

**FALKIRK COUNCIL**

**Subject: FRONTLINE SUPPORT FOR VULNERABLE PEOPLE – CAB  
RELOCATION**  
**Meeting: EXECUTIVE**  
**Date: 24 FEBRUARY 2015**  
**Author: DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES &  
DIRECTOR OF DEVELOPMENT SERVICES**

**1. INTRODUCTION**

- 1.1 The purpose of this report is to advise Members on initial proposals which are currently being developed by Officers with regard to a long term vision for a co-ordinated, multi-agency provision to support people at risk of, or living in poverty, within Falkirk Council area. The report also proposes foundation steps towards potential future models of service delivery, which includes the relocation of Falkirk Citizens Advice Bureau, and to ask Members to consider the allocation of support towards the cost of refurbishment of town centre premises for that organisation.

**2. BACKGROUND**

- 2.1 Members will recall reports presented to the Executive in May and December 2014 which provided an update on progress towards the outcomes of the Council's Poverty Strategy, Towards a Fairer Falkirk and also how the Council is responding to the welfare reform changes, which are anticipated to have an exacerbating impact on poverty.
- 2.2 The reports highlight that in order to help tackle the underlying causes, and mitigate poverty within the Falkirk Council area, in some cases our services must be delivered in new ways which make best use of internal and external resource and expertise and to ensure equity of access for vulnerable individuals. The services that are most relevant to the Council's response to tackling and preventing poverty include housing, homelessness, employability, debt and income maximisations and generalist and specialist advice services (e.g. mental health, substance misuse).
- 2.3 We are clear that whilst internal change is important, delivery of a holistic service will require collaborative working with external support agencies, which can provide services that add value to existing Council services. One such service is the Citizens Advice Bureau (CAB). The three CABs in the Falkirk Council area play a critical role in supporting vulnerable customers particularly in relation to the impact of welfare reform. They provide a range of impartial, independent advice and signposting including debt, income maximisation, employment and legal advice. The Credit Union also provide a valuable service, offering an alternative to payday lenders and for saving.

- 2.4 Development of a new model of service delivery, involving internal and external services working together to provide tailored packages of support to suit individual need, whether that be at the point of crisis, preventing crisis or sustainable actions beyond crisis, is a long term vision. The process for delivering such a vision will take time and careful consideration and planning to ensure the most appropriate co-ordination of provision.
- 2.5 Work is currently underway looking at how the Council's frontline services should be delivered to ensure vulnerable people are supported appropriately and effectively. This includes looking at how the Council's frontline services might be realigned to improve the customer experience whilst also delivering efficiencies. This work is being taken forward under the direction of the Welfare Reform Governance Group and will be reported to Members in due course. The conclusions and recommendations arising from the Understanding Customer Requirements are being considered as part of this work and will inform future service delivery, including arrangements for our current one stop shops and other local offices.

### **3. FALKIRK CAB**

- 3.1 Falkirk CAB is currently based in a property in Vicar Street. The property is leased from a private landlord at a cost of £17,000 per annum. This cost is covered via core funding paid to the bureau by Falkirk Council. The current lease term operates on a rolling 6 month basis with 3 months notice of termination.
- 3.2 Whilst the internal service review is undertaken, an immediate issue has arisen regarding the premises of Falkirk Citizen Advice bureau. Their current office inhibits delivery of service to meet current demand due to restricted space. In addition, the current property is not fit for purpose and has a number of condition problems which pose a significant risk to continued service delivery. A significant investment would be required to the current premises to make the premises fit for purpose. However, even with such investment, there is no potential to increase the capacity of the bureau either in terms of staff or service provision to meet increasing demand.
- 3.3 During 2013/2014, Falkirk Citizens CAB alone dealt with 5,305 contacts (of which 2,113 were new clients), presenting with a total of 17,037 issues. The bureau currently employs 5.5 FTE (8 people) and approximately 25 volunteers.
- 3.4 Falkirk CAB, and indeed the bureaux in Grangemouth & Bo'ness and Denny & Dunipace have reported a consistent increase on the demand on services over recent years. This has been due to a range of factors including the impact of recession, which particularly related to employment issues and resultant debt. More recently there have been changes introduced via Welfare Reform, which are still unfolding. It is worth noting that national government departments, for example the Financial Services Association (FSA), often promote Citizens Advice Bureaux as the 'go to' service. Whilst this recognises the quality of service provided by the CAB, it also has a significant impact on service demand.
- 3.5 There are three Citizens Advice Bureaux in the Falkirk Council area. These are Falkirk, Denny & Dunipace and Grangemouth & Bo'ness. All three bureaux receive core funding from Falkirk Council and have also secured external funding to augment service.

