

Advice agency future funding consultation activity and response

Consultation activity - Pre-consultation meeting with representatives from all agencies 06.11.23. (MS Teams call with Links due to availability)	
Key issues raised	Response
Concerns expressed by agencies that it is difficult to find external funding if local authority is not a core funder.	<ul style="list-style-type: none"> • There are many community and voluntary sector groups that successfully attract a range of external funding opportunities without core funding from their local district/ borough council including many located within Chesterfield borough. • There are many examples from around the country of similar advice agencies operating without funding from their local district/ borough council. • When community and voluntary groups are first forming, it can be helpful in attracting external funding if the local council is offering either financial or in-kind support. The four agencies in question have been established for many years and have developed their reputation for delivery and have strong relationships with many different funders. We therefore do not believe that the financial contribution made by Chesterfield Borough Council will inhibit future funding bids.
Services are supporting the most vulnerable and destitute in the community – query the EIA.	Commitment to developing a full equality impact assessment for the proposal. This will be updated throughout the consultation and for the final proposal.
First formal consultation meeting with individual agencies – 27.11.23 / 29.11.23.	
<ul style="list-style-type: none"> • Discussion on the financial challenges facing the Council • Confirmed that we are doing all we can to avoid the minimum 3 month notice period on ceasing funding and want to enable a managed transition • Presented initial proposal • Confirmed that other current funding streams such as separately funded projects are unaffected. • Confirmed consultation and decision making timescales • Again encouraged advice agencies to take part in the budget conversation and encourage their service users to do so • Discussed and obtained evidence for advice agency overviews and EIA 	
Key issues raised	Response
Preventative services currently funded stop residents from needing to access Council's and others services. Issues are more likely to escalate for people without these services.	<ul style="list-style-type: none"> • Funded projects for example the Housing Disrepair Claims project are unaffected by these proposals. • Managed transition period will enable the advice agencies to undertake service

	<p>transformation (if needed) and develop alternative funding plans.</p> <ul style="list-style-type: none"> • Chesterfield Borough Council will also have the transition period to adjust service provision if required.
<p>Questions about how the transition period could work and if different arrangements were possible.</p>	<p>Confirmed that the transition period could be different depending on agency needs. Options discussed included:</p> <ul style="list-style-type: none"> • Tapered transition payment over two years payments with a sliding scale to enable a gradual transition • Transition payment made in equal quarterly payments over a two year period • Front loaded payments – more in year one, less in year two, delivered in lump sums – offered opportunity to all agencies to consider
<p>Concerns expressed by agencies that it is difficult to find external funding if local authority is not a core funder.</p>	<ul style="list-style-type: none"> • See pre-consultation meeting response • Additional transition arrangement offered – funding could be spread over a longer period – 3 to 4 years to enable agencies to continue to claim Council as a core funder for a longer period
<p>Additional specific points raised by Citizens advice bureau:</p> <ul style="list-style-type: none"> • Confirmed that although CAB registration states that it covers NEDDC and BDC areas – the service primarily serves Chesterfield residents. There is a separate North East Derbyshire and Bolsover CAB • Post covid appointment system helps Chesterfield CAB to signpost to other CABs where appropriate • Many people who attend arrive with one issues but this can turn into 4 or more once help and advice is offered 	<ul style="list-style-type: none"> • Updated advice agency overview information • Requested that the impacts are captured within the formal consultation response with examples to highlight to decision makers possible impact.
<p>Additional specific points raised by Derbyshire Law Centre:</p> <ul style="list-style-type: none"> • Will need to review service provision as some elements cannot be covered by restricted funding courses e.g. employment advice and immigration issues are not covered by current project funds • No Legal Aid from Government since 2013 has had a big impact • Currently use core funding to pay for bid writing etc. • Would like whole of the voluntary sector to be located together – this could improve services and help with costs • DLC could face increased costs due to a pay review 	<ul style="list-style-type: none"> • Requested that the impacts are captured within the formal consultation response with examples to highlight to decision makers possible impact. • Contacts provided for further discussions regarding premises for co-location – but confirmed premises would not form part of this particular consultation or decision. • Many sectors including local government are in a challenging position regarding central government funding and lobbying activity for fair funding continues • CBC is seeking to go beyond the 3 months minimum notice period for ceasing funding and is looking to develop a managed transition over a longer period with an agreed phasing approach

