Money and Pension Service

Funding and Operating Models of the Debt Advice Sector

September 2023

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Prepared for
Money and Pension Service

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1. Executive Summary

4OC is delighted to have been asked to carry out this review into the debt advice landscape, which will be used to inform and stimulate discussion around the Money and Pensions Service's (MaPS) future debt advice commissioning strategy. We know impartial and independent debt advice can be life-changing for people.

We also know it has significant direct and indirect benefits to society. We understand the important role that this research will have in helping to shape the future direction of the debt advice sector and MaPS' debt advice approach.

This report is built on more than 40 interviews with stakeholders, a range of in-depth on-site Case Studies, and a detailed data analysis kindly provided to us by government bodies, advice providers, creditors and funders.

We thank the people and organisations who helped us in this work.

Their insight, expertise and passion have allowed us to build a detailed picture of where debt advice funding comes from and how it has changed in recent years. It has also provided vital insights into how debt advice agencies operate in community and nationwide settings.

Throughout the research, we have identified opportunity areas and considerations for MaPS to assess in both short-term activity and longer-term commissioning plans.

These focus on ways MaPS can maximise its impact, work most effectively with the debt advice sector and other funders and minimise disruption for debt advice clients and staff as changes occur.

We anticipate our findings will be of value to other funders of advice, such as the devolved administrations and debt advice agencies when considering future approaches.

1.1. Key Findings

There is a perception that the sector's funding is, or will be, increasingly coming under pressure; nevertheless, our analysis suggests funding is currently withstanding this pressure.

Still, debt advice funding is a complex picture. Some individual lines of funding have reduced, and particularly in community settings, debt advice funding is often blended in with other sources.

Funding structures can constrain operating models, creating inefficiency and limiting agencies in being able to 'scale-up' to emerging demand.

There are a varied set of operating models in existence, and they are offering different value to different cohorts of clients.

For example, community-based services tend to be broader, linking in with other support services that debt advice clients might need, such as housing advice and welfare benefit support.

National services tend to be exclusively focused on debt advice; however, there is a trend emerging within nationwide provision to increasingly embed advice within wider support.

Increasing case complexity and responding to different funders and their requirements is putting pressure on, and changing, operating models. There are some material gaps in funding and limited use of coordinated sector strategies, which hinder provider innovation that could improve services and increase efficiency.

Awareness and understanding of MaPS' statutory role and strategic intent is low. There is limited interaction between MaPS and other funders, and opportunities are being missed to better drive the sector forward.

A highly commercial commissioning model may not align with the current capabilities of providers within the debt advice sector, particularly for community-based provision.

1.2. Recommended Areas for Consideration

Whilst there are 16 considerations we have presented for MaPS to review and assess throughout this report, the core areas MaPS should explore further are to:

- Develop and publish a clearly articulated medium- to long-term strategy for MaPS' debt advice functions.
- Broaden MaPS' remit in strategic, sector-wide coordination (for matters such as training, career progression, sector infrastructure) to make funded services more impactful and engender better services across the whole of the debt advice sector.
- Increase communication about MaPS' remit, its strategy, commissioning intent, and delivery to build stronger relationships.
- Work with other funders to pool resources and commission more joined up services, particularly in community settings. This should be tested via pilots and then scaled up if successful. Pooled funds should also capture MaPS' own money guidance function, alongside debt advice.
- Regardless of strategic direction, use a more flexible implementation of the guidelines for public bodies either while rolling out initiatives that develop the 'marketplace' or as part of a different commissioning approach entirely.

The research has also revealed a core challenge MaPS faces. While there are a series of areas of consensus, stakeholders are at opposites on several issues. These include the role of commercial organisations versus charitable organisations in the sector, the level of quality assurance required, and passionately held views on which methods of delivering advice were best for clients.

The sector is complex, diverse, growing in importance, and facing some big challenges. MaPS' role often means it is at the centre of these issues and views, which can make building cross-sector support difficult.
Despite this and the apparent challenges around the commissioning exercise launched in Summer 2021, goodwill remains relatively high towards MaPS amongst the stakeholder base. In addition, while several agencies are feeling pressure, many stakeholders were highly motivated to improve things for clients.

These two factors bolster confidence that MaPS can successfully progress many of the proposals within this document with support from stakeholders, leading to better results for debt advice clients and society at large.

2. Introduction

2.1 Context

As expressed in the Money and Pensions Service's (MaPS) vision statement, MaPS envisages, "Everyone making the most of their money and pensions". Three overarching priorities support MaPS' ten-year strategy to transform financial wellbeing, which are to:

1. ***Create a movement** of many different organisations working together towards the same ambitious goals.*
2. ***Deliver for customers,** building on the foundations of our legacy organisations and focusing on the national goals.*
3. ***Build strong foundations** to create a great organisation for the future driven by our values of caring, connecting and transforming.*

In the UK Strategy for Financial Wellbeing (MaPS, 2020)[1], MaPS sets out five ambitious changes to help people make the most of their money and pensions. One of these is focused on providing better debt advice, with the ambition that two million more people will be accessing debt advice services by 2030.

A key part of MaPS' work is to provide funding for free, impartial debt advice in England. MaPS has a considerable evidence base relating to debt advice customers. Still, most of this relates to the pre-pandemic environment and before the recent, sudden increases in the cost of living.

These dramatic changes to the economy and society will likely have a material impact on the cohorts of people seeking debt advice and how it will need to be delivered. MaPS has recently commissioned the provision of national consumer debt advice, national business debt advice, and debt relief order application support. However, the commissioning of regional/community-based advice was paused following the last procurement exercise to enable MaPS to obtain further insight from stakeholders on the future approach.

To inform the future commissioning strategy, MaPS is seeking to build more up-to-date evidence through independent insight gathered via research projects. This report focuses on the research related to the funding and operating models of debt advice.

[1] UK-Strategy-for-Financial-Wellbeing-2020-2030-Money-and-Pensions-Service.pdf (moneyandpensionsservice.org.uk)

2.2. Aims and Scope of the Research

A holistic and comprehensive understanding of the entire debt advice ecosystem does not exist, which inhibits the assessment of impact in changing commissioning approaches. This research was commissioned to provide independent insight that will support MaPS in understanding and evaluating market health and assist in decision-making on its role within the sector.

The research aims were to enable MaPS to:

- Gather insight into how debt advice services are funded to enable them to consider their role in shaping the debt advice sector.
- Make more informed future commissioning decisions.
- Explore options for the future debt advice commissioning strategy.

The scope of this research has been primarily focused on community-based debt advice provision but has also considered the entirety of MaPS' future debt advice commissioning. In addition, it has been undertaken in tandem with other research projects underway reviewing: debt advice clients, people needing but not accessing debt advice provision, and the Debt Adviser Panel.

2.3. About this Report

This report sets out the approach to gather insight from the debt advice sector, using a qualitative engagement approach, to understand how debt advice services are funded and operate. It includes an analysis of data demonstrating the size and health of the market.

Through a thematic analysis, the findings highlight challenges and opportunities for the sector to fund and deliver debt advice services regionally/in the community. Implications for MaPS' approach to commissioning are presented as a series of considerations/recommendations and are intended to complement the findings and recommendations made from other research projects.

Findings throughout the report are evidenced through real-life examples, quotes, and data provided by stakeholders. Five case studies are presented below that showcase examples of a range of funding and operating models in practice, with lessons learned and benefits observed by each of the organisations.

3. Approach

3.1 Methodology

Lines of Enquiry

A primarily qualitative approach to research was taken with semi-structured interviews and observations used as the main insight-gathering activities. A quantitative data review was conducted to supplement the findings from the qualitative activities. This focused on refreshing existing or previously created data sets, and the output of this provides insight into the health of the debt advice market.

To inform the direction of the research, MaPS created a series of research questions that focussed on three key areas topics:

- To develop a better understanding of how debt advice services are currently funded.
- To understand the different types of delivery and operating models.
- To identify risks and opportunities for MaPS debt advice commissioned funds.

Through a joint planning session with MaPS colleagues, the original research questions were prioritised and, from these, Key Lines of Enquiry were created to structure the insight capture via the stakeholder interviews. Key Lines of Enquiry were shaped around three themes: funding, Operating Model and Commissioning.

These were then tailored to the following four stakeholder groups:

- Delivery organisations.
- Umbrella organisations and creditors.
- Local Authorities.
- Other funders.

The Key Lines of Enquiry included a series of core interview questions that were asked of all stakeholders as well as probing questions that were used where needed.

Stakeholders

At the outset of our research, our intention was to engage with approximately 40 stakeholders, including:

- 15 Local Authorities.
- Five Housing Associations.
- Central and devolved government bodies and relevant agencies.
- Ten providers (representing different delivery models).

Following the development of the Key Lines of Enquiry, a longlist of stakeholders was developed, drawing on 4OC's subject matter expertise and connections and MaPS' network.

A reserve list was created in recognition of the timeframe within which the engagement and insight capture needed to take place and to manage the risk of potential dis-engagement by stakeholders.

The blend of stakeholders evolved as the research progressed due to challenges in engaging with some stakeholders (see 4.2 Limitations below) and the identification of additional stakeholders with the potential to add further insight to the research.

A total of 67 stakeholders were initially invited to participate, of which 61.2% accepted, resulting in a total of 41 stakeholders who participated in the research as set out in **Table 1** below.

Stakeholder Segment	Total number	As % of all stakeholders
Community-based advice providers	10	24%
National advice providers	9	22%
Central government bodies and related agencies	6	15%
Trade bodies/ associations	6	15%
Devolved administrations	3	7%
Creditors/funders - Local Authorities	4	10%
Creditors/funders - Housing Associations	1	2%
Other funders	2	5%

Table 1, Stakeholder by Segment

The aim was to achieve a sample that was geographically representative. Stakeholders from all four nations in the United Kingdom were engaged, as set out in **Figure 1** below.

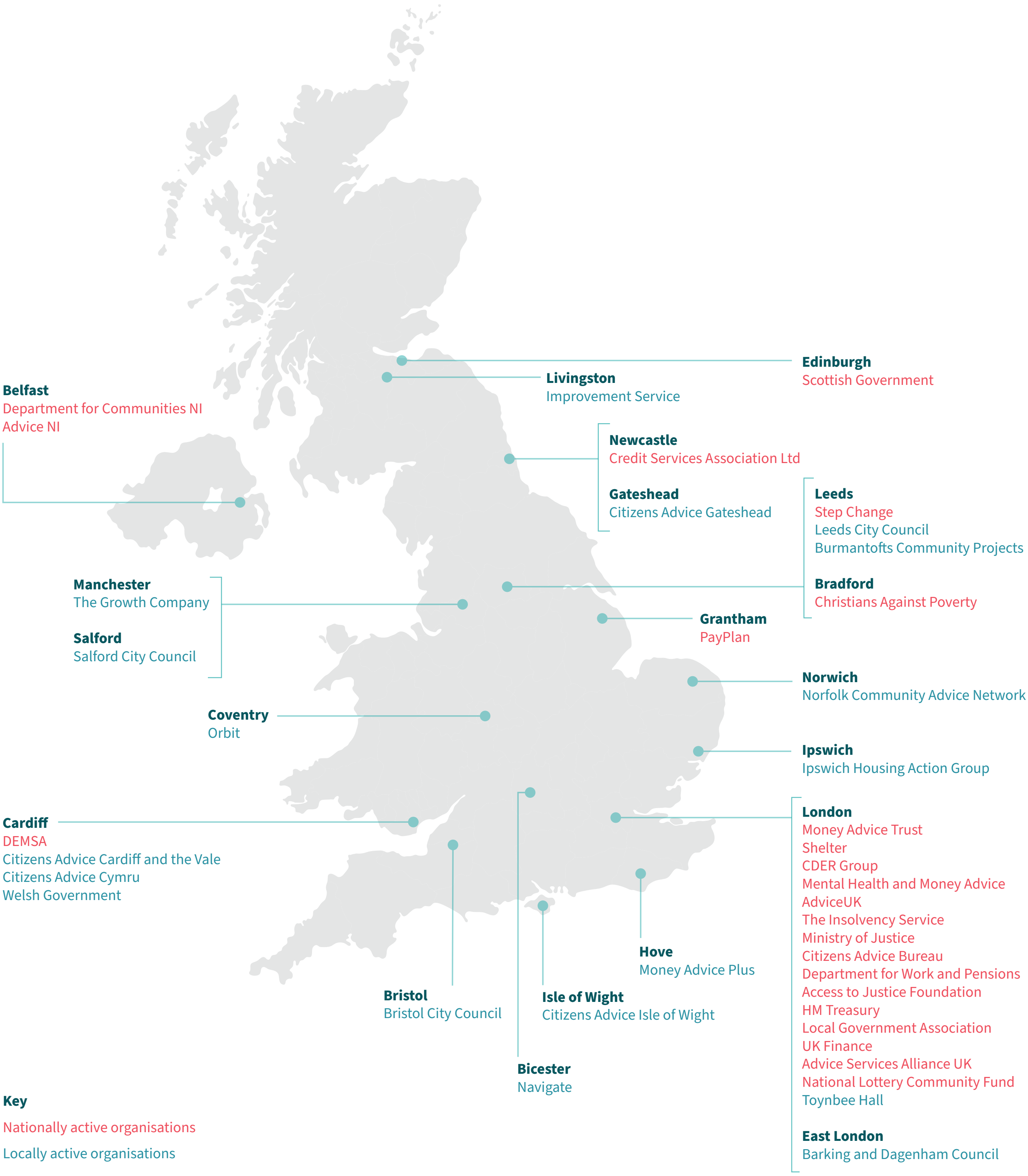


Figure 1, Stakeholder by Geography

A full list of the stakeholders engaged can be found in **Appendix 2: Acknowledgements.**

All stakeholders participated in at least one engagement session, with a quarter participating in two or more. Following the first round of interviews, a subset of stakeholders was identified for further contributing to the research through a Case Study. Stakeholders for Case Studies were selected to garner an in-depth appreciation of some of the issues that were raised by the wider consultee organisations, five organisations were selected to participate in a deeper dive review. Each organisation offered a different perspective on the debt advice sector. The stakeholders selected for Case Study development were:

- Citizens Advice Gateshead.
- London Borough of Barking & Dagenham Council.
- Money Advice Plus.
- Toynbee Hall.
- The Welsh Single Advice Framework

The Case Studies can be found in **Section 5** below.

