

## **Advice Services Procurement– summary for Council debate on “Save Our CAB” petition**

**Council meeting: 14th November 2013**

### **Background**

The Council is not statutorily obliged to ensure that generalist advice services are provided. However, it is recognised that timely and accurate advice has a strong role to play in improving and extending independent living and reducing spending on statutory services. Bath & North East Somerset has a diverse advice sector, providing a wide range of specialist and generalist services. Partnership working in the advice sector at the time of writing is not well-established or robust, though proposals for improvements in this respect are being developed.

Provision of advice in Bath & North East Somerset was comprehensively reviewed in 2006 in consultation with key stakeholders, including existing advice providers. This resulted in a service specification that rationalised provision to one lead provider for the area, with provision for sub-contracted partners. These services are funded through the Supporting People and Communities budget (SP&C) within the Adult Care, Health and Housing Service.

### **B&NES CAB Contract**

In December 2008, Bath & District Citizen’s Advice Bureau successfully tendered for this service, as lead-organisation of a partnership with North East Somerset CAB (NESCAB) and SWAN Advice Service. The organisation also provides Income Maximiser, a welfare benefits advice service for people with poor mental health. Current contracts between the Council and B&NES CAB for the provision of advice and information funded from the Supporting People & Communities (SP&C) commissioning budget total £436,722 a year broken down as follows:

- Generalist service - £361,000
- Income Maximiser - £46,722
- Concessionary Rent - £29,000

In addition to the above, B&NES CAB is also commissioned to deliver advice from Children’s Centres and this contract is valued at £36,000 in 2013/14. This gives a total Council funded contract value of £472,722.

The generalist advice service funded from the SP&C budget offers a universal service. It is freely available, does not restrict access by query type, level of need or income as assessment criteria. Of particular significance in the context of financial challenges, it is not targeted towards the delivery of achievement of key Council objectives and outcomes for vulnerable people.

Since being awarded the contract, the sub-contract with SWAN has been terminated by the CAB and the North East Somerset and Bath bureaux have merged into one organisation, Citizen’s Advice Bureau Bath & North East Somerset (CAB BANES).

The service operates out of a number of venues, including the Council hosted One Stop Shops at Manvers Street and The Hollies (for which the CAB does pay the Council ‘rent’, which is charged based on the numbers of desks occupied. CAB’s main offices in George Street are Council owned and the organisation benefits from a concessionary rent on this property worth approximately £29,000 per year. Services are also delivered from a range

of access points, including GP surgeries, schools and Children's Centres across the district. In addition, B&NES CAB operates a mobile service to the Timsbury area every first and third Wednesday of the month via its AdviceBus.

In September 2010, the SP&C Commissioning Body sought a £19,000 reduction of the total contract value as part of a general re-commissioning programme, partially driven by a need to reduce overall SP&C spend as part of the Council's financial planning for 2011/12. At this point the contract was extended by joint agreement until March 2012. Further extensions were agreed, taking the expiry date to March 2014.

A comprehensive review of the generalist service delivered by Bath & North East Somerset CAB was carried out by the SP&C team in 2011/12. Recommendations were put to the multi-agency SP&C Commissioning Body for improvements in relation to service quality and delivery, access issues, evidencing value for money, improving performance reporting and partnership working. The report's recommendations were accepted by the Commissioning Body and were developed into an action plan by Bath CAB. This action plan is being implemented and is regularly monitored by the commissioners as part of routine contract management processes.

### **Partnership Working & Service Improvement Bids**

In 2009, Bath & District Advice Consortium, chaired by Bath CAB staff, applied for and were awarded £500,000 by the Big Lottery Fund (BL). The aim of this award was to fundamentally overhaul access processes for all advice agencies in the area through improved partnership working. Aside from development of a new, very limited website, Bath CAB was the only agency to access this resource, making changes to service delivery by putting in place a triage system and establishing a single telephone number for all CAB services in B&NES. This grant expired at the end of September 2013. Overall, there is little evidence of any wider impact, though CAB state that the award laid the ground for the latest proposal for partnership working, detailed below.

In December 2012, Bath CAB advised commissioners that a bid was being made for funding from the Big Lottery's Advice Services Transformation Fund (ASTF), provided by the Cabinet Office. The stated aim of the ASTF was to enable the not-for-profit advice sector to "transform and adapt to a new funding environment by renewing its service models to reduce duplication, measure the difference services can make to people's lives, and bring providers together to be more efficient and effective. In order to thrive and secure its future sustainability, the independent advice sector will also need to be more enterprising and business-minded." The closing date for the bid was 28 January 2013.

