



ROCHDALE
METROPOLITAN BOROUGH
COUNCIL

ITEM NO. CC113

Subject: *Review of Advice Services*

Cabinet Member: Councillor Peter Williams
Portfolio Holder for Customer Services and Economic Affairs

1. RECOMMENDATIONS / DECISION REQUESTED

1.1. Members are asked to approve as a basis for consultation:

- The removal of £100,000 from total social welfare advice budgets, leaving a remaining advice budget in 2013/14 of £1,000,000, a reduction on the 2012/13 budget of just over 22%.
- The removal of employment and immigration from the scope of Council funded advice services.
- The re-tendering of remaining social welfare advice services with a reduced contract fee of not more than £100,000 in year one, to take effect from mid 2013 onwards, for a two year term.
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2. REASONS FOR RECOMMENDATIONS

Background

- 2.1. The Council is facing an acute financial challenge. It is no longer possible to provide services in the same way as previously and we need to be confident that every penny spent has the maximum possible positive impact.
- 2.2. Across social welfare advice services to date, steps have already been taken to reduce management overheads and to introduce initial access criteria for some services. It is not possible to take more money out of the budget without adversely affecting service delivery.
- 2.3. The advice budget covers the following main areas of social welfare law:
 - Debt advice
 - Housing advice (including prevention of homelessness)
 - Welfare benefits advice
 - Employment advice
 - Immigration advice
- 2.4. We therefore have a choice about how best to reduce services in order to fit within a smaller amount of available resource:
 - Reduce funding for each area of social welfare law on a pro rata basis
 - Decide to remove some areas of social welfare law from the scope of Council funding in order to ensure that remaining funding is spent in the areas where it can have the greatest overall impact.

- 2.5 Employment advice covers the provision of advice and representation in relation to employment law, including supporting clients claiming unfair and constructive dismissal, chasing unpaid wages and related enquiries.
- 2.6 Immigration advice covers the provision of advice in relation to a wide range of immigration and asylum matters including representation and advocacy before the Immigration Adjudicator and at Immigration Appeal Tribunals.

Statutory duties and priorities

- 2.7 While the Council has statutory duties in relation to the prevention of homelessness and child poverty, it has no statutory responsibility to provide any of the social welfare law services above in the way that it currently does. In particular there are no statutory requirements to provide legal advice services in relation to either employment or immigration.
- 2.8 Wider changes to the welfare system mean that a large number of people on low incomes across the borough will be adversely impacted over the next 12 months and unless they are able to secure employment, will see their income levels drop. They are likely to need debt and housing support in particular. Within the context of significantly reduced resources, we therefore need to carefully consider priorities. It is recommended that debt, housing and welfare benefits advice are prioritised over the provision of employment and immigration advice for this reason.

Employment and immigration advice

- 2.9 Employment and Immigration advice services are currently provided on behalf of the Council by the Law Centre, under a contract that ends in March 2013. In total, the Council pays £100,000 to the Law Centre. Of this £100,000, approximately £70,000 of this funds Immigration and Employment Services, with the remaining £30,000 funding specialist housing provision.
- 2.10 The following chart sets out the number of employment and immigration enquiries and cases dealt with by the Law Centre from 2009/2010 to Jun 2012. Note that the Law Centre also provides other services including consumer, education, family law, discrimination, housing and welfare rights that are not represented below.

Enquiries	2009/2010	2010/2011	April - June 2012
Employment	499	477	308
Immigration & nationality	388	725	193
Asylum	92	103	59
Cases	2009/2010	2010/2011	April - June 2012
Employment	141	128	32
Immigration & nationality	151	119	26
Asylum	45	36	20

Alternative provision

- 2.11 Recognizing the significant challenges faced by the Council and the withdrawal of most employment and immigration advice from the scope of Legal Aid, the Law Centre recently set up a new, separate, Community Interest Company called Rochdale Legal Enterprise. This company is specifically designed to provide low cost employment and immigration advice services at affordable rates for those on low incomes. Any excess income generated from charges to clients is given to Rochdale Law Centre to help to offset its wider legal advice role.

2.12 In addition to this provision, local residents are also able to access both employment and immigration services elsewhere, typically at either a very low cost, or on a no win, no fee basis.

