

Cyngor Ar Bopeth Cymru
Citizens Advice Cymru



Citizens Advice Cymru

Briefing Paper

Community Legal Advice Network proposals in Wales

June 2008

Executive Summary

This briefing paper details the key points from the Citizens Advice Service's perspective for consideration in any move towards the joint commissioning of advice services to form a Community Legal Advice Network (CLAN) in Wales as outlined in the Legal Services Commission and Welsh Assembly Government strategy document 'Making Legal Rights a Reality in Wales'.

The Citizens Advice Service is the UK's largest advice provider and this unique position enables us to be an influential and powerful voice in representing the UK to the country's policymakers and service providers. The Citizens Advice Service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

The Legal Services Commission confirmed in May 2008 that Bridgend, Cardiff and the Vale of Glamorgan will be one of the six proposed Community Legal Advice Network or Centre areas to be implemented before 2010.

Whilst we agree with the vision of the CLS Strategy to develop a service which is client focused and accessible, independent, cost effective, co-ordinated and quality assured and with the principle of increased efficiency and value for money, this should not be at the expense of the quality of service to the individual and the level of help offered at different stages of advice from general help through to specialist.

The Citizens Advice service believes that there are real risks to client services in the move to single contract, pooled budgets leading to a 'winner takes all' commissioning of advice work. There is a risk that should the service be unsuccessful or, at the end of the 3 years initial contract chose to withdraw, that there would be no diverse advice sector left in the area. The 'winner takes all' approach will potentially wipe out the expertise and infrastructure currently existing. Charities with a specific remit to provide advice will not be in a position to continue as any remaining project funding alone cannot sustain the service.

Citizen Advice believes that advice services can be better integrated and we have been working closely with our partners in local government, the Welsh Assembly Government and the wider independent advice sector to achieve this. The CLAN model is unproven and should be properly evaluated before wider rolling out. We are working with our partners to propose other delivery models.

If, despite this, funders decide to initiate a CLAN we will contribute to a fully thought out specification and if local authorities go ahead with the commissioning process we will work with our bureaux to bid successfully and in some circumstances we may lead the bid.

We would urge careful consideration of whether a single contract with one pooled budget and a 'winner takes all' approach is the most effective way of achieving increased effectiveness for the client.

We request that the Assembly and local government partners consider alternative ways of commissioning the range of advice and other services currently provided by the third sector alongside the LSC's commissioning of specialist advice. Should the partners decide to proceed with a single contract, we would request that they seek advice at the pre-commissioning stage from current service providers to ensure that the design is sufficiently subtle enough to ensure that the added value of the service is not lost.

Community Legal Advice Network proposals in Wales

1. What is the Citizens Advice Service?

- 1.1 The Citizens Advice service is the UK's largest advice provider, with nearly half of the population using the free service at some point in their lives.
- 1.2 This unique position enables us to be an influential and powerful voice, in representing the UK to the country's policymakers and service providers.
- 1.3 The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.
- 1.4 The service aims:
- To provide the advice people need for the problems they face
 - To improve the policies and practices that affect people's lives.
- 1.5 In 2006/07 bureaux in Wales received funding of £8,261,626 in total. The local government, LSC and Assembly funded as follows:
- | | | |
|------------------|------------|-----|
| Local Government | £2,969,378 | 36% |
| LSC | £2,141,928 | 26% |
| WAG | £749,479 | 9% |
- 1.6 Bureaux in Wales obtain their funding for core service provision through the 22 Wales local authorities. In 2006/07 the funding per County ranged from £42,200 to £247,019 in total and in pence per capita terms from 60p to £1.74. For some 5 years Citizens Advice Cymru has been discussing with WAG and the WLGA the issue of the need to address the inequitable access to independent advice services for clients.