Method of Insight Gathering

Six subject matter experts conducted the interviews and site visits. Collectively, the interviewers have in-depth knowledge and subject matter expertise across local and central government, debt advice, welfare advice, employment support, housing, and the third sector. Interviewers received a briefing on the interview approach and Key Lines of Enquiry to ensure consistency of approach. All interviews were conducted by at least once subject matter expert supported by a business analyst.

Interviews were recorded and transcribed, and themes were extracted from each interview. A sample of interview recordings were peer-reviewed for quality assurance and to further identify theme findings.

For stakeholders who agreed to participate in a Case Study, up to four engagements were conducted per organisation, including a site visit. Each site visit lasted a half or full day on site to conduct interviews or observations with a range of stakeholder representatives. Across the five Case Study visits, the following representatives were engaged:

- Policy leads.
- Managers responsible for funding or bids.
- Service directors.
- Service managers.
- Front-line advisers, including specialist debt advisers, and team supervisors.
- Community engagement representatives.

Approach to Analysis

Insight gathered was synthesised to produce a thematic analysis. Themes were extracted from each stakeholder interview and then coded using interview transcripts and notes. They were considered through the lens of:

- Key Line of Enquiry area.
- Stakeholder Segment.
- Geography (including national and local providers in both urban and rural settings).

Ethical Considerations

All interviews were conducted anonymously to enable stakeholders to share their insights honestly and openly. This was made explicit when stakeholders were initially invited to participate and was reaffirmed at the beginning of each stakeholder interview through a standard script used by all interviewers. In some instances, stakeholders explicitly consented to their comments being made public.

Written consent was confirmed via email from all stakeholders in response to the invite to participate in the research. This approach was also taken to gain consent from stakeholders selected to participate in the Case Studies.

3.2. Limitations

This research was commissioned to be completed by the end of March 2023, resulting in a relatively short engagement and delivery period, which generated some limitations to the research, outlined below.
Firstly, whilst most stakeholders identified for engagement agreed to participate in the research, some organisations did not reply to the invitation to participate or declined to be involved. Alternative stakeholders were identified and engaged, thus, minimising the risk of a lack of coverage across the debt advice market.

Secondly, there were limitations on data availability, especially in England. Other than MaPS' funded debt advice, no composite picture exists for Local Authority and donation funding in England.

On the other hand, for Scotland, quite comprehensive data is published regarding both the allocation of its share of the Financial Services Levy and the allocation of funds by Local Authorities and other funders to Advice Services (though debt advice is not disaggregated from these totals).

Similarly for Wales, the Single Advice Fund aggregates a large proportion, but not all, of advice funding.

4. Research Insights

Following the completion of the research, engagement, and data analysis, inputs were assessed. Mapping information and data captured against the Key Lines of Enquiry back to the original research questions, patterns emerged, resulting in four Themes.

As part of each Theme, a series of Considerations (16 in total) is offered for MaPS to examine when applying the research to their future plans. The Considerations pose scenarios based upon the research with a range of impacts, potential solutions, and/or areas for further exploration. The Themes and Considerations are summarised below and expanded throughout this section of the report.

- **Theme 1: Funding Sources and Pressures on Funding for Debt Advice.** The sector's funding is perceived to be under pressure and there are some material gaps in funding which hold providers back from growing, innovating, and offering a holistic service.
- **Theme 2: Lack of consistent Operating Models across the sector to base a service offer against.** There are a varied set of operating models in existence, and they are offering different value to different sets of clients. Community-based services tend to be more holistic. As demand and complexity grow, there are challenges to integrating debt advice alongside other specialist support services to develop effective, holistic approaches.
- **Theme 3: Client needs do not always align with a narrow interpretation of debt advice.** In most cases, the needs of people are broader than debt advice alone and MaPS can consider this in its funding approach. To work most effectively with stakeholders, there is also a need to reaffirm knowledge and awareness of MaPS' role, its current strategy for funded debt advice, and its longer term aims.
- **Theme 4: The approach used in the commissioning exercised launched in Summer 2021 was not closely aligned with the current capabilities and priorities in the debt advice sector.** There are opportunities for MaPS to use approaches which have a closer fit to the current sector landscape and / or explore alternative approaches while carrying out iterative improvement activities which drive sector development.

To present the insight in this section of the report, several techniques were utilised:

- Descriptive analysis of the information capture from stakeholders
- Explanatory accounts of information gathered from Case Studies
- Presentation of key statistical information
- Quotes (both attributable and non-attributable), case illustrations and diagrams

4.1 Theme 1: Funding Sources and Pressures on Funding for Debt Advice

This research has not considered the sufficiency of debt advice funding – it is not trying to assess whether there is enough, nor how much should be needed. Nor is it making judgments about the sources of funding. Nevertheless, stakeholder feedback suggests that the sector's funding is under pressure with some material gaps in funding, which hold providers back from growing, innovating, and offering a holistic service.

Funding for debt advice in the UK is achieved by a complex patchwork of funding sources, with many providers relying upon multiple funding sources, particularly within community settings. Whilst multiple funding sources provide a degree of resilience, they also create duplication and administrative burden for providers. The principal sources of debt advice funding are:

- Financial Services Levy Funding (FS Levy).
- Creditor paid debt solutions, such as Fair Share Debt Management Plans (DMPs), Individual Voluntary Arrangements (IVAs).
- Solutions funding in Scotland (principally from Protected Trust Deeds (PTDs) and Debt Payment Programs under the Debt Arrangement Scheme).
- Customer paid DMPs (reducing numbers of these exist as FCA scrutiny has removed providers from the market).
- Direct provision and grant funding by Local Authorities and Housing Associations.
- Grants from other government departments, such as MoJ, and other sources, such as the National Lottery Community Fund.
- Large donations from creditors, including additional funding from financial services organisations and utilities, such as the British Gas Energy Trust.
- Aggregated small donations from individuals, such as the 28,500 life changer contributors to Christians against Poverty.

Other than FS levy and solution-based funding, the funding provided for debt advice services cannot be readily disaggregated from wider funding provided for broader advice services, particularly within local settings. Accordingly, it is difficult to establish a comprehensive picture of the overall level of debt advice funding and the direction of travel over time.

We provide an indicative estimate of the overall level of debt advice funding across the UK in **Figure 2** below. This includes a "confidence" indication by funding source, reflecting assumptions applied to incomplete data. Whilst this indicates an increasing trend, this is largely driven by the growth in funding for IVA solutions, most of which is absorbed by the costs of the solution and returns for commercial providers, so relatively little of this translates into direct advice provision.

Historically, customer interests have not been consistently well served by "debt packagers" organisations referring customers to IVA, PTD or Debt Management Plan (DMP) solution providers.

The Financial Conduct Authority (FCA) is implementing new rules to remove conflicts of interest between the commercial interests of debt packagers and their obligations to provide impartial debt advice (Financial Conduct Authority, 2023)[2]. This is expected to improve debt advice outcomes and reduce the number of customers recommended IVA or PTD solutions.

Financial Services Levy

A significant proportion of funding is provided through the Financial Services Levy. This is set by DWP and HM Treasury each year and collected by the Financial Conduct Authority from the finance sector.

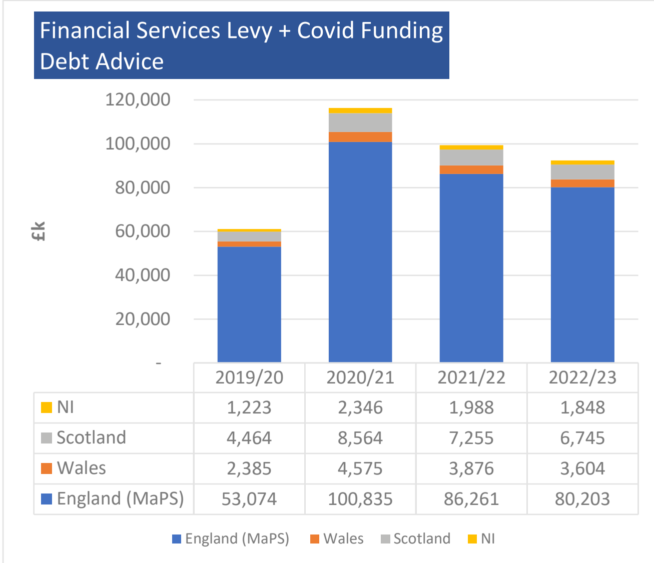


Figure 3, Funding by Country

FS Levy funding increased substantially during COVID, driven by:

- An expected increase in demand for advice—which never materialised as creditor forbearance measures reduced the prevalence of "crisis issues", triggering customer engagement.
- Reductions to FairShare income putting the continued viability of providers funded by FairShare contributions at greater risk.

FS Levy Funding has reduced gradually during the last two financial years though it remains materially above pre-COVID levels. The Money and Pension Service (MaPS) in England distributes the levy by means of a mixture of contracts for national debt advice services and continued grant funded arrangements for regional, face-to-face services providers. Note that MaPS is not responsible for funding within the devolved nations.

Debt Advice - Indicative funding Summary	2019/20	2020/21	2021/22	2022/23	Confidence	Comments
Financial Services Levy (UK)	61.1	116.3	99.4	92.4	H	FCA Data
Local Authority Funding - UK	33.7	32.0	29.7	29.7	L	Based on Scotland data as a proxy for UK
Large donations (CAP, MAT)	18.6	19.7	19.1	19.1	M	Excluding Lottery Funding
Other Grant Funding	5.6	6.6	7.6	4.0	L	Excluding OGD debt advice funding (e.g MoJ)
FairShare	62.1	54.3	53.5	53.5	H	22/23 data estimated
IVA Funding	98.8	144.5	194.5	254.4	M	estimate based on plans in force
Scottish Solutions Funding	51.3	30.4	18.4	42.0	H	Based on Accountants in Bankruptcy (AiB) data
Total £m	331.2	403.8	422.2	495.1		

Figure 2, Indicative Funding Levels for Debt Advice and Debt Solutions

[2] https://www.fca.org.uk/publication/consultation/cp23-5.pdf

MaPS also receives funding through separate levies for its other statutory purposes: money guidance—increasing financial capability and pensions guidance. Whilst customers often require money guidance before or alongside debt advice, these funds are not combined with debt advice funding for commissioning purposes.

Consideration 1: Some Debt Advice and Money Guidance funding should be jointly commissioned

The separate sources of funding for MaPS activity appear to embed a siloed organisational structure / commissioning approach, which may miss opportunities to address advice-seeking customers' wider needs holistically.

