

Cabinet Report



Report of Head of Corporate Strategy

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To: CABINET

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Revenue grant to Oxfordshire South and Vale Citizens Advice Bureau and The Independent Advice Centre, Wantage for 2013/14 – 2016/17

Recommendations

(a) Subject to approval by Council as part of the 2013/14 budget and medium term financial plan setting process, to approve a four year revenue grant of £414,852 to Oxfordshire South and Vale Citizens Advice Bureau (S&V CAB) of £103,713 per year from 2013/14 to 2016/17.

(b) Subject to approval by Council as part of the 2013/14 budget and medium term financial plan setting process, to approve a revenue grant of £231,300 to The Independent Advice Centre, Wantage of £57,825 from 2013/14 to 2016/17.

Purpose of Report

1. To consider a revenue grant application of £427,464 from Oxfordshire South and Vale Citizens Advice Bureau (S&V CAB) for four years; 2013/14 of £103,713; 2014/15 of £105,787; 2015/16 of £107,903 and 2016/17 of £110,061.
2. To consider a revenue grant application from The Independent Advice Centre, Wantage (WIAC) in 2013/14.

Strategic Objectives

3. The council has a corporate objective to offer grants to voluntary and community organisations who are delivering projects and services that support our objectives or those in need. The S&V CAB and the Independent Advice Centre meet this objective.

Background

Citizens Advice Bureaux

4. A citizen's advice service has been provided in Abingdon for many years offering free advice on various issues including benefits, money, employment, housing, relationship and legal problems.
5. In 2011/12, the bureau provided 2,913¹ residents with free advice; a more detailed breakdown of the client and community profiles is included in the S&V CAB business and development plan attached at appendix 1.
6. Abingdon CAB is currently trading as a registered charity and is also registered as a company limited by guarantee. It has its own board of trustees and produces its own financial statements each year.
7. In 2012/13 the council gave a grant to Abingdon CAB of £103,713 and South Oxfordshire District Council gave a total of £165,620 in grants to Henley, Didcot and Thame CAB. A total of £269,333 in grant funding towards the CAB in south and vale districts.
8. In April 2013, the CAB intends to merge Henley, Didcot and Thame CAB together with Abingdon CAB into one new organisation called Oxfordshire South and Vale Citizens Advice Bureau (S&V CAB).
9. By combining the resources of the four bureaux the CAB believes that it can provide a service for its clients that is better; more resilient and sustainable; and capable of meeting growing demands.

The Independent Advice Centre, Wantage

10. WIAC has operated for over 40 years. Since the 1990's from its current premises in Market Place, Wantage. WIAC provides general advice provided by volunteers, a good neighbour scheme and a transport scheme.
11. The council has provided grant funding to WIAC for many years and last year increased its grant from £40,952 (2011/12) to £52,994 in 2012/13. This increase is to support an office extension in order to meet the growing demands for its service but also to bring the meeting room accommodation up to the expected standards for disabled persons.

¹ S&V CAB business and development plan statistic based on actual numbers of clients receiving advice from the Abingdon bureau.

12. WIAC is about to expand its services and has prepared a draft budget for 2013/14 and predicts a deficit of £4,831, a copy of the draft budget is attached at appendix 2. WIAC has included a 2.5 per cent increase on the salary budget and other increases such as heating and electricity costs are estimates due to the unknown resources required by extending into more office accommodation.

Options Considered

13. Officers considered whether the council could secure a better service for the community by going to the market to procure advice services by way of a contract as some authorities have chosen to do. This would involve the council in early market engagement and drafting a specification of the services we wished to procure.

14. However, to date we do not in fact pay for specific services rather we make a contribution to core funding. Our grant funding is used to support the infrastructure of these organisations and essentially they have freedom to provide the services they consider needed and in a way they determine to be appropriate.

15. Officers consider that the organisation seeking the grant funding is best placed to identify the services required rather than for the council to seek to prescriptively specify these and so, for the time being, grant funding is the most appropriate means of supporting these organisations.

Citizens Advice Bureaux

16. The council has offered substantial financial support to the CAB for many years; to cease funding the organisation would cause serious operational difficulties and even closure.

17. The grant request by the CAB in 2013/14 (year one) is equivalent to the 2012/13 grant of £103,713 and is considered reasonable. However, the financial proposal put forward to operate the new merged S&V CAB is dependent on joint funding from South Oxfordshire District Council and town and parish councils in both districts.

18. A grant request to South Oxfordshire District Council has been submitted for a total of £682,620 over four years; £165,620 in 2013/14; £168,932 in 2014/15; £172,311 in 2015/16 and £175,757 in 2016/17. The officer recommendation is to award a four year grant of £165,620.

19. The grant request to this council is lower than the amount requested from South Oxfordshire District Council, for two main reasons; there is one bureau operating in the Vale compared to three in South Oxfordshire and there is an Independent Advice Centre operating in Wantage that is funded separately and discussed in this report.

