

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE – 21 FEBRUARY 2002

EAST AYRSHIRE CITIZENS ADVICE BUREAU CONCORDAT GROUP

FUNDING APPRAISAL REPORT

Report by Director of Community Services

1. PURPOSE OF REPORT

- 1.1. To provide information to the Council on the work of the East Ayrshire Citizens Advice Bureau with a view to assessing the Council's contribution towards future funding.
- 1.2. The report contains detailed information on Bureau finances, evaluates the work of the bureau over the past four years and includes future projects and expansion plans.

2. BACKGROUND

- 2.1. The Council undertook a review of information and advice services within East Ayrshire in 1997. The review was carried out by a member/officer working group and encompassed the Citizens Advice Bureau, Kilmarnock and Loudoun Unemployed Workers Resource Centre and the Stewarton Community Information Project, as well as the Council's in house information and advice service provided through a network of local offices.
- 2.2. The review concluded that whilst there was a comprehensive and wide ranging information and advice service throughout East Ayrshire offering a one door approach to all Council services and major external services, there was duplication and fragmentation in these services provided by the Citizens Advice Bureau, the Kilmarnock and Loudoun Unemployed Workers Resource Centre and the Stewarton Community Information Project.
- 2.3. In January 1998 the recommendations of the working group were considered by the Policy and Resources committee which agreed to the consolidation of an improved and extended independent voluntary sector information and advice service incorporating the expertise from the various projects mentioned in 2.1 & 2.2 under the auspices of the Citizens Advice Bureau.
- 2.4. East Ayrshire Council has funded the Citizens Advice Bureau of East Ayrshire for the past 3.5 years and the current grant runs out in March 2002. Although the Bureau obtains funds and grants from other external sources for project specific initiatives, the majority of funding is supplied by the Council and the current grant for the year 2001-2002 is £120,000, with a further £15,000 being provided by Citizens Advice Scotland as their final capital contribution under the original four year Partnership Agreement.

- 2.5. A Concordat Group consisting of members from various departments monitors the activities of the Bureau, and ensures that the Bureau receives Council funding timeously. The Group's remit also includes preparing an assessment to the Council when the grant is due for renewal.
- 2.6. All other Citizens Advice Bureau in Scotland are core funded by Local Authorities.

3. ASSESSMENT OF PERFORMANCE

- 3.1. Although East Ayrshire Council provides a range of services such as money advice, consumer and benefits advice which are similar to those of the citizens Advice Bureau, the Bureau is seen to provide an independent service. The range of services provided by the Citizens Advice Bureau are detailed as follows:

3.2. Unemployment

The Bureau employs 5 full time workers between two offices in Kilmarnock and Cumnock and employs local people on a volunteer basis. Thirty seven volunteers are currently employed and a further 15 potential volunteers started basic training in March 2001. Volunteers are given a considerable amount of training before taking their place in front of the public and it is this training and experience which often results in the volunteer obtaining full time employment, should this be desired. Thus the Bureau provides a stepping stone for those seeking full time employment as well as a source of advice for those in the employment market.

3.3. Fighting Poverty

The Bureau is involved in tackling poverty on a number of different fronts.

- 3.3.1. Consumer debt remains a focal point of the Bureau's work. Over half of all the case work is involved in resolving consumer's debt problems and this work can range from simple money advice and restructuring of consumer's debt through to organising trust deeds for those with serious debt problems. In addition, part of the Bureau's expansion programme will involve employing a dedicated money advice worker for a period of twelve months. This post is widely funded by the Employment Service under the Action for Jobs budget and covers the post code areas KA1 4 and KA18 3, Shortlees and Muirkirk respectively.
- 3.3.2. The Bureau provides a comprehensive representation service, which provides clients with a representation facility at Social Security Appeal Tribunals and Employment Tribunals. This service is available for all residents in East Ayrshire but is particularly relevant to those who are disadvantaged.

3.4. Better Health

The Bureau provides a comprehensive advice service on subject matter varying from money advice to benefits information. By providing this free service the Bureau is relieving some of the strain on those affected by poverty and thus it may be said is contributing to the health & welfare of the residents of East Ayrshire.

3.5. Housing

The Bureau delivers an independent housing advice service, which caters for a range of housing enquiries including local authority housing and rented accommodation. Subject matter includes rights in housing, repairs and housing benefits.

3.6. Excellence through Education/Young People

Part of the service offered by the Bureau includes advice on opportunities in education and training. The Bureau is committed to training all its employees to a high standard whether they be full time or volunteers. This training involves not only education in the practical skills but also focuses on IT training and the training programme allied with valuable experience can provide valuable grounding for those seeking full time employment. The Bureau also provides information and advice to young people advising them of their rights and opportunities in society and indeed Citizens Advice Scotland have recently prepared a booklet outlining the various rights and opportunities which are available to young people.