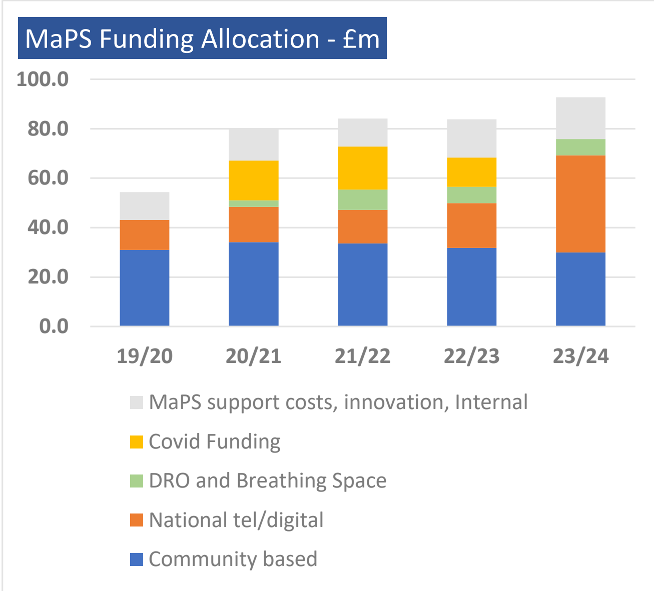


Figure 4, MaPS Funding Allocation

MaPS, under its commissioned services, funds approximately 550,000 debt advice interventions per annum of which around 1/3 are from providers delivering face-to face services. The average cost of a MaPS-commissioned intervention in 21/22 was £36.40 for telephone/digital and £188 for a face-to-face intervention. This contrasts with reported unit costs of up to c£450 to £500 for clients with complex needs for non-MaPS commissioned services.

Historically, MaPS has retained a proportion of FS Levy funding for strategic direction, oversight, and investment initiatives to improve the provision of debt advice nationally. These include MaPS' quality assurance framework, the Pilot of Adviser Capacity and Efficiency (PACE), management of the Standard Financial Statement, and sector engagement through groups such as the Debt Advice Reference Group.

Arrangements in Scotland, Northern Ireland and Wales differ, and Wales has implemented a Single Advice Fund (SAF) that combines funding for debt advice with other advice provision let under a single contract aimed at providing a more holistic service for Welsh citizens.

Local Authority Funding

Local Authority funding on advice services generally and debt advice is not reported consistently, and other than in Scotland (where useful data is collected by the Improvement Service (IS) (IS, 2022)[3]), no reliable aggregated data is available. Consultees provided contradicting information[4] on the levels of funding and the direction of travel, so the overall level of funding estimate is qualified with low confidence.

"Local Authorities have had decreased budgets since austerity. We thought we would lose hundreds of members. The Local Authorities' funding has held up much better than anticipated."

[3] https://www.improvementservice.org.uk/products-and-services/performance-management-and-benchmarking/common-advice-performance-management-framework/2021-22-report

[4] 26 consultees could provide input into the trend on LA funding. Of these 26, 14 were unclear on the likely trend in LA funding, 9 thought it is likely to decrease, 3 said it is likely to be maintained and none said it is likely to increase.

Where commissioned at a local level, advice services tend to be articulated in a much broader context of customer needs, spanning welfare advice, housing advice, legal support and mental health support, together with debt advice. Feedback from consultees indicates that where formal debt advice is provided to customers it is seldom the initial customer trigger for engagement.

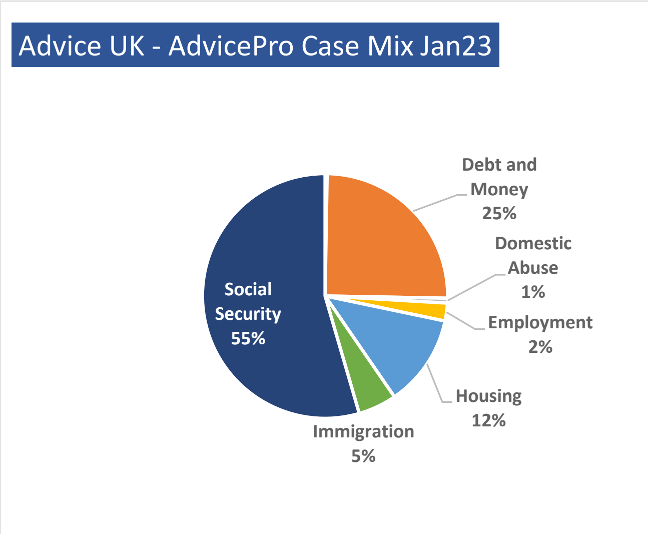


Figure 5, AdvicePro Case Mix

AdviceUK data from 373 members that utilise AdvicePro indicates that debt advice constitutes c. 25% of case volumes. This correlates with similar data provided by Citizens Advice that some 25% of the Single Advice Fund in Wales is reserved for debt advice and c. 24% of national funding in 2022 was allocated for debt advice (Citizens Advice, 2022)[5].

Consideration 2: Consider co-funding of debt advice, money guidance, and welfare advice

Co-funding of these activities would better facilitate more joined up operational models. Debt advice customers co-presenting with welfare advice (income maximisation) and money guidance requirements is increasingly the norm in face-to-face settings and indicates a potential minimum scope of potential MaPS future co-funding arrangements.

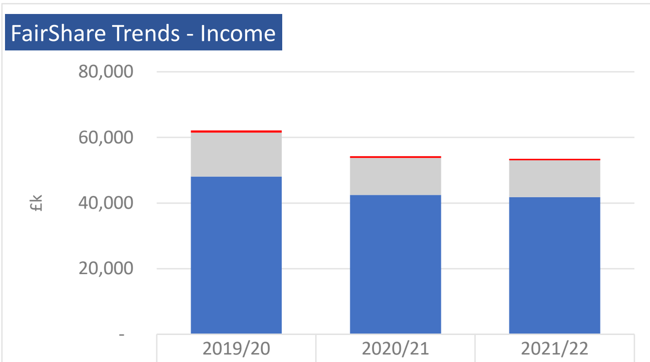
FairShare Funding

FairShare is a debt repayment solution by which operating costs, including those associated with administering debt management plans (DMPs) are funded by creditors on a voluntary basis. DMPs are serviced by three organisations: StepChange, PayPlan and Christians against Poverty (CAP).

> "FairShare is tanking. FairShare income to CAP halved in the period 2018-2021 even while case numbers under management remained broadly stable or even increased, and case complexity increased."
> – Christians Against Poverty

> "The FairShare Contribution (FSC) scheme cross subsidises debt advice and has an inverted correlation model, which means that in an economic depression, at the point where the most funding is needed to provide debt advice, customers experience a change in circumstances and either can't afford to stay on their Debt Management Plan or have to reduce their payments, which results in a drop in FSC."
> - StepChange

From reviewing historic data, we understand that funding is typically provided at a rate of between 9% - 12% of plan contributions by DMP creditors; however, many creditors do not participate actively in funding the plans whilst receiving repayments from them.



	2019/20	2020/21	2021/22
CAP	627	531	459
PayPlan	13,400	11,279	11,227
StepChange	48,099	42,464	41,787

Figure 6, Fair Share Trends

[5] 4OC analysis of Citizens Advice Annual Report 21/22: https://www.citizensadvice.org.uk/about-us/our-work/annual-reports/

By contrast, funding for Scotland's statutory Debt Arrangement Scheme DMPS is at 22% (20% to provider, 2% to DAS Administrator, Accountants in Bankruptcy).

StepChange is the largest debt advice charity in the UK with 5.9 million website visits, 480,000 contacts, and more than 100,000 completed debt advice journeys (StepChange, 2021)[6].

It receives the bulk of its income from debt solutions (c78% of charity income in 2021).

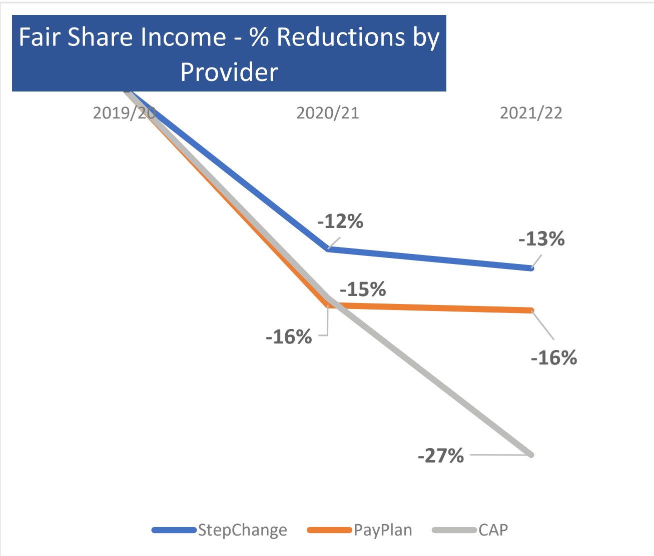


Figure 7, Fair Share Income

FairShare funding forms a large proportion of both StepChange and PayPlan income, and has been under pressure in recent years as: (i) income per customer per month for new plans has reduced (placing greater reliance on the "back book" of older plans); (ii) customers have been less able to maintain monthly payments at previous levels; and (iii) increased proportions of advised customers cannot meet the regular payment requirements, opt for non-funding solutions (such as Debt Relief Orders – DROs), or have persistent deficit budgets and are unable to be helped by a debt management solution.

This is particularly the case for CAP where, albeit FairShare is a much smaller percentage of the charity's overall funding requirement.

MaPS provided exceptional funding (MaPS, 2020)[7] during Covid to enable FairShare providers to protect and grow adviser numbers as FairShare income fell. As this exceptional funding has been unwound, several organisations have made redundancies where other income streams have not materialised.

Funding in Scotland, Wales, and Northern Ireland

Scotland

The Scottish Government publishes its allocation of FS Levy debt advice funding (Scottish Government, 2022)[8], which is largely allocated to national programmes. In addition, as noted above, the Improvement Service provides detailed analysis of advice services expenditure by Local Authority, intervention numbers, and financial outcomes achieved for customers as illustrated in **Figure 8** below.

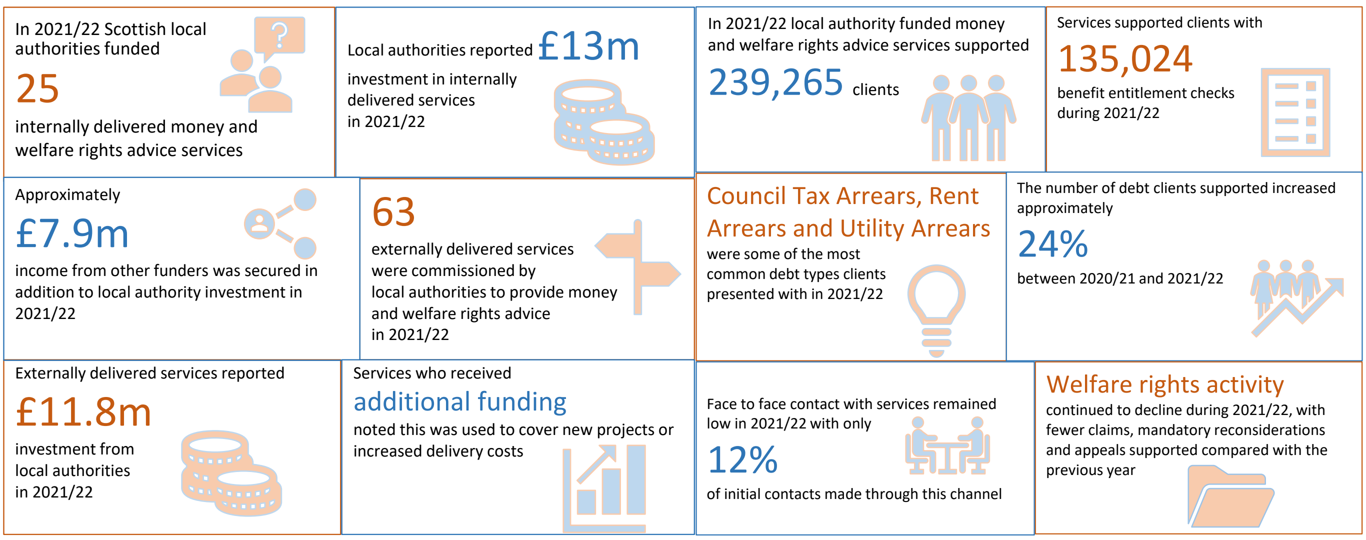


Figure 8, Figure Improvement Service 2021/22 Summary Data

[6] https://www.stepchange.org/Portals/0/assets/infographic/StepChange-Statistics-Yearbook-2021.pdf
[7] https://maps.org.uk/2020/09/02/additional-38-million-for-debt-advice-funding-in-england-goes-into-action/
[8] https://www.gov.scot/publications/levy-funding-allocated-by-scottish-government-for-2022-23/

Scottish data also provides a useful analysis of clients served, new clients and debt clients, and trends over time as summarised below.

In 2017/2018, debt advice clients constituted 34% of all clients. This had fallen to 8% by 2021/2022.

