

**Joint Decision Session – Executive Members
for Finance & Performance, and Housing &
Community Safety**

9 March 2020

Report of the Assistant Director (Customer & Digital Services)

Citizens Advice York Service Level Agreement Renewal 2020/24

Summary

- 1) This report is brought to the Executive Members to seek approval for a four year funding agreement to March 2024 with Citizens Advice York (CAY) as set out in Annex B to this report.

Recommendations

- 2) The Executive Members are asked to approve the Service Level Agreement (SLA) at Annex B to this report including the following:
 - i) the 4 year period of funding;
 - ii) the financial decision to reflect:
 - a) the increase in funding to cover a contribution towards the staffing costs associated with providing a debt advice service, which is additional to the core service provided; and
 - b) the absorption by CYC of future accommodation charge increases.

Reasons: To demonstrate the delivery of expected outputs of and accountability for public expenditure. To meet Council priorities around financial inclusion activities.

Background

- 3) In past years CYC has in the past negotiated three year partnership funding agreements with CAY; those previous agreements finished in March 2018.

- 4) In 2018/19 and 2019/20 the agreements were updated and rolled forward for 12 months at a time, firstly to allow CAY to undertake a comprehensive review leading to a new business plan. Then in 2019/20 when 2.5% inflation was added increasing the core funding for CAY services to £131,200. The reason for this was that a full council election was due in May 2019 and it was agreed that the new political Administration should consider any longer term funding agreement as part of medium term budget decisions.
- 5) Outside of this agreement are several one off project based funding streams which provide support and advice to residents, some of which are funded by the council and are summarised in Appendix 1 to the SLA.
- 6) The council also currently funds the following CAY projects as part of the Financial Inclusion grant funding scheme '*Improving Finances, Improving Lives*':

Current CAY Project	Grant	Start	End	Extension to 30/9/19	Extension to 31/3/20
Advice York	£10,390	01/06/2018	31/05/2019	£3,463	£5,195
Debt Support	£49,875	01/07/2017	30/06/2019	£6,234	£12,469
GP Outreach	£24,054	01/07/2018	30/06/2019	£6,014	£12,027
Community hubs (cafes)	£38,452	01/07/2018	30/06/2019	£9,613	£19,226
Totals	£122,771			£25,324	£48,917
Total funding					£197,012

- 7) These schemes were extended initially to September 2019, then to March 2020 prior to the launch of the new *Financial Inclusion Innovation Fund* in January 2020, for which bids have been recently been received and will be awarded on 16th March 2020.
- 8) In addition the CAY receives accommodation and related service charges at less than the council's commercial charge in recognition of the budget available at the time of the move into West Offices and the mutual benefit to both organisations of working in co-location at West Offices. This is a financial benefit to CAY, at today's prices of £65k.

Changes proposed:

Length of Agreement

- 9) To secure the continuity and resilience of the core and debt services provided by CAY, along with employment security for the non-volunteer workforce, it is recommended that next agreement with CAY is 4 years in length to ensure that the funding is carried through to the next political Administration which can then review support to CAY going forward. This is consistent with the 4 year SLA awarded in the Welfare Benefits Unit SLA approved in February 2018.

Funding proposals

Temporary to permanent funding of Debt Adviser

- 10) One of the existing FISG grant funded schemes has been to fund Debt Advice Support work carried out by CAY and the outputs from this work is summarised in Annex A to the end of September 2019. Going forward CAY have secured some funding to contribute to the costs of 0.6 of a specialist debt worker role from the Money Advice and Pensions Service, hence a proposal in this report to fund the remaining 0.4 of the role through the CAY SLA going forward.
- 11) This also meets the former Executive's approval of a scrutiny review recommendation to: *Investigate options for securing long-term funding support for successful time-limited FISG grant funded schemes.*

Freezing of Accommodation Costs

- 12) In addition, to recognise the pressure on the charity's finances of any future increases in accommodation rental costs and service charges – it is proposed that these remain at current levels throughout the next 4 year period. This represents a contribution by CYC of £1800 in 2020/21 alone.

Revised Proposed Funding Level

13) The proposed fixed* funding level is as follows:

	£
Core service	131,200
Contribution to specialist debt advice service (0.4 FTE)	18,900**
Total SLA funding	<u>150,100</u>

* inflation is not included given the level of increase of 12.6% in cash terms or 13.6% taking into account the absorption of £1800 accommodation cost increase by CYC. In order to fix budgets, inflation is not included in future years but neither will any accommodation costs increase for the current space utilised by CAY in West Offices.

** this will cover related staffing costs only, not office/premises costs, which relate to the following hours per week:

Salaries incl. NI, Pension	Hrs/wk
Debt Adviser	15.0
Debt Administrator	7.0
Management & supervision	2.0

Analysis

14) The funding levels and length of SLAs are recommended in order to secure the objectives set out in the agreement at Annex B.

Council Plan

15) The actions set out in the report contribute to the 2019-23 Council Plan as follows:

- Well-paid jobs and an inclusive economy –particularly reviewing CYC’s approach to financial inclusion, around sustainability of delivery of advice, support and services.

Implications

16) **Financial** – One off money from the Financial Inclusion underspend will be used to fund year 1 of the CAY SLA increase and growth will be sought for years 2-4. The loss of income as a

result of freezing the current accommodation costs will be managed within the overall approved budgets for West Offices.

- 17) **Equalities** – This funding enables support to the most vulnerable sections of the community.
- 18) There are no Legal, Property, Human Resources, Crime and Disorder, or Information Technology implications arising from this report.

Risk Management

- 19) The level of risk associated with this proposal is “Acceptable” and performance will be monitored through SLA client management processes throughout the period of the SLA.

Contact Details

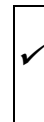
Authors:

Pauline Stuchfield
Assistant Director, Customer & Digital Services

Chief Officer Responsible for the report:

Ian Floyd
Director of Customer & Corporate Services

Report Approved

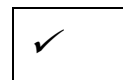


Date 27/02/2020

Specialist Implications Officer(s): Head of Corporate Finance & Commercial Procurement

Wards Affected:

All



For further information please contact the author of the report

Background Papers:

Previous SLAs:

Report to Executive Member Decision Session for Adult Social Care & Health 15th March 2018 which can be found at:

<http://modgov.york.gov.uk/ieListDocuments.aspx?CId=740&MIId=9927&Ver=4>

Report to Executive Member Decision Session for Adult Social Care & Health 14th February 2019 which can be found at:

<http://modgov.york.gov.uk/ieListDocuments.aspx?CId=740&MId=10815&Ver=4>

Financial Inclusion grant funding extension:

Report to Executive member Decision Session for Finance & Performance 12th August 2019 which can be found at:

<http://modgov.york.gov.uk/ieListDocuments.aspx?CId=875&MId=11415&Ver=4>

Annex

A – CAY Debt Advice Service Outputs

B – CAY Service Level Agreement 2020/24

Abbreviations:

SLA Service Level Agreement

CYC City of York Council

CAY Citizens Advice York

FISG Financial Inclusion Steering Group

FTE Full Time Equivalent