2.13

2.14 In addition to the CAB, Law Centre and in house team, a number of housing providers in the borough (including RBH and Great Places) offer debt and basic benefits advice in order to protect their revenue streams in respect of rent. This service is however only available to the tenants of each organization. This provision does not however include Employment and Immigration advice.

3 ALTERNATIVE ACTIONS CONSIDERED

3.1 It is possible to retain employment and immigration advice as in scope, however this would have a detrimental impact on the provision of other legal advice services. It is considered that debt, housing and welfare benefits advice in particular are of greater overall priority (and are likely to see an increase in demand), given the changes to the welfare benefits system.

3.2 It is possible to delete the entire advice budget given that the service is in itself non statutory, however given the changes to welfare benefits provision and in particular Welfare Reform, it is likely that demand for these services will increase rather than decrease over the next 12 – 18 months and this is therefore not recommended.

4 BACKGROUND & SUMMARY

4.1 As above

5 CONSULTATION UNDERTAKEN / REQUIRED

5.1 Consultation will be required with existing service users and with existing and potential advice providers in respect of the proposed change to the scope of service delivery.

6 FINANCIAL IMPLICATIONS

6.1 Theme: In service savings

6.2 Proposal Title: *Removal of employment and immigration from the scope of Council funded advice services and the tendering of remaining advice services with a reduced budget of £346,000*

6.3 Breakdown of Savings from the Service

Service Name: Customers and Communities

Area of Service: Customer Access / Advice Team

Cost Centre affected: C0707

Is this a cost or additional saving: Saving

	Savings 2013/14 £000		Savings 2014/15 £000		Total Savings £000	
	Ongoing	One Off	Ongoing	One Off	Ongoing	One Off
Employees						
Other Costs						
Income lost (Show as minus)						

Net Savings				
Additional Income Generated (show as a positive figure)				
Total Savings				
Implementation Costs				
Total Savings less Implementation Costs	100			100

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6.4 Financial Impact on another service? No.

6.5 Details of the Financial Impact on another service

There are no specific risk issues for members to consider arising from this report.

6.6 Voluntary Sector Financial Impact

There is likely to be an adverse impact on the voluntary/charitable sector as a direct result of this proposal. Rochdale Law Centre, in particular, is likely to be directly disadvantaged. There is however no reason why the Law Centre could not bid either alone or in a consortium bid for the wider advice contract.

In the event that either the CAB or the Law Centre bid for the commissioned service and were unsuccessful, there may be an impact on the potential sustainability of these providers.

7 LEGAL IMPLICATIONS

7.1 There are no significant legal implications as a result of this proposal. Full consultation will however be needed with existing providers and service users.

8 PERSONNEL IMPLICATIONS

8.1 The proposals within this report may have staffing implications which includes TUPE transfer and workforce consultation will be required when the position has been confirmed.

RISK ASSESSMENT IMPLICATIONS

9.1 There is a potential risk to the viability of the Law Centre and/or the CAB as a result of this report. This risk may be mitigated by the work that the Law Centre has already done to establish a community interest company through which employment and immigration advice can be delivered at low cost. Both providers may also bid for the commissioned service (separately, together, or together with others).

9 ASSET IMPLICATIONS

10.1 There are no specific risk issues for members to consider arising from this report.

10 JOINT WORKING

11.1 The Council would be happy to receive joint bids in relation to this proposal at the procurement stage.

12. EQUALITIES IMPACTS

12.1 Workforce Equality Impacts Assessment

This proposal may have staffing implications and if this is the case they will be included in a full equalities impact assessment. This may be subject to change and decisions taken in relation to future service and TUPE transfer regulations.

12.2 Equality/Community Impact Assessments

This proposal is expected to have an impact on immigrants and potential immigrants to the borough. A full Equalities Impact Assessment has been completed in respect of this impact.

13. VOLUNTARY SECTOR IMPACTS

13.1 There is likely to be an adverse impact on the voluntary/charitable sector as a direct result of this proposal. This is described at Paragraph 6.6.

Background Papers	
Document	Place of Inspection
Equality Impact Assessment	