2. What the Citizens Advice Service does in Wales

2.1 We help people to resolve their problems

- 2.1.1 Across Wales approximately 280,000 people annually use a Citizens Advice Bureau to help resolve their problems. The 31 bureaux, which deliver a service through 256 outlets, are open to the public for almost 200,000 hours a year providing free, independent information and advice on problems ranging from

debt to homelessness, benefits to immigration and consumer problems to family law difficulties for anyone who seeks it. We deliver information and advice through face to face, telephone and e-mail services, and online via www.adviceguide.org.uk.

- 2.1.2 The service is pan-Wales, both urban and rural, and is delivered through a variety of locations including client's homes. Clients are disproportionately more likely to be lone parents, have a disability or a long-term health condition, live in social housing and/or come from social groups C2DE. Clients typically have multiple problems and are often at risk of social and financial exclusion.
- 2.1.3 In addition to providing information and advice CAB advisers can act on client's behalf by helping them to prioritise debts, negotiate with creditors, companies and service providers, undertake casework by specialist advisers in such areas as debt, welfare benefits and employment and represent clients at courts and tribunals.
- 2.1.4 29 bureaux in Wales deliver the Better Advice: Better Health services contracted through the Welsh Assembly Government to provide advice through primary health care settings such as doctor's surgeries. This brings together health and advice specialists in an integrated service making a real difference to people's health. This service has raised well over £22.5m in additional income for clients since it began in 2001 and client feedback shows 95% satisfaction with the service. Feedback from GPs indicated that 94% said the service had helped improve the patient's access to services as well as their quality of life and 77% said that it had helped improve the health of the patient and 49% who said Better Advice: Better Health had helped reduce the length of time people are off sick by providing earlier interventions.
- 2.1.5 We have also received £3.15m from the Financial Inclusion Fund (FIF) to provide face to face debt advice and have recruited an additional 37 advisers to advise 7,500 people across Wales in 21 bureaux and in partnership with Shelter Cymru. A further funding round has been agreed to 2011 and, although the government indicated that overall funding would be subject to a cut of 20%, Citizens Advice has negotiated additional funding through the Treasury to retain funding for all but one of the advisers in Wales. In the last quarter of 2007/08, the FIF projects in Cardiff and Vale of Glamorgan CABx, who also provide FIF services in Bridgend County Borough, dealt with clients with nearly £5m worth of debts of which £1.78m was

priority debt (eg mortgage, rent arrears, utilities). The average total debt per client was £22,000.

2.1.6 22 bureaux in Wales provide civil legal advice through contracts with the Legal Service Commission providing specialist advice to clients mainly in debt and welfare benefits.

2.1.7 Bureaux also provide a range of innovative projects such as financial capability, young people's work and employment discrimination casework and awareness raising, awareness raising for migrant workers and are tackling financial exclusion by providing community-based education on basic money matters.

2.1.8 Every bureau is both an independent charity and a professional business and all are members of the Citizens Advice network that stretches across the whole of England and Wales. This means that in addition to their own resources they receive extensive backup and support from the national organisation, which provides a comprehensive constantly updated information system, training for staff and also sets rigorous quality standards for both the advice and the bureau's operation. In fact, Citizens Advice is the only advice organisation that audits its members on the quality of the advice they provide to the client. All bureaux also hold the Legal Services Commission's Quality Mark. In addition Citizens Advice funds field teams that provide consultancy and support services to bureaux through the two Citizens Advice Cymru offices in Llanellwyr and Cardiff.

2.1.9 Citizens Advice is one of the best known organisations in the country – 96% of the population are aware of the service and three quarters trust us, which is regarded as exceptionally high when compared to other organisations. Over half the population will be involved with us at some time in their lives- as either a volunteer, a paid member of staff or as a friend or family member of someone who is and 41% of people have been a client.

2.2 We Campaign for Change and contribute to the Policy Agenda

2.2.1 Providing advice is what we are most recognised for, but the service also makes a major contribution to Government policy and influencing policy and decision makers is at the heart of the service. Every year bureaux in Wales generate thousands of reports on client problems caused by bad or unfair laws, policies or practices. This gives us extremely rich qualitative data that

we use to brief members of the Assembly Government and others on the key issues affecting our clients.

