

## **Community Regeneration Commission Report on the Impact of Community Grants Budget Decisions on Derby Citizens Advice Bureau**

1. The recent history of DCC funding of the CAB service in Derby was explored by the Community Regeneration Commission on 27<sup>th</sup> January 2004. The outcome was that Derby CAB received core funds which were £36,000 lower than it expected, DCC having decided that the tapered payments which started in 2001 should not continue in 2004-05.

2. This reduction in funding represented a 20% in DCC funding. The initial impact was the necessity of making the Operations Manager post redundant, representing one third of the bureau's operational management hours. The remaining staff had to share the extra management load while some of the gaps which occurred in the supervision of advice were filled by experienced and trained volunteers.

3. Due to quality assurance requirements for both Citizens Advice Membership and LSC Quality Mark it was still deemed necessary to reduce the levels of operational hours in order to monitor, maintain and improve existing quality standards with this reduced level of staff hours. Accordingly it was also decided to reduce the Bureau open door and telephone operating hours from 24 to 18 (a reduction of some 25%)

4. On the 17<sup>th</sup> May 2005 a new Chief Executive Officer was appointed after the departure of Stuart Chadbourne. The new CEO immediately set about revising the business plan which included a full operational and organisational evaluation of Derby CAB. He drew a number of key conclusions from the evaluation.

5. Operational: In terms of client experience and by measure of best value to stakeholders the bureau was performing well. The Key Performance Indicator chart attached (document 1) demonstrated that Derby CAB is delivering significant outputs and outcomes at a competitive cost. The business plan does demonstrate that there is significant demand which constantly outpaces supply of generalist advice and requests for help with debt. This despite the fact that the CAB negotiated on debts worth a total £16 million in 2004/05.

6. Organisational: While a number of the operational functions of the Operations Manager have been successfully devolved to other staff the business plan identifies two key areas where the management and administration of the bureau are lacking and an immediate remedy is required.

a) Financial Management: The CAB has no internal dedicated financial management position or even basic bookkeeping role. The financial management is delivered through a combination of the CEO (now only 30

hours per week) and the Treasurer. This is backed by a firm of accountants who provide limited financial reporting. There is now a crisis in that the bureau is finding it difficult to provide restricted funders (eg: NDC Derwent) with the type of financial reporting required by their funding agreements. Additionally there is poor cashflow management, inventory of tangible fixed assets and reporting to the board which is in contravention of the Citizens Advice Membership Scheme.

b) Volunteer Management: The Certificate in Generalist Advice programme is ably supported by a team of volunteer guidance tutors. Derby CAB has always delivered the initial training in this way. However once advisers are qualified there is no ongoing support to develop their skills and maintain competences. Additionally there is no active recruitment of volunteers. Both these issues raise questions about the long term sustainability of the volunteer workforce, a key element of advice delivery within the CAB service.

7. Solutions: In order to make advice services in Derby more efficient and in order to resolve some of the structural weaknesses identified within the business plan Derby CAB is currently in negotiation with Derby Law Centre with regard to a merger of the two organisations. However if the CAB is to remain a viable organisation without moving some of its paid staff resources from operation to management and administration the CEO provides a cost breakdown to the Commission (document 2) which reflects the additional income required to resolve the current difficulties.

### Document 1

	<b>2004/05</b>
Total Client Contacts	10948
Cost per client contact	£35.36
Confirmed gains	£418,134*
Issues per contact	2.4
Number of volunteers	65
Total debt negotiated	£15,659,146
Total debt written off	£448,487
Core advice hours per week	248
Sudbury volunteers hours per week	125
GP Outreach	33.5
Derwent outreach hours per week	46.5
LSC chargeable hours per week	47
<b>Total advice hours per week</b>	<b>500</b>
Ratio volunteers/paid staff	5.4/1

\*Figures only collected for part of year.

**Document 2**

<b>Rec 13 Volunteer training and Recruitment Officer</b>	<b>2005 rates</b>	<b>2006 rates</b>
Salary: Scale 6 @ 18.5 hours	£10,813	
National Insurance	£1,189	
Pension	£1,297	
<b>Sub-total</b>	<b>£13,299</b>	
<b>Rec 6/7 Finance Administrator</b>		
Salary: Scale 5 @ 18.5 hours	£9,828	
National Insurance	£1,081	
Pension	£1,179	
<b>Sub-total</b>	<b>£12,088</b>	
<b>Total</b>	<b>£25,387</b>	