Commissioners were not given an opportunity to discuss the draft proposal with agencies before submission, but were provided with an incomplete version of the document shortly before the bid deadline. On 31 January, a copy of the submitted bid was sent to the commissioning team for information. In essence, the aims of the bid match those of the 2009 proposal in that it aims for better co-ordination of services and improved sharing of resources. An added dimension is a programme of training for all member-organisations' staff, provided in refurbished and technically-upgraded training rooms at the CAB's main offices in George Street. CAB drafted and submitted the bid, the budget for which includes £34,000 allocation for salary costs of a full-time Programme Development Co-ordinator (whose role includes CAB-only work that is not directly linked to the APEX project) and a part-time support officer. The budget also includes a further £13,000 allocation for freelance fees for miscellaneous pieces of work during the programme. £29,000 of the

total is earmarked for improvements or adjustments within non-CAB partner-organisations' infrastructure.

In late-May, CAB BANES announced that it had been awarded £291,000 by the Big Lottery to deliver on the proposal and the first full meeting of CEO's of the proposed signatories to the partnership agreement was held. The named partners were:

- Age UK
- B&NES Carers Centre
- B&NES Family Information Service
- Bath Employment Law
- CAB BANES
- Developing Healthy Initiatives
- Off the Record
- Stone King Solicitors
- SWAN Advice Network

At that meeting, questions were asked of CAB and other signatories to the partnership agreement about the flexibility of the proposal should their contract values see a significant reduction in 2014/15, but these were not responded to.

The Project Co-ordinator and support posts were advertised and are understood by officers to have been filled during August and September 2013.

Commissioners of both SP&C funded services and Children and Young People's Services have expressed concerns about the APEX project. The main issues for commissioners include:

- Delivery of the proposal relies heavily on the use on new posts and freelance work. It is the view of Council officers that valuable outcomes could be achieved through meaningful, robust partnership working rather than through employment of new staff. As it stands, the proposal instead embeds considerable resources, including the 1.5 new posts, within the CAB, which is likely to militate against formation of shared working practices and open dialogue.
- There has been no discussion with commissioning officers regarding strategic fit, despite the scale and potential impact of the proposal. More concerning is the lack of consideration of how anticipated savings, even whilst unspecified in terms of scale, might affect delivery of the aims of the proposal. Direct questions regarding this were not answered and the prospect of significant reductions was not acknowledged. There does not appear to have been any consideration of how the proposal could be scaled back or adjusted in the event of significant reductions in contract values. There is no mention of an exit strategy should contracts be reduced to a level that would affect deliverability, as is now being claimed.

### **Implementation of MTSRP 2013/14 – 15/16**

Over the last 18 months and by a range of means, the SP&C team has communicated to all providers the likely implications of the Council's Medium Term Service & Resource Plan 2013/14-15/16 and the requirement to make significant savings from the SP&C budget. Since February 2013, the team has been implementing theme-based sector reviews with the intention of finding the required savings through a strategic approach rather than a top-slicing exercise. Using data on performance, utilisation and demand, feedback from providers and stakeholders (including service users) and intelligence on duplication of

provision, the reviews aim to inform the development of commissioning plans for 2014/15 onwards. Given the fact that the CAB contracts represent nearly 50% of the total advice, advocacy & information spend and the challenging savings targets for the SP&C budget over the coming years (£841,000 over 2013/14 & 2014/15), reductions in service levels are unavoidable, particularly as we re-model and move towards wholly targeted services.

In February and March 2013, meetings were held with contracted providers to advise of the scope and methodology that the reviews were to take. In June 2013, two further meetings were held to share the broad findings of the reviews with providers and other stakeholders. A model for advice delivery (attached as Appendix 1) was presented and received positive feedback from providers and stakeholders attending.

