

Recommissioning of Cambridgeshire's Local Assistance Scheme

To: Community and Partnership Committee

Meeting Date: 4 March 2020

From: Children and Families Commissioning Manager, Helen Andrews

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2021/013

Outcome: The recommissioning of Cambridgeshire's Local Assistance Scheme will increase the financial resilience of individuals, households and neighbourhoods struggling with financial difficulties. This will be achieved by developing collective solutions with local voluntary organisations and charities and by working with households before they reach crisis point.

Recommendation: The Communities and Partnership Committee is asked to:

- a) Agree the recommissioning and procurement of Cambridgeshire's Local Assistance Scheme; and
- b) Delegate authority to the Executive Director: People and Communities to commit funding at the time of the award of the contract.

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1. Background

- 1.1 Cambridgeshire's Local Assistance Scheme (CLAS) is a contracted service that provides a front-line safety net to individuals and families facing unexpected financial difficulties and hardship. CLAS awards grants, recycled goods, white goods, debt and benefit advice and support to eligible families. CLAS has an annual budget of £300,000, of which £132,000 is distributed in the form of grants.
- 1.2 The contract started in 2016. The service is now in its 4th year. The contract ends 31st March 2022.
- 1.3 Over these last three years, 4,669 households have been supported by CLAS either directly through awards or through other CLAS services such as claiming benefits or providing debt relief. Of the 4,669 households, 2,446 families have accessed crisis support. The other 2,223 received help via the Citizens Advice Bureau (who are subcontracted to work with CLAS), and the CLAS Information and Money Advice service. These families saw their income maximised by £7.2million¹.
- 1.4 CLAS's findings are that people in financial hardship have multiple interrelated issues including mental health anxieties that often prevent them from seeking help from services. The CLAS model is therefore designed to identify and reach people and families in crisis, not wait for them to turn up. CLAS is designed to reduce administration costs by delegating decision making to frontline CLAS champions some of whom are hosted by charities who are working with communities, families, and organisations. Council services, such as Children's Centres, Housing Associations and more are where first contact with some of our county's most needy families and households occurs.
- 1.5 CLAS experienced an unprecedented increase in demand during the Covid pandemic, lockdown and the tier restrictions. Request for support tripled in the first weeks of lockdown as many people who were furloughed or lost their jobs struggled to make ends meet while they waited for Universal Credit Payments. In Qtr. 1 FY 20/21 (April to June 2020) a total of 366 awards were made to 337 clients, a total of £55,826.07. This was a 66% increase compared to the same period in the previous year. Referrals for supermarket vouchers increased 178% and have remained consistently high ever since.
- 1.6 The increase in demand for CLAS support put a huge strain on our CLAS budget. In May 2020 the Council approved an additional £66,000 to help people in hardship affected by Covid-19. By the end of June, 40% of these extra funds had already been awarded to eligible families. We calculated that at this rate the CLAS budget would be depleted by October 2020. The County Council provided a further £33,000 of Covid-19 funding in June and again in September. In order to help manage this growing demand, the value of supermarket vouchers was reduced from £120.22 to £76.25. This resulted in lowering families buying ability and transferred the need onto other voluntary organisations, notably food banks and other emergency food provisions. CLAS also worked with Cambridge Aid, John Huntingdon's Charity and Cottenham Charity to spread the burden of supporting this volume of hardship cases.

¹ Income maximised figure includes debts written off, accessing benefits, and switching to better energy deals.

- 1.7 CLAS applies the New Economy Unit Cost Database² to identify costs avoided to the public purse as a consequence of timely CLAS interventions (preventing escalation of need). In the last 3 years, CLAS has delivered at least £1.4million³ of costs avoided to the County Council and £3million to the wider public purse.
- 1.8 The Local Government Association (LGA) compiles examples of good Council practices improving the lives of people in our communities. LGA are to post a case study on CLAS on their website and the LGA knowledge Hub to showcase the important work being carried out.

