

BIS has commissioned an independent value for money review of Citizens Advice and Citizens Advice Scotland.

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## **Executive Summary**

BIS has commissioned an independent value for money review of Citizens Advice and Citizens Advice Scotland. The reviewer was asked to address three questions

### **Which activities does the Government need to fund and which might be funded from other sources?**

The services which Citizens Advice and Citizens Advice Scotland provide are in the main directed at support for their networks of bureaux. In addition they run a website for the public giving direct advice, and they lobby and advise public and private sector organisations on issues of concern to their clients.

These services are very largely “enabling” services which are of no interest to private sector funders. It is efficient to provide them centrally for 450 bureaux. If bureaux were charged for these services they would need to seek funding from Local Authorities to pay for them. This is most unlikely to be agreed as LA resources are used to fund advice to clients. If the activities are to continue they need to be funded by government.

### **Do Citizens Advice and Citizens Advice Scotland provide good value for money?**

First, over the last five years the core grant from government has declined by 5.5% a year in real terms while the activities and outputs of the bureaux supported by core funds have increased. Second, the services supported by the core grant are valued by bureaux and, with some reservations, by a range of stakeholders. Examples are given from performance indicators, outputs and outcomes that demonstrate core funds have provided value for money.

### **Are the ways in which they are governed suitable for their needs?**

Recent changes make the governance arrangements in Citizens Advice suitable. In Citizens Advice Scotland there is a number of features which give concern. The whole Board is elected annually, is nineteen strong, and is required to be drawn almost entirely from Citizens Advice staff and volunteers. In Citizens Advice Scotland substantial change is needed to provide a structure which permits effective strategic direction.

## Introduction

This report is an independent value for money review of Citizens Advice and Citizens Advice Scotland. The review seeks to address whether the current way in which Citizens Advice and Citizens Advice Scotland operate will meet the needs of the future, including the needs both of the Citizens Advice service and its funder, what scope there is for improved effectiveness, impact and efficiency, and whether they continue to provide good value for money.

The Department for Business, Innovation and Skills (BIS), which commissioned this review, provides core funding of about £21.9m (2010/11) in total to Citizens Advice and Citizens Advice Scotland. BIS acts for government as a whole, including, in the case of Citizens Advice Scotland, the Scottish Government.

The terms of reference of the review state that “The main functions of Citizens Advice and Citizens Advice Scotland are to develop, support, represent and lead the citizens advice service; set and maintain standards; and to translate the experience of bureau clients into evidence-based policy inputs to government, other policy makers and public and private sector service providers.”

Since the last review of core funding for Citizens Advice and Citizens Advice Scotland in 2006, the world in which the organisations operate has changed and more change can be expected. Demand for bureau services is increasing, partly as a result of the recession. At the same time, the financial climate for Citizens Advice, Citizens Advice Scotland and the bureaux is becoming tougher. There will be increasing pressure on them, individually and collectively, to demonstrate impact and value for money.

The review focuses on Citizens Advice and Citizens Advice Scotland as organisations, taking as baseline the review of 2006. However, it has to be recognised that Citizens Advice and Citizens Advice Scotland are part of the wider Citizens Advice service and that they operate as membership organisations with responsibilities as registered charities. Citizens Advice and Citizens Advice Scotland are inextricably linked to the way the bureaux themselves operate. Any changes to Citizens Advice or Citizens Advice Scotland may have a knock-on impact on the bureaux which cannot be ignored. Similarly, any changes to the functioning of the bureau service may have knock-on impacts on government departments.

The key questions for the review are as follows:

“Looking ahead to say 2014 and considering the changing advice landscape and increasing budgetary constraints and focusing on BIS core funding

Which activities does the Government need to fund and which might be funded by other sources?

Do Citizens Advice and Citizens Advice Scotland provide value for money? (To cover resources put in by BIS and the available evidence on outputs/outcomes)

Are the ways in which they are governed suitable for their needs?”

## Approach to the evaluation

In carrying out the review, Citizens Advice and Citizens Advice Scotland were asked to prepare a note on the progress that each had made since the Zero Based Review by the Department of Trade and Industry in 2006. They supplied further papers to set the scene and subsequently responded to requests for specific information on many aspects of their work as the review progressed. The major pieces of written work referred to are listed in Annex 1 to the report. They will be retained by BIS as the commissioner of the review.

Discussions were held with Citizens Advice/Citizens Advice Scotland staff members, and a small sample of bureau managers in England and Scotland was interviewed. The principal government stakeholders, including those receiving advice on policy issues and those commissioning projects involving Citizens Advice/Citizens Advice Scotland, were approached for their views, along with some private sector funders of bureau work through Citizens Advice/Citizens Advice Scotland. A full list of those interviewed is attached as Annex 2.

The review was largely carried out in September 2010. Considerable assistance was given to the reviewer by Pete Watson and Gerry Pimm of Citizens Advice and by David Brownlee of Citizens Advice Scotland. Their help was especially appreciated.

## Response to Key Questions

### **Which activities does the government need to fund and which might be funded by other sources?**

This question is about the use of the core funding provided to Citizens Advice and Citizens Advice Scotland by BIS on behalf of the UK government, and about the prospect for funding activities by other means. The issue of value for money in the use of core funding is addressed separately in the second key question.

Citizens Advice and Citizens Advice Scotland have been provided with core funding by BIS and its predecessor departments for many years. This funding allows the organisations to meet their aims, namely to

- develop, support, represent and lead the Citizens Advice Bureau service
- set and maintain standards in the service
- translate the experience of bureau clients into evidence-based policy inputs to government, other policy makers, and public and private sector service providers.