The review found:

- There is considerable overlap between advice service providers, some working in the same geographical areas, possibly with the same individuals
- That information on the vulnerability of people accessing services is not routinely assessed or examined as a criterion for prioritising work
- There is a lack of co-ordination and co-operation across advice providers, though the APEX project aims to address this over the coming years
- There is a lack of clarity for people seeking advice on available services in their own neighbourhoods
- Service user feedback supports a move towards services to be less building-based and to be working on an outreach basis, sharing venues and increasing home-visits

Following discussion of the outcomes of the review with Cllr Simon Allen, Cabinet Member for Wellbeing on 17 July, a meeting was set up for 24 July between Council officers with responsibility for commissioning services funded from the SP&C budget and Jan Westrope, CEO of CAB B&NES and the Treasurer of the organisation. The proposals in respect of BANES CAB were set out at this meeting and confirmed by email the following day. The value and impact of the work of CAB BANES was acknowledged at the meeting but it was made clear that financial challenges have meant that priority is now focused on those with higher needs; the universal approach is no longer affordable and available funds have to be used in a targeted and strategic way. It was also made clear that an Equalities Impact Assessment would be carried out on the final proposal to test for disproportionate negative impacts on any sections of the community.

Key messages about the savings proposals given to the CAB were:

- A reduction in the contract value for the advice and information service by £225,000 to £182,722 pa from April 2014;
- The outcomes for the service be reviewed and refocused on a more targeted service covering debt, welfare benefits and employment;
- This information was being shared with the CAB as early as possible to give the CAB an opportunity to consider and respond before a final decision is made by the end of September at the latest;
- A recognition that the messages given are difficult for the CAB to hear but dialogue between the CAB and commissioners is important, particularly in minimising the impact of the reduction on service users;

- An acknowledgement of the pivotal role held by advice agencies such as the CAB in delivering outcomes for vulnerable people, particularly at a time when greater pressure is being brought by financial hardship

B&NES CAB were asked to consider what could be delivered at the lower contract value and to set this out in a response officers could share with the SP&C Commissioning Body. On 8 August, CAB wrote to the Leader of the Council and to the Cabinet Member for Wellbeing, setting out their concerns regarding anticipated impact of the lower contract value and requesting an urgent meeting.

In the intervening days, officers had taken advice from the Council's Procurement team on the approach to be taken in re-commissioning the service. This clearly pointed to the need to procure on the open market to ensure fair opportunity for other providers and to avoid risk of legal challenge. In response to the letter from CAB dated 8 August, this advice was passed on. The letter also declined the request to meet with the Leader and Cabinet Member on the grounds that an open tendering process was to be started and such a meeting was inappropriate.

On 9 September, the Chair of the Board of Trustees wrote to the Health & Wellbeing Board, on the assumption that this was the forum in which the sector review recommendations were to be discussed. This letter was redirected to the Adult Care commissioners and shared with members of the SP&C Commissioning Body before their meeting on 16 September. The main points and requests were:

- That the Health and Wellbeing Board should request the Council reconsider its proposals and their timing and if possible re-profile expenditure plans.
- That CAB were anticipating a lower savings target of £118,00 to be applied across the sector
- The effect overall will be to substantially limit the ability of the CAB to assist clients, some of who may have to be referred back to the Council and its partners, creating further cost pressures.
- If carried through there will have to be staffing reductions of paid employees and that this will directly impact on the volunteer workforce who are trained and supervised by them.
- Extensive changes to the welfare benefits system are currently impacting on many BANES residents and debt and money advice is becoming more complex.
- The focus of the Bureau is overwhelmingly on the most vulnerable members of society, many of whom are in danger of being even more vulnerable without the intervention of CAB-BANES.
- The proposal to tender the provision of local advice services within 7 months is wholly unrealistic
- CAB BANES is prepared to work with the Council to assist it to prepare new service specifications for even more targeted services to residents
- That the Council should delay the timetable for tendering to at least September 2014 but preferably April 2015 to allow for proper pre-tender preparation and discussion and avoid the risk of anti-competitive behaviour challenges.
- Alternatively the Council abandons the tender proposal entirely in favour of a 'grant with conditions' approach.