The recommissioning process

- 1.9 The re-commissioning of the CLAS is to enter contractual arrangements for an initial three years with an option to extend for a further two-year period. The total value of this 5-year contract will be £1,500,000.00 and is in excess of the £500,000.00 procurement threshold. The Communities and Partnership Committee is therefore asked to delegate authority to the Executive Director: People and Communities to award funding at the point of award in the winter of 2021.
- 1.10 Recommissioning CLAS offers the opportunity of market engagement to seek the views and opinions of organisations that may be interested in delivering a future CLAS service. It is also an opportunity to examine other welfare assistance models being delivered by providers. Commissioners are consulting local charities, District Councils, Housing Needs Teams, Think Communities Place Coordinators, and people with lived experience to better understand needs and evidence of what works. All of this will inform the drafting of a service specification for the new contract.

Procurement Timelines

- 1.11 The final service specification will be ready by July 2021, for an open tender process beginning in August 2021. The Council's Procurement Category Manager will provide specialist advice and ensure the Council obtains best value for money through the procurement process. The Category Manager will also ensure compliance with UK and European legislation which governs the procurement of services. LGSS will provide Legal Services e.g. drawing up Terms and Conditions for this contract.
- 1.12 The procurement timeline means that a longer lead in time is necessary to ensure there is sufficient time to complete the process and enable any new service to be set up. The aim would be to award the contract in November/December 2021, start mobilisation in January 2022 so that the new service starts 1st April 2022.

2. Main Issues

- 2.1 The economic impact of the lockdowns and restrictions on families and individuals is likely

² The methodology used to calculate the Cost Benefits is based on the New Economy Manchester model.

<https://www.greatermanchester-ca.gov.uk/what-wedo/research/research-cost-benefit-analysis/>

³ [CLAS Annual Service Report \(makingmoneycount.org.uk\)](https://www.makingmoneycount.org.uk) page 12.

to be severe⁴. Local evidence suggests that people are experiencing economic hardship in increasing numbers⁵. The Money and Pensions Service have estimated that over the next 18 months, 8 million people in UK will need debt advice due to regularly missing payments⁶. HM Treasury is estimating a 60% increase in demand for debt advice as a result of Covid 19. The Citizens Advice Bureau have estimated this could mean 60 million appointments are needed nationally with regulated debt advisors. Pressure on the CLAS budget will therefore remain as the number of families in hardship increases, and as prolonged financial pressures (eviction, furlough, payment holidays) continue.

2.2 Commissioners have been asked to lower one of CLAS's eligibility criteria: living in the area to be reduced from 6 months to 3 months, to support homelessness and families identified as having *No Recourse to Public Funds (NRPF)*. The pressure on the CLAS budget is considerable. While CLAS has on occasions supported NRPF, this is in exceptional cases only. We would like to support more people; however, we have a responsibility to ensuring that the budget, £300,000 per year, is used to support those in greatest financial hardship. We have found it necessary to limit CLAS spending towards the end of each financial year in order to ensure there is funding available for the most needy.

3. Alignment with corporate priorities

3.1 A good quality of life for everyone

Section 1 highlights how the CLAS service model reaches and supports families and households in financial hardship and with multiple interrelated issues.

3.2 Thriving places for people to live

- CLAS is place based and works in partnership with local organisations that include Citizens Advice Bureaus (CAB), reuse and recycling organisations, CLAS Champions and 4 Charity Networks that CLAS brings together to share intelligence and problem solve local issues.
- The depth of poverty (how far each family in poverty is below the poverty line) and persistence of poverty (been in poverty for 2 or 3 previous years) has been made visible but not quantified by the Charities Network Groups that CLAS coordinates. What we do know is that 60% of CLAS clients live in a family that includes someone with a disability and are therefore likely to remain in persistent poverty. We know those in persistent poverty report poor mental health, low life satisfaction and are more likely to live in a family that is behind in paying bills. Without CLAS, these qualitative driven insights, learning on how to engage with these households and working to support community led solutions would cease alongside the support to many of these families.

