



Citizens Advice North Dorset

North Dorset District Council Budget Consultation

Alternative Proposals

Context

The District Council launched a public consultation on the future funding of the Citizens Advice core grant on 3rd October 2016. The consultation, which will run for 8 weeks ending on November 28th, sets out three options for funding for the financial year 2017/18 onwards. The three options are for an initial cut of 53%, 80% or 100% and then no funding from the 2018/19 onwards.

The North Dorset Citizens Advice trustee board is clear if any of the three options are adopted it would make the organization unviable. The grant from the District Council represents 50% of the total income of Citizens Advice. It also represents nearly its entire core funding i.e. the funding that provides the core advice to the community.

North Dorset Citizens Advice has been involved in joint working with Dorchester, Sherborne Citizens Advice since October 2015. This partnership has led to significant improvements in service delivery, efficiencies which have been diverted to front line advice and the potential to be more sustainable in the long term. The two Trustee Boards had been planning on a formal merger with effect from April 2017. It is currently on hold pending the council's decision on their grant. Dorchester, Sherborne Citizens Advice stated at its Board meeting in October 2016 that it would not be able to proceed with a merger with North Dorset Citizens Advice as all three options in the public consultation would make a merged organisation unviable.

Positive Impact 2015/16*

North Dorset Citizens Advice continued to make a significant positive impact to the local community during the last financial year.

Citizens Advice achieved the following in 2015/16:

- We helped a total of **1,471 clients**
- We dealt with **4,133 issues**
- Our clients were assisted to achieve **£316,548 in financial gains**
- Our volunteers donated **19,448 hours** of their time
- If salaried, our volunteers would have cost **£311,674**
- Overall, our clients told us that they were **99%** satisfied with our service.
- Regularly delivered a service from **6 locations** in North Dorset

Joint Working

Joint working and potential merger has had a positive impact for the community in North Dorset as a result of improvements to North Dorset Citizens Advice:

1. An increase in volunteer numbers recruited and trained. A further 10 volunteer advisers and 5 volunteer receptionists recruited. This represents a 56% increase in the number of volunteers.
2. The number of clients assisted per quarter has dramatically increased as a result of expanded capacity.
3. Recruitment of specialists in debt and welfare benefits has widened capacity to deal with the more complex issues. Specifically to cope with the increased demand generated by welfare reform.
4. Efficiency saving over procurement, management and other “backroom” costs estimated at £9,500 per year if the organizations were to merge.

Overall Impact of Grant reduction

- Citizens Advice is already working at maximum capacity so any funding reduction will have an impact. Whilst we will attempt to make efficiencies, in the medium and long term this will mean cuts to paid staff hours and loss of volunteers.
- There has been no increase in grant in recent years which effectively represents a cut in the context of increasing fixed costs for premises and the limited increase in salaries required to retain staff.
- Any reduction in the capacity of Citizens Advice will result in demand falling back on the District Council. In particular in the areas of housing and welfare benefits.
- Citizens Advice has made strenuous efforts to diversify income streams but these alternative funding sources are often short term and project based e.g. Children’s Centre Project.
- Uncertainty over our core grant has a negative effect for other funding applications and the level of existing grant support from other organisations such as parish and town councils.
- Citizens Advice will be less able to cope with the anticipated increase in demand for service driven by substantial welfare reforms over the coming years. These include: the phasing in of Universal Credit; the replacement of Disability Living Allowance (DLA) by Personal Independence Payment and migration of existing DLA claimants. This increase in demand on service and may well fall back on NDDC if Citizens Advice lack capacity
- Reduction in grant will have an adverse affect on current outcomes and benefits for the local community (see below)
- Reduction in paid support for our volunteers will lead to additional stress on those volunteers. All our volunteers rely on paid staff to carry out their duties.