In 2013/2014 & 2014/2015, Falkirk CAB received £196,319 core funding, which includes an allocation from the Fairer Falkirk Fund. With regard to premises, Denny & Dunipace Bureau owns their premises and Grangemouth & Bo'ness pay a peppercorn rental to Falkirk Council (HRA account).

- 3.6 A property opportunity has been cited which could potentially provide an accommodation solution for Falkirk Citizens Advice Bureau, whilst also providing a potential future development opportunity in terms of co-location of services in order to provide a multi-service hub. Future development would be dependent on conclusion of the internal review; however this should not delay or prevent the CAB from moving.
- 3.7 Development Services has identified a potential property for CAB at 1-5 Meeks Road, Falkirk which is currently vacant. CAB has agreed in principle to take 3335 sq ft of the 6870 sq ft space at the property. This will provide CAB with statutorily compliant, fit for purpose office premises that would more than double the size of their existing premises, facilitating increased service provision. Partial usage of the building provides an opportunity for future development in terms of co-location with other services within the town centre location.
- 3.8 The CAB Board have undertaken options appraisals relating to operational and financial implication of remaining in the current premises versus relocating. Whilst there are significant costs associated with relocation, the benefit and opportunity in being able to deliver an effective service far outweighs the existing situation. Indeed, if the bureau is unable to relocate, there is a significant risk to the bureau's ability to safely and sustainably deliver future services.
- 3.9 The Board have been working towards identifying a new property for some time. In addition, one of the recommendations made by Scrutiny Panel in 2013 was that 'Council Officers work with Falkirk CAB to consider alternative premises arrangements for the future'.

#### **4. PREMISES PROPOSAL**

- 4.1 CAB's intended conversion of the property to an office requires an extensive fit out. It is estimated that this will cost in the region of £202,610 ex VAT. CAB has secured £50,000 from the Citizens Advice Scotland Development Fund and intends to provide a further £30,000 towards costs, from reserves. It should, however be noted that it is understood that £50,000 of the CAB's total £80,000 contribution will be subject to VAT and therefore, in effect, only £71,667 of this sum will be available to contribute to the fit out works.
- 4.2 The CAB has established that other external funders are not likely to fund the remainder of the fit out costs as this would be considered as an improvement to a Council asset. CAB has therefore requested that the Council fund the remainder of their fit out costs.
- 4.3 The sum of £50,000 can be provided from existing Development Service resources towards CAB's fit out works, subject to this amount being effectively rentalised. It is proposed that this will be paid by Corporate & Neighbourhood Services (£5k pa x 10 yrs), through the Fairer Falkirk Fund.

4.4 £80,943 is the outstanding balance required. It has been proposed that this is a one off payment from the Fairer Falkirk Fund and other appropriate miscellaneous service budgets.

4.5 In summary, the terms of the letting are proposed as:

- CAB to take 3335 sq ft of 6870 sq ft available space
- 10 year lease at a rental of £17,000 per annum
- To be a rent review after 5 years
- Development Services to subdivide the property and carry out dilapidations works.
- Arrangements regarding re-location are cited within the CAB Joint Working Agreement.

## 5. ADDITIONAL CONSIDERATIONS

5.1 The property in Meeks Road is presently marked for disposal as part of the Council approved Portfolio Management Plan. It is proposed to withdraw this property from the Plan pending this transaction.

