

To: Resources and Governance Overview & Scrutiny Committee
From: Barbara Guest, Former Head of Manchester Advice
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Introduction

The proposal to withdraw Manchester Advice services in the current economic climate and at a time when the country is undergoing the biggest programme of welfare reform in decades will have devastating consequences for some of this city's most vulnerable residents.

Neither does this proposal make sense financially. M/c Advice contributes substantially more to the economy than it costs – it not only helps residents raise their income and reduce their debts but it also saves the council money and helps the council to collect its income.

However, it is clear that the council is in a very difficult financial position which means significant changes to service provision are needed. I would therefore like to put forward an alternate proposal for M/c Advice, which I hope can be given detailed consideration.

Impact

Community Legal Advice Service (CLAS)

It's been proposed that the Community Legal Advice Centres (CLACs) can absorb the additional demand resulting from the closure of M/c Advice but this suggestion carries significant risk.

1. The CLAS contract was never designed to withstand the impact of losing M/c Advice. The CLAS providers are clear they will not be able to cope with the advice demands of an additional 80,000 people a year.
2. The CLAS contract excludes the provision of an Appeals Representation Service, leaving residents without any other access to legal representation at tribunals.
3. Access to specialist advice services in the CLACs is subject to a strict means test. This means that many residents in debt and housing need will not be able to receive the specialist advice and support they require.
4. The CLAS contracts give the city no flexibility to respond quickly and innovatively to changing demands, something that an in-house advice service can provide, as it clearly demonstrated during the recession
5. So far, only 4 out of the expected 6 CLACs have actually opened, with only 2 of these operating fully.
6. The future of the CLACs is under threat due to the Government's proposed cuts to Legal Aid, removing its availability from all welfare benefits and employment law and severely reducing its availability for debt, housing, immigration and family law. As Legal Aid provides 50% of the funding for the CLACs, their future viability is in serious jeopardy. The Legal Services Commission is looking to implement these cuts as quickly as possible after the legislation is in place this November.

Removal of other Advice Provision

The current M/c Advice and CLAC provision is actually supplemented by other advice services in the city, which are funded through a variety of sources. Although the Financial Inclusion Fund has been given a one year reprieve saving some debt advice provision in the CAB, other advice funding is under threat. Citizens Advice is due to announce swingeing cuts to the number of its advice bureaux nationally, which will impact on CAB provision locally. Also, additional advice and outreach services for new migrants funded by the Migration Impacts Fund will end this October. So whilst demand is increasing, services are shrinking.

Finance

Abolishing Manchester Advice does not represent a cost-effective solution for the council and will actually end up costing the city significantly more than it saves:

- Manchester Advice last year helped the city's residents raise almost £28m in additional income. Such income is spent on local goods and services, supporting the local economy and sustaining and creating local jobs.
- Helping residents to manage over £11m worth of debt not only stabilises their lives and improves their psychological health, but it also helps with council tax collection, by putting in place sustainable payment plans. Proactive, targeted pre-bailiff advice and support could improve Council Tax collection rates even further. This is about to be trialled in the Ardwick pilot area.
- Homelessness costs the city over £17,000 per household in staffing, temporary accommodation and rehousing costs. Last year, Manchester Advice saved 804 households from homelessness, representing a saving to the city in excess of £13.6m. M/c Advice delivers 50% of the council's homelessness preventions, with our colleagues in homelessness delivering the other 50%. I believe a new model which integrates housing advice with homelessness assessment and housing options activity will not only provide staffing efficiencies but will further reduce the number of homelessness presentations. Both services believe this will deliver significant savings.
- Maximising the income of residents who require social care services enables the directorate to bring in additional revenue through charges, thereby spending less on individual budgets. A new approach which systematically targets advice resources at these customers could be achieved through integrating advice staff within Locality teams (as part of a new holistic assessment model currently being piloted in Wythenshawe)
- M/c Advice is a trusted brand with a reputation for providing high quality services. This enabled it to lever in an additional £1.9m of investment in services this year for some of the most vulnerable customer/patient groups. This investment then helps subsidise mainstream advice provision - an investment which will be lost if these commissions are not proactively managed and pursued
- M/c Advice is capable of shifting its provision in order to deliver significant savings. During this financial year alone it has delivered an underspend of £345,000, exceeding the efficiency target it was set to achieve over 3 years. More radical changes to its operating model could deliver further significant savings.

Welfare Reform

I know Members are fully aware of the impact that the welfare reforms will have on Manchester residents. Housing Benefit changes, the transfer of people from Incapacity Benefit to ESA or Jobseekers Allowance, and the removal of EMAs, will

impoverish many thousands of people in the city. Manchester has also recently been declared the city with the highest number of people living in *severe* poverty. M/c Advice ensures residents are able to access opportunities to improve their skills, knowledge and experience as well as access appropriate financial support which enables them to find and sustain work. The aim is that this activity helps lift residents and their families out of poverty, enabling them to become confident, self-reliant citizens. Manchester Advice has been successful in helping people find employment but this activity needs to be stepped up if residents are to succeed in the current climate. M/c Advice is in trusted relationships with the very people who will be most affected by the welfare changes so is well-placed to deliver a new two-pronged approach which a) advises people of their rights and entitlements whilst b) supporting them to explore pathways back into work.

Proposal

Rather than agree to the proposal to withdraw M/c Advice, I would ask that the council instead undertakes a fundamental review of the service with the aim of re-focussing its activity on four key priorities:

- Helping people to move into employment and developing pathways to work
- Preventing repossessions and homelessness
- Supporting social care customers
- Reducing residents' dependency on advice services by helping to build volunteer capacity in community organisations, in partnership with the voluntary sector – this would in particular benefit BME community organisations, freeing up some Linkworker resources to support the other priorities

M/c Advice's model of delivery needs adjusting to ensure it proactively targets those residents who need its services the most, rather than simply responding to customer demand. This ensures that expert legal advice resources are used much more effectively and efficiently.

Integrating advice within teams working with individuals and families with the most complex needs supports the council's vision for integrated neighbourhood teams and the DfA's vision for integrated health & social care services.

M/c Advice's relationship with the CLAS needs to be made explicit through a detailed SLA with the Lead Commissioner, which clearly aligns outcomes and performance measures which are monitored on an equal basis.

I believe such a review will realise considerable benefits to the city, not only in improved outcomes for its residents but, critically, in delivering substantial savings for the local authority.

Thank you