing this funding from their own budgets.

9 OTHER KEY ISSUES

- 9.1 No Equality Impact Assessment has been undertaken at this stage as no specific changes to the current structure have been agreed. An Equality Impact Assessment will be undertaken once further information is available from the three CAs about firm decision for the future structure of advice services in East Suffolk.

10 CONSULTATION

- 10.1 Consultation has been undertaken throughout with all three Citizens Advice. CA North East Suffolk has made a case that the allocation of funding between CAs in East Suffolk should be reviewed to better reflect population served, number of clients seen and cost per client and have, through their Chair, reiterated the request that this be revisited for the 2021/22 financial year pending further work towards a merger, which they support.
- 10.2 A number of Councillors, particularly in the Kesgrave and Martlesham area, have been approached by CA Ipswich for funding from their Enabling Communities Budgets to support clients from their wards who choose to access CA services in Ipswich. Ipswich CA has requested that the Council consider core funding for them as part of this review. However, the difference between the number of East Suffolk residents accessing Ipswich CA and the number of Ipswich residents accessing CA services in East Suffolk (particularly

from Felixstowe and District CA) appears to fluctuate year on year and more information is needed on this.

- 10.3 The Council is keen to work with our CAs over the next twelve to eighteen months – the latter being the average timescale from start to successful merger - to support them in their transformation process and provide whatever reasonable support is necessary.

11 OTHER OPTIONS CONSIDERED

- 11.1 The other main options considered were to a) retain CA funding at the current level i.e. with no requirement or support for transformation or b) to rebalance the funding available across East Suffolk for the 2020-21 financial year prior to the outcomes of the transformation work to be undertaken over the next twelve months.

- 11.2 There is a clear precedent, demonstrated by the formation of the single East Suffolk Council and successful transformation of CA services both in Suffolk and nationally, for reducing the number of organisations whilst maintaining (and indeed increasing) both the number of locations from which key services are delivered and the range of services provided, including additional prevention and early intervention activity.

12 REASON FOR RECOMMENDATION

- 12.1 The recommendation is based upon an initial review of Citizens Advice in East Suffolk that is rooted in the recognition of the importance of the support that Citizens Advice provide to individuals and families in East Suffolk, particularly those who are vulnerable for a range of reasons, and even more so in the context of Covid-19.

- 12.2 Additional funding has been made available by the Council to support the transformation process which enabled Touchstone Renard to be commissioned to support this work. The favoured option in the report is clearly for a merger of the three Citizens Advice and it is felt that there have been huge benefits in having an independent and objective organisation to support the process thus far and that ideally this support would continue. There is still £300 remaining from the original commission and therefore it is proposed that East Suffolk Council provide a further £5,700 to give a total of £6,000 for Stage 2 of the process to be matched by the three Citizens Advice from their individual budgets as necessary.

- 12.3 In terms of the request from Citizens Advice North East Suffolk that the funding be rebalanced between the three Citizens Advice to better reflect the population in the catchment area of each, it is felt that doing so prior to a merger would significantly impact the two southern Citizens Advice at a time when their services are needed more than ever and therefore it is proposed that ESC should allocate an additional one off, non-recurrent payment of £16,000 in 2021/22 to Citizens Advice North East Suffolk on condition that they explore other avenues of funding secured by the other two Citizens Advice, particularly the Ropes Trust. This funding would not be added to the annual funding allocation for Citizens Advice services in East Suffolk.

- 12.4 We strongly believe that the proposed transformation could release capacity and resources in order to enable Citizens Advice to work more closely with the Council on preventative activity to allow us to target those who may be in need of support more directly, and earlier (i.e. before they reach crisis point) than ever before.

RECOMMENDATIONS

1. That Cabinet notes the findings of the Touchstone Renard Review of Citizens Advice in East Suffolk.
2. That an additional sum of £5,700 from within existing budgets be made available to enable Touchstone Renard to continue to work with the three CAs on the next phase of transformation – specifically to prepare a phased implementation plan and a fuller business case for merger. The Council expects that additional funding, if required, should be provided by the three Citizens Advice.
3. That East Suffolk Council should continue to support Touchstone Renard in working with the three CAs to define the scope of the next phase of transformation review.
4. That an additional one-off payment of £16,000 be made to North East Suffolk Citizens Advice for the financial year 2021/22, on condition that they also explore other avenues of funding (including the Ropes Trust).

APPENDICES

Appendix A	Citizens Advice Service Review Final Report
Appendix B	Citizens Advice Service Review Executive Summary

BACKGROUND PAPERS – None