2.2.2 We are a respected source of influence on local and national policy and as well as regularly meeting with Ministers, MPs and Assembly Members to brief them on key bills we also contribute evidence to Scrutiny Committees, research and write evidence reports and provide detailed responses to consultations. In 2006 our super complaint to the Office of Fair Trade prompted an investigation into payment protection insurance costs and more recently and we have lobbied for limits to the hardship caused by tax credit overpayments and run campaigns on cash machine charges and access to NHS dentists. Our evidence on the impact of health charges initiated the policy response from the Welsh Assembly Government that led to their commitment to abolish prescription charges. We continue to use the evidence from bureaux from across Wales and most recently produced a report on the administration of the Social Fund in Wales which has led to setting up a working group of practitioners in Jobcentre Plus alongside bureaux advisers to assist in achieving service improvements for clients.

2.2.3 The Citizens Advice service identifies solutions in a number of areas of priority to local government and the Welsh Assembly Government including:

- Tackling social and financial exclusion and improving financial capability
- Promoting equalities and community cohesion
- Reducing child and pensioner poverty by helping people claim benefits and tax credit
- Challenging unfair trading practices that cause detriment to citizens and the economy
- Preventing homelessness
- Reducing re-offending
- Transforming public services

2.3 We increase the employability of local people

2.3.1 Across the UK, the service relies on the efforts of 29,000 people to deliver our services, 78% of whom are trained volunteers – a prime example of what the Welsh Assembly Government calls active citizenship. In Wales this means that we have, at any one time, over 1200 trained volunteers with an estimated value of £4.7m per annum – equivalent to an extra 220 full-time posts. Every year, across the UK, we provide free training for

over 3,000 new volunteers and additional training to thousands more. Since the single biggest reason for volunteers leaving the service is to go into paid employment the bureaux are making a clear contribution to the employability of local people. In the last year 28% of volunteers leaving bureaux in Bridgend, Cardiff and the Vale of Glamorgan left to move into paid employment. There are other real benefits of volunteering and one recent survey showed strong health benefits linked to volunteering.¹

2.4 We contribute to local economic development and regeneration

2.4.1 CAB advisers help to ensure that people receive the benefits to which they are entitled and this increases spending power. In Wales bureaux generate well over £17m of monetary gains for their clients every year. This is particularly important for the local economy for two reasons. First, the money is most likely to stay local. Research in Glasgow found that income gained for the city's poorer residents was more likely to be spent locally² and second, it circulates in the local economy and this increases its impact³.

2.4.2 Bureaux raise funds locally, regionally and nationally. On average local authority funding provides 40% of a bureau's income with a further 40 - 60% of funding brought into local economies from other funders. In Bridgend, Cardiff and the Vale of Glamorgan 47% of the funding to the bureaux is from the local authorities, 26% from national projects funded through Citizens Advice Cymru by the Welsh Assembly Government and Financial Inclusion Fund and 23% from the Legal Services Commission. The remaining 3% is funded through charitable and other miscellaneous funders.

2.5 Citizens Advice Bureaux save Councils Money

2.5.1 Every time a CAB adviser prevents homelessness by rent rescheduling or help with financial management it saves the cost of re-housing them. Other services also benefit since around one in ten of bureau clients say that they have experienced less ill health or depression as a result of the support they have received, a saving to the health and social services budgets.

¹ *Make A Difference Day Survey*, ICM Research 2004

² *The effect of Citizens Advice Bureaux on the Glasgow economy*, Fraser of Allander Institute, 2003

³ *The Money Trail: measuring your impact on the local economy using LM3*, New Economics Foundation, 2002

2.6 We contribute to local Planning and Participation

2.6.1 Bureaux have tremendous knowledge and information about what is happening in their local communities. Most of them are involved in formal and informal consultation and planning mechanisms and the virtual private IT that links all bureaux to Citizens Advice means that they have detailed analysis of the incidence of social problems that can be a vital resource for local councils and other agencies when planning services. Additionally, this secure network offers a means to help deliver e-government services to local people in partnership with local authorities. The service is able to provide both locally based and wider statistics and evidence from across Wales on comparable basis to assist with evidence on the impacts of policy and planning on them locally and nationally. The introduction of universal electronic case recording means that we have the ability to search the database for evidence.