20. There are also variations in population across the two districts and this will be reflected in demand for advice services. The 2011 Census estimates the population in South Oxfordshire to be 134,300 and in Vale of White Horse 121,000.

21. The total estimated income by S&V CAB for 2013/14 is £388,958 and the total expenditure is £389,086 making a small deficit of £128. Over the following three years a small surplus is predicted.

22. The salary budget has an increase from 2013/14 to 2014/15 of £20,187 this is to allow for an additional supervisor post to enable the bureaux to open outside of normal working hours. There is also a two per cent increase on basic salaries.

23. The table below provides budget estimates from 2013/14 to 2016/17 that has been provided by the CAB.

		2013/14	2014/15	2015/16	2016/17
S&V Budget 2013/14 - 2016/17					
Income					
	SODC grant	165620	168932	172311	175757
	VoWH grant	103713	105787	107903	110061
	Town and parish councils	40195	40495	41045	41856
	Local fundraising	37170	39920	41745	42245
	Other	1500	1500	1500	1500
	Contracts and fees	40760	52988	68884	82661
Total Income		388958	409623	433388	454081
Expense					
	Total salaries	259353	279540	299727	314914
	Total staff and volunteer costs	21735	22169	22565	23017
	Total office	39735	38330	39096	39674
	Total premises costs	58846	59367	59898	60440
	Total governance costs	4516	4606	4698	4792
	Total other	4901	5449	5549	5651
Total Expense		389086	409462	431535	448489
Operating surplus/deficit		-128	161	1854	5592
	District council % income	69%	67%	65%	63%
	Local, TC and PC	20%	20%	19%	19%
	Contracts and Fees	10%	13%	16%	18%

The Independent Advice Centre, Wantage

24. The council has offered substantial financial support to the WIAC for many years; to cease funding the organisation would cause serious operational difficulties and even closure.
25. WIAC is expanding and is totally reliant on the revenue grant it receives from the council. Officers recommend that Cabinet considers agreeing to an increase to the revenue grant towards the deficit of £4,831 as detailed in the budget proposals at appendix 2. Officers also suggest that Cabinet approves the grant for a four year period (subject to annual approval of the council's budget) to offer some long term security to WIAC at this time of expansion. A grant agreement would be developed with measurable performance targets to be reported to the relevant Cabinet member on an annual basis.

Financial Implications

26. The proposed grants to the S&V CAB and WIAC can be funded from the estimated 2013/14 partnership grants budget that is subject to approval by full council in February 2013. All future grant awards will also be subject to annual approval of the revenue grants budget by full council.

Legal Implications

27. The grant can be awarded using section 1 of the Localism Act 2011 that came into force on 18 February 2012 and provides a general power of competence for local authorities.
28. Officers considered whether these grants fall within the EU public procurement regime and current guidance as referred to above indicates that they do not.

Risks

29. There are some risks associated with this grant funding. In order to minimise these risks officers will pay the grants in two stages each year, 50 per cent in April and the remaining 50 per cent following an annual monitoring meeting to ensure that the organisations will achieve the expected annual outcomes and that they remain financially viable.
30. Service level agreements will be developed by officers that will detail additional performance measures for both organisations that will be reported annually to the relevant cabinet member.

Conclusion

Citizens Advice Bureaux

31. The merger proposals detailed in the business and financial plan are well prepared and should be achievable over the next four financial years. Like other organisations in the public and voluntary sector, the S&V CAB should be looking to achieve ongoing efficiency savings and increased income. For these reasons,

officers recommend that whilst cabinet agrees the full amount requested in 2013/14, it does not offer an annual increase to that amount to cover inflation. Whilst the CAB will find this disappointing, it is still getting a very generous grant considering our own financial challenges.

32. Therefore, officers recommend a four year grant of £103,713 per annum based on the 2013/14 costs shown in the table at paragraph 23. This decision by cabinet will be subject to approval by Council as part of the 2013/14 budget and medium term financial plan setting process.

The Independent Advice Centre, Wantage

33. The Independent Advice Centre in Wantage has continued to operate effectively and managed increased demand for its services. The numbers of paid staff and their salaries are minimal and officers consider a 2.5 per cent salary increase is reasonable. The Centre is about to expand its office accommodation and an increase in annual funding of £4,831 will help to support the additional running costs incurred due to the expansion. For the same reasons given in relation to the CAB, however, officers propose that the new grant is fixed for the next four years.

34. Summary table of financial implications

Name	Current Grant £	Officer Rec Award 2013/14 £	Officer Rec Award 2014/15 £	Officer Rec Award 2015/16 £	Officer Rec Award 2016/17 £	Officer Rec Total Award £
CAB	103,713	103,713	103,713	103,713	103,713	414,852
WIAC	52,994	57,825	57,825	57,825	57,825	231,300
Total	156,707	161,538	161,538	161,538	161,538	646,152