



Executive
17 August 2009

**Report from the Director of
Housing and Community Care**

Wards Affected:
ALL

**Authority to renew advice service grants to Brent Citizens
Advice Bureau and Brent Community Law Centre Limited**

Forward Plan Ref: H&CC-09/10-6

1.0 Summary

1.1 This report seeks authority to renew for a specified period the existing grant funding for the Citizens Advice Bureau (CAB) and the Brent Community Law Centre Limited (BCLC). There is no provision in the Council's Constitution to extend existing grant funding, so the renewals amount to fresh grants.

2.0 Recommendations

2.1 That the Executive agree:-

2.1.1 To renew the grant for the CAB for a further 12 months, to conclude 30th September 2010 pending the outcome of a strategic review.

2.1.2 To renew the grant for the BCLC for a further 6 months, to conclude 30th September 2010 pending the outcome of a strategic review.

3.0 Detail

3.1 In February 2005, the Executive Committee approved grant funding of the CAB and the BCLC for the provision of advice services.

3.2 The process of renegotiating the grants provided an opportunity to introduce clear specifications and robust performance monitoring arrangements outlining the Council's key objectives and targets.

3.3 The current grant agreement with the CAB is for 3 years from 1 October 2006 and expires on 30 September 2009. The grant agreement with the BCLC is for 3 years from 1 April 2007 and expires on 31 March 2010.

4.0 Brent funded advice providers

Citizen's Advice Bureau

4.1 The CAB is funded to provide a generalist legal advice service across all categories of law with the total value of the Council's grant funding through Housing & Community Care currently standing at approximately £373k per annum; the existing grant arrangement is due to expire 30th September 2009.

4.2 The CAB is required to provide a high quality generalist legal advice service to residents within the borough and in so doing to provide related services including the following:

- a telephone advice line to be available within specified operating hours
- an 'advice surgery' for drop-in sessions without an appointment, to operate at certain times during the week
- a drop-in general help service (such as for assistance with completing forms and the provision of relevant information leaflets) to operate at certain times during the week; and
- an appointment service for more complex or detailed cases to operate at certain times during the week.

4.3 The CAB is expected to deliver its advice and legal information within the following areas of law:

- Consumer
- Money Advice
- Welfare Benefits
- Employment
- Housing
- Family and Personal Matters
- Taxes
- Immigration and nationality
- Health
- Education

4.4 The grant agreement specifies that the Council's funding may be used to fund full or part-time employment posts within the CAB, in particular the posts of Director, Service Manager, Company secretary, Advisers (5.6 FTE) and Administrative Officers. Many of the service users qualify for civil legal aid.

4.5 In addition to the Council's Housing & Community Care funding, the CAB also receives approximately £260k annual funding from the Council's Children and Families Service pursuant to a tendering exercise following which the CAB was appointed as a service provider under a contract with the Council, delivering an outreach advice service across all the Children and Families Centres. Other funders include the Legal Services Commission (LSC) in the form of civil legal aid payments for eligible services users and HM Revenue & Customs (where funding is earmarked for a specific campaign). The total

value of the non-Council funding amounts to approximately £284k for 2009/10. This is a decrease of £130k since the commencement of the SLA in 2006. The decrease is reflective of the reduced income levels from the LSC as a result of the introduction of unified contracts for civil legal aid providers (see paragraph 5.1 of this Report), from £224k in 2007/8 to £165k in 2008/9.

- 4.6 Performance for 2008/9 was above target for all the performance management indicators in the grant agreement. The CAB had a very successful year both in terms of exceeding their targets and in securing additional funding from other sources.
- 4.7 The total demand for the CAB service for 2008/9 was 27,135 slightly up from the previous year (26,616), of which a total of 9316 resulted in appointments for one off advice or detailed casework. The remainder consisted of form filling, sign-posting and telephone advice.
- 4.8 The CAB successfully prevented homelessness in 20 cases during 2008/9, generated a total recovery for service users of £1.3m from 398 cases of income maximisation (such as enhanced entitlement to benefits and re-negotiation of debts) and generated £162k of compensation from 1365 employment cases. The tax credits campaign funded by the HM Revenue & Customs mentioned above generated a total of £850k for service users for the year.
- 4.9 The CAB is also the Council's partnership agency of the Mortgage Rescue Scheme (MRS) and continues to work well with the internal Housing Solutions team, formerly Private Housing Information Unit, in order to respond to the current economic downturn. The MRS commenced in December 2008, and the number of customers accessing this scheme is steadily increasing week to week.

