

# Report to South Hams District Council Overview & Scrutiny Committee 14<sup>th</sup> September 2016

## 1. Introduction

This report supplements Citizens Advice South Hams annual report and other documents we send to councillors and council officers each year. For instance, in our partnership review questionnaire, submitted on 9<sup>th</sup> June 2016, we outlined how our organisational goals and activities have, and will continue, to support the aims and strategic priorities of South Hams District Council.

The aim of this report is to provide supplementary information to the Overview and Scrutiny Committee which moves on from previously submitted papers and where background details can be found.

Specifically the purpose of this report is:

- To give clarity to the costs and income of Citizens Advice South Hams
- To amplify the value for money we achieve through low staff compliments, high numbers of highly trained volunteers and the economies of scale brought through membership of the national Citizens Advice service
- To highlight the geographical spread of our client base and numbers of issues we address
- To highlight the risk to South Hams residents if funding is reduced
- To suggest further ways our two organisations can work together in partnership to support each other's aims, principles and service delivery

## 2. How we spend funding from SHDC

As you will see below our core advice services costs run at around £130k per annum. This has been consistent for several years and represents the minimum base costs of running the operation. The staffing compliment is the equivalent of 2.4 full time equivalents (FTEs). However the overall manager secures, and works on, funded

projects which allow us to offset some of the costs leaving the resources of paid staff in the core service as 1.8 FTEs. Any employment requirements for projects are on a fixed term contract that end with the project and are therefore not seen as an overhead of the operation.

However the core services income, as seen in the table below, is lower than these costs at £85,863 for this year. The difference in the costs and income comes from our success in securing funded projects where the core staff and all overhead costs are allowed to be offset. However where in the year 2015/2016 we had approaching £190,000 of projects income, the year 2016/17 is reduced at £105,000. We were faced in April 2016 with a re-organisation of the people employed within specific projects, with the appropriate reduction of paid staff.

CORE INCOME	Income 2014/15	Income 2015/16	Income 2016/17
Devon CC	33700	32583	34796
South Hams DC	41867	41867	41867
Town Councils	3700	3000	3000
Parish Council	2000	2000	2000
Bank Interest	500	500	200
Fundraising	1094	3000	2000
Donations	1643	1000	1000
Misc	2601	1000	1000
<b>CORE INCOME</b>	<b>87,105</b>	<b>84,950</b>	<b>85,863</b>

The essential grant (£41,867) we receive from SHDC covers 32% of our core costs and so supports the generalist advice service we provide to residents of South Hams. Whilst the Council's contribution does not cover the entire core costs of running our service, it is significant. It provides a stable footing on which we can bid for and secure significant external project funding for services for the people of the South Hams.

Core Costs	Actual 2015/16	Current budget 2016/17	YoY Variance	Explanation
SHDC Rent & Utilities	31,550	26,000	-5,550	Reduction on VAT payments
Insurance	2,766	2,288	-478	Better fit policy
Core salaries incl pension , NHI	71,591	79059	7468	1% salary increase plus extra 10 hours staffing to extend service capacity
Subscriptions	750	750	0	
Office Costs	2,250	2,280	30	
Marketing/Comms	250	250	0	
Trustees Expenses	500	250	-250	
Volunteer Travel	9,000	9,000	0	
Training	1,450	1,450	0	
Equipment/Depreciation	1000	2000	1,000	replace 10year old PCs
Other	100	100	0	
Prof Fee/Audit	1,600	1,500	-100	
Citizens Advice Membership fees	4,500	4,500	0	
IT/Software	1,000	700	-300	
<b>Total Core costs</b>	<b>128,307</b>	<b>130,127</b>	<b>1,820</b>	

A key part of our service delivery model is to provide access to face-to-face services in outreach locations across the district. Again the grant funding (£10k) we receive from SHDC is significant, but does not entirely cover the core costs of running this service.

The outreach grant is essential as the economies of scale of our central office in Totnes with telephone advice and more people resources, makes outreaches and home visits difficult to justify. However they are an absolute necessity in the rural district where travel costs, people's disabilities and lack of good public transport infrastructure make Totnes inaccessible to many. We would be guilty of not fulfilling the needs of the wards in the district if we were to offer a reduced outreach and home visiting service.

Note the outreach funding is classed as project funding so not outlined in the core service income above, which is in accordance with accounting requirements.

Whilst we are part of a national accredited membership association that has substantial public awareness, what is not so apparent is that we receive no direct funding from Citizens Advice. Although the central Citizens Advice body will tender for national projects there is no guarantee that any particular independent Citizens Advice office will

be successful. This is a similar situation to SHDC Money Advice services project which, having been with another provider last year, South Hams District Council sought bids for and we were successful in winning earlier this year.