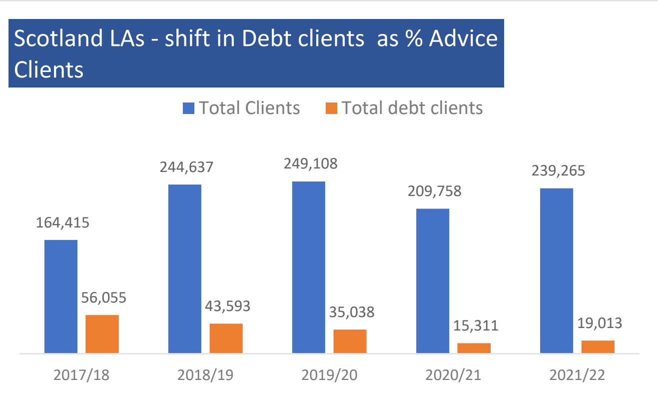


Figure 9, Scotland debt shift

In the absence of equivalent data for other parts of the UK, this provides a useful proxy for estimating trends of debt advice against other advice services sought by customers.

Scottish legislation provides different insolvency solutions than in the rest of the UK which are administered by Accountants in Bankruptcy (AiB).

Whilst scheme rules, financial thresholds, and administrative arrangements differ between solutions, the Minimal Asset Process (MAP) is akin to the Debt Relief Order (DRO) and the Protected Trust Deed (PTD) is like the Individual Voluntary Arrangement (IVA). Scotland also has the Debt Arrangement Scheme (DAS), which is a statutory Debt Management Plan like the FairShare voluntary scheme, which is also available in Scotland as well as the rest of the UK.

AiB publishes more detail on the Scottish schemes (AiB, 2022)[9] than is available for their equivalents in the rest of the UK. Other than initial setup fees, they are free to customers, though typically Scottish solutions impose higher burdens on creditors than other UK equivalent schemes, with mean administration expenses of £5,600 (36% of collected funds in 2021-22) for completed PTDs. This compares with an estimated mean cost of £3,500 for IVAs. Similarly, DAS costs for newer arrangements equate to £0.22 per £1 collected across all creditors. This contrasts with £0.09 - £0.12 per £1 collected for FairShare.

Wales

The Single Advice Fund (SAF) pools c£8m of funding from a range of previous funding commissioning arrangements to meet a range of policy objectives including to:

- improve the quality of information and advice services by supporting providers to develop quality assured services.
- streamline the commissioning and funding processes and ensure that funding for services is based on an assessment of need.
- improve access to services, particularly amongst people who tend not to access services until they are in crisis.
- encourage better collaboration amongst all stakeholders around the commissioning and delivery of services (Welsh Government, 2019)[10] (each client in Wales has on average 2.5 social welfare issues).

Whilst funding provided by the FS Levy is eligible to be allocated as the Welsh government sees fit, in practice it is ringfenced by value within the SAF and allocated to debt advice to preserve future years levy allocation.

In addition to the Single Advice Fund, local authorities in Wales provide additional advice funding for local needs. Whilst SAF was originally commissioned as a range of regional and specialist services Lots, the grant agreement is with Citizens Advice Cymru who distribute to regional offices and partners. The approach has brought funding stability, consistent communications, quality development, improved integration and collaboration across providers.

Northern Ireland

Funding for Northern Ireland c £1.4m pa is managed by the Department for Communities. AdviceNI is the provider partner covering Northern Ireland. Northern Ireland is reviewing the Wales SAF delivery model for potential applicability, with the potential for consolidated funding and commissioning of debt and generalist advice.

Funding Challenges for national advice delivery providers

We engaged several national advice providers as part of this review including StepChange, Citizens Advice, Money Advice Trust and Christians Against Poverty. For several providers, their funding models are under increased pressure at the time that demand is increasing due to the cost-of-living crisis.

[9] https://www.aib.gov.uk/scottish-statutory-debt-solutions-statistics-financial-year-2021-22
[10] https://www.gov.wales/sites/default/files/publications/2019-04/single-advice-fund-guidance.pdf

Money Advice Trust

MAT receives the bulk of its income from MaPS commissioned services (c60%) and donations (c35%), principally from financial sector and a smaller income stream from training services [11]. MaPS income is classified as restricted and, as many other respondents have advised it does not fund all the organisation's activity.

As MaPS income is such a large part of the overall income for MAT, there was a very significant risk that MAT would need to withdraw from (or materially downsize) some of its services (for example, Business Debt Line) if it was unsuccessful in the last round of commissioning. Accordingly, it needed to make significant reserves provision to enable an orderly wind down of activity against that risk.

Conversely, MAT's success in the MaPS commissioning process has put pressure on its voluntary donations with notification that one long term MAT donor intends transferring material funding to a provider who was not successful in the last commissioning round.

Creditor Considerations

Overall, large voluntary donations have held up well, but anecdotal evidence suggests that there is a tacit preference for creditors to direct financial services donations towards those advice delivery organisations that can provide longer term debt management solutions that deliver a financial return; and can integrate with financial services providers investments and reporting requirements to meet FCA's Consumer Duty (FCA, 2022)[12] obligations.

There is a perceived lack of transparency to creditors on customer journeys following referral from some providers, making it difficult to demonstrate compliance with Consumer Duty principles – in particular, that firms can define, monitor, evidence and stand behind the outcomes their customers are experiencing.

Consideration 3: Risks for organisations for which MaPS funding is a large proportion of total funding

MAT and several other providers are dependent upon MaPS funding and without it, their continued viability is at risk. This is a periodic risk at each commissioning round. Mechanisms such as TUPE, which apply in other service areas may work less well in the charitable sector to mitigate the risk as staff may not wish to transfer to a private sector provider.

To mitigate this risk, MaPS should consider: (i) earlier notice to providers that contracts or grants will not be renewed to enable contingency planning; (ii) a "glide-path" of stepped reductions or increases in commissioned activity (rather than a cliff edge); (iii) working with providers to actively increase income diversity.

Christians Against Poverty

Unlike StepChange and PayPlan, CAP's income from FairShare is a small proportion of total income, the bulk of which comes from donations. In 2021, 64% of the charity's funding came from 29,000 individual "Life Changers" making long term, recurring small donations, an 8% reduction from the previous year.

CAP have advised us that the cost-of-living crisis is putting increasing pressure on CAP's individual funders, just at the time the demand for their services is increasing. To maintain the viability of the charity, it has had to put in place a programme of redundancies at c15% of the Charity's resources (CAP, 2023)[13].

CAP is a national charity with a mixed central / local service delivery model. IT systems limitations make it challenging to tailor its model materially to meet specific funders' operating and reporting requirements and ethical considerations (prioritising customers with the greatest need) have conflicted with some funder's requirements so that CAP's ability to diversify its funding sources has been limited.

[11] https://moneyadvicetrust.org/media/documents/Annual_Report_and_Accounts_2021.pdf
[12] PS22/9: A new Consumer Duty | FCA
[13] https://capuk.org/news-and-blog/statement-on-caps-funding-challenges

Citizens Advice – National

Citizens Advice undertakes fundraising both nationally and locally within each local office. The national organisation has a broad range of funding sources, much from government. For the national organisation, the overall allocation by service area (excluding covid funding) is shown for 2021 and 2022 below [14].

	£'000s	
Funding Area	**2021**	**2022**
All	29,511	32,849
Consumer	15,462	16,472
Courts	10,722	11,095
Debt Advice	34,719	35,998
Energy	3,700	3,949
Money Guidance	851	628
Welfare / Health	37,229	38,384
Pension guidance	10,083	9,829
Grand Total	**142,277**	**149,204**

Figure 10, Citizens Advice Funding by Service area

That this may not be representative of the funding distribution at local level where, in addition to delegated national funding, smaller individual grants will reflect specific local community needs.

Funding for debt advice represents 24% of the total and is principally from MaPS and the Welsh Government (MaPS also separately funds Citizens Advice for pensions guidance). MaPS' debt advice funding to Citizens Advice covers both national contracts for telephone and digital based services, national hubs for processing Debt Relief Orders and funding for community-based services which is cascaded to local offices.

Anecdotal feedback is that, for those in receipt, the dependence of local Citizens Advice offices on MaPS funding varies. Many offices, especially in the North of England, are reliant on MaPS funding to meet overheads costs (premises, IT) as well as funding debt advice provision.

The consequences of removing funding could be to risk the future viability of the wider local service. Counter to this view is evidence that some local organisations, expecting the withdrawal of MaPS funding, have been successful in securing replacement funds, diversifying services and reducing risks.

Funding for community-based advice delivery providers

We are grateful for the engagement and insights we have received from both MaPS funded and non-MaPS funded regional and local advice delivery organisations. MaPS funding is typically allocated to local delivery partners by regional grant holding distribution bodies such as Citizens Advice – national (to both regional Citizens Advice Bureaux and independent delivery providers) and Debt Free Advice (a partnership of charities led by Toynbee Hall).

Funding models for community-based providers vary markedly and are often informed by the core purpose and objectives of each individual charity. Very few local providers are exclusively focussed on debt advice. AdviceUK has just over 700 members in England, Scotland and Wales. Around 270 give debt advice, representing c25% of the debt advice industry. Debt is the 2nd biggest advice area after welfare and benefits advice and other social security issues. 22 AdviceUK members are MaPS funded. 2 members took the conscious decision to withdraw from MaPS' funding recently.

Community based organisations often have a broad range of funding sources, though they may be underpinned by Local Authority funding or longer-term grant funding. Most funding provided is short term and project based so that organisations spend a lot of time seeking replacement funding as grants near the end of their life. Competition for grant funding is increasingly fierce.

> **"Accessing charitable grant funding is becoming much more difficult. We have 40 applications pending, the vast majority receive absolutely no acknowledgment or feedback due to excess demand. Santander Foundation had 870 applications for 1 pot of funding, Age UK had ~1000 applicants for a £20k pot."**

Restricted funding is tied to the outcomes that funders seek. This often comes with no or limited provision for fixed costs or overheads, making investment and innovation difficult. Many charities therefore seek a mixture of restricted and unrestricted income to cover their aims.

Funding uncertainty contributes to adviser retention issues.

[14] 4OC analysis based on Citizen's Advice 21/22 Report and Accounts, Annual_Report_2021_22.pdf (ctfassets.net)

“We may receive 1-3 years of funding and at the end of contracts it is often a matter of days/weeks before close if renewal is confirmed. The Lottery is forward thinking, but all other funders are dreadful in this regard.”

Funding Diversity Example: Burmantofts Community Projects

Burmantofts Community Projects (BCP) is an independent charity based in Leeds. From small, local beginnings back in 1987, it has become a prominent provider of free legal debt advice, money guidance and benefits claim support throughout Leeds, as well as training and consulting to organisations nationally. Most clients live in areas of highest deprivation in Leeds, many of which are in the top 1% areas of highest deprivation in England.

Burmantofts receives MaPS funding, provided through Citizens Advice. To improve outcomes (and reduce “revolving door” clients), Burmantofts introduced Money Buddies to help clients negotiate with creditors, maximise income, open a credit union account. Money Buddies, both paid staff and volunteers, do everything that a debt adviser would like to do but does not have time to do. Money Buddies also train clients how to manage their own finances.

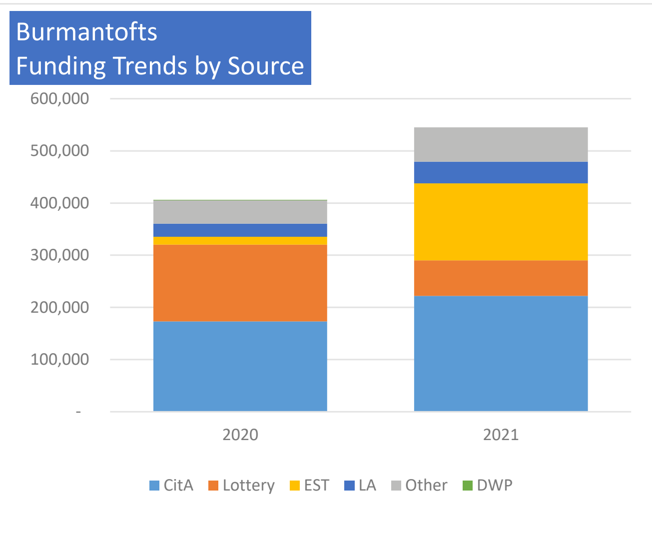


Figure 11, Burmantofts Funding Trends

The first intervention is normally face to face because Money Buddies support 30 sites throughout Leeds, including NHS settings. Money Buddies do the Common Initial Assessment (CIA) so the debt adviser will know straightaway whether there is any emergency. Benefits Buddies undertake a similar community-based role, helping clients maximise benefit income entitlements.