Of the three aims listed above, the first two are largely addressed by considering the services which Citizens Advice and Citizens Advice Scotland supply to bureaux under the core budget. These are aimed at putting the bureaux in a position to give quality advice to clients. There is a membership agreement between each bureau and the appropriate central organisation which regulates their relationship. It provides for regular quality audits against

agreed standards, with accreditation providing assurance to clients and funders that standards have been maintained. Extensive support services for bureaux are available, and heavily used by bureaux, covering advice for clients (AdviceNet), advice on management and employment issues, training for bureau paid staff and volunteers, IT services and capital for developing new ventures, bureaux mergers and so on. The nature and scale of these support services is discussed between the bureaux and Citizens Advice/Citizens Advice Scotland, and their effectiveness is assessed through a regular survey of bureau staff.

The third aim of the organisations, to take the experiences of bureau advisers and their clients, and to turn the individual experiences into a convincing set of evidence-based comments on policy to government, to other public bodies, or to public and private sector service providers, is heavily dependent on co-operation between bureaux and Citizens Advice/Citizens Advice Scotland, and increasingly on an effective IT network that permits data accumulation and manipulation. Its effectiveness also depends on sensitive and persuasive presentation of the data by Citizens Advice and Citizens Advice Scotland. Such evidence is drawn on by Citizens Advice and Citizens Advice Scotland staff when they are consulted by government or other organisations.

All of these aims require “enabling” operations which are largely invisible to the clients who receive advice or even to the policy maker in a government department or senior manager in a utility company or bank who is advised of shortcomings in the services they provide.

The services supplied by Citizens Advice and Citizens Advice Scotland under BIS core funding are fundamental to the efficient and effective operation of the bureaux in giving advice to clients. When Citizens Advice Scotland has looked at buying-in services the cost in every case would have been greater. Without a central service there would be heavy and costly repetition of activities in individual bureaux, the quality of advice would be variable and uncertain, and policy makers would find it much harder to collect information about the impact of their policies on the public. If bureaux had no access to support services, there would be a progressive and, in some respects, potentially rapid, collapse of the ability of bureaux to function effectively. Advice provision would deteriorate in quantity and quality.

There is no definable attraction for the private sector as a potential funder of any of these activities. None has been found in the past. Public recognition of private sector support, an important motivator and objective for such funders, would be negligible. However, funding has been provided by companies from the financial services sector, and by charitable foundations, for other activities of the Citizens Advice network, and especially those that provide direct benefit to individuals through bureau projects associated with education or advice. Competition with such projects, as well as with the huge range of charities which deliver an observable impact on individuals, is another reason for funders to make the choices they have. The government is the only source of finance for Citizens Advice and Citizens Advice Scotland to achieve the aims given above.

It could be argued that bureaux should pay Citizens Advice and Citizens Advice Scotland for the services they provide. There could be advantages in charging for services, of which the most important is probably providing a proxy market signal both to providers and consumers. However the disadvantages are formidable. If funding has to come from the government for this, as argued above, the only feasible alternative to central government is local government. The cost and disruption of seeking replacement finance from Local Authorities

would be considerable. Local Authorities are at present major funders of advice- giving in bureaux, although there are expectations of reductions after the government's review of public expenditure in October. The likelihood of Local Authorities providing additional finance to make up for the withdrawal of core funding by BIS is small at the best of times, and, in current circumstances, remote.

If BIS did not fund core services, bureaux might be tempted to try to use part of the Local Authority support grant to buy Citizens Advice/Citizens Advice Scotland services rather than provide advice to clients. The consequence would be that bureaux could deal with 15-20% fewer clients (the reviewer's estimate). It would only be possible if Local Authorities agreed that they could divert resources from advising clients to buy Citizens Advice/Citizens Advice Scotland services, which is very doubtful. The political upheaval at national and local level of a withdrawal of core funding by central government might provide additional impetus for individual Local Authorities to reduce or remove support for bureaux rather than increase or maintain it.

The response to the first question is therefore that **central government needs to continue to provide core funding to meet the cost of activities in support of bureaux**. There is no feasible alternative.

The arguments above hold for all of the activities carried out by Citizens Advice and Citizens Advice Scotland in meeting their aims, which cannot readily be differentiated in principle in their suitability for public funding, although they could offer different value for money.

### **Do Citizens Advice and Citizens Advice Scotland provide value for money? (To cover resources put in by BIS and the available evidence on outputs/outcomes)**

In most respects, Citizens Advice and Citizens Advice Scotland work through the bureaux, putting them in the position to give good quality advice to clients. The purpose of the core funding from BIS is to support staff and investment in the two organisations rather than to finance bureaux directly. However, Citizens Advice and Citizens Advice Scotland also lobby, and are consulted by, government and other organisations, drawing on the experience of clients seen by bureaux; and they support a website giving advice to members of the public.

The services provided by Citizens Advice/Citizens Advice Scotland to bureaux are not charged. Nor are the advisory services that bureaux (and Citizens Advice/Citizens Advice Scotland) provide to the public. The BIS core funding very largely meets the cost of the services to bureaux. The cost of advice to the public is met by a range of funders, of whom Local Authorities are the most important, although central government, agencies, other public bodies and the private sector also contribute significant sums, often for specific kinds of advice or preventative measures. Details are set out in the annual accounts of Citizens Advice and Citizens Advice Scotland.

There are serious difficulties in quantitative assessment of value for money or in other words the impact/effectiveness and efficiency of Citizens Advice/Citizens Advice Scotland. Client financial gain and indeed poverty relief is a huge benefit to the quality of life of clients and this can in some cases be measured through follow-up by bureaux. Where gains are estimated it is sometimes hard to ascribe responsibility for the benefits between active partners who all contributed in some measure to help the client, or to lobby for change.