In his reply, the Strategic Director of People & Communities reiterates the advice from the Council's Commissioning and Procurement Team. The main points of his letter were:

- Further extension beyond 31 March 2014 would leave the local authority vulnerable to challenge; this due to the fact that so much time had elapsed since the expiry of the original contract period.
- OJEU rules around contract values, (which are significant, even at the reduced level) mean that the contract must be put onto the open market.
- The request to set aside the tendering process and re-negotiate with CAB a reduced contract was not a sustainable approach. Such a re-negotiation could only be for a year as the Council would be vulnerable to challenge if the contract was extended for any longer period without testing the market, especially in light of the two extensions already agreed.
- Given all of the above reasons the Council believes it to be appropriate to fully re-commission so that a longer contract can be secured, having tested the market.
- The need to remodel the delivery of advice and information services also gives impetus to the retendering process. The remodelling reflects two factors; firstly the reduced budget given the financial pressures faced by the local authority and the need to make reductions. Secondly, the need for a model which aligns advice and information services and removes duplication. Also made clear is the need to remove duplication and overlap and the financial imperative of wholly directing spend to high need/high vulnerability groups.
- Use of the APEX project as the vehicle for re-modelling advisory services was not the approach the Council would be taking, opting instead to proceed with tendering for a service based on the new model of delivery.
- Recognition of the organisational impact of responding to a re-commission and of the implications if CAB was unsuccessful. It is made clear that, should such a position arise the local authority would be prepared to negotiate an implementation phase with an agreed level of funding to support transition. This transition could be (i) transition from CAB to another provider or/and (ii) transition within CAB from one model/mode to another.

On 16 September, having had sight of the sector review report and the letter from B&NES CAB, the Commissioning Body agreed the recommendation that the service be recommissioned at £182,000, reducing the contract value by £225,000. Other reductions were agreed at the same meeting by members of the multi-agency Commissioning Body in light of the overall saving to be achieved from the SP&C Commissioning Body.

Two meetings have been held with members of the Board of Trustees of CAB B&NES, the CEO of the CAB, the Strategic Director of People & Communities Services and officers from the Non Acute & Social Care Commissioning Team. On both occasions, officers restricted the discussions to clarification of the reasons behind the decision to re-tender and to give further information on the process to be followed and approximate timetables.

On 21 October, CAB B&NES began an on-line petition via the 38 Degrees website. The petition was headed 'Save our CAB', which could give the impression that no advice service would be in place should the decision to re-tender at a lower contract value go unchallenged. The text setting out the request for signatures actually states that it was the Council's intention to re-tender, albeit at a lower contract value. Signatories were encouraged on the correct basis that the decision could be debated by Full Council if a minimum of 1,000 signatures were registered. The target was reached on 22 October and the request for debate by Full Council duly made and agreed to.

### Latest Position and Next Steps

A draft specification and notification of the tender opportunity have been placed on the procurement portal. Consultation with all advice providers and other stakeholders to ensure it meets the needs of vulnerable people is planned and their views will inform the final iteration of the specification.

The indicative timetable for procurement of the advice contract is as follows:

Details	Date/time allotted
Panel formed to draft specification and to be part of the tendering process.	5 <sup>th</sup> November 2013
Consultation with service users and stakeholders.	3 weeks
Panel meet to agree second draft based on consultation results	26 <sup>th</sup> November 2013
Commission advertised with <u>draft</u> specification via Pro-Contract and providers invited to submit expressions of interest via a pre-qualification questionnaire (PQQ).	2 <sup>nd</sup> December 2013
Provider 'open day' to clarify points in the specification.	1 day between the 2 <sup>nd</sup> December 2013 and 6 <sup>th</sup> January 2014
PQQ deadline.	6 <sup>th</sup> January 2014
Panel to evaluate PQQ responses individually	6 <sup>th</sup> – 10 <sup>th</sup> January
Panel meet to shortlisted providers from PQQ applications.	13 <sup>th</sup> January 2014
Invitations to Tender applications open for short-listed providers.	15 <sup>th</sup> January 2014
Deadline for submission of tenders.	24 <sup>th</sup> February 2014
Panel to evaluate tender responses, draw up shortlist or award contract.	24 <sup>th</sup> February – 10 <sup>th</sup> March
Presentations from providers	24 <sup>th</sup> March 2014
Feedback on presentations drawn up by panel.	2 Weeks
Providers informed of decision to award.	7 <sup>th</sup> April 2014
Alcatel Standstill Period (This stage allows a 10 day period after announcing the outcome of the commission, for providers to contest any of the decisions made as part of this commission.)	10 days from award
Formal contract award	17 <sup>th</sup> April 2014
Contract negotiations with successful Providers.	18 <sup>th</sup> April – 31 <sup>st</sup> May 2014
Target for new contracts to start.	1 <sup>st</sup> June 2014