

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

5 SEPTEMBER 2017

REPORT OF THE HEAD OF FINANCE

TENDER FOR THE PROVISION OF ADVICE AND SUPPORT FOR PERSONAL INDEPENDENCE PAYMENTS (PIP) CLAIMANTS

1.0 Purpose of Report

1.1 The purpose of this report is to seek Cabinet approval to tender for the provision of advice and support for Personal Independence Payments (PIP) Claimants.

2.0 Connection to Corporate Improvement Objectives/Other Corporate Priorities

2.1 The report links to the following priorities in the Corporate Plan 2016-20:

- Smarter use of resources
- Supporting a successful economy

3.0 Background

3.1 Since December 2010, the corporate risk register has recognised the risk of the Westminster Government's implementation of welfare reform to the delivery of this council's aims and objectives. Whilst the roll out of welfare reform has been delayed since that initially envisaged by the coalition government, it currently has a residual risk score of 18 (vs a maximum of 24), placing it as one of the most substantial "headwinds" faced by the council in the delivery of our corporate plan. As such the council holds a one-off sum of £500,000 in earmarked reserves for the purpose of local mitigation of the impacts of welfare reform.

3.2 The finance service plan for 2016-17 included a goal to "work with other areas of the council to explore and implement further opportunities for joint working and/or commissioned services between finance service and the third sector". Mitigating Welfare Reform was identified as a key area for joint working/commissioned services and a working group was set up to develop this.

3.3 A cross functional working group was set up to develop an evidence base and proposals for targeted intervention. In view of the organisation's broad scope of support and access to primary data, the Chief Officer of the Bridgend branch of Citizen's Advice Bureau (CAB) was invited to join the working group, but has been excluded from any involvement regarding procurement/tender scoping.

3.4 The working group recognised that whilst there may be many areas of need against which investment could be made,

- Investment should only be made against a clear and unmet need
- Any proposal must clearly support the aims of the council

- Council funds will not be used in contradiction of national policy implementation

4.0 Current situation

4.1 A factbase was developed by the working group comprising national, regional and local data (according to availability) on a range of metrics. Key headlines from the evidence gathered are summarized in the bullet points below:

- There have been improvements in UK economic indices, and the number of local claimants of Jobseekers Allowance fell 46% between 2014-16.
- The number of local claimants eligible for Housing Benefit and Council Tax reduction had remained static between 2014-16. Further analysis showed that the number of claims had fallen – implying that the average duration of a claim has increased.
- Currently, there are around 1,000 households (<2%) impacted by the Bedroom Cap and an estimated 200-300 affected by the benefits cap of £20,000.
- Although numbers have fallen slightly between 2014-16, there remain around 10% of properties annually for which the council obtains Liability Orders from the Court in respect of unpaid council tax.
- According to the latest available data from DWP (April 2017), there are over 10,500 local residents in receipt of Disability Living Allowance (DLA) and over 4,000 for PIP, therefore totaling around 10% of all residents. DLA is not available for new claims with the exception of under 16s, and it is expected that DLA will be phased out or claimants transferred to PIP.
- Data shared by Citizens Advice Bureau showed exponential growth in requests for PIP claims support which could not sustainably be met. Of the PIP Appeals which were supported by CAB, around 70% were upheld,

4.2 A clear and compelling case to provide targeted support for PIP claimants. This was the overriding finding because of:

- The significant number of claimants in the County Borough – nearly 15,000
- The value of the benefit – up to £141/weekly and therefore its relative importance to the overall household income of recipients
- The scale of change in criteria/eligibility from the previous equivalent benefit – Disability Living Allowance
- The very high proportion of successful appeals – approximately 7 out of every 10 supported by Bridgend CAB
- The timelag between original determination/decision and appeal – anecdotally this can commonly be around seven months

4.3 As a consequence of the evidence set out above, a tender has been developed to deliver advice and support for current recipients of PIP and DLA and new claimants of PIP, with the objectives of:

- Helping the claimant make a correct claim to gain the maximum award based on valid eligibility
- Helping the claimant make a successful appeal in a timely manner if an original award is believed to be incorrect/based on incorrect or incomplete information
- Ancillary financial advice and support for claimants based on their needs

Against these objectives, there are two overarching aims for which tender scoring/monitoring will seek to ensure; that:

1. The funding provides additionality – i.e. that the successful tenderer uses the funding towards providing new or additional services to those which are currently available
2. Lasting outcomes are achieved by the contract – i.e. that when the funding ceases, claimants/award levels/appeal outcomes do not return to their current levels.

Council officers have engaged with representatives of the Department for Work & Pensions (DWP). DWP staff have confirmed their support in principle for this local intervention and confirmed that they believe it will fulfill a genuine need. However, Cabinet members should be aware that the council would be a “first” in this respect, as neither council officers nor DWP staff are aware of any other councils offering proactive support in respect of PIP claimants.

4.4 The estimated Procurement timetable is as follows:

Tender Issue	30/09/17
Closing date	30/10/17
Award	31/11/17
Contract Commencement	01/01/18

4.5 A provider event for interested parties was held in June 2017, at which six third sector organisations attended. Feedback from the event has been considered and built into the tender scoping as far as possible.

5.0 Effects on the Policy Framework and Procedure Rules

5.1 There is no impact on the policy framework and procedure rules.

6.0 Equalities Impact Assessment

6.1 Tender scoring will include an assessment of evidence of access statements to ensure equality of access to the service provision. The nature of the work to be provided is expected to positively impact on equalities groups.

7.0 Financial Implications

7.1 The council has one off funding of £500,000 set aside in an earmarked reserve. The proposed tender is for an eighteen month period with a value of £150,000, with an option for the Council to extend for a further period of a year (value of extended contract £250,000). This tender would therefore commit up to 50% of the available funding, leaving the remainder to be targeted towards emerging need as the roll out of universal credit continues.

7.2 The tender itself will not create a need for recurrent expenditure. Scoring of Tender responses will include an element of financial sustainability – i.e. how the tenderer will seek to ensure that the work will deliver a more permanent improvement after completion.

7.3 The tender will set a target return of at least £5 in annual benefit awarded for every £1 of tender value. This will include existing claimants of DLA transferring to PIP, recognising that maintaining the previous level of award can be challenging based on eligibility criteria. A full contract value of £250,000, including extension, would equate to supporting household income of £1.25 million for local residents. As such, the tender is expected to contribute towards supporting a successful economy, as well as reduce demand for council services, in particular those linked with household debt such as housing and council tax arrears.

8.0 Recommendations

8.1 Cabinet is asked to:

- Note the information contained in this report in relation to the business case behind the proposed procurement
- Approve the proposed procurement, up to a maximum value of £250,000 (including extension) to be funded from earmarked reserves
- Delegate authority to the Head of Finance to decide whether to award the contract extension at the appropriate time, based on successful delivery of the outcomes during the initial contract duration.

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Background documents:

None