There are other benefits from receiving and acting on advice, including better health, stress relief, recovered self-confidence, and so on. The scale and significance of these softer benefits is even harder to estimate. Finally, separating the impact of Citizens Advice and Citizens Advice Scotland from that of the bureaux they support is possible to only a limited extent.

Unsurprisingly from this discussion, there is no formal benchmarking information for Citizens Advice and Citizens Advice Scotland. However, Key Performance Indicators (KPIs) have been agreed by BIS for Citizens Advice and Citizens Advice Scotland over the past few years, and the reports from both organisations provide evidence for value for money. Other evidence comes from survey data. A range of such evidence is included in this section under the discussion of the relevant service. The discussion of value for money is set out in two parts

- Core funding and bureau funding since 2006
- Description and analysis of key Citizens Advice/Citizens Advice Scotland activities

Over the past four years, the nature and scope of the services provided to, and found of use by, bureaux, government and others has increased in range and complexity, reflecting for example increasingly complex employment legislation.

In 2005/06, the core funding paid to Citizens Advice and Citizens Advice Scotland was £26.8m. This was cut by 9% between 2005/06 and 2006/07. It was then broadly constant until 2009/10. Between 2009/2010 and 2010/2011 a cut of almost 12% was imposed, 9% of which was announced after the start of the year. The core funding for both organisations in 2010/11 will amount to £21.9m. These figures are in cash terms and do not take account of inflation. The RPI shows an increase of 11.3% between the second quarter of 2006 and that of 2010. It follows that the two organisations have had the core grant from BIS cut by 28% in real terms over the five year period.

This has required Citizens Advice and Citizens Advice Scotland to rationalise and improve the efficiency and effectiveness of their services, and the period immediately after the last review in 2006 was one of major rationalisation for both organisations. Subsequently Citizens Advice and Citizens Advice Scotland had to continue to look for improvements in operational efficiency, although less rigorously until the current year. The organisations have responded to the second major reduction in funding, as in 2006, by short-term decisions to balance the books, involving redundancies, restricting supply of some services, and reduced investment. As both organisations acknowledge, the decisions taken are not optimal for the medium and long term. A strategy for the four year planning period can only be established once the way forward on core funding, and on many other aspects of income, is clearer. If BIS maintained the grant in 2011/12 at the same level as for 2010/11 a good deal of restructuring and re-prioritisation would be needed. Further reduction in core funding would call for drastic surgery.

The pressures of a reducing core grant have been accompanied by a period of expansion in project funding for bureaux activities, in which Citizens Advice and Citizens Advice Scotland have participated as bidders, managers, and providers of support services on behalf of, or for, bureaux which deliver the programme to clients. The total income of Citizens Advice has



increased from £37.6m to £65.2m (55% in real terms) while in the case of Citizens Advice Scotland, total income has increased from £3.71m to £4.96m (20% in real terms).

The funding of such project work normally reflects full cost recovery for the activity. This may include an element of contribution to standing costs in Citizens Advice/Citizens Advice Scotland. This has provided a degree of cushioning to the central organisations over the past few years as they have sought to deal with progressively tighter budgets to meet core costs. For Citizens Advice, this amounted to £1.7m for 2009/10.

There are two points to draw from this for the discussion on value for money. First, over the medium term, core funding has been cut substantially in real terms, by an average of 6.5% a year over the past four years. Second, over the same period the bureaux have used the support of Citizens Advice and Citizens Advice Scotland to provide for an increase in advice to clients. The volume of activity in the bureaux has increased by roughly 10- 15% a year judging by the number of client issues handled, while website use has increased by 250% over the four year period. These facts are positive in assessing the value for money of the organisations.

The climate facing the central organisations and the bureaux is becoming increasingly wintry. There is the present squeeze on core funding, with the threat of further tightening following the government-wide search for expenditure cuts to be announced in October. The likelihood of a reduction in funding for one-off projects such as the Additional Hours of Advice will reduce the scope for the positive contributions to overheads mentioned above. Local Authorities are themselves scrutinising their expenditure, including no doubt their funding of bureaux. In one or two cases support from this quarter has already been withdrawn. A number of significant programmes which have provided project funding will come to an end shortly, and replacement programmes have not yet been agreed, and are by no means certain to go ahead. Future funding for Community Legal Aid Centres, which involve over 200 bureaux in England and Wales, is under review. The government is also reviewing the whole of its commitment to support for money advice, much of which is provided by bureaux. And in an increasingly competitive market there is no certainty that a given contract will be won by the Citizens Advice network. An example of this is the three-year contracts awarded on 9 September by the Consumer Finance Education Body. Citizens Advice Scotland was in a winning partnership in Scotland, and bureaux in Wales will deliver there through Citizens Advice, but Citizens Advice was not selected as the contractor in England.

The likelihood is that in the current economic climate of slow and uncertain growth and the decision by government to reduce public spending significantly for a number of years the whole Citizens Advice network will face a period of retrenchment. Demand is however likely to increase as the forthcoming squeeze on public sector employment and on benefits bites.

## **Description and analysis of key Citizens Advice/Citizens Advice Scotland services**

The services provided under core funding are described below, including progress made since 2006. Brief comments from users or stakeholders are included in the following account. A number of performance indicators is included.

Overall English and Welsh bureaux saw 2.1m clients with 7.1m advice issues and a survey of a large sample showed that 95% were satisfied with the advice received. For Scotland, the corresponding figures were 269k clients (2008/09) and 545k advice issues (2009/10) and a satisfaction rate of 93%, with the additional information that 98% of clients would recommend the bureaux to friends. About 40% of those surveyed in Scotland had used a bureau at some stage. The top issues for both organisations are debt/benefits which together make up over 55% of all issues. Next come employment and then housing.

