



CABINET

Tuesday 3 March 2020

EAST SUFFOLK COUNCIL FUNDING FOR CITIZENS ADVICE

EXECUTIVE SUMMARY

1. This report asks Cabinet to confirm funding (from New Homes Bonus) for Citizens Advice in East Suffolk of £199,600 (at the same level as the last five years) and to endorse the allocation of an additional £7,500 to enable the three CAs to secure independent support to explore opportunities for the full transformation of Citizens Advice services in East Suffolk over the next twelve months.
2. A further report will be brought back to Cabinet on transformation progress early in 2021 in order to confirm the release of funding for the 2021-22 and 2022-23 financial years.

Is the report Open or Exempt?	Open
Wards Affected:	All
Cabinet Member:	Councillor Letitia Smith Cabinet Member with responsibility for Communities, Leisure and Tourism
Supporting Officer:	Nicole Rickard Head of Communities 01502 523231 Nicole.rickard@eastsoffolk.gov.uk

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, 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 The funding for the financial year 2019/20, given the formation of the new Council in May 2019 (i.e. after the start of the financial year), was rolled forward at the same level as in 2018/19.
- 1.4 Now is an ideal time to review the funding provided for Citizens Advice services in East Suffolk and to consider making a three-year funding commitment until the end of the current Council term in 2023.
- 1.5 There 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 There is no intention to reduce the overall funding envelope i.e. almost £200,000 will continue to be available for Citizens Advice Services in the District.

2 SUFFOLK COUNTY COUNCIL FUNDING

- 2.1 In December 2019, Richard Rout, Cabinet Member for Environment and Public Protection at Suffolk County Council wrote to the Chief Executive and Leader of this Council updating them on their intentions in terms of funding for Citizens Advice across the County for 2020-21 onwards.
- 2.2 As part of the 2019-20 SCC budget setting process it was agreed to reduce the SCC contribution to CA services, initially by 50% to £185,000 (across seven CAs) in 2019-20 and then potentially to zero in 2020-21. However, following discussion with the CAs and partners it is now proposed not to apply this reduction to zero next year but to instead provide £120,000 per year for the next three years across the CA network.
- 2.3 This funding is subject to *'annual review against criteria relating to efficiencies through transformation; income generation activities, and impact in supporting the County Council's key priorities'*.
- 2.4 When the SCC funding was reduced for the 2019-20 financial year, NHS Ipswich and East Suffolk CCG and NHS West Suffolk CCG together agreed to bridge the gap, in recognition of the importance of CA services and their interrelationship with health, by providing £187,000 of funding across the network each year for two years, paid through SCC. It is our understanding that the funding may not be available to continue this for 2021-22. The Suffolk CAs therefore potentially face a collective reduction in funding from £374,553 to £120,000 between 2017-18 and 2021-22.
- 2.5 From this £120,000, the proportion of SCC funding allocated to the three Citizens Advice in East Suffolk is 32.9%, therefore when the SCC funding is reduced to £120,000, their

funding will equate to £39,480 across the three Bureaux, a reduction of £83,778 from their original allocation of £123,228.

- 2.6 One of the specifics included in the ‘ask’ from SCC was that transformational progress should include a reduction to four CAs across Suffolk from the seven CAs in the county currently. The two West Suffolk CAs have recently moved to one entity and therefore 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, three of which are in East Suffolk.
- 2.7 The other asks from SCC are that CAs should exploit additional sources of funding and income to develop greater financial independence; to share accommodation with at least one partner organisation where this is practicable and to demonstrate their social and economic impact (more closely aligned to SCC priorities).