For 2021, BCP secured a 34% increase on 2020 income from 14 sources to cover its range of services with MaPS funding (via Citizens Advice) representing 41%. BCP cited good ICT services (it uses AdvicePro for case management and reporting) as an important enabler to support multi-client reporting and funding allocation. Notwithstanding the growth in funding, BCP, like many other consultees faces continued financial pressures.

“The funding doesn’t allow investment in the service delivery model. It needs to be resourced properly so that service delivery models can maximise the value of the funding.”

“We are underfunded and the only reason it works is people work overtime and don’t claim it back.”

Funding Diversity Example: Money Advice Plus

Money Advice Plus (MAP) is a debt and money advice charity based in the South of England. MAP’s mission is to:

“Help people manage their money effectively. We will deliver person-centred money advice services. We will actively engage with those who find this the most difficult, improving wellbeing and financial resilience.”

MAP receive funds from thirteen funders, who combined fund the MAP projects. By design MAP have reduced their reliance on MaPS funding, as the model set by MaPS was misaligned to the delivery model and client group that MAP serves. Prior to withdrawing from MaPS funding, MAP had significant challenges with their MaPS funded debt advice service, predominantly due to the high-volume targets which resulted in inequity in the provision of advice between MaPS funded and non-MaPS funded teams, with challenges recruiting and retaining staff into the MaPS funded team.

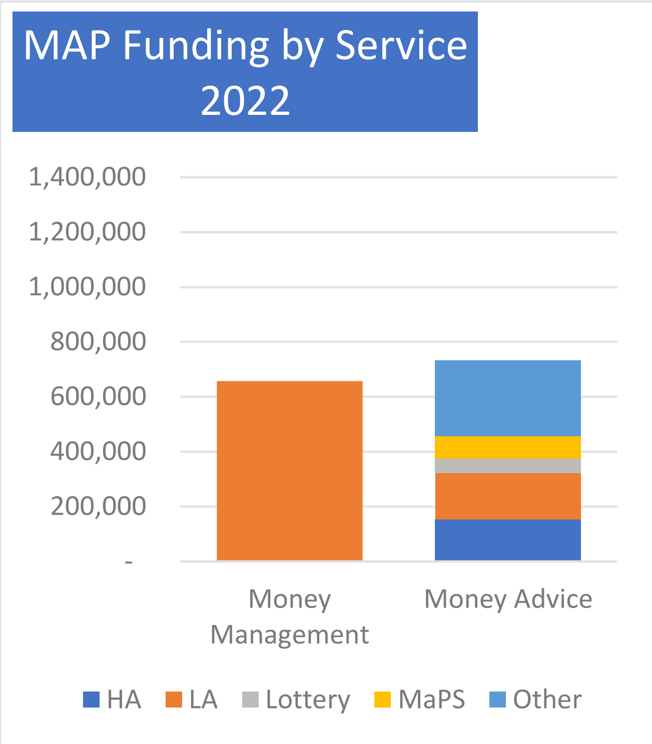


Figure 12, MAP Funding by Service

Further details of MAP's approach are provided in Case Study 1.

Consideration 4: Promote efficient joint funded operating models within providers

Organisations serving similar cohorts of high need customers can have quite different perceptions of the burden of MaPS' requirements. BCP appear to be able to use non-MaPS funded resources (Money Buddies and Benefit Buddies) to lighten the load on MaPS funded debt advisers. This may help inform the design of pilots for co-funded delivery models.

Unit Costs for Community-based Services

MaPS has progressively increased the effective unit cost per client funded for community-based services as shown in the bar chart below.

Costs have been increased to account for:

- The increased handling time per case caused by increased clients presenting with more complex needs
- The overheads of implementing the Breathing Space regulations
- Provider cost inflation.

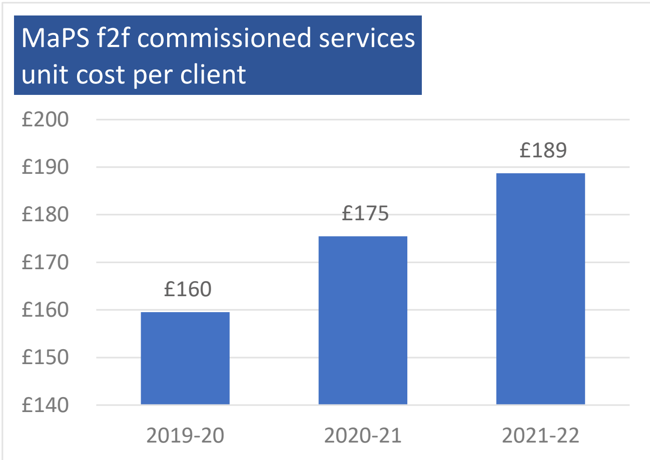


Figure 13, MAP unit costs

Feedback from providers has been that some of their other funding has not kept pace with increased complexity or inflation resulting in a reduction in effective capacity. Some funders have been more proactive:

> "We told grant holders they can apply to cover increases in running costs, or it could also be because they need to do new activities to try and respond to communities' needs and the cost-of-living crisis."

Perceived Challenges with MaPS funding for Community Based Providers

As noted above with Money Advice Plus, several providers have raised challenges on how MaPS approach to funding debt advice constrains their ability to provide more holistic services to customers. In summary, these are:

- A perceived **focus on volumes** driving a reduced average funded cost per case. Whilst this has yielded efficiency improvements, some community-based providers have indicated that, notwithstanding the increased effective unit cost provision shown in the chart above, it effectively disenfranchises complex cases including those for whom English is not their first language, customers with learning difficulties and/or mental health issues where more time is needed to build rapport and understanding of the advice provided.
- A **focus on new clients** at the expense of achieving successful outcomes for existing clients. In some cases, this means that existing clients with unresolved issues are prevented from re-accessing MaPS funded advice for an arbitrary period until they can be counted as new clients again.
- Providers **cannot meet the wider needs** of clients within the current, narrowly focussed debt advice funding envelope, sometimes necessitating referrals to other agencies, creating increased risk of customer disengagement/dropout.
- **Onerous reporting and quality** management requirements (discussed further in Theme 2).
- A lack of operational alignment between funding sources leading providers **to segment resourcing** which reduces flexibility and makes the provision of a holistic service more difficult. Several community-based providers have noted that they have distinct MaPS and non-MaPS teams where providing debt advice funded by different sources, sometimes the operating approach materially differs between the teams (such as where funders quality monitoring requirements differ).
- A **focus on activity reporting** at the expense of outcome reporting. We have observed several measures of financial and non-financial benefits achieved (such as income maximisation, debt reduction, avoided statutory duty costs and customer adherence to agreed activity) which are measured by providers and local authorities. These provide good proxies for outcomes which could be adopted by MaPS as elements of a co-funded outcome measurement regime.

“If you want an accessible service then there needs to be funding for all those things e.g. translation. If you don’t have the funding, then you don’t do it and you end up discriminating by default.”

Co-funding commissioning in a way that supports local partnerships and collaboration

From our research, it appears clear that the most effective community-based services include coordinated and empowered interworking between a network of partners to cater for the wide range of issues that many customers need support on.

MaPS presently commissions community-based services in five packages with much of the funding going to Citizens Advice. Each “Lead Provider” effectively sub-contracts a proportion of the work to a network of local delivery partners, in some cases providing IT infrastructure and systems for partners to use.

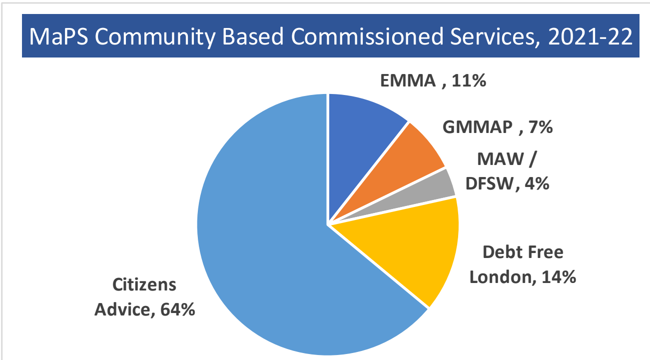


Figure 14, MaPS Community based Commissioned Services, 2021-22

In Wales and some other regions, Citizens Advice use Refernet (CAB Gwynedd, 2023)[15] to enable fast referrals to other agencies with the ability to track case progress across partners. In the London Borough of Barking and Dagenham (LBBD) there is a large network of community-based providers, spread across six localities, acting as access points for citizens to debt and other advice.

LBBD have adopted a Lead Provider model by locality, designed to follow the principles of the Civil Society Futures Inquiry (Civil Society Futures, 2018)[16] - maximising collaboration through "PACT" shared values of Power sharing, Accountability, Connection and Trust. This includes rotating the lead provider responsibility through the network. This approach may help defuse some of the tensions we have identified in existing lead provider / sub-provider delivery.

Consideration 5: Maximising effective collaboration

Designing PACT principles into future community-based commissioning may enable a service model to better engage local support, achieve earlier identification and support of people in need and align debt advice as part of a coherent, holistic citizen centric service. The Welsh SAF model exemplifies this, distinguishing between access and advice partners. For further detail see Case Study 5 - Welsh Government Single Advice Fund (SAF).

In looking at the operation of the Single Advice Fund in Wales and the cooperative model adopted in Barking and Dagenham, it appears that these models may have much wider applicability and could serve as a template for co-funded advice services in the future.

Consideration 6: Pilot alternative co-funding models

We suggest that MaPS explore co-funded approaches, ideally piloting approaches to test and learn to inform future commissioning rounds.

Co-funding would ideally draw on funding streams from MaPS, Local Authority / Unitary Council, DWP (such as Household Support Fund and Help to Claim) and, potentially Lottery and NHS funding streams with a target that MaPS contributes c25% of funding. There may also be opportunities to explore MaPS' funding spanning both money guidance and debt advice.

We suggest that several pilots could be operated, covering different demographics / urban / rural settings with different lead partners developing outcome measures in a coherent way to meet each funder's requirements.

The pilots would commission debt advice alongside other advice services through a single exercise. The aim more joined-up services and move closer to a 'one stop shop' for the common advice needs people have.

It would ideally use a single cross-cutting quality assurance approach and a single reporting framework for all service lines. The pilot could also be used to test 'softer' implementation of commercial approaches, as referenced as a proposal elsewhere in this report.

For initial pilots, we would recommend an English region or local metropolitan area where, as a minimum, the Local Authority or local authorities are already established funders of advice services. This would allow the pilot to build on existing provision rather than having to start from scratch.

The pilot should be independently evaluated over a reasonable period of time and using robust statistical methods such as those used for the Troubled Families Programme (UK Government, 2020)[17], primarily focused on impact on client outcomes but additionally to understand experience for advice agencies and advisers, and feasibility and value to the respective funders.

If proven to be successful, this could be rolled out in future commissioning cycles across all of MaPS' funded debt advice. Our work suggests this model would also have merit in nationwide services and MaPS may wish to consider piloting the model in a national setting too before a potential fuller rollout.

[15] https://cabgwynedd.wales/saf/joining-refernet/
[16] https://www.cocreatingchange.org.uk/wp-content/uploads/2019/02/Civil-Society-Futures__The-Story-of-Our-Future.pdf
[17] https://assets.publishing.service.gov.uk/Troubled Families Programme

4.2. Theme 2: Lack of consistent Operating Models across the sector to base a service offer against.

There are a varied set of operating models in existence, and they are offering different value to different sets of clients. Community based services tend to be more holistic. With more demand and complexity, there are challenges in integrating debt advice alongside other specialist support services into effective holistic approaches.

Our research has confirmed that there is a wide range of operating models for the delivery of debt advice with a broad split of national, non-face to face operating models being singly focussed on debt advice versus community based models which frequently provide a broader set of advice services alongside debt advice with provider capabilities often spanning welfare advice, money guidance and financial capability support, legal, housing and homelessness advice and support alongside regulated debt advice.

The COVID pandemic created a profound channel shift towards using more digital channels as illustrated by the graphic drawn from Citizens Advice Debt Impact Report 20/21 (Citizens Advice, 2021)[18] and, for many providers, these changes have become embedded and operating models are not expected to revert to pre-pandemic service delivery.

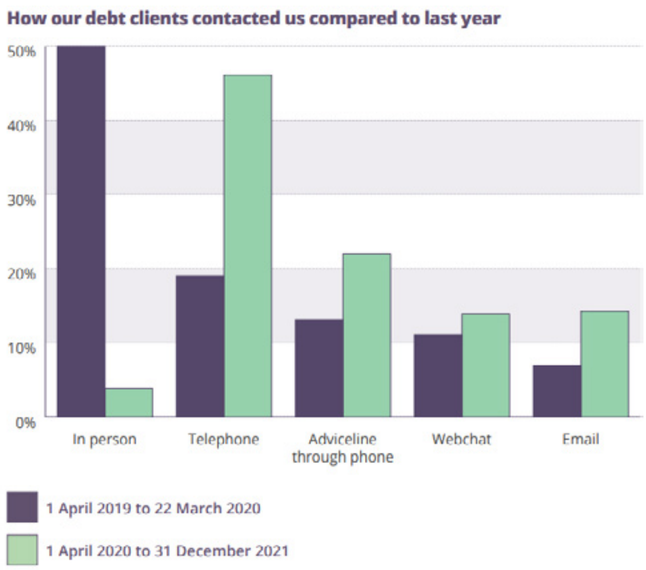


Figure 15, Debt advice Channel comparison

For example, it has been reported that clients are not visiting advice hubs and face-to-face settings as frequently and some advisers want to continue to work remotely.