Brent Community Law Centre

- 4.10 The BCLC is funded to provide a specialist legal advice service across all categories of law with the total value of the Council's grant funding through Housing & Community Care currently standing at approximately £250k. The existing grant arrangement is due to expire 31st March 2010.
- 4.11 The BCLC is required to provide high quality specialist legal advice to people working and living within the borough and in so doing to provide related services including the following:
- a legal advice telephone line together with a further ("second tier") legal advice line which are to remain open during specified hours;
 - a pre-planned appointment service which must be operation at certain hours each week;
 - working with the Council on policy issues, in particular using client experiences to inform and influence the policy and delivery of local services;
 - participation in local advice networks, such as providing legal information at classes or community meetings; and

- the preparation of information pamphlets or other media on topical legal issues.
- 4.12 The Council's funding may be used towards funding employment posts wholly or partly related to the provision of the legal services. The BCLC is expected to deliver its advice and legal information within the following areas of law:
- Consumer Debt
 - Welfare Benefits
 - Housing
 - Immigration
 - Education
 - Mental Health
 - Community Care
 - Public Law
 - Education
- 4.13 The BCLC also receive funding from the Legal Services Commission with an approximate annual value of £182k. This funding is currently pursuant to the unified contracts for civil legal aid providers (see paragraph 5.1) and is in respect of those more complex cases where the service user is eligible for legal aid. This amount is a decrease of £58k since the commencement of the grant agreement in 2007. The decrease is reflective of the reduced income levels from the LSC as a result of the introduction of unified contracts, from £240k in 2007/8 to £182k in 2008/9.
- 4.14 Performance for 2008/9 was below target at 71% (5059) for the number of advice calls delivered; this is down from the previous year at 7292. This is in contrast to previous years where the BCLC consistently exceeded their targets year on year. The telephone advice line is used by local residents, the voluntary and community sector for second tier advice, MP's, Councillors, statutory sector, including many Council Officers.
- 4.15 On behalf of service users the BCLC has generated £175k of compensation from 88 employment cases together with £252K from 66 income maximisation cases during 2008/9, with a total of 57 cases where homelessness was prevented.
- 4.16 BCLC's case work service is better suited to problems that have proved intractable for others, including other advice agencies, and to cases where evidence needs to be obtained or where difficult or novel points of law or practice are raised. Inevitably cases take more time and resources to resolve. Issues that it has raised through its cases have been instrumental in improving local policies thus impacting in a wider cohort. The telephone service filters out the routine cases that can be solved easily.
- 4.17 There are a number of factors that have impacted on BCLC's performance this year, including staff shortages and the failure of the electronic recording equipment resulting in data loss. The IT and telephone electronic recording systems are now fully operational this is demonstrated by the marginal increase in the number of advice calls recorded during quarter 4 compared to previous quarters.

- 4.18 In addition to the factors described above, there has been an increase in the average length of call time taken to respond effectively to the presenting issues. The types of calls presented are multi-faceted cutting across a range of areas from housing to employment and community care issues. Whilst there has been little change in the top five categories of law accessed by customers compared to last year, there has been a marginal increase in the number of customers requiring advice and assistance on employment issues. Many of these customers are ineligible for legal assistance under legal aid due to their incomes or asset wealth. For ineligible clients the BCLC seek to guide the customer through the most appropriate legal action to help resolve their issue without the need to pay for legal advice privately. Consequently, the average length of call has increased substantially in line with the increased levels of advice for employment, and other correlated advice with a particular emphasis on debt advice resulting from the economic downturn.
- 4.19 The BCLC are currently in the process of recruiting another member of staff to ensure staff shortages do not impact on the service adversely in the future. Revised targets have been negotiated for 2009/10.
- 4.20 The BCLC also delivers a range of additional services referred to as SLA hours, from general capacity building work with smaller voluntary sector agencies, delivering workshops and training on new legislation and specific issues resulting from changes in policy, for example, disability and housing workshops, specifically exploring the Disability Discrimination Act in relation to housing etc. BCLC are active members of a number of Council led panels including the Advice Agency Liaison meeting for housing benefits issues and Admission and Exclusion Education Appeals Panel.

Partnership Referrals

- 4.21 The grant agreements in place with both agencies stipulate the delivery of a collective total of 10 hours of referrals per week to the agencies through an agreed referrals protocol with the Council's Housing Advice Service (HAS). The HAS will refer customers facing debt and/or housing options advice to the CAB¹ and complex advice cases to the BCLC² for specialist advice. At present, these quantities are being met and in the case of referral from the HAS to the CAB, exceeded.