5.2 This is the only Council owned property in the town centre that meets CAB's requirements and that provides potential for future service development in terms of co-location. The alternative to this Council property is that CAB would have to find another private property to relocate to which would involve the core funding CAB receives for rental going outwith the Council.

5.3 The proposal has been shared with Finance Services colleagues.

5.4 It is recognised that the most cost effective way for the Council to contribute to the fit out works is to project manage the works directly. This avoids contractors overlapping in works on the premises. Accordingly, the proposal involves the Council project managing the fit out. There is no issue with regard to state aid due to the nature of the CAB service.

5.5 It is estimated that with the Council project managing the fit out works, the timescale for completion of works would be approximately 11 months from the date of instruction.

5.6 If Development Services are required to refrain from marketing the remainder of the property whilst internal service review is undertaken this will present an opportunity cost to the Council of approximately £22,000 p.a. in terms of lost rental and rates costs. It is therefore proposed to accelerate work on this review to determine the requirement for additional property.

## 6. CONCLUSION

- 6.1 Review of services providing support to vulnerable people in Falkirk Council area, is ongoing. Options are being explored regarding how services may be reconfigured to provide a more holistic provision for those most in need, in the long term. This will be reported to Members in due course.
- 6.2 Falkirk CAB's current premises are not fit for purpose. The bureau is not currently able to deliver a service in line with current or anticipated future demand.
- 6.3 The relocation of the CAB to 1-5 Meeks Road, offers an accommodation solution with the following benefits:
- Falkirk CAB will have a fit for purpose premises, which will allow delivery of service in line with current demand;
  - Falkirk CAB's ability to meet with service demand will result in more positive outcomes for vulnerable individuals in terms of their ability to deal with the impacts of Welfare Reform;
  - The £17,000 currently paid as rental to a private landlord will remain within the Council, therefore investment in the fit out of the property could be considered as a spend to save;
  - The remainder of the building becomes more marketable; and
  - There is potential for future service co-location within the remaining space.
- 6.3 The total estimated cost of the fit out works for the CAB is £202,610 ex VAT. A potential funding package has been identified as follows:
- £50,000 from Development Services (£5k pa x 10 yrs from C&NS)  
£80,943 from the Fairer Falkirk Fund and other appropriate  
miscellaneous services budgets.  
£71,667 from Falkirk CAB. (£80,000 inc VAT).
- Total    £202,610**
- 6.4 The Council's contribution to the fit out works is to be capped at £130,943.
- 6.5 The Council's contribution to be subject to:
- i) CAB co-operation with ongoing service review and reference to this in future Joint Working Agreement;
  - ii) CAB obtaining planning permission for change of use to office;
  - iii) Receipt of £80,000 inc VAT from CAB; and
  - iv) CAB concluding missives of let for the property.
- 6.6 Upon confirmation of these conditions, the Council's Design team will be instructed to project manage the fit out. It is estimated that the timescale for completion of works from the date of instruction would be approximately 11 months.

**7. RECOMMENDATIONS**

Members are invited to:

- 7.1 Note ongoing review of services to support people at risk of, or affected by poverty, living in the Falkirk Council area and request that Officers report recommendations on conclusion;
- 7.2 Approve the funding package proposed at 6.3, which provides the total project cost of £202,610, including a capped contribution of £130,943 from Falkirk Council (to be conditional upon the suspensive conditions outlined in 6.5); and
- 7.2 Agree that Falkirk Council project manage the fit out of 1-5 Meeks Road for use by Falkirk Citizens Advice Bureau.

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**DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES**

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**DIRECTOR OF DEVELOPMENT SERVICES**

Date: 30 January 2015  
Ref: ABB24215LM - CAB  
Contact Name: Lesley MacArthur/Scott Livingstone

**BACKGROUND PAPERS**

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506260 and ask for Lesley MacArthur, Corporate Policy Officer or 01324 504997 and ask for Scott Livingstone, Property Surveyor.