⁴ <https://obr.uk/coronavirus-analysis/>

⁵ Impact of Covid 19 needs assessment (Research Group) Sept 2020

⁶ [Additional £38 million for debt advice funding in England goes into action | The Money and Pensions Service](#) [accessed Jan 21]

3.3 The best start for Cambridgeshire's children

We know that children living in poverty also experience one of more Adverse Childhood Experiences (ACE). We also know the three inescapable costs of those families experiencing poverty⁷: the extra costs of disability, costs of childcare and housing costs. CLAS and its Charities Networks are working together to help alleviate the immediate and medium-term financial stressor with vouchers for food, fuel, children's clothes and with CABs offer. They also offer financial planning and advice to maximise family incomes.

3.4 Net zero carbon emissions for Cambridgeshire by 2050

Almost 50% of CLAS grants are for supermarket vouchers. Tesco's⁸, Asda, Sainsburys and have pledged to reach Zero-Carbon by 2040 and 2035 respectively. Both the Specification and Tender response questions will ask providers about their commitment to net zero carbon emissions.

4. Significant Implications

4.1 Resource Implications

The report above sets out details of significant implications in Section 1.9

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The report above sets out details of significant implications in 1.10 and 1.11

4.3 Statutory, Legal and Risk Implications

Legal services are involved in drawing up the contract terms and conditions which would include clauses on net zero emissions.

4.4 Equality and Diversity Implications

- Evidence from CLAS shows that CLAS Champions and local charities and community groups are successful at reaching those in financial difficulties and stress
- Building on the strong voluntary sector involvement will help people to help each other and support more equal and diverse accessible provision locally.
- CLAS services are localised using (CLAS Champions, CABs), so that we can meet local and individual need within each specific community context

4.5 Engagement and Communications Implications

Engagement and consultation activities are taking place with a variety of stakeholders across Cambridgeshire including providers, voluntary sector, service users, Housing Needs Teams and District Councils.

4.6 Localism and Local Member Involvement

The role of Members helps in contributing towards the success of reducing child poverty and ensuring a thriving local voluntary and community sector. Members can signpost local groups and charities to join CLAS networks.

4.7 Public Health Implications

⁷ Social Metrics Commission 2019

⁸⁸ [Carbon Footprint - Tesco PLC](#)

The report above sets out significant implications in paragraphs 1.4

4.8 Environment and Climate Change Implications on Priority Areas

4.8.1 Implication 1: Energy efficient, low carbon buildings.

neutral Status:

Explanation: Anecdotal evidence from money support advisors suggests there may be positive benefits as clients not only save money by switching utility companies but may also receive smart meters enabling households to monitor their own energy usage.

4.8.2 Implication 2: Low carbon transport.

neutral

Explanation: No change

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

neutral Status:

Explanation: not applicable

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Positive Status:

Explanation: The use of second hand and recycled goods and furniture will be of benefit to waste management.

4.8.5 Implication 5: Water use, availability and management:

neutral:

Explanation: not applicable

4.8.6 Implication 6: Air Pollution.

neutral Status:

Explanation: not applicable

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Positive Status:

Explanation: CAB and Money advice support services advising clients on utilities and grants to keep homes warmer and home improvements where grants available.

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Martin Wade

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement? Yes

Name of Officer: Gus de Silva

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law? Yes

Name of Legal Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your Service Contact?

Yes

Name of Officer: Adrian Chapman

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: Simon Cobby

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes

Name of Officer: Adrian Chapman

Have any Public Health implications been cleared by Public Health?

No

Name of Officer:

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: Emily Bolton

5. Source documents

- 5.1 CLAS Annual Service Report: Financial Year 2019/2020 and Quarter 1 of Financial Year 2020/2021 (Covid 19)

[CLAS Annual Service Report \(makingmoneycount.org.uk\)](https://www.makingmoneycount.org.uk)

- 5.2 Measuring Poverty 2019: Social Metrics Commission July 2019

[SMC measuring-poverty-201908_full-report.pdf \(socialmetricscommission.org.uk\)](https://www.socialmetricscommission.org.uk)

- 5.3 Integrated Finance Monitoring Report for the period ending 31st August 2020

<https://www.cambridgeshire.gov.uk/asset-library/Integrated-Finance-Monitoring-Report-August-2020.pdf> (Appendix 3 page 30)