3 THE EAST SUFFOLK COUNCIL POSITION

- 3.1 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 - that cover 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	

- 3.2 Our Citizens Advice provide an invaluable service to the population of East Suffolk. Appendix One is a one-page overview for each CA for the calendar year 2019 i.e. from January to December 2019.
- 3.3 The Appendix shows that the majority of client contacts at Felixstowe (55%) and North East Suffolk (49%) CAs were in person. 35% of contacts at Leiston and Saxmundham were in person and 37% by phone – this potentially reflects the more rural nature of the catchment area of this CA.
- 3.4 40% of clients seen across all three CA’s had a disability or long-term health condition, with the peak age group accessing CA services being 60-64-year olds (across all three CAs).
- 3.5 The table below shows the top 5 issues dealt with, by number of issues and number of clients, per CA:

Table 2

CA	Benefits and Tax Credits	Benefits – Universal Credit	Debt	Housing	Employment
North East Suffolk	3404 issues 1,362 clients	2,396 issues 981 clients	3,913 issues 978 clients	1,194 issues 693 clients	717 issues 390 clients

Leiston and Saxmundham	1,214 issues 488 clients	637 issues 335 clients	953 issues 299 clients	589 issues 333 clients	389 issues 179 clients
Felixstowe and District	2,382 issues 762 clients	1,128 issues 486 clients	1,060 issues 325 clients	634 issues 313 clients	596 issues 238 clients

- 3.6 The top benefit issues vary between areas, but include initial claim, Personal Independence Payment, Employment Support Allowance, Housing element, Housing Benefit and Council Tax reduction.
- 3.7 The top debt issues again vary by area but include Debt Relief Order (top by far for both CANES and Leiston and Saxmundham), Credit, Store and Charge Card debts, Council Tax arrears, Unsecured personal loan debts and Housing Association rent arrears.
- 3.8 Between them in 2019 the three CAs enabled £1.65 million of debt to be written off and secured £1.2 million of income gain. There is no doubt that our Citizens Advice provide a unique and invaluable service to the East Suffolk population

4 FUTURE FUNDING PROPOSALS

- 4.1 This section of the report focusses on the proposed approach to funding Citizens Advice in East Suffolk for the next three years. The proposal is to offer a three-year funding agreement in order to give the Citizens Advice a stable platform upon which to build and transform their services. The funding for Citizens Advice comes from New Homes Bonus (NHB) and NHB is under review by the current government and therefore funding beyond 2023 will be contingent on this funding still being available at current levels.
- 4.2 There is clearly no appetite to reduce the level of overall funding provided to Citizens Advice services in East Suffolk. However, in the interests of equity and in recognition of the fact that we are now one Council with one population, now is an opportunity time to revisit the outcomes that ESC funds Citizens Advice to deliver on our behalf and the balance of funding between areas.

Number of CA Clients per CA

- 4.3 The three CAs dealt with the following numbers of East Suffolk clients in 2019 (the total number of clients shown in the Appendix is higher, but this includes clients who live outside East Suffolk e.g. in Norfolk and Ipswich):

Table 3

	CANES	Felixstowe	Leiston & Saxmundham	Total
Clients 2019	3,570	1,779	1,527	6,876
% of Total	51.9%	25.9%	22.2%	100%
Cost per Client	£21.83	£32.43	£41.85	-

- 4.4 This table shows that CA North East Suffolk saw 51.9% of the client resident in East Suffolk in 2019 and Leiston/Felixstowe together saw 48.1% of the clients resident in East Suffolk. Looking at delivery by each CA in terms of cost per client based on demand, Leiston CA received almost twice as much funding per client (£41.85) seen in 2019 as CA North East Suffolk (£21.83), with Felixstowe and District CA in the middle at £32.43.

- 4.5 The funding provided to the Citizens Advice is a historic allocation primarily based on the levels of resource available to the two previous Councils. The two CA's covering the south of the area receive 61% of the East Suffolk funding and CA North East Suffolk receive 39%.

Population served per CA

- 4.6 Using the 2018 Suffolk Observatory population estimates, the population based in the former Suffolk Coastal District and served by Leiston and Saxmundham and Felixstowe and District CAs was 129,938 or 52% of the total population and the population of the former Waveney District, served by CA North East Suffolk was 118,331 or 48%. The current funding allocations therefore do not reflect the populations served, level of demand met or cost per client.
- 4.7 One approach would be to rebalance the funding allocated across the East Suffolk area, based on population and need in the interests of equity across the area, taking into account both the levels of deprivation within the populations served and the additional costs of providing services to a rural, dispersed population.
- 4.8 However, as outlined below, there is a more pressing need for the three CAs in East Suffolk to work together to determine their own future in terms of the best structures through which to deliver Citizens Advice services to the East Suffolk population and it is therefore proposed to include the allocation of funding between CAs in the transformation programme depending on what it felt to be the optimum delivery model.