3.7 Benefits to East Ayrshire Council/Community

The Citizens Advice Bureau provides a unique information and advice service that is free, comprehensive and independent. Whilst the Council provides help and advice on a wide range of topics to the residents of East Ayrshire there is no single Department which provides the range of advice available to the Bureau. Thus the community benefits from a truly comprehensive 'one stop shop' advice facility. In addition, the Bureau operates a representation service, which involves 9 trained Social Security Tribunal Representatives and 3 Employment Tribunal Representatives.

4. PROJECT VIABILITY

- 4.1. The Bureau employs 5 full time employees, 4 based in Kilmarnock and one in the Cumnock Office. Withdrawal of core funding would lead to the loss of all 5 jobs, as it is unlikely that the Bureau would receive substitute core funding.
- 4.2. The effect on the community would be twofold.
 - 4.2.1. Firstly, the residents of East Ayrshire would lose an independent advice facility.
 - 4.2.2. Secondly, there would be the loss of representation for those who find themselves involved in Social Security and Employment Tribunals.
- 4.3. Both 4.2.1 and 4.2.2 would affect the community as a whole, but in particular, the more vulnerable members of the public such as the elderly, disabled and those in poverty would be particularly affected.

- 4.4. The Bureau has been operating in Kilmarnock for 20 years. It started with one full time employee supported by volunteers and has now expanded to 5 full time employees supported by approximately 37 volunteers. It has established systems and processes and is a technically viable, mature organisation.

5. PROJECT DEPENDENCIES

- 5.1. To date, the Council has provided core funding for the Bureau and this money is used to run the Kilmarnock and Cumnock offices. The current grant spans 4 years and ends in March 2002.
- 5.2. The Bureau received a grant of £36,000 from the Coalfields Regeneration Trust plus £4000 from the European Unions Local Social Capital fund. This grant was used to fund outreach services in the south part of East Ayrshire and employs one full time Outreach Worker (jobshare). The project is funded until March 2002.
- 5.3. The Bureau received £15,000 from Citizens Advice Scotland, which was a portion of a larger lottery grant to Citizens Advice Scotland. This grant was used to provide an interlinked IT computer system called CAB Net 2000.
- 5.4. The Bureau received a grant of £26,000 for one year from the Jobless Families Initiative which will be used to fund a full time money advisor based in the Bureau's Kilmarnock Office but operating in the Shortlees area of Kilmarnock and in Muirkirk. The Money Advisor has been in post since October 2001.

6. FUNDING REQUIREMENTS

- 6.1. The current Council contribution to the Bureau is £120,000.
- 6.2. The nature of any grant from the Council would be of the 'non-returnable' funding type. The grant would normally be organised in two equal parts, the first part being forwarded at the beginning of the financial year with the remainder being paid 6 months later.
- 6.3. The Chair of the Concordat Group will arrange for the grants to be paid timeously.
- 6.4. The Council would arrange for transfer of the grant to the Bureau's bank account on the basis that the Bureau abide by the Council's stipulated Conditions of Acceptance.

7. MONITORING PROCEDURES

- 7.1. The Bureau is currently monitored by a Concordat Group consisting of officers from various departments and meets biannually. The sponsoring department is the Department of Community Services and the current Chair of the Group is Leslie Aitchison. The Manager of the Bureau also attends Concordat meetings.
- 7.2. The Manager of the Bureau will present to the Concordat Group meeting details of financial progress, Bureau statistics and any other information, which would be relevant to the Council.

8. MEMBER/OFFICER INVOLVEMENT

- 8.1. The East Ayrshire Citizens Advice Bureau Articles of Association allow for 3 Elected Members of the Council to attend Board Meetings. The Council has opted for these members to act as advisors to the Board as opposed to being full Directors.
- 8.2. There would be no officer involvement other than via the Concordat Group, though the monitoring officer may be called upon to attend extraordinary meetings with the Manager of the Bureau as required. A representative of the Concordat Group would be expected to attend the Bureau AGM.

9. LEGAL & POLICY IMPLICATIONS

- 9.1. The East Ayrshire Citizens Advice Bureau contributes to the delivery of the council Plan 1999-2002 by Fighting and Preventing Poverty through the provision of money advice/debt counselling and benefit advice.
- 9.2. The current operational arrangements are regulated by a Minute of Agreement between the Council and East Ayrshire Citizens Advice Bureau. It is proposed that any future operational arrangements should again be regulated by a Minute of Agreement/Service Level Agreement with terms and conditions to be determined to ensure that the Council's interests are adequately protected.

10. IMPACT ON COUNCIL FINANCES

- 10.1. The Citizens Advice Bureau is heavily involved in debt counselling, debt adjusting and money advice and one of the results of this work is that it impacts on Council Finances.
- 10.2. In a 3 month period the Bureau arranged repayment programmes between East Ayrshire residents and the Council for Council Tax arrears of £73,254.21 and rent arrears of £40,922.34.
- 10.3. Thus, a total of £114,176.55 of outstanding debt owed to the Council was restructured. Extrapolating this figure to an annual sum gives an approximate total of half a million pounds.