### **Quality of advice and accreditation**

The quality of advice given to clients is rightly a matter of concern to Citizens Advice and Citizens Advice Scotland. Their reputation is high, and that has been won through the provision of advice to many millions of clients over the last 70 years. Clients need to feel confident that they will be advised well, that confidentiality will be maintained, and that they will get effective help, when needed, in dealing with third parties. In the Citizens Advice network, the responsibility for quality lies with each bureau and its staff. However, Citizens Advice and Citizens Advice Scotland have an important role in setting standards across the network of bureaux and in ensuring that these standards are maintained. To deliver this objective, Citizens Advice and Citizens Advice Scotland have methodical systems for the accreditation of bureaux. Bureaux are audited in an orderly cycle. In Scotland, the proportion of bureaux passing the audit first time increased by 31% between the first and second cycles of audit, and by a further 5% on the third cycle. At the same time the required standard for a pass was raised.

When bureaux fail to meet the standards, support services from Citizens Advice and Citizens Advice Scotland assist them to improve quickly, concentrating on areas of weakness. Persistent shortfall in performance at audit can be addressed through tough action by the board of trustees/directors of the central body, but such steps are rare.

The accreditation service is welcomed by bureau managers. It was specifically mentioned as of high value in a couple of cases, with managers citing its use as a management tool in the bureau as well as a means of demonstrating to the public that standards were high. Stakeholders on several occasions commented favourably on the accreditation process and on the standards that were set. Stakeholders who felt able to comment on the quality of advice services commented that they were variable, being in some cases very good, but that they generally delivered an acceptable standard. There was one more critical assessment on a programme delivered by Scottish bureau on kinship care for the Scottish Government. Some users of this new service considered that they had received poor advice. Local Authorities were mixed in their views, expressing both compliments and criticisms.

## **Services to bureau management and bureau boards**

Citizens Advice and Citizens Advice Scotland provide a wide range of services to assist bureau management and the board. This includes specialist help over the phone from experts, an extensive specialised IT system, and the regional network of advisers who visit bureau and give face-to-face guidance on practical and strategic issues of concern to managers. The services are changed to meet the needs of the bureau. These needs, and priorities amongst them, are established by formal and informal surveys, and by discussions at meetings of Trustees or Directors. The value of the electronic management information system, BMIS (provided by Citizens Advice in England and Wales and by Citizens Advice Scotland in Scotland), was recognised in the discussion with bureaux, which spontaneously raised services from Citizens Advice as part of the glue which held the service together and allowed the bureaux to operate a lean management structure. A trustee commented favourably on the support available from Citizens Advice in dealing with a crisis on the board of trustees.

A related issue is network development, where Citizens Advice Scotland has a strategy to extend network coverage, with six probationary bureaux receiving assistance to allow them to meet the standards for acceptance as members. Citizens Advice on the other hand has a strategy, set out in a formal plan, which sees advantage in the merger of bureaux to provide larger, more efficient units corresponding to Local Authority areas. Over five years, the number of bureaux in England and Wales might reduce to about 250 from 394 at present, although the number of outlets would not be reduced. Both organisations have staff with expertise to help bureaux realise their strategies.

## **AdviserNet**

Advisers in bureaux rely heavily on AdviserNet, an IT-based guidance and information system which is provided by Citizens Advice and Citizens Advice Scotland working together. Staff in Citizens Advice and Citizens Advice Scotland take the lead in preparing new advice, for example when legislation is introduced or the operating practice of statutory agencies is changed. In addition, the guidance prepared by Citizens Advice for England and Wales needs to be checked for its relevance to Scotland, and a fair proportion of new material requires amendment. This calls for a rapid and reliable writing and editorial service in both organisations. The system is now well established as the authoritative source of guidance for bureau- and other-advisers, with over 1500 separate information items. It achieved 98% approval ratings in surveys of bureau staff.

AdviserNet is sold to over 700 external organisations, generating income of £412k for Citizens Advice in 2008/09.

## **Electronic case recording system**

Citizens Advice and Citizens Advice Scotland have taken different approaches to the use of IT in case management. At the last review in 2006, Citizens Advice had installed the CASE network but it was not then fully in use in all bureaux. CASE is now fully deployed in all bureaux in England and Wales, and stakeholders have noted that the evidence provided by Citizens Advice to support its advice to government on policy issues has improved significantly, although some stakeholders considered that it could provide more powerful factual evidence of the points Citizens Advice made on behalf of the bureaux. Citizens

Advice states that the number of client outcomes registered on CASE increased from 30k in 2005/06 to over 200k in 2009/10.

With the initial commissioning of the CASE system having begun in 2002, the technology has become dated, and indeed the review heard from users both messages of support and messages of complaint about the limited capability of the system which is said to be “clunky” and not user-friendly. The satisfaction rating for CASE by bureau advisers fell from 71% to 65% between 2008/09 and 2009/10.

Citizens Advice has been examining the specification of a replacement for CASE for some time and in preparation for this has negotiated a new contract with Logica. The intention is to install a proprietary system from Microsoft which would overcome current problems and allow a great step forward in linking case management to all ways in which clients can gain access to the bureaux. This would require significant investment.