Sustainable Community Strategy 2006-10

- 4.22 In the context of the overall 'community well-being' aims the CAB is working in partnership with the Council in delivering a number of objectives in the Community Strategy 2006-2010 as follows:-
- The CAB assists in reducing inequalities and low levels of deprivation through the work on income maximisation. The most recent tax credits campaign gained over £800k for local residents and an estimated total of £7.2 million for all our projects. The CAB also works in partnership with

¹ Six hours per weeks equates to 18 appointments

² Four hours per week equates to 2 appointments

Brent In2Work and Language In2 Work, and with Children's Centres providing advice and much-needed support to people primarily in debt and welfare benefits. By maximising people's incomes and ensuring that they get their full entitlement to benefits, pay, and advice on their legal rights, Brent CAB is working improve the quality of life of residents of the borough.

- The CAB redresses the inequalities facing Brent's children and young people through our work in Children's Centres and with the Children's Fund. We are emphasising early intervention and prevention through our play co-produced with the Tricycle Theatre on financial capability.
- The CAB provides training for employment through our volunteer programme ensuring access to our diverse communities. In 2008/09 95% of the participants were from BME communities. Most of our volunteers go on to secure paid employment in the voluntary, public and private sectors.
- To ensure that young people get support at an early stage, the CAB provide work experience placements for Brent pupils to help them to understand the world of work and to achieve better outcomes for themselves.
- The CAB further prevents exclusion by working in partnership with the Council to prevent homelessness through such programmes as the Mortgage Rescue Scheme and the Homeowners Support Scheme. We also work to support vulnerable tenants by providing advice to Brent Housing Partnership and Fortunegate Community Housing tenants to reduce rent arrears, maximise income and improve money management.

4.23 The BCLC works in partnership with the Council in delivering a number of key objectives in the Community Strategy 2006-10 as follows:

- Providing capacity building support to the voluntary and community sector within the borough through training workshops and legal advice, for example, how to set up a constitution, memorandum of articles etc,
- Ensuring that the education system is inclusive through the representation on the Admission and Exclusion Appeals Panel.
- Reducing the levels of poverty through the income maximisation work by ensuring that residents get their full entitlement to benefits.
- Assist in reducing inequalities by influencing changes in policy at a local and national level across the public and private sectors through casework and legal remedy.

5.0 External drivers

5.1 The LSC responsible for legal aid introduced fixed fees as part of the unified contracts for civil legal aid in October 2007. The move from an hourly rate to a nationally established fixed fee for each category of law irrespective of complexity has resulted in a range of difficulties for providers. Under the previous arrangements a monthly fee was paid in advance compared to the current arrangement whereby payment is made on the closure of a case, presenting cash flow difficulties despite the introduction of some transitional arrangements for the providers. The fixed fee is a nationally set fee which does not take account of the higher cost of living in London, alongside increased need for translation/interpretation services as London has a higher migrant population and as such cases take longer to resolve.

- 5.2 The economic downturn has had a major impact on the types of cases presenting at both the agencies. The cases are multi-faceted cutting across a number of categories of law, with particular difficulties for those ineligible for legal assistance under legal aid due to their incomes or assets.
- 5.3 The Legal Service Commission strategy includes a redistribution of financial resources, for London the result of the redistribution will shift financial resources out of London, the London wide impact indicates a loss of £7.5m and for Brent an estimated loss of £300k.
- 5.4 The Council has been approached by the Legal Services Commission with a view to the joint procurement of advice services in the future. This will be considered further as part of the wider strategic review for advice services.

6.0 Strategic Review Timetable

- 6.1 Officers will undertake a strategic review of advice services during 2009/10. The review will identify service gaps and key priorities and determine the shape of future services. The review will consult with a range of stakeholders and customers to obtain their views and determine whether the services are strategically relevant to the revised Homeless Strategy agreed by the Executive in 2008 and other Council and National strategies and drivers.
- 6.2 Officers will work closely with colleagues in the Council's Children & Families Service in order to maximise the potential of procuring efficiencies in the future provision of advice services. The existing arrangements with the Children & Families Service are due to expire on 31st March 2010.
- 6.3 Officers will consider whether the service gaps and key priorities identified by the review should be re-specified and re-negotiated with existing providers or whether a tendering process would be most suitable for the future provision of the revised services. The review will also consider the option of Housing and Community Care collaborating with the Council's Children and Families Service in joint procurement and/or the option of joint procurement with the Legal Service Commission.
- 6.4 In order to ascertain the impact of the unified contracts on local providers, Officers from various local authorities attending the London Councils Advice Forum are undertaking local work in their respective boroughs. In addition, Brent has taken a lead on requesting London Councils in its role as an advocate for all London Boroughs to take a robust approach to lobbying for additional resources for London in the future and to resist the current approach taken by the LSC to shift £7.5m out of London. This would ensure that London receives a fair share of resources and that there is recognition for the higher cost of delivering advice services for London.
- 6.5 The Ministry of Justice has recently published a report in response to the increasing concerns about the impact of recent changes to the funding of legal aid and about the likelihood that the recession will significantly increase the need for legal advice. The research was conducted over a three month period