It is important to note that without winning specific funded projects in addition to grants from County, District and Town councils there would be a financial income gap for the main core advice services we provide. In addition projects we win are always focussed on the local community thereby increasing our services to the vulnerable and disadvantaged.

Current funding levels don't allow us to operate face-to-face services five days a week.

### 3. How funding from SHDC helps residents

As you will have seen from our end of year report, the headline figures for 2015/16 are:

#### Our Service 2015/16



Our report also demonstrated how we helped clients in each ward:

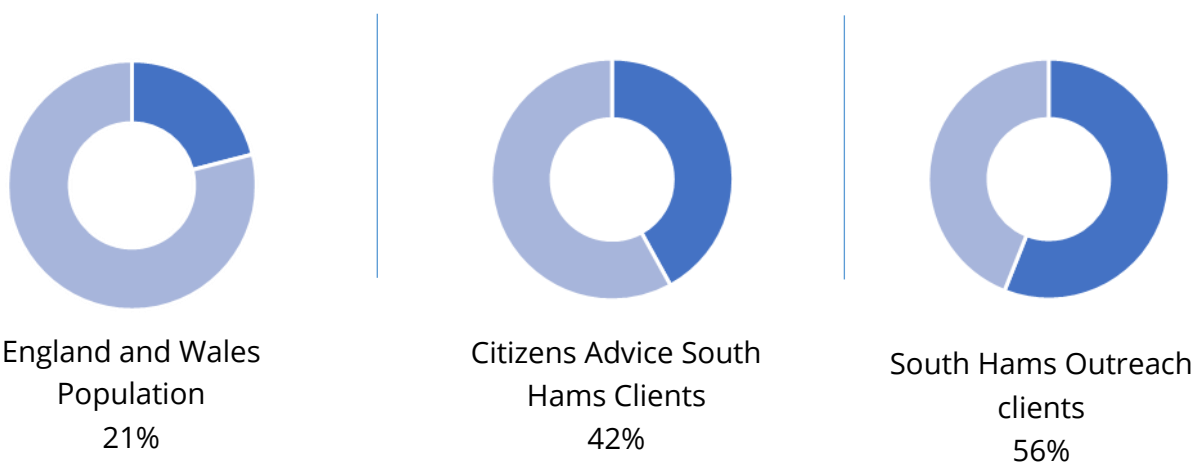
Local Authority	Local Authority Ward	Advice issues	%
South Hams	Allington & Strete	228	3%
South Hams	Bickleigh & Cornwood	117	1%
South Hams	Blackawton & Stoke Fleming	229	3%
South Hams	Charterlands	181	2%

South Hams	Dartington & Staverton	449	6%
South Hams	Dartmouth & East Dart	766	9%
South Hams	Dartmouth and Kingswear	1	0%
South Hams	Ermington & Ugborough	111	1%
South Hams	Ivybridge East	444	5%
South Hams	Ivybridge West	503	6%
South Hams	Kingsbridge	640	8%
South Hams	Kingsbridge North	3	0%
South Hams	Loddiswell & Aveton Gifford	179	2%
South Hams	Marldon & Littlehempston	345	4%
South Hams	Newton & Yealmpton	317	4%
South Hams	Salcombe & Thurlestone	454	6%
South Hams	South Brent	509	6%
South Hams	Stokenham	210	3%
South Hams	Totnes	2,045	25%
South Hams	Wembury & Brixton	150	2%
South Hams	West Dart	231	3%
South Hams	Woolwell	41	1%
<b>South Hams Total</b>		<b>8,153</b>	<b>100%</b>
<b>Grand Total</b>		<b>8,153</b>	<b>100%</b>

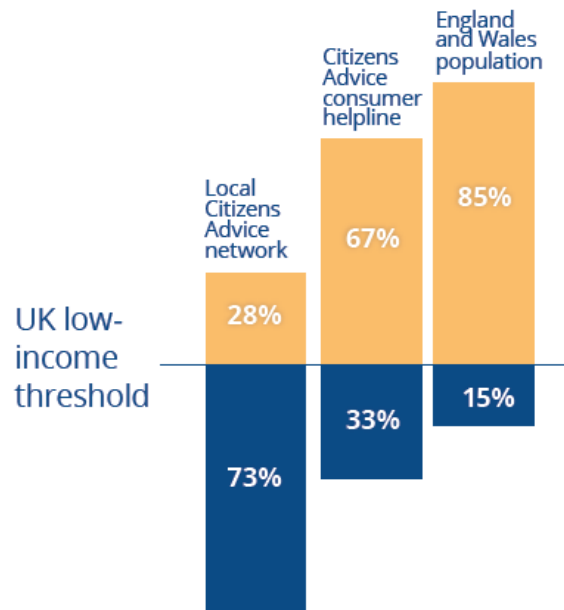
We know from research conducted by Citizens Advice<sup>1</sup> that compared to the general population, the clients we help locally are more likely to:

