

BIG LOTTERY FUND CONTRACT

1.0 EXECUTIVE SUMMARY

- 1.1 The Council has submitted a bid for financial inclusion services to the Big Lottery Fund in partnership with 8 other local bodies. The contract is worth up to £3.77m for the Argy

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2.0 INTRODUCTION

2.1 The Big Lottery Fund has gone out to tender for Financial Inclusion services for five areas across Scotland, one of which is Argyll and Bute. The estimated contract value for the Argyll and Bute lot is £3.75m including VAT. The contract would run from February 2017 to February 2020 with a further 6 months for wrap up. The council has submitted a bid along with a number of its community planning partners. If successful, the contract would be awarded in January 2017. Policy & Resources Committee is asked to formally approve this bid and the arrangements with sub-contractors should the bid be successful.

3.0 RECOMMENDATIONS

3.1 Committee to note a bid has been lodged with the Big Lottery Fund for financial inclusion services and if successful the contract would be awarded early January 2016.

3.2 Committee to note that the financial exposure to the Council is limited to the value of the support services delivered by the Council's Adult Learning and Literacy team, circa £45,000, in addition to a small portion of the operational costs in meeting the criteria for acceptance of the final version of the final report.

3.3 Committee to note that arrangements will be put in place for back to back contracts to be created and signed by subcontracts should the bid be successful. This would transfer the financial risks on delivering the o 0 Td (w)Tj 8.51602173 0 Td (o)Tj 6.523834238500

- Money Advice (CAB)
- Income Maximisation (CAB, ACHA, Allenergy, Argyll Networks, Carr Gomm, KYES, HELP)
- Digital Inclusion (Council, HELP)
- Fuel poverty (Allenergy)

4.2 This contract will benefit the citizens of Argyll and Bute by providing them with financial inclusion services which would not otherwise be available. In particular, this is the first time that the various partners will have worked together in this way to provide a holistic, person-centred service providing all the elements of assistance with fuel poverty, money management skills, debt advice and assistance, income maximisation and digital inclusion. Funding will be used by the various agencies to employ additional staff and to assist many people who would otherwise not receive any help and continue to struggle. This is particularly important to our area as we have one of the highest rates of fuel poverty, and also in view of reducing welfare funding which is increasing in-work poverty. Research has shown clearly that people do not actively seek assistance until they reach crisis point. The mix of services being offered, particularly through fuel poverty advice which has much less stigma, allows us to reach out earlier, to help people before they get to crisis point.

4.3 The maximum contract value is £3.77m and this is split into three categories: operational costs, support costs and key performance indicators. The split per category is noted in the table below.

COSTS	£	% OF TOTAL CONTRACT COST
OPERATIONAL COSTS	377,000	10%
SUPPORT COSTS	3,016,000	80%
KPI PAYMENTS	377,000	10%
TOTAL COSTS	3,770,000	100%

4.4 The table below outlines the minimum target for the tender alongside the targets agreed with the partners for what would be deliverable across Argyll and Bute. It is envisaged that partners will be able to over perform these targets and hence reduces the overall risk that the partners bear.

CATEGORY	MIN. NO. OF ELIGIBLE PARTICIPANTS (EP)		CONTRACT OUTCOME 1: EP with improved money management skills		CONTRACT OUTCOME 2: Min. No. of EP no longer affected by debt as a barrier to social inclusion	
	Male	Female	Male	Female	Male	Female
MINIMUM TARGET PER TENDER	694	848	308	375	154	188
TARGET OF PARTNERSHIP	707	864	373	423	154	196
DIFFERENCE - OVER/(UNDER) TARGET	13	16	65	48	0	8

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these. Partners will be encouraged to overperform and hence meet targets earlier, reducing any risk of not meeting the agreed targets.

Risk

- 4.11 The risk to the council will be limited by the back to back contracts with subcontractors who will be responsible for providing the bulk of services. The subcontractors will be responsible for ensuring ESF requirements are met in checking eligibility of participants and that they maintain appropriate records for supporting payment claims. The Council is exposed for this risk only for the services delivered by Adult Learning and Literacy (expected to be circa £45,000), and in meeting the criteria for acceptance of the final version of the final report.
- 4.12 A full risk register is attached at Appendix 1. Risks will be carefully monitored by the project board which will be responsible for monitoring the contract throughout its life. These will be reviewed and updated at each meeting of the board.

5.0 CONCLUSION

- 5.1 Policy and Resources Committee is asked to approve

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9 December 2016

For further information please contact Judy Orr, Head of Customer and Support Services Tel 01586-555280 or Fergus Walker, Revenues and Benefits Manager Tel 01586-555237

Appendix 1: Risk Register

Description	Prob (low 1- high 3)	Impact (low 1- high 3)	Value (1-9)	Action to mitigate risk
KPI Risks				
KPI 1: Risk of not meeting				

Description	Prob (low 1- high 3)	Impact (low 1- high 3)	Value (1-9)	Action to mitigate risk
Risk of failure to comply with ESF requirements	1	3	3	with partners will pass on all risk associated with this to partners. Contract manager will undertake regular reviews with partners to ensure proper records are retained. Expert advice will be provided by Council's European Team. Back to back contracts with partners will pass on all risk associated with this to partners.
Risk of failure to meet BLF's contractual conditions including committing a material breach	1	3	3	Contract manager will undertake regular reviews with partners to ensure that all CLF contractual conditions are met throughout contract term. Back to back contracts with partners will pass on