11. FINANCIAL IMPLICATIONS

- 11.1. The final Council grant made to the Bureau for the year 2001-2002 was for £120,000. There will be no financial contribution from Citizens Advice Scotland after March 2002.

12. BUDGET OPTIONS

- 12.1 The Manager of the Citizens Advice Bureau has indicated that it will be unable to operate on a budget of less than £120,000 and even at that level, cuts in levels of existing service may be required. Ideally, she is seeking a budget of £148,500.

- 12.2 The current level from the Council is £120,000 per annum but in line with Council services, the Bureau should be expected to make 2% efficiency savings during the year. It is therefore suggested that the level of funding for 2002-2003 should remain static at £120,000. Provision for this level of funding has been made during the budget construction process.
- 12.3 It is felt important that the Bureau is provided with a degree of stability and therefore it is also suggested that the funding level for 2003-2004 be agreed at this time. Assuming that inflation will be in the region of 2%, it is suggested that the contribution for 2003-2004 be £122,400. Whilst a two year agreement is unusual, precedent exists within the Council for an agreement of this nature since a number of organisations such as Bellsbank Women's Project and North West Youth Group are funded on this basis.
- 12.4 It is, however, recommended that any funding be linked to the establishment of a formal service level agreement between the Council and the Bureau and one of the key features of this agreement is that the Bureau continues to deliver services across the whole of East Ayrshire.
- 12.5 The Bureau will also be encouraged to seek external sources of funding to develop a broad range of services to meet the needs and aspirations of the public of East Ayrshire.

13. FUTURE DEVELOPMENTS

- 13.1. Through the Concordat Group, East Ayrshire citizens Advice Bureau will be encouraged to develop a Business Plan to allow continuation of outreach work in the coalfield communities. Outreach work will also be extended to cover Stewarton in January 2002 and further developed across East Ayrshire as needs require and resources allow.

14. RECOMMENDATIONS

- 14.1 It is recommended that the Committee:-
- (i) Consider and, if acceptable, agree to provide core funding to the Citizens Advice Bureau of £120,000 for the financial year 2002-2003;
 - (ii) Consider and, if acceptable, agree to provide core funding to the Citizens Advice Bureau of £122,400 for the financial year 2003-2004;
 - (iii) Request the Director of Community Services to establish a suitable Service Level Agreement between the Council and the Citizens Advice Bureau if (i) and (ii) above are approved; and
 - (iv) Otherwise note the terms of this report.

William Stafford
Director of Community Services

WS/LA/KM

5th February 2002

BACKGROUND PAPERS

Background papers are available on request.

Any person wishing further information or to inspect the background papers relative to this report should contact Leslie Aitchison, Assistant Principal Trading Standards Officer, on telephone number (01563) 554381.

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APPENDIX

East Ayrshire Citizens Advice Bureau Annual Budget 2002/2006 (figures and estimates supplied by the Bureau)

	Budget 2001/2002	Budget 2002/2003	Budget 2003/2004	Budget 2004/2005	Budget 2005/2006
Income					
East ayrshire Council	120000				
CAB Scotland - Development Grant	15000	0	0	0	0
CAB Scotland - Computer Grant	0	0			
Bank Interest	700	0			
Donations	0	0			
Coalfields Project Management Fee	2605				
Total Income	138305	0	0	0	0
Expenditure					
Staff Costs	100098	103770	107546	111427	115420
Pension costs	4593	4754	4920	5092	5271
Rent	10000	10000	10000	10000	10000
Rates	1391	1440	1490	1542	1596
Insurance	2228	2306	2387	2470	2557
Heat & Light	2500	2588	2678	2772	2869
Cleaning Expenses	1750	1811	1875	1940	2008
Property Renovations	0	0	0	0	0
Repairs & Maintenance	1650	1708	1768	1829	1893
Stationery & Office Supplies	3620	3747	3878	4014	4154
Postage	2800	2898	2999	3104	3213
Publicity & Advertising	3500	3623	3749	3881	4016
Information/Membership	2450	2536	2625	2716	2811
Telephone	3700	3830	3964	4102	4246
Training/Travel Expenses	7200	7452	7713	7983	8262
Legal & Professional Fees	500	518	536	554	574
Payroll Bureau	382	395	409	424	438
Accountancy Fees	900	932	964	998	1033
Bank charges	0	0	0	0	0
General Charges & contingencies	1000	1035	1071	1109	1148
Total Expenditure (excluding depreciation)	150262	155343	160572	165957	171509
Deficit (excluding depreciation)	-11957	-155340	-160570	-165958	-171509
CAPEX	-8000	-8280	-8570	-8870	-9180
Deficit after CAPEX	-19957	-163620	-169140	-174827	-180689
Assumed Inflation		103.50%	103.50%	103.50%	103.50%

AGENDA