2.7 What we are planning to do in the near future

2.7.1 We plan to continue to develop preventative services including helping individuals to improve their capability to make financial decisions. We are well placed to take on this challenge and a recent pilot project in England has demonstrated both the need and the potential for Citizens Advice Bureaux to deliver generic financial advice. We will link this service to our delivery of debt advice and improvements to our delivery of financial capability services in both schools and communities.

2.7.2 In 2009, we will be moving to a single telephone number for bureaux in Wales via a virtual call centre operated by the bureaux across Wales. This will improve access to our services and substantially increase the number of telephone enquires that we can deal with while ensuring that the face to face service is reserved for those clients who need it most. A pathfinder group of 9 bureaux has been developing a single telephone service since April 2007. The outcome has been that all bureaux have seen an increase in telephone enquiries answered (ranging from 75% to 800% increase), all bureaux reported an overall increase in new enquiries dealt with in the period and almost 50% of calls were dealt with at initial interview via a Gateway Assessment.

2.7.3 According to the Legal Services Research Centre discrimination is the eighth most common problem people would like advice

on, but is one of the top three problems that people are not able to access help. Citizens Advice Bureaux are developing their services so that they can play an important role in preventing discriminatory practice and resolving individual problems. Four Citizens Advice Bureaux in Wales have recently been successful in achieving funding through the Equalities and Human Rights Commission to deliver awareness raising and discrimination advice to clients from a wide geographic area. The bureaux in Bridgend, Cardiff and the Vale of Glamorgan, as part of the CAB network of services, are able to access the discrimination services provided by the Newport CAB for their clients as well as training and support opportunities for their advisers.

3. Citizens Advice Bureaux and Community Strategies

- 3.1 In all these areas the key work of the CAB service is central to the delivery of the strategies and there has been and will continue to be opportunities to both deliver services and influence policy on behalf of the clients of the service which will ensure that Councils are better able to deliver on their strategies and to monitor and measure the impact of their actions on our clients.

4. The CLS Strategy for Wales

- 4.1 The Legal Services Commission has stated that the first Community Legal Advice network (CLAN) in Wales will be developed in Bridgend, Cardiff and the Vale of Glamorgan. An initial meeting for providers and interested partners was held in Cardiff in February 2008. The LSC are operating on the basis that the CLAN will be in place by April 2009, with commissioning likely to commence in September 2008.
- 4.2 A closed list of all CLACs and CLANs (Community Legal Advice Centres and Networks) planning for the period ending April 2010 has been released which includes the proposal for a CLAN in Bridgend, Cardiff and the Vale of Glamorgan.
- 4.3 We are concerned that the driving force for change should not be cost cutting but genuinely citizen centred. Whilst we agree with the vision of the CLS strategy to develop a CLS which is client focused and accessible; independent; cost-effective and co-ordinated; and quality assured we consider that the CLS strategy driven by the LSC is developed against the broader pressures on the legal aid budget including social welfare law and the need to generate greater value for money from contracting. We agree with the principle of increased efficiency and value for money, provided this is not at the expense of

quality of service to the individual and the level of help offered at different stages of advice from general help through to specialist.