5 TRANSFORMATION OF CITIZENS ADVICE SERVICES

- 5.1 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, the Council shares the County Council ambition of supporting our Citizens Advice to further transform CA services and explore the benefits (and disbenefits) of reducing the number of independent sovereign bureaux within the District. It is the exception for an area such as East Suffolk to be covered by three separate CAs, indeed many counties are covered by one CA operating a hub and spoke model.
- 5.2 Leiston and Saxmundham and Felixstowe CA's have already provided the Council with a business case outlining the rationale behind their preference for the retention of three offices in East Suffolk. This includes:
- The current arrangement has main office locations in the north, centre and south of a large geographic area
 - The need to provide outreach provision to those who find it difficult to access the main offices due to disability, caring or transport issues
 - Feedback from clients indicating that they value face to face contact
 - Local bases mean that CA is responsive to local conditions and can deliver bespoke services by working with local organisations e.g. Flagship Housing drop in sessions
 - Being local, CA can be agile and adaptable, able to react quickly to changing conditions and demand
 - Both offices are volunteer led with only a small paid staff which enables them to offer a cost-effective value for money service
 - Initial cost analysis indicates that savings would be relatively low
- 5.3 However, the Council believes that a move from three to two or even one CA in East Suffolk could offer the opportunity to reinvest savings from reduced management costs into additional outreach services, therefore potentially offering an enhanced face to face service, rather than a reduced service, to our rural areas. In the context of diminishing public sector resources, it is important that the CAs move further towards self-sufficiency.

- 5.4 The three CAs between them already provide a range of outreach service at different locations including Beccles, Bungay, Halesworth, Aldeburgh, Alderton, Framlingham, Saxmundham, Wickham Market, Woodbridge and Felixstowe Library. A reduction in the number of independent CAs should not mean the loss of CA bases in each of the locations where they are currently, rather that the funding saved could be used to increase the number of outreach hours into more rural or deprived communities.
- 5.5 The other dimension that the Council would like CAs to consider is the opportunity for colocation with other VCSE or public sector services in shared buildings, including Council owned buildings. Each of the CAs currently has their own (owned or rented) premises and whilst there are obviously specific requirements in terms of soundproofed rooms for private interviews, we believe that these could be accommodated in other spaces.
- 5.6 The Council would like to enable the three CAs and their Trustee Boards over the next twelve months to explore the transformation of Citizens Advice services in East Suffolk. In order to facilitate this process, East Suffolk Council proposes to provide an additional £7,500 towards the cost of independent support – to be sourced by the three CAs collectively in conjunction with ESC. This support should facilitate the CAs to explore options and identify the optimum structures to maximise their impact with the reduced overall funding now available to them. We would be keen to work with our CAs to define the scope of this review and to be a recipient of the final report. We would urge our CAs to be ambitious and focus on what advice services for the East Suffolk population of the future could look like, based on what we know about demographic changes over the coming years.

6 HOW DOES THIS RELATE TO THE EAST SUFFOLK BUSINESS PLAN?

- 6.1 The funding that the Council provides for Citizens Advice in East Suffolk contributes to the delivery of the following critical success factors:
- Economic Development & Tourism - A strong, sustainable, and dynamic local economy offering our communities more stable, high quality and high value jobs, with increased opportunities for all.
 - Housing - Improved access to appropriate housing to meet existing and future needs, including more affordable homes for local people
 - Benefits - Timely access to welfare benefits for those in need within our communities.
 - Customers - Putting customers first in the planning and design of services; and making improvements to services following customer feedback. Ensuring services and information are easily accessible through different communication channels, with customers receiving a consistent, accurate and holistic service at the first point contact
 - Communities - A diverse mix of resilient and supportive communities that value their rural and coastal heritage; which feel engaged, valued and empowered; and where people's needs are met and where they can make a difference to their community.
 - Community Health - Enabling people to take responsibility for their own mental and physical health and well-being, helping them to live active and healthy lives, while remaining safe within their homes and communities.