<p>Additional specific points raised by Derbyshire Unemployed Workers Centre:</p> <ul style="list-style-type: none"> • Currently pay rent to Chesterfield Borough Council – would need to look at alternative, cheaper premises • DUWC should be the last service that CBC should consider cutting as they are a last resort for many people • DUWC continue to offer face to face service rather than primarily digital or phone services to enable clients to engage fully • DUWC have stopped services in some places and for some services when funding has been pulled 	<ul style="list-style-type: none"> • Contacts provided for discussion regarding premises costs and potential alternative locations but confirmed premises would not form part of this particular consultation or decision. • CBC does not take any decision to reduce or cease funding lightly but the Council's financial position is so challenging that very difficult decisions now need to be made. • CBC is seeking to go beyond the 3 months minimum notice period for ceasing funding and is looking to develop a managed transition over a longer period with an agreed phasing approach
<p>Additional specific points raised by Links CVS:</p> <ul style="list-style-type: none"> • Would like to consider alternative funding potential for example UKSPF • Potential for delivery partner approach 	<ul style="list-style-type: none"> • Confirmed that any project funding e.g. UKSPF funded projects were unaffected by this consultation and decisions • CBC are open to discussions about specific projects should further external funding become available in the future
<p>A range of evidence to support the advice agency overviews was submitted by the agencies following the meeting.</p>	
<p>Second formal consultation meeting with individual agencies – 10.01.24 / 18. 01.24</p> <ul style="list-style-type: none"> • Further discussion on initial proposals and alternative phasing approaches • Considering any alternative proposals developed • Discuss evidence submitted so far 	
<p>Key issues raised</p>	<p>Response</p>
<p>Discussion regarding decision making and how members will be informed of advice agencies views.</p>	<p>Agreement made that advice agency formal submissions would be available to Cabinet, in full, as an Appendix to the report.</p>
<p>Additional specific points raised by the Citizens Advice Bureau:</p> <ul style="list-style-type: none"> • If the phasing out of funding is necessary then preference is for the phasing to be front loaded in year 1 and then payment for year 2 paid as soon as possible – this will help to reduce the negative impact on services • CAB will use the transition period to look for other funding and alternative ways to deliver services for which there is a high demand 	<p>Confirmed to CAB that front loading of payments would be possible. 60% in 2024/25 and 40% in 2025/26. We could also phase the payments as lump sums with payments in April for each year.</p>
<p>Additional specific points raised by Derbyshire Law Centre:</p> <ul style="list-style-type: none"> • If the phasing out of funding is necessary then preference is for a 50/50 split over the next two years. This will help to retain core services whilst seeking to manage the transition period 	<ul style="list-style-type: none"> • Confirmed that we can offer a two year funding agreement with a 50% per annum split • Confirmed that we can offer different payment approaches to suit including lump sum in April, half yearly, quarterly etc.

<ul style="list-style-type: none"> • Still considering the best payment sequence • Concerned that other funders could also be under pressure to reduce funding • DLC are looking to include in their formal submission examples of where the funding reduction will impact services uses – case studies will help with this 	<ul style="list-style-type: none"> • Welcomed formal submission and emphasised that we will include the full submission as an appendix to the report for Cabinet – but reminded about not including any personal details as papers are public
<p>Additional specific points raised by Derbyshire Unemployed Workers Centre:</p> <ul style="list-style-type: none"> • If the phasing out of funding is necessary then preference is for the phasing to be either paid as one lump sum or front loaded in year 1 and then payment for year 2 paid as soon as possible – this will help to reduce the negative impact on services • DUWC will need to look at possible relocation of services and options for service delivery • Also hoping for a change in the national financial position following the general election which will take place during 2024/25 so that the Council could retain funding on a permanent basis 	<ul style="list-style-type: none"> • Confirmed to DUWC that front loading of payments would be possible. 60% in 2024/25 and 40% in 2025/26. We could also phase the payments as lump sums with payments in April for each year. • Contacts provided for discussion regarding premises costs and potential alternative locations but confirmed premises would not form part of this particular consultation or decision. • CBC are open to discussions about specific projects should further external funding become available in the future
<p>Additional specific points raised by Links CVS:</p> <ul style="list-style-type: none"> • Links Board wanted to acknowledge the support and recognition given to Links over the years by the Borough Council, and their understanding that phasing out the grant would not have been done unless absolutely necessary. • If the phasing out of funding is necessary then preference is for a 50/50 split over the next two years. 	<ul style="list-style-type: none"> • Confirmed that we can offer a two year funding agreement with a 50% per annum split with lump sum payments in April each year. • Links CVS board were thanked for their understanding during this challenging period
<p>Formal written responses to the consultation</p>	
<p>Citizens Advice Bureau – Full response is available at Appendix 4. Points made in addition to those made during the meetings:</p> <ul style="list-style-type: none"> • Chesterfield Borough Council is the sole core funder – this secures other funding • Significant increase in demand due to cost of living crisis • Demonstrates benefits of volunteering • Concerns about the widening impact of health inequalities, child poverty, homelessness, access to food and emergency funding • Request that the Council considers the retention of advice agency core funding at the best possible attainable level for the benefits of local residents 	<ul style="list-style-type: none"> • There are many community and voluntary sector groups that successfully attract a range of external funding opportunities without core funding from their local district/ borough council including many located within Chesterfield borough. • There are many examples from around the country of similar advice agencies operating without funding from their local district/ borough council. • We recognise the value of the community and voluntary sector and have been a major supporter of the sector for many years. In addition to this particular funding stream to the four advice agencies we have assisted many groups with: <ul style="list-style-type: none"> - Finding affordable accommodation