- 4.4 We believe that the potential shifting of resources could place local advice agencies at risk of facing additional costs together with reduced capacity. There is a pressing need to raise awareness amongst existing local partnerships so that they understand the need to protect the whole of the core service in any consideration for pooling resources.
- 4.5 There is a social risk that organisations will be denied funding to pursue their responsibility for challenging statutory services where there is a service failure. For example, the CAB Service works in partnership with others, including public sector partners, where we have converging agendas. However we retain independence to pursue additional client needs and to comment on the impacts of policy and practice in Wales on our clients and on the wider community. This is fundamental to the impact of independent advice provision on the citizens of Wales.
- 4.6 If a CLAN is developed we consider that it is imperative for a system of checks and balances to be in place for a CLAN to be effective in meeting the advice needs of local communities. There is the potential for an inherent conflict of interest in a local authority being a joint commissioner and advice provider within a CLAN which could endanger the equality of provision of independent advice and recourse when things go wrong for clients of mainstream statutory services.
- 4.7 We believe that there is an enhanced risk if all of the funding is directed through a single mechanism of restricting, rather than increasing client access to advice and to ending with service which are driven by a defined contract rather than by changing client requirements and which restrict the service deliverers in their ability to address these changes.
- 4.8 Independent advice agencies are ideally placed to identify where there are shortfalls in support for families, communities and individuals who may be disenfranchised from the civil process because of our direct contact with clients and ability to gather evidence of need for them and their communities. Therefore, the involvement of all sectors in the planning and delivery of advice services is essential. In this respect, planning for local provision should be guided by local needs analysis and not driven primarily by universal performance indicators in a top-down manner.
- 4.9 There are a number of positive examples of the integration of services that have not affected individual organisational structures for example CAB who house Shelter caseworkers and the sharing of premises with Credit Unions. There are also effective referral arrangements between

providers such as access to free interviews with solicitors. There is a great potential for organisations such as Citizens Advice Cymru, Shelter Cymru, SNAP Cymru and others to build on current joint-working and not to duplicate what is already done well but to work more closely to create streamlined services for clients.

4.10 There are also opportunities for funders to improve client access by effectively diverting resources to targeted outreach services and streamlining existing referral arrangements. They could also divert resources in certain areas to meet local service planning needs through funding advice work that would otherwise may not be available such as advice to migrants and settlers, for example migrant workers.

4.11 It is also an opportunity to develop effective consortia that can build upon existing partnerships with the private sector in delivering advice to vulnerable clients. Current examples of joint working with Citizens Advice Bureaux include delivering pro bono financial advice with independent financial advisers and solicitors using CAB premises to deliver specialist advice.

5. What is enabled by the core CAB service funding?

5.1 Citizens Advice Bureaux are funded through their local authorities to provide for a minimum level of services delivered by Bureaux which includes organisational costs (management, supervision, quality assurance) which goes beyond funding purely for advice work. These are in effect infrastructure costs which:

- Support other services that are essential to delivering generic services, including other contracts
- Act as a platform to allow bureaux to attract other funding. For example, project work to meet the needs of local communities and additional specialist casework that is currently not funded by the LSC
- Develop volunteering
- Provide skills training for future employment
- Help develop local communities through networking, education and training
- Enable Citizens Advice to act as a first point of contact for help on all types of discrimination and on non 'legal' issues

5.2 The core service gives the additional value to the funder of:

- A service provided in the community, for the community and by the community
- Assured independence and commitment to the client/citizen
- Direct client services and client choice
- Economic and community regeneration

- Policy makers gain evidence on client impact of their services
- A nationally recognised organisation and an integrated service spanning the country
- Credible social policy work
- The only advice agency that quality assures its services by auditing both management standards and the quality of advice that the client receives.
- A Welsh Language policy

5.3 The funding alongside central government funding to the Citizens Advice Cymru structure enables key initiatives which support community strategies:

- Single telephone number development
- Gateway Assessment Interview methodology
- Equality and Human Rights Commission funded discrimination advice work
- Financial Inclusion Fund
- Better Advice: Better Health
- National Offender Management Services

6. Risks

6.1 The Citizens Advice service believes that there are real risks to client services in the move to single contract, pooled budgets leading to a 'winner takes all' commissioning of advice work. The service deliverers in the not for profit sector including the bureaux have expertise in service delivery and in social policy, delivering services to meet need in their local communities. In comparison some for profit organisations have specific expertise in winning contracts, delivery being designed, often needing to use the expertise previously developed and funded by the local bureau.

