

## **Cabinet**

**Thursday, 8 APRIL 2021**

### **Report of The PORTFOLIO HOLDER FOR ENVIRONMENT AND CULTURE**

#### **Tamworth Advice Centre Services**

#### **Exempt Information**

None

#### **Purpose**

To seek permission to proceed with the re-tendering of Tamworth Advice Centre services from 1st April 2022

#### **Recommendations**

It is recommended that:

1. Cabinet approve the decision to tender the Tamworth Advice Centre service for a further three years until March 2025 (plus the option to extend for two further years if required)
2. Cabinet delegate authority to the Executive Director Communities in consultation with the Portfolio Holder for Culture & Operational Services to sign off the Invitation to Tender Document and to approve the award of the contract to the most economically advantageous supplier

#### **Executive Summary**

The Coronavirus pandemic has affected Millions of people's finances in the UK. Universal Credit applications are at a record high.

Facing income pressures means some people have struggled to pay key bills, many have deferred their mortgage payments or rent for a few months and when these payment holidays end people may find themselves struggling to make ends meet. According to The Money Charity as at October 2020 the average credit card debt per household was £2,177, there was a 411,000 increase in unemployment and the average household debt stood at £60,580 with unsecured debt per adult in the UK being £3,879.

According to the Office for Budget Responsibility's (OBR) November 2020 forecast, household debt of all types is forecast to rise from £2.062 trillion in 2020 to £2.373

trillion in 2025. This would make the average household debt £83,308 (assuming household numbers track Office for National Statistics (ONS) population projections.)

The significant changes to the financial situations of those affected is now resulting in increased debt for many individuals.

Tamworth Borough Council is seeking to renew the tender for the ongoing delivery of the Tamworth Advice Centre service for the ongoing provision of generalist and specialist advice.

The aims and objectives for the required service are:

- To provide a Financial Wellbeing, Debt & Generalist Advice Service, which will be known as Tamworth Advice Centre (TAC) alongside a Money Advice and Tenancy Sustainment Service linked to the prevention of Homelessness across all tenures and also linked specifically to the sustainment of Council Tenancies. The service will be proactive and provide access and support to residents at an earlier stage rather than at a more complex and crisis stage.
- To ensure an inclusive service, accessible to all through flexible methods of service delivery to accommodate individual client needs, including a range of support to support those who are digitally excluded
- To improve the health and wellbeing of local people through effective and relevant financial and debt advice with more clients accessing the service at an earlier stage.
- To maximise joint working with partner agencies to enable a more seamless debt, benefit and generalist advice service to Tamworth residents.
- To increase the sustainability of all housing tenures in the borough of Tamworth.
- To prevent homelessness in the borough of Tamworth, through early intervention and an established prevention toolkit.
- To ensure that all options to relieve homelessness including those within the private rented sector are fully explored in partnership with the service user.
- To reduce tenancy failure for tenants of the Council due to rent arrears.
- To reduce demand on Tamworth Borough Council Services
- To use a range of Digital Support and referral mechanisms not limited to but including what's App, Facebook Messenger, Zoom.
- To help facilitate and sign post to a range of hardship funds to maximise people's income through hardship funds and benefits take up

- To work in partnership to identify and maximise other identified funding opportunities to enhance the offer to Tamworth residents during the term of the contract

The provider must be registered with the Financial Standards authority and registered to enable clients to register for Breathing Spaces applications (new legislation comes into effect on the 4th May 2021).

The indicative timeline for the commissioning is attached as **Appendix 1**

### Options Considered

Do Nothing	<p>The current contract ceases in March 2022 and cannot be extended</p> <p>Services are not provided for the citizens with financial problems which can cause homelessness, unemployment and mental health issues</p> <p>Increase in demand for Tamworth Borough Council services</p>
Move to in-house provisions	<p>Tamworth Borough Council is not registered with the Financial Standards Authority to undertake specialist debt advice</p> <p>An in-house service would require ongoing and extensive staffing resource</p> <p>An in-house service may not be perceived as providing independent advice for clients in debt</p>
Re-commission of Tamworth Advice Centre services	<p>Independent and impartial advice</p> <p>Fully qualified and registered with Financial Standards Authority</p> <p>A range of delivery options available including out of hours</p> <p>Ability to bring in additional for funding for enhanced services</p>

### Resource Implications

All costs will be met from existing revenue budgets of £90,000 per year (contributions from Housing Solutions £20,000, Tenancy sustainment £10,000 and Partnerships £60,000 per annum)

Total contract value over 5 years is £450,000 and will be managed through existing procurement processes

Up to £8000 per annum of the available budget may be utilised towards costs associated with a local Tamworth office base or outreach work. Any additional accommodation costs will be directly met by the Contractor

All staffing resources, delivery and project management will be managed by the successful tenderer in partnership with Tamworth Borough Council

### **Legal/Risk Implications Background**

<b>Failure to attract tenders</b>	It is unlikely that a project of this size and nature will fail to attract interest.  Expressions of Interest will be monitored on In-tend and should there be a lack of interest the Council will approach contractors.
<b>Tenders exceed budget available</b>	The scheme may need to be reviewed to ensure that the contract can be delivered on budget. The contract budget is set following tentative discussions with existing contractors.
<b>Risks associated with TUPE if providers change</b>	Information required to be included in indicative commissioning timeline

### **Equalities Implications**

An inclusive service, accessible to all through flexible methods of service delivery to accommodate individual client needs. This is to include a range of support to support those who are digitally excluded and the council will provide the successful tender with baseline assessment data.

The TAC service will also be expected to work in close partnership with other anchor Voluntary Sector organisations in Tamworth.

### **Sustainability Implications**

The proposed tender period will allow for the ongoing provision of specialist and general debt advice for up to 5 years, allowing for the Council and the incumbent contractor to plan and shape a service within existing budget whilst also working to identify external funding opportunities for enhancement based on need,

## **Background Information**

The current local provision is provided by Citizens Advice, Mid Mercia who have been delivering the Tamworth Advice Centre project successfully over the past 3 years, with many positive outcomes.

The service operates on an appointment basis for a minimum of 30 hours per week providing a face to face/email/telephone and flexible digital offer for clients around debt and generalist advice information on a wide range of issues including but not limited to welfare benefits, consumer rights, housing, immigration and employment,

External funding identified by the current contractor has also permitted an ongoing seamless service during the current pandemic and provided an opportunity to trial an online referral service which will be considered as part of the new tender specification

## **Report Author**

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## **List of Background Paper**

None

## **Appendices**

Appendix 1 – Indicative commissioning timeline