7 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 7.1 The £199,600 funding for Citizens Advice in East Suffolk is already profiled within the New Homes Bonus budget and therefore this report does not propose a change in funding, rather a potential reallocation of resources from 2021-22 onwards to better reflect the distribution of the population of East Suffolk and potentially transformed

delivery structures. The additional £7,500 funding will be made available from within existing budgets.

- 7.2 New Service Level Agreements would need to be developed between ESC and CAs and it is proposed that a new set of performance measures will be co-produced with the Trustees and Officers of the CAs.

8 OTHER KEY ISSUES

- 8.1 No Equality Impact Assessment has been undertaken at this stage as no specific changes are proposed. An Equality Impact Assessment will be undertaken once further information is available from the three CAs about the preferred structure and distribution of funding from 2021-22 onwards.

9 CONSULTATION

- 9.1 Consultation has been undertaken at an early stage with all three Citizens Advice, including inviting a response from Leiston & Saxmundham and Felixstowe and District CAs on why a reduction in the number of Citizens Advice would be of detriment to the local population. CA North East Suffolk has made a strong 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.
- 9.2 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.
- 9.3 The Council is keen to work with our CAs over the next twelve months to support them in their transformation process and provide whatever reasonable support is necessary.

10 OTHER OPTIONS CONSIDERED

- 10.1 The other main options considered were to a) retain the 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.
- 10.2 It is clear that there is a case for the redistribution of funding between CAs in East Suffolk based on population, demand and cost per client but that this should be considered as part of a wider transformation programme that looks as the optimum structure to deliver Citizens Advice services across the new East Suffolk Council area. 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.

11 REASON FOR RECOMMENDATION

- 11.1 The recommendation is based upon an initial review of Citizens Advice in East Suffolk that is rooted in a 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.

- 11.2 No reduction in funding is proposed, indeed it is proposed that ESC funding levels should be maintained over the next three years and that a small amount of additional funding should be made available to support the transformation of Citizens Advice in East Suffolk, a process that should be led by the three Citizens Advice but supported by an independent and objective facilitator who can help to guide them through this process. This should include consideration of the allocation of funding across the area to better reflect the population in the catchment area of each Citizens Advice (should the optimum model result in a recommendation that there should be more than one CA), whilst recognising that clients are free to access services in any Citizens Advice they choose and the policy of Citizens Advice is not to turn them away.
- 11.3 There is a strong case to revisit the potential transformation of Citizens Advice in East Suffolk as there are clearly opportunities for savings and transformational change by moving from three to two or even one Citizens Advice serving the population through a hub and spoke model – although this is clearly ultimately a decision for the three organisations and their Trustee Boards.
- 11.4 We also believe that transformation could release capacity and resources in order to enable Citizens Advice to work more closely with the Council on preventative activity, for example based on the Low Income Family Tracker policy tool recently purchased by the Council which allows 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 the funding for Citizens Advice in East Suffolk be maintained at £199,600 for the three financial years 2020-21, 2022-23 and 2023-24.
2. That an additional sum of £7,500 be made available to enable the three CAs to secure independent support to help them to explore the transformation of Citizens Advice services in East Suffolk focussed on identifying the optimum structures to deliver the best outcomes for the East Suffolk population.
3. That East Suffolk Council should be directly involved in working with the three CAs to define the scope of this transformation review and receive the final report.
4. That the three Citizens Advice in East Suffolk be encouraged to explore all of the transformation opportunities available in the District over the next twelve months, with a view to freeing up resource for greater involvement in prevention activity and additional outreach into identified and agreed target areas. Reorganisation, and potentially a reduction in the number of Citizens Advice, may well be the best way to achieve this but objective support should enable the three CAs to work together to fully understand both the opportunities and barriers to change.
5. That future funding beyond the end of the 2020-21 financial year would depend on evidence of progress towards transformation and that therefore a further report should be presented to Cabinet early in 2021, with a view to developing a new funding and performance framework for 2021-22 onwards.

APPENDICES	
Appendix A	2019 Overview of Citizens Advice Services

BACKGROUND PAPERS None.