6.2 We consider that the some of the risks to the funders include:

6.3 Advice service risks

6.3.1 Loss of the current integrated provision of advice including the ability to respond in co-ordinated way to provision across the whole of Wales, for example FIF, BABH and response to the EHRC funding round.

6.3.2 Potential for long term gaps in the service and in the interests of better integration of service which could be achieved by other means, that access to the service is less easy.

- 6.3.3 Loss of the bureaux highly respected and trusted brand which has high recognition by clients.
- 6.3.4 Risk that should the CLAN structure not include CAB the loss of benefit from the additional central resources into service of information, training, management support, specialist advice support which is provided by being part of the CAB service.
- 6.3.5 Loss of advice income to the area including funds which can only be awarded to charity sector and services currently awarded to CAB service but which are awarded on a project basis and which rely on their being base core funding for the service.
- 6.3.6 The loss of the input to fully quality assured advice by the audit function of the bureaux by Citizens Advice.

6.4 Service design risks

- 6.4.1 That collaborative working may be driven out by the need to be competitive with collaborations fixed by contracting requirements rather than driven by client need.
- 6.4.2 Loss of the community based and driven services, in terms of governance as well as delivery, in the need to meet a fixed contract.
- 6.4.3 Potential for advice services to be delivered by large for profit organisations which will deliver specifically to contract without the additional duty under charity law to continue to be mindful of the wider needs of the client and community.
- 6.4.4 Loss of the use and training of volunteers which in the long term improves the community and also provides a supply for the future of potential advice service deliverers.

6.5 Policy risks

- 6.5.1 The loss of the ability to access to data including comparative data to respond to issues across Wales on behalf of clients. There is a need for this to be wider than statistical with sufficient coherent information.
- 6.5.2 This will include needing to ensure the capacity and explicit remit under charity law to feed into and lobby new areas when client evidence arises.

6.5.3 Potential loss of independence of the service deliverer. The local authority relationship with the core at 'arms length' gives a genuine independence ensuring that the advice service speaks on behalf of clients to help you improve your services but also with other agencies who impact on the citizens of your locality such as Jobcentre Plus.

6.6 Overall risk

6.6.1 There is a real risk that, should the service be unsuccessful or at the end of the three years' initial contract the organisation awarded the contract chose to withdraw, that there is no diverse advice sector left in the area. The 'winner takes all' approach will potentially wipe out the expertise and infrastructure currently existing. Charities with a specific remit to provide advice will not be in a position to continue as the project funding alone cannot sustain the service.

7. Conclusion

- 7.1 Citizens Advice Cymru believes that advice services can be better integrated and has been working closely with our partners in local government, the Welsh Assembly Government and the wider independent advice sector to achieve this.
- 7.2 Community Legal Advice Networks are unproven models and should be properly evaluated before wider rolling out. We are working with partners to propose other delivery models.
- 7.3 Citizens Advice Cymru will continue to advise funders of the unintended consequences of CLANs including the impact on the voluntary sector, staffing implications and the impact on national and local campaigns.
- 7.4 If funders decide to initiate a CLAN, we will contribute to a fully thought out specification.
- 7.5 If local authorities go ahead with the commissioning process we will work with our bureaux to bid successfully. In some circumstances this may mean that Citizens Advice may lead the bid.
- 7.6 Citizens Advice would welcome the opportunity to take questions and further discuss the issues raised in this paper with Cabinet.

8. Recommendations

- 8.1 The local authorities in Wales consider carefully whether a single contract with one pooled budget with a 'winner takes all' approach is the most effective way of achieving increased effectiveness for the client.
- 8.2 The partners consider alternative ways of commissioning the range of advice and other services currently provided by the third sector alongside the LSC's commissioning of specialist advice.
- 8.3 Should the partners decide to proceed with a single contract that they seek advice at the pre-commissioning stage from current service providers to ensure that that the design is sufficiently subtle to ensure that the added value of the service is not lost.

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