Citizens Advice Scotland did not receive funding for a case management system at the same time as Citizens Advice. At the last review in 2006, it had developed the CASTLE system to meet its needs, with the help of an external software house. CASTLE has been introduced to most bureaux in Scotland, with grant assistance from BIS and the Scottish Government. The grant will come to an end in March 2011 but there are at present still ten bureaux without CASTLE. Citizens Advice Scotland said that the completion of the network to all bureaux is more problematic following the end of project funding in April 2011, as the costs of CASTLE have to be borne by the core Citizens Advice Scotland budget. The maintenance costs of the CASTLE system are high, at almost £250k a year. After discussion on participation in the new Citizens Advice case recording specifications, Citizens Advice Scotland is awaiting a first build of the new Citizens Advice design, and better understanding of likely additional costs, prior to any decision on the use of any new IT system.

Stakeholders have noticed an improvement in the quality of information supplied by Citizens Advice Scotland as a result of the installation of CASTLE, although in their view there is still some way to go on the collection of statistics on the system, not just through the completion of the network but through better use of the available data. One Scottish bureau which had installed CASTLE six months ago was delighted with its capabilities. Another bureau manager saw the need for the statistical evidence gathered by Citizens Advice Scotland to be developed further for bureau use.

### **Training and volunteers**

Citizens Advice and Citizens Advice Scotland are heavily engaged in providing training for bureau staff, as well as for their own staff. The two organisations have in the past adopted a different approach to training new advisers, the greatest single training requirement in the Citizens Advice service. There are over 24,000 volunteers at any one time, but the rate of turnover is high, with up to 30% leaving each year. On the positive side, a good proportion (around 40%) of leavers go into employment or full-time study, with their skills and self-confidence enhanced by their time as a volunteer. Citizens Advice Scotland operates a cascade system whereby one or two from each bureau are trained as tutors and pass on the knowledge and skills to others. This is supported by a range of materials available electronically, including e-learning, and special arrangements have been introduced to ensure that training reaches the most remote bureau in the Highlands and Islands. Citizens Advice has in the past relied on more traditional methods of face-to-face training, but has in

recent years moved to embrace electronic training, partly to reduce costs. The organisations are together examining alternative ways of meeting training needs, including further development of e-learning.

Training is an essential part of the induction of new volunteers. It is also needed to keep staff up to date in developments in the service, in changes in legislation, and in best practice in advice-giving. There are scale efficiencies in organising training at the centre and standards can be more easily maintained through this approach. Discussion with bureaux confirmed that training services were generally highly valued. Bureau satisfaction with training provided by Citizens Advice Scotland is well over 95%. Where stakeholders mentioned training in Citizens Advice or Citizens Advice Scotland they thought that it was effective and well delivered.

Citizens Advice has a strategy for the further development of its staff, and there are two areas in particular where it is beginning to break new ground. It has been examining the role of volunteers in bureaux. It has agreed and is about to implement a new set of policies, “ Vitality –volunteer strategy”, which will offer a much wider range of opportunities to volunteers, including specialist posts in finance, IT, research, and administration, and as Gateway advisers (see below). At the same time it recognises the need to reduce the rate of loss of volunteers, although proposals here are more limited. Citizens Advice wishes to increase volunteer numbers by 4000 by 2014, at the same time seeking to increase their diversity. This is an ambitious, although cogent, plan which will require careful management by Citizens Advice and in bureaux, especially in seeking to counter losses of volunteers to employment and education as the economy recovers, and in ensuring that the heightened expectations of volunteers can be met. The plan to an extent recognises that progress has already been made in some at least of the bureaux, since interviews with a sample of managers showed that they had introduced innovations in the use of volunteers which matched some of the proposals in the plan. This reduces the risks of failure.

In Scotland, Citizens Advice Scotland seeks to recruit an additional 500 volunteers, an increase proportionate to that proposed by Citizens Advice. It has established plans for more extensive deployment of the volunteers in activities such as those listed above for Citizens Advice. Citizens Advice Scotland has succeeded in attracting support over five years from the Big Lottery Fund to increase diversity amongst volunteers. However, as for Citizens Advice, the execution of the plan will be resource intensive and its priority will need to be determined by the Board of Directors as part of its strategy for the new planning cycle.

Citizens Advice has further plans for developing senior staff, including trustees, through a leadership programme which would offer learning opportunities for up to 900 staff in bureaux and Citizens Advice itself. A scheme has been developed with CASS, the management school of the City of London University, which would provide a range of courses, mentoring experiences and other opportunities aimed at developing the skills of top level managers, and to some extent at identifying and preparing the next generation of leaders. This is a desirable step forward in improving professionalism, reinforcing standards and culture, and motivating senior staff. It is analogous to the plans adopted by many large and successful organisations in all sectors of the economy. Once again this programme will need considerable funding, starting next year. Citizens Advice Scotland currently provides a management training programme for managers and bureaux trustees which aims to increase

bureaux management expertise and strategic planning. In 2010-11 more than 120 staff and trustees will benefit from this programme.

### **Access to advice**

**Face-to-face advice** remains the keystone of the approach to dealing with clients, and the one that is considered essential in many cases, although it is increasingly replaced or supported by other channels, as described below.

**Adviceguide** is the website for public use developed by Citizens Advice, with parallel activity by Citizens Advice Scotland in the same way as for AdviserNet to ensure that the advice is amended where necessary for Scottish users. The website appears easy to use, comprehensive, and well designed for use by smart mobile phones.

Its use has increased dramatically over the past few years, and it had 7m unique users with 10.5m hits in 2009/10. This is a substantial proportion (around 15%) of the adult population of the UK, although a MORI survey for Citizens Advice Scotland showed that awareness was poor amongst 16-24 year olds. Use is increasing at about 20% a year. Discussions with the bureaux show that the website is also a tool in the daily work of advisers, alongside AdviserNet, both in face-to-face work and in telephone work. Bureau staff thought that it was excellent. Some topics, for example tax (11 times as likely), consumer goods and services (5 times as likely) and travel (4 times as likely) occur more frequently in website visits than in advice sessions.