Proposals

Following a number of meetings with the Council during October 2016, in particular with Councillor Andrew Kerby, there was a developing understanding of the respective positions of the Council and Citizens Advice. On the part of the Trustee Board of Citizens Advice, there is an acknowledgement of the extremely difficult financial position that the Council is facing. As a result of discussions and in light of the shared aims in the meetings to both see a sustainable Citizens Advice and the merger materialize, the Dorchester, Sherborne CAB Board is looking for medium term commitment if the merger is to proceed. Citizens Advice is submitting alternative funding proposals as below:

	2017/18 Grant	2018/19 Grant	2019/20 Grant
Option 1	£62,832 (15% reduction)	£62,832	£62,832
Option 2	£48,698 (35% reduction)	£48,698	£48,698

As can be seen from the table our proposals have the reduction set in the first year and the grant then maintained after that point. This will allow for strategic planning for the organization and will act as a strong message to alternative funders in the sense that there is an ongoing commitment and vote of confidence in our work.

The impact on service levels shown in the tables below will be across the board and will affect both the general open door service as well as the more specialist elements of our delivery. It will also impact across the whole District rather than in one particular office, outreach or location. *The financial impact reduction is calculated using the figures for 2015/16 on page 1 of this document.

Both sets of Trustees have indicated that subject to further due diligence, these proposals would enable a potential merger of North Dorset and Dorchester, Sherborne CAB in 2017

Specific Impact of Proposals

Option 1: 15% cut in grant

	2017/18 Grant	2018/19 Grant	2019/20 Grant
Shortfall	£11,108 recurring.		
Financial Impact	Apply merger efficiency savings, reduce expenditure (and service) and use finite reserves.	Cumulative further reduction in expenditure (and service) and use finite reserves.	Cumulative further reduction in expenditure (and service) and use finite reserves.
Service Impact	5% reduction in service levels: <ul style="list-style-type: none"> • Financial gains for local community to reduce by £15,827 per year. • Reduction of 972 volunteer hours donated per year which equates to a loss of £15,584 in terms of the value of those volunteers. • Reduced capacity to assist volunteers into paid work. 	10% reduction in service levels: <ul style="list-style-type: none"> • Financial gains for local community to reduce by £31,655 per year. • Reduction of 1,945 volunteer hours donated per year which equates to a loss of £31,168 in terms of the value of those volunteers. • Reduced capacity to assist volunteers into paid work. 	10% reduction in service levels: <ul style="list-style-type: none"> • Financial gains for local community to reduce by £31,655 per year. • Reduction of 1,945 volunteer hours donated per year which equates to a loss of £31,168 in terms of the value of those volunteers. • Reduced capacity to assist volunteers into paid work.
Total loss of financial impact	<u>£31,411</u>	<u>£62,823</u>	<u>£62,823</u>

Option 2: 35% cut in grant

	2017/18 Grant	2018/19 Grant	2019/20 Grant
Shortfall	£25,222 recurring		
Financial Impact	Apply merger efficiency savings, reduce expenditure (and service) and use finite reserves.	Cumulative further reduction in expenditure (and service) and use finite reserves.	Cumulative further reduction in expenditure (and service) and use finite reserves.
Service Impact	<p>20% reduction in service levels:</p> <ul style="list-style-type: none"> • Financial gains for local community to reduce by £63,310 per year. • Reduction of 3,890 volunteer hours donated per year which equates to a loss of £62,335 in terms of the value of those volunteers. • Reduced capacity to assist volunteers into paid work. 	<p>25% reduction in service levels:</p> <ul style="list-style-type: none"> • Financial gains for local community to reduce by £79,137 per year. • Reduction of 4,862 volunteer hours donated per year which equates to a loss of £77,919 in terms of the value of those volunteers. • Reduced capacity to assist volunteers into paid work. 	<p>30% reduction in service levels:</p> <ul style="list-style-type: none"> • Financial gains for local community to reduce by £94,964 per year. • Reduction of 5,834 volunteer hours donated per year which equates to a loss of £93,502 in terms of the value of those volunteers. • Reduced capacity to assist volunteers into paid work.
Total loss of financial impact	<u>£125,645</u>	<u>£157,056</u>	<u>£188,466</u>