<ul style="list-style-type: none"> • If this is not possible, preference if to receive money over an 18 month period, weighted to year one • Request CBC leaves the door open to further ongoing discussions as to how the authority may be able to assist CAB with support beyond the phasing out period (in kind / financial) 	<ul style="list-style-type: none"> - Offering advice and support in developing external funding bids - Offering advice and support around event planning and fundraising - Use of facilities including markets and parks and open spaces for activities - An extensive concessions policy with specific provisions to support community and voluntary sector groups - Sponsored events - Allocated £465,000 of UKSPF funding to enable resilience and capacity building within the local community and voluntary sector. This included a significant grant programme and training programme. • The current funding agreement with the four advice agencies runs out on 31.03.24 and we could end the contract with three months notice. However, we have sought to avoid this type of guillotine position and are seeking to establish a reasonable transition period which is affordable to the Council but also enables some adjustment time for the advice agencies. • Confirmed to CAB that front loading of payments would be possible. 60% in 2024/25 and 40% in 2025/26. We could also phase the payments as lump sums with payments in April for each year. • During the consultation with the advice agencies impacted, we stated that we remain open to conversations with the agencies and indeed other community and voluntary sector organisations regarding future projects and partnership opportunities.
<p>Derbyshire Law Centre – Full response is available at Appendix 5.</p> <p>Points made in addition to those made during the meetings:</p> <ul style="list-style-type: none"> • If funded phase out is necessary – confirmed that preference is to receive 2 year funding settlement with 50% per annum • Amount awarded in grant has not changed since 2016. Had the grant increased inline with inflation the amount being received in 2024/25 should be £54,242 so DLC will be taking a 78% cut • Concerns about reducing capacity to gain income from other sources • Funding is helping to subsidise legal aid contracts 	<ul style="list-style-type: none"> • As above. • Confirmed that we can offer a two year funding agreement with a 50% per annum split • Chesterfield Borough Council are feeling the impact of exceptionally high inflation rates, the cost of living crisis and we are still bearing the long term financial impact of the pandemic. This has all been compounded by historic and piecemeal Government underfunding of local councils – the money we receive has more than halved since 2010. During this time we have done all we can to maintain grant funding to the advice agencies while other provisions were reduced or cased. We now have budget gaps stretching into millions and have to consider very difficult decisions.

<ul style="list-style-type: none"> Concerned about knock on effect of phasing out funding across inter-linked advice agencies 	<ul style="list-style-type: none"> Many sectors including local government are in a challenging position regarding central government funding and lobbying activity for fair funding continues. We share DLCs concerns about inequality and underfunding by the Government with regards to Legal Aid.
<p>Derbyshire Unemployed Workers Centre – Full response is available at Appendix 6. Points made in addition to those made during the meetings:</p> <ul style="list-style-type: none"> Major impacts from welfare benefit changes nationally – particularly with move to universal credit Concerns about impact on client group, many of whom have disabilities and have experienced digital exclusion Importance and benefits of volunteering Lobbying and campaign work respected locally, regionally and nationally Asked to reconsider recommendations due to impact on vulnerable 	<p>Covered in responses above.</p>
<p>Links CVS – Full response is available at Appendix 7. Points made in addition to those made during the meetings:</p> <ul style="list-style-type: none"> Money provided is not a significant amount compared to other CBC expenditure but vital to Links Also receive core funding from Derbyshire County Council and Derby & Derbyshire ICB towards our core funding which helps to secure other project funding to develop and run compatible services to meet the needs of frontline VCS groups The initial 50% reduction of the core funding from CBC for the next two financial years will no doubt have a significant impact on capacity to provide support to groups operating or have coverage in Chesterfield There is no guarantee that the funding from DCC and DDICB will stay due to the challenging position all public bodies including local authorities and health care commission bodies are in 	<p>Covered in responses above.</p>