This suggests that Adviceguide opens up Citizens Advice services to a wider group of customers than to those who seek advice in the bureaux. Although it clearly cannot replace face-to-face advice for the more complex cases, for those without access to the internet, or for those in desperate need, it provides an easy-to-use and powerful source of advice for those who require some help to resolve problems. Adviceguide should be able to achieve further penetration, as Citizens Advice and Citizens Advice Scotland assume in their forward thinking, especially with some development and better marketing. The two organisations intend to increase the level and range of self-help material on the website, including sample letters for users/clients. Its use greatly extends the penetration of Citizens Advice and Citizens Advice Scotland services and has an impact on demand for bureau services, in that diversion of potential clients to the website from more resource-intensive advice in bureaux should help to meet increasing demand. This is an excellent contribution to value for money in the provision of advice.

On the use of **telephones**, access to bureaux services was traditionally achieved by calling at the office or phoning the bureau direct. However, capacity limits within bureaux on the number of clients who could be handled has in many cases restricted severely the times of opening the bureaux, and their satellite outlets, both to drop-in clients and to phone callers. This is a cause of concern for members of the public raised in surveys carried out by Citizens Advice/Citizens Advice Scotland. In a survey 85% of Scottish clients said that they wanted more convenient opening hours. The 2006 review recommended that both organisations should give priority to establishing a national telephone service as a means of addressing demand for longer opening hours in bureau and dealing with simpler problems. This has not yet been achieved for a range of reasons, which appear to include lack of drive on the part of Citizens Advice and Citizens Advice Scotland as well as of appropriate stimulation-mainly finance- from government.

However, progress has been made, with rather different arrangements in Scotland and England and Wales. In Scotland early innovations in Glasgow led to the formation of Citizens Advice Direct (CAD), a national call centre which aims to deal with over 40k clients a year, some 22% of contacts with the service. This operates a triage system, dealing with clients' issues on the spot where it can (including reference to Adviceguide) and referring complex cases to the local bureau, or signposting to other advice providers. CAD also provides cover for some bureaux when their own phone systems are closed, but this is not a universal service. There is no electronic link between the call centre adviser and the bureaux case management system. CAD has shown its worth by running a number of national helplines under contract, providing information and advice on specific issues. Around 65% of callers to CAD are under 45 years old, compared to 32% of clients who approach bureaux in Scotland, again showing the worth of multiple access channels.

In Wales, Citizens Advice has recently fully established a virtual call centre which applies a triage system to calls to a national number. This is linked to all Welsh bureaux so that they can divert calls to the centre, or provide staff to answer incoming calls to the national number. The result is that 65% of calls are now dealt with, compared to 11% in England. Rollout to English bureaux has begun and the intention is that this system should be linked to all bureaux in England by October 2012. The current case management system, CASE, does not allow linkages between the call centre and the bureaux case management system. This should be available under a later stage of development of the new case management system to replace CASE. However, the capacity of the call centre will be limited while it operates virtually, drawing on spare capacity in bureaux. Many more volunteers will be needed to handle the prospective call volume and provide full capacity for a national call centre, whether virtual or real, which Citizens Advice estimates would need to handle up to 2.5m calls a year.

Discussions with bureaux which have chosen not to join the virtual centre shows that they are nervous about the possibility that it will attract a larger number of callers than can be dealt with, and that the reputation of the service will thereby be damaged, perhaps seriously, as well as the morale of their staff.

Citizens Advice Scotland to some extent and Citizens Advice to a greater extent have limited management experience of call centres, with a few notable exceptions. This increases the risks for Citizens Advice and Citizens Advice Scotland in seeking fully to grip and exploit telephone technology as other providers of services have already done. However, this cannot be delayed much longer, neither by funders nor by the two organisations, if they wish to provide good value in advice services while responding to shifts in social patterns and to increasing expectations of the public for easy access.

Bureaux in England and Wales have this month completed the introduction of the **Gateway**, a triage system operated in person or on the phone to all new clients. This provides a rapid initial assessment of the problems presented by clients, and allows a proportion to be dealt with immediately, another to be signposted to another specialist service, with the remainder being given an appointment for face-to-face advice. As with increased use of Adviceguide, this provides a means of concentrating face-to-face advice on those who really need it. It is a good step forward, if an obvious one.

With the encouragement of Citizens Advice Scotland, bureaux in Scotland have adopted a similar triage system, although this is not mandatory.

The triage systems adopted throughout England and Wales and partly in Scotland offer value for money in the use of resources by diverting those who can resolve their problems through simpler interventions from the most resource-intensive and costly route of face-to-face advice.

The use of **e-mail** also has potential in advising clients in a cost-effective way. It is used to a small extent as present in a variety of ways by bureaux. There are barriers to widespread use, including security issues, client internet access, and the difficulties in carrying out a satisfactory dialogue over the net on a complex subject. Nevertheless, its potential has been recognised and Citizens Advice has ambitious plans for its use in the medium term, although this would require investment. Citizens Advice Scotland has this year introduced for all bureaux a method of ensuring the security of advice provision and of client access by e-mail.