Nevertheless, for many of the organisations we have spoken to, there is a clear preference for providing access to face-to-face services, particularly for vulnerable clients and face to face service provision better enables advisers to engage and identify additional customer needs than can readily be achieved by other channels. However, there is no 'typical' way that advice providers are currently understanding customer need or the 'target' strategies for different groups.

For example, anecdotally "vulnerable groups need face-to-face advice" but the approach to analysing this need is not documented or consistent across the sector and research by the Money and Mental Health Policy Institute notes that, for people with lived experience of mental health problems, there was a slightly higher preference for communication via email than by face to face[19].

Most providers in community settings have reported that the initial issues raised by customers are not generally debt issues and, typically, these are surfaced as trust is built and advisers are able to form a holistic view of customers' advice needs.

> "95% of debt referrals arise through a generalist advice referral"
>
> – AdviceNI member.

Customers' wider Advice Requirements / Case Complexity and Demand

There is a widely held view that the cost-of-living crisis, housing market upheaval, interest rate rises, are impacting both client numbers and case complexity and that peak demand has not yet been experienced. In our discussions with community-based advice providers, a consistent theme has been the increased requirement for other needs co-presented by customers.

[18] https://www.citizensadvice.org.uk/Documents/DebtImpactReport_2020-21.pdf
[19] https://www.moneyandmentalhealth.org/wp-content/uploads/2021/12/Recommissioning-debt-advice-services_-meeting-the-needs-of-people-with-mental-health-problems.pdf

"Half of debt assessed clients are spending more on essentials than they have coming in (up from 37% in 2019).

… This increases the amount of time and number of contacts needed to help these clients. Compared to 2019 our debt clients need 20% more contacts (this rises to an 82% increase for clients who need f2f).

…The crisis is starting to drag in more households who were doing ok - people employed full time are one of the fastest growing profiles for negative budgets.[20]"

Citizens Advice gather comprehensive data on the issues raised by customers and the degree of overlap between issues. Of nearly 1.5 million unique clients seen in the 12 months to end Feb 2023, c330,000 (21%) were debt clients, an increase of 13% over the previous year.

Citizens Advice group advice services into 15 broad categories of need, each client presents with, on average 2.4 distinct categories on which they need support.

An example of the other categories raised, for customers presenting with debt issues (Tableau Public, 2023)[21] is shown in **Figure 16** below:

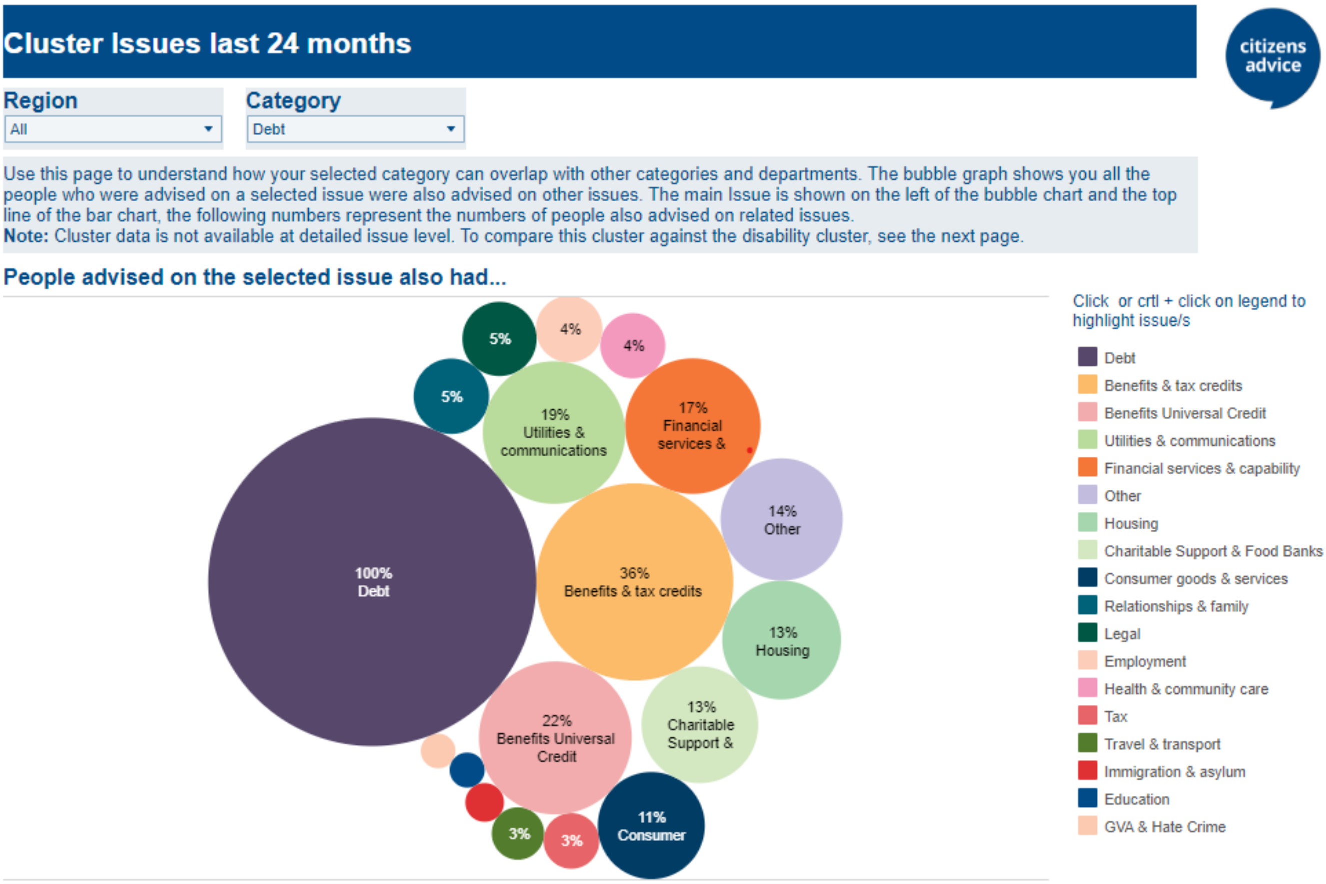


Figure 16, Categories of Debt Issues

[20] Client case complexity analysis provided by Citizens Advice to January 2023
[21] https://public.tableau.com/app/profile/citizensadvice/viz/AdviceTrendsFeb2023/Cover

The increased complexity of needs of customers accessing community-based advice services generates a requirement for increased coordination between specialist providers to help customers prioritise and address their problems in a way that increases their future self-reliance and capability.

Often specialist support needs to be local to best achieve early resolution of problems. Co-locating support services, such as has been undertaken in the London boroughs of Croydon, Barking and Dagenham (see Case Study 2) and Tower Hamlets helps to achieve this.

The effectiveness of such holistic local services can be enhanced with case referral tools such as Refernet. Conversely where elements of the service are delivered remotely without effective case referral systems, it can be problematic to effect referrals to local support services when these are needed.

Consideration 7: National Providers need local referral partners

Where debt advice referrals are made to a service remote from the customer (as happens with PACE), the effectiveness of the service would be enhanced if debt advisers have an available directory of local advice partners able to support customers when their needs require such support.

Standardisation on a national referral tool (such as Refernet which is used across Wales) would provide increased assurance and visibility on referrals being actioned.

Perceptions of MaPS Operating Requirements

MaPS' operating requirements for debt advice have been identified as a burden by some providers with both the focus on volume targets and requirements for evidencing the quality/consistency of debt advice as a regulated activity. MaPS requirements are seen as onerous for smaller organisations and too prescriptive.

These requirements have been cited by some providers as conflicting with their charitable aims, not customer or outcome focussed and not well aligned with the multiplicity of needs which customers are presenting in face-to-face settings. Accordingly, they are cited as reasons for reducing or not seeking MaPS funding in the future.

Caseload Targets

In commissioning both telephone/digital and face to face debt advice delivery, MaPS and providers agree case volume targets, against which, performance is measured [monthly]. Whilst the volume targets are not directly linked to funding under current grant arrangements, there is an implicit expectation by providers that they need to be met to secure continued funding in the future.

MaPS funding translates into unit costs for providing debt advice that are materially below the levels cited by some providers for holistic advice services. (Telephone costs per customer averaged c£36.40 in 20/21 with wide divergence reflecting providers' differing operating models and the complexity of an "average" intervention. Similarly face-to-face costs averaged £188.71 – again with some wide variations.) There is a perception that complex needs customers are disenfranchised by a system which places increased reach over customer resolution.

Several community-based organisations have cited unit costs in the range of £350 - £500 per customer – such models often supporting customers face to face over an extended period to develop financial capability and self-reliance alongside resolving debt related issues.

> **"…MaPS models generates a revolving door of people in and out… Vulnerable groups with literacy/numeracy issues take time to support, we cannot resolve issues within the framework of MaPS requirements"**

It appears that the focus on volumes and adherence to MaPS quality has had some impacts on relationships within Lead Providers' supply chains. As noted in Case Study 3 - Toynbee Hall (Debt Free Advice), Debt Free Advice made changes to quality management and initial contact triage processes and some partners opted to step away from Debt Free Advice funding where unable to meet the demands or the new operational/funding structure no longer worked for them. In other partnerships we received similar comments:

"Our relationships with local agencies changed when MaPS became more prescriptive. Organisations under MaPS were focussed on hitting the targets so they wouldn't refer the clients who need more support to us. They would close the case even if the client stops engaging because they needed the numbers."

MaPS' (and its predecessor MAS) long-term focus on providing service quality consistent with a regulated service and efficiency has clearly driven improvements to both these criteria, but there have been well reported impacts on both adviser well-being and task time with the Institute of Money Advisers (IMA) reporting that adviser satisfaction for MaPS funded positions was much lower than for advisers in non-MaPS funded roles.

Higher case number targets combined with increased MaPS initial casework time (5 hours 15 minutes versus an average of 4 hours 24 minutes) (Institute of Money Advisers, 2020)[22] added to adviser measured stress and dissatisfaction.

"We've seen real issues in the morale of debt advisors. They are not going to work looking forward to helping people. They are stressed about hitting targets and whether or not it is the right thing to do for the client, they have to work in a specified way."

The Debt Advice Peer Assessment (DAPA) process (MaPS, 2020)[23] has come in for widespread criticism regarding its impact on Adviser wellbeing, many organisations have welcomed its withdrawal:

"DAPA put a lot of pressure on advisors. I lost a very good advisor (who had dyslexia) because she got pulled up on her case recording quality."

Organisations working within MaPS grant funded arrangements typically set caseload targets for debt advisers and need to be rigorous about separating "in-scope" from "out of scope" activity. As an example, Debt Free Advice (formerly Debt Free London) is a partnership of charities led by Toynbee Hall and funded by MaPS. Debt Free Advice works with partners across London to deliver MaPS volume targets, typically 8 new cases per week per debt adviser.

Debt Free Advice provides centralised referral from its contact centre to its partner network and operates a centralised quality management function to ensure that the contract standards required by MaPS can be consistently delivered.

The challenge of meeting MaPS' volume and quality targets means that Debt Free Advice has had to tailor its service delivery model. For example, it does not have sufficient funding to invest in measurement of longer term achieved outcomes for its customers, something that other providers often regard as an essential aspect of their delivery model.

The Debt Free Advice model is characterised by a greater need for handoffs to advice partners for other customer needs than some other providers' so, for example, customers needing welfare advice – to maximise income from benefits are referred to other partners in the locality – where they exist.

Reporting Requirements

MaPS' reporting requirements are comprehensive, and some providers have criticised them. However, it should be noted that MaPS was not the only funder referenced when discussing reporting requirements that deterred providers from seeking funding.

By contrast, National Lottery Community Fund's commissioning and reporting requirements have been positively cited by several organisations:

"…7th year of Lottery funding, they back our work and do a fair chunk of monitoring/reporting we benefit from."