- live on a low income
- be unemployed
- rent their home
- be disabled or have a long term health condition
- lack basic digital skills
- not have access to the internet

For example, the number of people we see who are disabled or with long term health condition is double the national average, and nearly three times as high in outreach:



Furthermore our clients are five times more likely to live on a low income than the general population.<sup>1</sup>



#### 4. The value for money our service provides

We are accredited members of the national Citizens Advice service. This means that our work, processes and people are continually quality assured and audited against the Advice Quality Standard (AQS). Even on a daily basis we review our case work and self-assess the advice we give to clients and the skills of our employed and volunteer staff.

At an annual cost of £4,500 our membership fees ensures SHDC receive unparalleled benefits for the grants provided. Such areas are:

- Effective leadership and governance
- Risk management
- National case management IT system and IT infrastructure support
- An extensive public facing internet portal on all advice topics accessible 24-7
- Internal, specialist knowledge areas beyond the public system
- A national call centre for specialised areas e.g. Consumer Advice
- Expert back up advice to support our experts locally
- HR & legal support
- National quality standards in training and operational service delivery
- Branding and materials
- A measured and managed call-centre phone routing system to enhance the calibration agreement between Citizens Advice Devon local offices

We work in a collaborative partnership with other local Citizens Advice offices across Devon to provide an automated 'call centre' telephone advice service that is open Monday-Friday 9am-4pm. This brings us substantial efficiencies where on Friday, when the office is closed, South Hams residents can still receive a telephone advice service, plus we have cover for lunch breaks. It should be noted the term 'call centre' doesn't do

this justice as the average time spent on the client issue is presently running at 27 minutes. We pride ourselves on the transition from a mainly face-to-face service delivery model to a highly automated, multi-channel interface with clients, where our ability to handle the volume of client issues has been made possible. Note demand for our face-to-face service is just as busy as ever but we do more with our resources with the proven methodologies implemented over the last few years. It is not unusual to see our entire compliment of five private interview rooms in use at the facility that we rent at Follaton House.

We record all work with clients and when we achieve financial outcomes this is recorded and the value annualised. The work we undertook in 15/16 brought the following financial benefits to local individuals:

Category	Benefits & tax credits	Debt	Employment	Other	Total
Income gain	£1,986,553	£2,393	£1,000	£18,003	£2,007,948
Re-imburements, services, loans	£0	£0	£0	£75	£75
Debts written off	£0	£684,658	£0	£0	£684,658
Repayments rescheduled	£0	£535	£0	£0	£535

It is impossible to put a financial value on everything we do. However achieving outcomes for clients prevents detriment from occurring or escalating and has a positive impacts on our clients' lives and on society at large. Nationally, Citizens Advice has developed a Treasury approved 'return on investment' model to demonstrate our impact. The full report can be found at <https://www.citizensadvice.org.uk/about-us/difference-we-make/impact-of-citizens-advice-service/all-our-impact/> where details of the model used is discussed at length. As a result of this work Citizens Advice was awarded the accolade of 'Charity of the Year 2015' and can confidently claim that every £1 invested generates at least £1.52 in fiscal savings to government; £8.08 in economic and social value to the public; and £10.97 benefits to individual clients.

Using the same modelling techniques applied to our local figures we can see the following benefits locally:

Headline statistics 2015-16	
Name of local Citizens Advice member	Citizens Advice South Hams
Reported funding to local Citizens Advice in 2015/16 (including project to support core)	£224,445
Reported funding to local Citizens Advice from LA in 2015/16	£86,418
<b>Overall value (advice and volunteering)</b>	

Fiscal benefit total 2015/16: £	£1,256,661
Public value total 2015/16: £	£7,626,763
Benefits to individuals total 2015/16: £	£9,413,927

#### For every £1 invested:

For every £1, £x in fiscal benefit 2015/16	£5.60
For every £1, £x in public value 2015/16	£33.98
For every £1, £x in benefits to individuals 2015/16	£41.94

#### Savings to Local Authority

Fiscal benefit to LA total 2015/16: £	£182,968
For every £1 of LA funding, £x in fiscal benefit to LA 2015/16	£2.12

#### Savings to other government departments

NHS	£201,581
DWP	£609,073
CJS	£13,050
HMRC	£115
Housing providers	£249,874

#### Value of advice provision

Fiscal benefit of advice provision total £	£1,256,254
Public value of advice provision total £	£7,389,111
Benefits to individuals of advice provision total £	£9,413,927

#### Value of volunteering

Fiscal benefit of volunteering total £	£407
Public value of volunteering total £	£237,652

All of the above activity would not be possible if it were not for the highly trained and accredited volunteer advisors and assessors, which number between 42 and 47 in any year and compliment the 2.4 full time equivalent staff employed in the core services. Our volunteers solely receive travel cost reimbursement.