### **Partnership and collaboration**

Citizens Advice and Citizens Advice Scotland have worked in partnership with others to deliver focused services through the bureaux network. Examples of this type of activity were mentioned positively by stakeholders. The organisations have been successful in attracting financial support for educating, advising and providing information to clients on financial capability and money advice, including on dealing with debt. Pilots or first generation programmes are coming to an end and there are fresh opportunities for engagement for the bureaux. Integration of the various strands would be desirable. This forms part of the forward strategy for the Citizens Advice service. Successes so far include

- Under the Financial Inclusion Fund 74k financially excluded clients received debt advice from bureaux in 2009/10 and 60% of them had achieved a positive outcome by the year end, mainly debts rescheduled and income gained
- In a joint project with the Royal British Legion and RAF Benevolent Fund, 37 bureaux dealt with 7800 servicemen and women and ex-service clients. One third recorded a positive outcome
- Three tranches of funding from the Prudential over 8 years have led to a network of advisers trained in giving preventative advice on finance
- Barclaycard has supported (£594k in 2009/10) financial capability education for lone parents and delivery through bureaux has been successful. There is a multiplier effect locally for each parent so helped.

However this success in fundraising in the financial services sector has not been matched in other sectors of the economy, and there are concerns that the use by the Consumer Education Finance Body of its levy powers will inhibit the future flow of funds from financial services companies.

Collaboration between Citizens Advice and Citizens Advice Scotland is strong in the preparation of AdviserNet and Adviceguide, on aspects of management support for bureaux, and on parts of the work to influence policy in government and other bodies. Elsewhere it is weak or non-existent. The 2006 review recommended that the two organisations should



seek opportunities to work together, learning from each other and so reducing costs, but there are few signs of significant innovations over the past four years. Collaboration on training (mentioned above) is a possible exception. Pressure on budgets, reinforced by encouragement through targets set by BIS, should bring Citizens Advice and Citizens Advice Scotland to look more constructively at this issue.

### **Consultation with and advice to government and other bodies**

This is a fundamental part of Citizens Advice and Citizens Advice Scotland activities, fulfilling their aim to correct fundamental weaknesses in policy or operation of organisations which deliver services to the public, and so improve the quality of life of those who might otherwise be their clients.

The nature of this activity by Citizens Advice and Citizens Advice Scotland does not appear to have changed since the last review, although the scale and complexity of the issues have increased. Each organisation can point to changes in policy beneficial to members of the public which they had a hand, to a greater or lesser extent, in bringing about. Some examples are

- Following pressure by Citizens Advice and Citizens Advice Scotland, DWP provided free phone lines for mobiles to all 70 of its main helpdesks
- Banks installed 419 non-charging cash machines in low income areas following a joint Citizens Advice/Citizens Advice Scotland campaign, giving easy access for around 1m bank customers
- Following extensive lobbying by Citizens Advice Scotland a new route into bankruptcy was provided in primary legislation. This benefited 8400 Scottish debtors in 2009
- Campaigns against the closure of DWP offices met with success in protecting public services
- HMRC announced changes to staff guidance on debt collection practices after an effective Citizens Advice/Citizens Advice Scotland lobby
- Citizens Advice/Citizens Advice Scotland pressure brought a government policy change to provide a more effective safety net for tenants if a landlord's property was repossessed for mortgage arrears

Citizens Advice and Citizens Advice Scotland are widely known to policymakers in government, in business and commerce, and to opinion formers, including MPs and the media. Most government departments considered that Citizens Advice, and where relevant Citizens Advice Scotland, had been influential in consultations on policy development, and identifying where policy needed to change. They thought that both organisations had in general improved the quality of evidence they produced in support of their views, although almost all considered that further improvement was possible with the existing electronic case management systems. Some departments were less impressed by the quality of the arguments brought forward in this lobbying activity; there was still a proportion of weaker, anecdotal evidence. Some concerns were expressed about lobbying by Citizens Advice Scotland of the Scottish Government on reserved issues where it has no powers.

## Summary on value for money

Survey evidence shows that the bureaux in England, Wales and Scotland have an excellent reputation with clients, although stakeholders are not always as complimentary. Accreditation of the bureaux appears robust in setting standards at bureau level. Bureaux welcome the management and other services provided by Citizens Advice and Citizens Advice Scotland and value them highly. The electronic case management systems of both organisations require attention. CASE (England and Wales) is dated and awkward to use. CASTLE (Scotland) is not yet fully installed. Training is widely regarded as effective, including by stakeholders, and new policies should lead to better use of volunteers and senior staff. The electronic network for advisers in bureaux, AdviserNet, is well established in its excellence, and sells well to outside users. The website for advice for the public, Adviceguide, is a good source and is to be improved further. It could be better marketed. Some advances have been made in telephone access to advice in both England and Wales and Scotland, although a national phone answering service closer to meeting public expectations is some way off. Recent moves to introduce triage systems contribute to value for money. Both Citizens Advice and Citizens Advice Scotland recognise the potential of email, and other channels of electronic communication are in use by Citizens Advice. Overall, access for clients to advice has improved over the past few years, although there is potential for better integration of telephone and website with face-to-face advice to make better use of limited staff resources.

While there have been examples of good project management in Citizens Advice and Citizens Advice Scotland, uneasiness remains amongst some stakeholders and this will only be dispelled by consistent practical demonstrations of capability. Consultation and lobbying work to government was generally thought valuable, and sometimes very valuable, by stakeholders, with an overall improvement over the last few years in the quality of the evidence put forward in support of the views expressed. However, there were criticisms by some stakeholders who considered the evidence could be strengthened further, replacing too much reliance on anecdotal material. Collaboration between Citizens Advice and Citizens Advice Scotland has not moved forward since 2006. When stakeholders were asked to compare the performance with other organisations there were mixed views, with Citizens Advice and Citizens Advice Scotland not always as well regarded as their general reputation in the eyes of the public or MPs would lead one to expect.