[22] Workload Conditions and Wellbeing in the Money Advice Sector and What is a manageable debt advice caseload?: https://www.i-m-a.org.uk/workload conditions
[23] https://maps.org.uk/our-debt-work/raising-standards/

The burden of reporting to multiple funders with differing requirements appears to be dependent upon the extent to which providers have been able to implement flexible case management systems. Some providers have limited IT systems making it problematic to separate, manage and report on casework consistently for multiple funders.

Where providers have received funding to enable investment in systems (such as AdvicePro has been cited as enabling flexible reporting by client) they have been able to provide client-based time recording where needed to allocate activity by funding stream without undue ongoing administrative effort.

The Scope of Debt Advice
There is a lack of clarity about what is in/out of scope for debt advice. FCA guidance for firms providing debt advice and solutions and implementing the Consumer Duty indicates (with the key considerations appearing in **bold**):

All advice given and action taken by a firm (or its agent or appointed representative) must have regard to the customer's best interests, and be appropriate to their individual circumstances, including a sufficiently full assessment of their financial circumstances. **Income maximisation** *(where the firm identifies potential additional income, such as unclaimed benefits) and* **budgeting advice** *are particularly important in this context.*

… and …

Our research shows that, currently, only approximately three in five (61%) borrowers in financial difficulty who sought debt advice, or used a debt management service, received a **written summary** *of that advice. Of those that did, 89% used this written summary* (Financial Conduct Authority, 2023).[24]

These comments suggest that FCA views debt advice quite broadly, encompassing money guidance as appropriate and that advice should be carefully tailored to customer needs, especially for vulnerable customers.

Consideration 8: There is a need for greater clarity on what constitutes debt advice

It appears that MaPS' interpretation of the scope of debt advice is relatively narrow when compared to FCA's interpretation. MaPS' interpretation is likely a consequence of its historical context and the legislative basis of the levies which fund its functions. In delivering services to customers with, mostly, wider needs a combination of money guidance and debt advice appears to be more appropriate.

FCA Regulation of free to client debt advice
We have received some feedback from the not-for-profit advice sector on FCA regulation – for example:

> "FCA regulation is an ill fit for the not-for-profit debt advice sector. It was designed for the commercial sector. …There is a bureaucratic burden. 39% of our members' debt clients have deficit budgets, the reality is there are no debt solutions for many people.
>
> The FCA requirements are not designed for that. There are more clients with fluctuating incomes, FCA regulation is focused on people with regular income."
>
> – AdviceUK

FCA's published priorities for debt advice are: the potential conflicts of interest present in some commercial models; capacity in the market for debt advice; and the approach to vulnerable customers. In the context of not-for-profit providers of debt advice, the FCA has stated that:

- *Historically, not-for-profit debt advice firms, especially those operating on a smaller scale have received less direct regulatory contact than larger firms. We will monitor standards and the business models of these predominantly smaller debt advice firms to better enable us to identify and mitigate potential harms. (Financial Conduct Authority, 2020)*[25]

[24] https://www.fca.org.uk/publication/correspondence/consumer-duty-letter-debt-advice.pdf
[25] https://www.fca.org.uk/publication/correspondence/debt-advice-firms-portfolio-letter.pdf

Specific concerns we have heard from the sector have been that MaPS' quality requirements and standards are more demanding than those specified by the FCA and are unsuited to the context in which customers, with multiple issues present to advice organisations.

The FCA's balanced, proportionate approach to the delivery of regulated debt advice does not appear consistent with some of the practice we have observed. There is a perception that the quality management requirements for MaPS delivered debt advice, whilst they have delivered improvements in consistency, are not proportionate, create inefficiency and do not always align with customer's advice needs. For example:

Confirmation of Advice (CoA) Letters

One area that providers flagged as a burden created by MaPS' operating requirements was CoA letters. Whilst confirmation of advice provided is a requirement of the FCA regulations[26] there appear to be issues in how this is being operationalised and the perceived quality requirements. CoA letters are usually provided towards the end of the customer's engagement. Depending on the complexity of a customer's circumstances, these letters can often exceed 50 pages for some providers that is a major source of confusion, stress, and irritation to customers.

Even with the benefit of standard paragraphs, production of these can consume 20% or more of Adviser time and contributes to adviser stress levels as well as customers'. Debt Free Advice have started piloting the use of volunteer help to support advisers in this administrative task and release more time for customer facing activity. Similarly, at Burmantofts, their Money Buddies and Benefits Buddies relieve debt advisers of significant administrative loads, freeing up more time for value adding customer facing time. We have received very vocal feedback from several other organisations as part of this research:

> "And there's this big ream of process requirements that come through the quality, things like confirmation of advice letters where you're trying to drag this client through all this process to tick some boxes rather than actually getting down to the nub of their problem and how they're going to move forward. And that's difficult for the adviser and the client."

> "We were giving letters to people in temporary accommodation or who couldn't read just to tick the boxes. People get frightened by them and got upset because we deal with people with mental health problems. They would come to enquire about the letters, and it would cause us more work."

> "The Confirmation of Advice letter was just rubbish and ridiculous."

Consideration 9: Review MaPS' quality management requirements against regulations and customer need to ensure proportionality.

There appears to be scope to pilot an alternative approach to quality management and compliance processes which, with appropriate technology investment, may reduce the current burden on providers and enable improved communications to customers. This might include:

(i) devising a 2–3-page action focussed client CoA correspondence improving efficiency and customer clarity

(ii) reducing the burden of case record keeping by, for example, recording of face-to-face visits for evidential and quality review purposes in much the same way as for voice calls.

Building Capability and Resilience: Lessons from National Lottery

We considered it would be beneficial to engage with The National Lottery Community Fund (TNLCF) as a long-term provider of community-based grant funding to compare their approach MaPS'. TNLCF is a generalist community funder with a focus on funding to create beneficial local outcomes without specifying methods of delivery. There is therefore some inherent difference in approach from the different statutory remits of the two organisations.

The National Lottery Community Fund (TNLCF) distributes over £600m a year to communities across the UK, raised by players of The National Lottery. In England TNLCF mainly take a relational grant making approach, with regional

[26] FCA Handbook – The Consumer Credit sourcebook CONC 8.3.4 (CONC 8 - (Financial Conduct Authority, n.d.) FCA Handbook)

teams supporting local communities. There are four elements of note in terms of how TNLFC operates:

- Reporting.
- Co-commissioning / Pooled Funding.
- Reducing Reliance on TNLCF Funding.
- Creating a Support Network.

Post Award Reporting

Reporting typically happens in three ways: in year (quarterly or six-monthly) at the end of the year; and at the end of grant. It can be both in the form of written reports and through conversations. We take a proportionate approach so some grant holders will report more frequently and in different ways than others depending on, for example, the size of their grant. An area of focus for reporting has been ***"making sure that we need and use everything that we ask grant holders to provide".***

Three key things we look for in reports:

- ***Are they doing what they said they would be doing with the money, and do they want to make any changes***
- ***What's going well and what might need further support – so what's the learning from their work and that includes narrative/ qualitative type of information***
- ***Quantitative data – ideally we'd like to be able to aggregate that to show the overall reach and impact of our funding."***

Co-commissioning / Pooled Funding

TNLCF co-fund projects with other funders and have a suite of different funding mechanisms which are characterised by different legal agreements or partnership arrangements or decision-making arrangements or scale of funding. That might be:

- TNLCF giving funding to another organisation to administer on its behalf but staying involved in decision making.

An external delegation agreement, such as with The Access to Justice Foundation, ***"where we give TNLCF monies to another organisation to distribute on our behalf and they are responsible for everything including the decision making."***

- TNLCF delivering another organisations funding alongside TNLCF funding.

TNLCF have the same managing public money requirements as MaPS and do quite significant due diligence to make sure that for any delegated arrangements, the organisation is fit and proper to manage public money.

Reducing Reliance on TNLCF Funding

"We don't want organisations to become reliant on our funding. Some organisations do get repeat funding, but we will ask them to show how they plan to diversify (their income). At times we provide funding to help organisations become more resilient. Most small organisations don't have capacity to do everything, so we also try to create some capacity when we fund them and actively encourage applicants to include the management team's time in any project funding. We call it full cost recovery.

Creating a Support Network

TNLCF distributes most funds via grants. However, to build resilience and learning across funded organisations it has used a contracting approach, commissioning an organisation to provide that support.

"We sometimes contract active pieces of work when we want to bring some of our grant holders together to learn from each other and we also want them to be able to access specific support for their own organizational/ project needs. We'll run that alongside the grant funding that we do."

Consideration 10: Explore using existing TNLCF capabilities to delegate debt advice commissioning

TNLCF has a mature grant making infrastructure, regionally distributed. There may be value in MaPS collaborating with TNLCF to explore the delegated funding approach detailed above as co-funded pilots (see Consideration 6) are put in place.

4.3. Theme 3: Client needs do not always align with a narrow interpretation of debt advice

There is a need to reaffirm knowledge and awareness of MaPS' role and its current strategy for funded debt advice and its longer term aims.

MaPS' Statutory Scope

As noted in the previous two themes, many clients presenting for debt advice have needs that go beyond those offered strictly within regulated debt advice, with housing issues, welfare benefit issues and employment issues all reported as common alongside debt problems. There are also various reports published by debt advice agencies evidencing higher case complexity, increasing prevalence of client vulnerabilities and larger numbers in deficit budgets (where essential expenditure exceeds income).

For many, simply providing advice on maximising income, making reasonable expenditure cutbacks and managing debt will only go some way to help, with 'root cause' issues left unresolved. This makes getting sustainable good outcomes for all clients less likely.

It also limits the value for money that can be derived from services which only offer tightly defined debt advice. For completeness, it is apparent there remains a subset of clients for whom only debt advice is required but our stakeholder interviews suggest this is an ever-decreasing group. Without question, it is much smaller than when a government-backed debt advice function, like what is in place now, was set up and placed into the Money Advice Service in 2012.

MaPS' relevant statutory function for problem debt is, on the face of it, relatively narrow (to provide, to members of the public in England, free and impartial information and advice on debt (UK Government, 2018)[27]). This means there will be some support and advice needs that clients present with at debt advice services which MaPS will not be able to commission for or fund.

However, MaPS should consider how widely it can legitimately interpret its statutory functions to align with current client needs. It seems within the spirit of the Act which created MaPS to undertake a range of activity which enables people to manage debt better, which would involve going beyond simply delivering advice and guidance strictly on debt itself.

MaPS made considerable efforts in its recent commissioning round to promote more holistic services within this remit, including requiring bidders to have inbound and outbound referrals with other support services, and explicitly requiring more intensive income maximisation than has previously been expected. This is a clearly a progressive step. For many however, our engagement suggests this will not go far enough to consistently resolve the issues people present with.

Advising people with deficit budgets

A recurring theme in our stakeholder interviews was the growth in the number of clients with deficit budgets (where their essential expenditure exceeds their income), even after a debt adviser has recommended all reasonable cutbacks on expenditure and explored ways to maximise income.

Stakeholders highlighted that if the success of debt advice is measured only on achieving a sustainable debt solution for a client, the value of providing debt advice alone to people with deficit budgets is arguably limited. This is because almost all sustainable debt solutions rely on a person being able to make ends meet. As a result, a small number of stakeholders suggested MaPS would derive greater value for money by focussing its funding at clients only with disposable income.

While there may be some logic in this, it is important to consider the wider funding landscape. There are various other funding sources in existence which may provide debt advice for those with disposable income (such as Fair Share and IVA fees). Whereas it seems unlikely other funding sources will be readily able to step in to support clients without disposable income, should MaPS step back from it.

It is also likely this approach would conflict with MaPS' statutory role to focus on those 'most in need', its requirements around vulnerable people and having regards for people with protected characteristics.

Most stakeholders still felt debt advice was beneficial to those in persistent deficit budget, particularly if offered with links into other support services. As a result, we have discounted the suggestion that MaPS should not seek to provide debt advice to those in deficit budgets. However, MaPS, and others, may wish to consider how the value of debt advice is better measured in these circumstances.

[27] https://www.legislation.gov.uk/ukpga/2018/10/section/3/enacted

Consideration 11: MaPS should explore how far it can legitimately push the boundary of its debt advice function in commissioning broader services

To ensure more clients achieve a sustainable and good outcome from MaPS funded debt advice, MaPS should consider if it can commission services which provide support on a wide range of issues clients commonly present with [28]. This may include working with other funders and commissioners.

If MaPS finds pushing the boundary of its statutory role still leaves significant unmet client need, the Government may then wish to consider changing MaPS' remit, providing it with the scope and tools to commission broader services. Government could also look across publicly funded services to consider if bringing advice and support services more closely together may be more efficient, impactful and joined-up.