With demonstrable benefits such as these to individuals, partner organisations and to wider society, combined with our proven methods of helping people and continued quality assurance, South Hams District Council can be confident of a similar and continued return on investment in the future.



## 5. Links to Councils Strategic Priorities

Further to the report submitted in June outlining how our organisational goals support the aims and strategic priorities of the Council, we are keen to look for practical synergies between our two organisations that could allow for more effective ways of operating, focussing on shared outcomes to improve and protect residents' health and wellbeing.

Significantly, and in the short term, we would like to develop practical ways to improve communications at an operational level. We can document many occasions when adviser time is lost trying to make contact with the most appropriate SHDC specialist. We would like to establish a protocol for when our advisers can contact your specialist teams to directly resolve a client's issue. This would generate efficiencies not currently seen. We would also like to establish a series of operational meetings where issues, trends and (with the correct procedures in place) clients' needs and demands can also be discussed.

In the longer term we would look to drive a more intelligence led approach to service delivery. Who are our shared clients? Do they present to us, the Council or to both?

Further to last year's scrutiny report, we are pleased to inform the Council that after much work with Citizens Advice Plymouth, we can expect much better cross-border working between our two districts. The funding authority for Plymouth recognises that a reciprocal relationship will be beneficial to all and once operational strategies are in place clients will be able to access Citizens Advice wherever is most convenient to them. We will need to monitor numbers to make sure there is not a knock on effect elsewhere and will keep you informed as to how this progresses.

## 6. Measures of success

We have spoken to other local Citizens Advice to explore how they report to their local authority. Not surprisingly the range of reporting techniques and KPIs varies significantly. We hope to make use of this benchmarking activity and work with SHDC officers and councillors to draw up ways of measuring any future SLA or contract that would allow effective monitoring and reporting on the outcomes of our partnership.

We are also in the process of drawing up a calendar of key dates for 2016/17 which will include meetings for members and funders and to which officers and councillors will be invited to attend.

## 7. The risk if funding is reduced

As you can see from the income on our core services, we are always seeking more project funding to supplement the shortfall in the core advice services element which we are primarily in business to give.

We have already seen projects funding reduce in this present fiscal year versus last year and have accordingly made cut backs in staffing areas. These staffing resources were 100% funded by specific projects not the income from grants such as those from SHDC and therefore didn't affect our services, yet did affect our income.

With a background of a very small staff compliment, then the only other option open to us is to reduce service hours worked by the 1.8 FTE paid staff. Unfortunately there is a level of cover by FTEs that allows us to manage the volunteers, which could be breached in respect of the risk to our professional assurance standards and therefore the impact of this would be to immediately reduce those hours that the advice element was available to the South Hams population. We would see proportionately less face to face consultations and less telephone service calls over fewer days.

After staff costs the rent and utilities costs charged at £26,000 per annum would be our next area to address, however with no sub-letting and a lease that goes into 2018, we would trust that SHDC would look favourably on the wish to rationalise this area or reducing the rent. We could also look at reducing or sharing our office space.

After this cost the only other major cost is our volunteer travel, recruitment and training. Training is an essential requirement and as such costs here remain relatively fixed. With the benefit of free parking at Follaton House, our volunteer travel costs amount to an average of £3.87 per person per week, which in essence is the variable cost for a volunteer who works one day per week and again represents exceptional value for money.

## 8. Summary

We have worked in partnership with SHDC for many years and understand our respective values, strengths and weaknesses. In a constantly changing environment and circumstances the continuity our partnership provides is a source of strength for our volunteers, clients and other stakeholders.

In this report we hope to have demonstrated that our service continues to represent excellent value for money and offers practical support to those struggling with debt,

benefits queries, employment issues, housing or other problems. The low overhead costs versus the sheer number of people we see and speak with enables us to deliver a service that is available to all and at a level of efficiency that makes our highly skilled hourly costs a fraction of the delivery costs for an alternative. SHDC can be confident that its grant directly benefits the clients we help whilst at the same time providing a stable footing from which Citizens Advice South Hams can secure additional funded projects which brings value and added support to local residents.

## Reference

1 – Helping people find a way forward, A snapshot of our impact in 2015/16  
Citizens Advice