The difficulties in quantifying the work of the Citizens Advice service have been pointed out above. Taking account of these, Citizens Advice has carried out an analysis of the benefits to clients and to the government of the whole Citizens Advice service. In the four main areas of information and advice (employment, debt, benefits and housing), it estimates with fairly conservative assumptions that the total saving to society is at least £1bn a year made up in roughly equal amounts of savings to clients and to government. This total is some six times greater than the total cost of providing the service, and is itself a significant demonstration of value for money in funding by all arms of government of the Citizens Advice service.

Taking account of bureau delivery as well as outputs and outcomes achieved directly by Citizens Advice and Citizens Advice Scotland, the achievements of the Citizens Advice service point to increased impact as a whole. The substantial growth in bureaux of project work as well as of traditional advisory services over the recent past has led to greater use of Citizens Advice and Citizens Advice Scotland core services, themselves provided at lower

cost. The report has set out pointers to the scope for improved performance in Citizens Advice and Citizens Advice Scotland. BIS could usefully require more demanding performance by Citizens Advice and Citizens Advice Scotland in these areas over the survey period.

**BIS core funding has achieved value for money.**

### **Are the ways in which they are governed suitable for their needs?**

This question relates to the governance of Citizens Advice and Citizens Advice Scotland, rather than to that of individual bureaux, although there are implications for bureaux in the following paragraphs.

The issue of governance is of concern to BIS as the provider of core finance to both organisations. It needs to be satisfied in each case that the governance structure, predominantly the board of trustees, is able to provide effective strategic direction to the operations of the organisation, while ensuring that the funds given to it are properly used. There is no suggestion of improper use of funds in either organisation. Both have a good record in financial audit and BIS has raised no concerns about the misuse of funds.

Citizens Advice and Citizens Advice Scotland have different arrangements for the selection of trustees and they will be discussed separately in the following account. The recent (April 2010) edition of *The Good Trustee Guide* published by NCVO provides valuable advice and information in assessing governance in the two organisations.

In **England and Wales**, the then-current arrangements for Citizens Advice are set out in the Annual Report for 2009/10. However, the result of a motion passed at the AGM in September 2010, following consultation with bureaux, has resulted in changes to the recruitment of trustees. The relevant arrangements are now (with recent changes in italics)

- The term of office is three years and trustees may serve for two terms.
- The Trustee Board is able to make rules on trustee recruitment, subject to conditions
- *The board consists of at most 12 members, three of whom must have bureau experience*
- *A committee of the board appoints Trustees to the board, taking into account skills and experience*
- Trustees receive induction and subsequent training

The latest changes represent a move to best practice. This is a further step in strengthening governance. An earlier change in which board members could be co-opted addressed concerns expressed in the 2006 review carried out for DTI about the absence of trustees with relevant skills and experience from outside the Citizens Advice service.

**There are no grounds for concern about the arrangements for governance in Citizens Advice**, although they will need some time to bed down before their effectiveness in providing the leadership and accountability required in a period of considerable change and upheaval is fully proven.

In **Scotland** the controlling organisation is the Scottish Association of Citizens Advice Bureaux. The arrangements for the Board are set out in the Annual Report, and the relevant conditions are summarised below, the members of the board being termed Directors rather than Trustees.

- The Board can contain up to 19 Directors, appointed for one year by election at the AGM
- Directors can be re-elected for five consecutive years
- The Chair, Vice Chair and Treasurer must not be paid staff of bureaux
- The other Directors must be volunteers or paid staff of bureaux
- Paid staff must be a minority amongst Directors
- Directors receive induction training

There is no power to co-opt Directors from outside the network. The board is large and potentially unwieldy. The need to stand for election annually makes for instability. There is no provision for the assessment of the suitability of potential Directors against the needs of governing the service.

When interviewed for this report, the chair of the Board expressed his concerns about the present system. He added that the board had a number of members with appropriate skills, although this could by no means be guaranteed under the current system. He considered that a review of the governance arrangements was long overdue. This would be a task for the new chief executive of Citizens Advice Scotland who was due to take up her post in November. Her conclusions would be discussed with the chair and board of Citizens Advice Scotland before seeking to implement changes through a resolution at a general meeting of the Scottish Association of Citizens Advice Bureaux.

**The present arrangements at the Scottish Association of Citizens Advice Bureaux are not fit for the governance of the Scottish network. They are especially inappropriate in a time of likely turbulence requiring considered strategic response to external change. As provider of core funding, BIS should follow the planned internal review closely and make clear its expectation of early change to overcome current defects.**

## Annex 1

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## Annex 2

### List of People Interviewed

Department of Business, Innovation and Skills	Graham Branton, David Hoggett and Douglas Robinson
Citizens Advice Scotland	Susan McPhee and colleagues
Citizens Advice	Gillian Guy and colleagues
Department of Work and Pensions	Alastair MacDonald, Roger Pugh, Kirsty Scholefield and Craig Isherwood
Ministry of Justice	Melissa Morse
Treasury	Catriona Cardiff
Welsh Assembly Government	Lynne Schofield
Office of the Accountant in Bankruptcy	Sharon Bell

Scottish Government  
City of Edinburgh Citizens Advice  
Bureau  
Penicuik Citizens Advice Bureau  
Citizens Advice Direct  
Legal Services Commission  
Berwick Citizens Advice Bureau  
Citizens Advice  
Camden Citizens Advice Bureau  
Citizens Advice Scotland  
Prudential  
Merton and Lambeth Citizens Advice  
Bureau  
Consumer Focus  
Barclaycard

Catriona McKay  
Moira Tasker  
Sue Peart  
Kirsteen McDonald  
Sara Kovack Clark  
Jen Hall  
John Gladwin, Chair  
Jan Knight  
Dominic Notarangelo, Chair  
Tim Fassam  
Sophie Chapman, Trustee  
Philip Cullum  
Alan Ainsworth

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