January – March 2009 and concludes that organisations are being forced to cherry pick less complicated cases, hire inexperienced and cheaper members of staff and take less time over cases than previously. The new method of working is detrimental to the quality of advice being offered and fails to respond to the most vulnerable clients, for example, complex cases where clients lead chaotic lifestyles or suffer from mental health problems or have learning disabilities.

- 6.6 A draft timetable for the strategic review is detailed in Appendix A. The timetable takes into account the possibility of a tendering process as the longer process of the two options listed above. However, if a tendering process is not pursued then the timetable is likely to be delivered within a shorter timeframe.

7.0 Financial Implications

- 7.1 Members are asked to note that this report does not deal with the specific funding issue for the next financial year. This issue will be addressed as part of the Council's requirement to set a balanced budget.

- 7.2 The current budget for advice services is circa £685k. The proposed renewal of the existing arrangement will be contained within this budget. The budget contains the cost of the advice service grants, and the management and monitoring costs associated with these arrangements.

- 7.3 The cost of the CAB generalist advice service is circa £373k for 2009/10.

- 7.4 The cost of the BCLC specialist advice service is circa £250k for 2009/10.

- 7.5 The existing grant arrangements include a provision for an annual inflationary increase in line with the retail price indices and a deduction in line with the Council wide efficiency savings agenda. This will be included in any renewal.

- 7.6 However, in response to the economic downturn Members agreed an increase in the budget for 2009/2010; therefore the 3% saving set against Council wide budgets was not applied to these grants for the current financial year.

8.0 Legal Implications

- 8.1 Under section 2 of the Local Government Act 2000 ("LGA") whereby the Council is authorised to do anything that is likely to promote or improve the economic, social or environmental well being of its area, the Council has the power to provide financial assistance for the provision of advice services to the public of the sort provided by the CAB and the BCLC.

- 8.2 Importantly, section 2(3) of the LGA provides that in exercising the power described in paragraph 8.1 above, the Council must have regard to its sustainable community strategy ("the Strategy"). Brent's Strategy sets out how the Council will meet the needs and aspirations of Brent's residents and expressly points to partnerships with voluntary organisations. The Strategy

addresses issues pertaining to the overall wellbeing of Brent's residents and in particular the Strategy focuses upon enhancing income and employment levels within the Borough and supporting vulnerable tenants within the Borough regardless of the nature of their tenure. Consistent with the contents of this Report, officers consider that the accessible advisory services provided by both the CAB and the BCLC provide valuable support to residents in particular within the areas of income and employment enhancement and housing support. The Executive is also directed to paragraph 4.20 of this Report regarding the overall well-being of the area.

8.3 Moreover, officers consider that the services provided by the CAB and the BCLC are entirely consistent with two of the three key values underpinning the Strategy – namely the delivery of efficient, accessible and sustainable services to excellent standards and the development of tailored solutions to meet the needs of individuals, families and communities (as per the “Our vision and values” section of the Strategy).

8.4 As noted in this Report, part of the work of the CAB and the BCLC relates to housing advice and information. Section 180 of the Housing Act 1996 provides that the Council (being the local housing authority) may give assistance by way of grant or loan to voluntary organisations concerned with homelessness or matters relating to homelessness. The BCLC in particular is tasked with giving advice which is considered beneficial to the prevention of homelessness.

8.5 The renewal of the grants for the period contemplated amounts to the award of new grants. The Executive should be aware that the decision to award a grant is discretionary, and the Council's discretion must not be fettered by previous commitments such that the Council should make its decision in the light of the present circumstances as described in this Report. The Council is bound to act reasonably and must take into account only relevant considerations and its fiduciary duty towards taxpayers in the Borough.

9.0 Diversity Implications

9.1 An equalities impact needs risk assessment (INRA) will be conducted as part of the strategic review.

10.0 Background Papers

Housing Advice Review Report 2008
Housing Advice Review Report 2005

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