As context for the above consideration, we note the Welsh Government has brought publicly funded advice and support services more closely together in its Single Advice Fund, which is viewed positively by many stakeholders. As referenced in Consideration 6 above, MaPS should also explore if it can work in partnership with other funders and commissioners in better joining up and co-funding services. During our engagement, we spoke to local authorities and at least one central government department who expressed appetite to work more closely with MaPS on co-funding and partnership work.

Case Study Spotlight on Benefits of a Joined-up Service: Single Advice Fund in Wales

This stakeholder quote from our Case Study highlights how a broader service can help engage people earlier on their debt issues.

"We found that during the COVID years, when obviously there was quite a lot of support that prevented debts from becoming a crisis, we were still picking up quite a lot of households in Wales who needed debt advice because they were coming to the Single Advice Fund for advice on their Universal Credit claim, for example. And because of the integrated nature [during the initial conversation] they were able to talk to people about their Universal Credit but also 'I see you've got these bills here, credit card bills, personal finance bills, etc, and maybe we can do something with those too' so we got debt advice delivered even though other agencies perhaps were saying 'our phones have gone a bit quiet because people aren't getting to that crisis point because there's no letters from creditors saying you're in court now because you've not paid'. So this was a good example of how we were still doing debt advice when perhaps other parts of the UK advice services who do debt advice weren't"

The broader offering and the infrastructure around it also allowed the Welsh Government to respond quickly when a new need arose. For example, it used the Single Advice Fund to provide urgent additional funding for new support needed during the COVID-19 pandemic.

Further detail can be found in the full Single Advice Fund Case Study below.

Sector-wide coordination for strategic matters

The level of coordination to deliver more joined up publicly funded support, advice and guidance services would be considerable and should not be underestimated. This is where MaPS' other statutory role in the areas of debt advice and financial capability should come into play. The Financial Guidance and Claims Act 2018, which established MaPS, gave it a statutory function to develop and co-ordinate a national strategy to improve the financial capability of members of the public and the ability of members of the public to manage debt.

[28] MaPS will clearly also need to consider value for money in commissioning broader services.

The Act also states that in developing and coordinating the strategy MaPS 'must work with others, such as those in the financial services industry, the devolved authorities and the public and voluntary sectors' (UK Government, 2018)[29]. It therefore seems reasonable that MaPS would act as a coordinating body in bringing relevant funders together. By making services more joined up and cross-cutting, MaPS would certainly be improving members of the public's ability to manage debt, in part by providing debt advice and in part by better tackling 'root cause' issues.

In a related note, several stakeholders noted that MaPS had stepped back from its strategic and coordinating role in the last two to three years. Most felt this was because of directing resources to its COVID-19 pandemic response and, more significantly, to delivering the recent commissioning process. Some also noted a view expressed from MaPS that it no longer has a statutory sector coordinator role, unlike its predecessor, the Money Advice Service.

Regardless of cause, where this was raised by stakeholders it was almost universally seen as damaging, both to MaPS' reputation and the sector at large.

> **"It looks like MaPS has abdicated the responsibility for coordinating the sector. Without doing sector coordination, I don't think MaPS can honestly speak to the state of the advice sector as a whole. I think it could end up being self-destructive."**
>
> **- Charitable Debt Advice Provider, non-MaPS funded.**

There were varying degrees to how strongly stakeholders felt MaPS should take a lead on debt advice sector strategic matters but there was consensus that there are whole of sector[30] matters which MaPS should increasingly take a strategic role in.

The case for a strategic sector coordinator is not new and was clearly articulated in the Farnish Review, a government backed review of MaPS' predecessor body, the Money Advice Service, in 2015 (Farnish, 2015)[31]. That rationale remains as valid today as it did then; possibly more so given the emergence of deeper and more complex cross-sector issues.

Those most supportive of MaPS taking a strategic and coordinating sector role stated MaPS should be seen as a leader of the debt advice sector, taking a key role in setting a sector strategy and in delivering sector-wide improvements. Those less supportive still advocated for MaPS increasingly delivering more initiatives like the Standard Financial Statement (Standard Financial Statement , 2017)[32], tools which universally help debt advice agencies deliver their work.

Some stakeholders highlighted a debt advice sector 'target operating model' (Fincap, 2018)[33] which was built in collaboration between sector stakeholders and MaPS[34] in 2018 as the sort of benchmark MaPS should seek to return to; albeit in future needing to ensure it was properly resourced to be delivered.

Opportunities for greater sector coordination and leadership which were repeatedly referenced included the approach to training, qualifications and career progression, technology investment and sector-wide infrastructure (such as a joined-up appointment booking system, commonly used data sets, and cross-sector unique client identifiers).

Whilst it is recognised that MaPS taking a bigger role in sector coordination would require both financial and people resource, it is likely that any activity here would in the medium term improve effectiveness and efficiency in MaPS' funded services and contribute more broadly to the sector's development.

This would make results from future commissioning stronger. Whilst any new activity should be subject to further analysis, and engagement with the sector on priorities, our review suggests the business case for taking a bigger role in sector-wide coordination is a strong one.

[29] https://www.legislation.gov.uk/ukpga/2018/10/section/3/enacted

[30] In this context, whole of sector refers to MaPS funded debt advice agencies, non-MaPS funded debt advice agencies, debt advice levy payers, broader creditors, other third sector bodies with links to debt advice and statutory bodies with a role in debt advice and problem debt.

[31] https://www.gov.uk/government/publications/review-of-the-money-advice-service

[32] https://sfs.moneyadviceservice.org.uk/en/what-is-the-standard-financial-statement

[33] https://www.fincap.org.uk/en/news/new-target-operating-model-debt-sector

[34] This work covered the period where the Money Advice Service transitioned into the Single Financial Guidance Body (now known as MaPS).

Consideration 12: Review MaPS' strategic coordination function

MaPS should utilise the strategic function, provided to it by the Financial Guidance and Claims Act 2018, to enable material improvements in the debt advice sector. As tangible examples, this could include delivering a cross-sector approach to training, qualifications and career progression, technology investment and sector-wide infrastructure. However, it may be appropriate to go beyond those areas. Ensuring this is done in collaboration with the debt advice sector and other key stakeholders will be key to its success.

Communication and engagement with the debt advice sector

On a related note, our stakeholder interviews revealed that awareness and understanding of MaPS' vision for its debt advice functions was limited. A theme from our interviews highlighted several stakeholders were not aware of any over-arching MaPS strategy for debt advice. For many of those who were aware of MaPS strategic work for debt advice, they struggled to draw the link between an over-arching strategy and the approach to the recent commissioning exercise.

There were also various misconceptions about MaPS' intent behind its debt advice activities. For example, several stakeholders felt MaPS' quality assurance regime required lengthy confirmation of advice letters when, in fact, this had never been a MaPS policy. This perhaps demonstrating an inconsistency between the policy and the practical application.

Similarly, some expressed a view that MaPS only allowed agencies to have one session with a debt advice client to resolve all debt advice issues, while MaPS' grant agreements do not state this at all. It is apparent that some of what MaPS is setting out to achieve is not translating to what is happening in practice.

While our study has not been in-depth enough to say definitively, it seems likely some of this may be caused by a combination of MaPS using a 'lead organisation'[35] model, creating more opportunity for MaPS' intents to become diluted and, that to fulfil broader expectations in grant agreements, lead organisations feel it is necessary to place additional requirements on funded participants.

More broadly, it is clear there is relatively poor understanding of MaPS' role and remit. Unlike its predecessor body for debt advice, the Money Advice Service, MaPS is now an Arm's Length Body of government subject to the Managing Public Money (HM Treasury, 2023)[36] requirements and its budget is now considered in the same process as used for all central government departments. This creates an expectation that value for money will be clearly demonstrated in the funds MaPS commissions and puts MaPS on a timetable outside of its control for confirming budgets.

This in part will drive reporting requirements, which many providers currently view as not linking well to the actual value-added by services, and mean MaPS cannot give providers certainty on future budgets until it has its own budget confirmed, which partly creates the uncertainty around funding we mention above.

MaPS' budget being set elsewhere also means it may also face restrictions on what it can spend on debt advice, which again may create frustration in providers if they feel investment is lacking in certain areas. If stakeholders were made more aware of the limiting factors MaPS faces, it seems likely this would help MaPS reputationally and lead to more constructive dialogue with providers.

For completeness, it is worth noting that there were some stakeholders who were positive about MaPS and the work it is doing in debt advice. These tended to be other public bodies or organisations with experience in public sector procurement, which may be illustrative of the value of MaPS engaging more about its remit and rules it must comply with, given these bodies are generally much more familiar with it.

> **"My interactions with MaPS have been nothing but positive and useful. I think it's an organisation that knows where it's going and what's needed."**

[35] In the lead organisation model, MaPS delegates most of the management of a grant to one body who then takes a lead on administration and management of several advice agencies beneath it.

[36] https://assets.publishing.service.gov.uk/media/64c383ccf92186001486670d/Managing_Public_Money_-_May_2023_.pdf

Lastly on communication and engagement, there were several examples of stakeholders feeling they did not have adequate opportunity to engage with MaPS over its commissioning exercise launched in Summer 2021, prior to it going live.

This included both debt advice agencies and creditor bodies, particularly those which fund the debt advice levy. While MaPS had undertaken significant sector engagement around debt advice in building the UK Strategy for Financial Wellbeing and the previous target operating model referenced above, both of which clearly set some of the direction of travel for that commissioning exercise, it is apparent additional in-depth engagement around commissioning would have been beneficial. We note MaPS has committed to a full consultation exercise ahead of its next commissioning round, which should help enable this engagement in future.

Once the Summer 2021 commissioning exercise was live, many stakeholders also felt they were restricted in how much they could communicate with MaPS. The online procurement portal being the main route into MaPS during the live commercial part of the exercise for potential bidders. We recognise this was imposed by MaPS to comply with fair and transparent public procurement rules but, given the commercial exercise took longer than expected to complete and the lack of prior engagement, this created ill feeling with stakeholders and potentially limited opportunities to address risks before they became actual issues.

We found that high levels of goodwill still exist toward MaPS, despite the challenges expressed. This would suggest greater communication and engagement can go a long way in helping MaPS secure a good outcome in its longer-term commissioning.

Consideration 13: Increase communication with stakeholders

Our conclusion is that MaPS should seek to:

- Clearly articulate its vision for its debt advice functions, namely what the intention is for its funded debt advice services and the role it will take in developing and coordinating broader debt advice sector strategic matters. MaPS should do this in consultation with the debt advice sector.
- Publish this information and take measures to particularly promote awareness and engagement with those at the 'front line' of delivering its services, as well as other interested parties. This should be an ongoing exercise, rather than a one-off undertaking, and may link strongly to any activity MaPS undertakes to increase its strategic sector coordination.
- Communicate more about MaPS statutory remit and the restrictions it faces. This is with a view to promoting more constructive dialogue with stakeholders.
- Follow through on the planned consultation for the future commissioning round (please also see our notes on more flexible implementation of public procurement rules below, which may include more open communication channels in any future procurement exercise).

4.4. Theme 4: The approach used in the commissioning exercise launched in Summer 2021 was not closely aligned with the current capabilities and priorities in the debt advice sector

There are opportunities for MaPS to use approaches which have a closer fit to the current sector landscape and / or explore alternative approaches while carrying out iterative improvement activities which drive sector development.

Use of a highly commercial model

It has been apparent through our stakeholder meetings that almost all organisations who were (or potentially may have been) bidders for all four bidding lots in MaPS' recent commissioning exercise struggled to engage with the process. This was to varying degrees and for a range of reasons. Overall, our conclusion is that the commercial model of procurement used was not well suited to the debt advice sector in its current state.

This is not to say the commercial model used in and of itself is a bad one. It appears to have worked well in other marketplaces for public sector procurement and is commonly used across government. There are good reasons why MaPS would consider using it. We also have no reason to believe the contracts MaPS issued to go live from 1 February 2023 will be ineffective.

For the debt advice sector in its current state however, one that is largely made up of charities with next to no previous experience of highly commercial contracts, the model was not well placed to deliver the best possible outcome. MaPS' approach for its newly commissioned services includes a financial penalty regime and contractual terms often used for large firms delivering outsourced services for government. For many stakeholders, this was a large leap from the grants traditionally used in the sector and one many felt under-prepared for.

Several stakeholder interviewees with experience of other public sector procurement suggested MaPS took a relatively rigid interpretation of how it needed to act as a public body commissioning services. This, if accurate will have exacerbated this situation. The below quote highlights the flexibility which MaPS can seek to exercise for future commissioning.

"The vast majority of our funding is what we would call grants rather than contracts.

We co-fund projects with other funders. So, we have a whole suite of different funding mechanisms which are characterised by different legal agreements or partnership arrangements or decision-making arrangements or scale of funding. That might be:

- us giving our funding to another organisation to administer on our behalf, but we stay involved in decision making, or
- an external delegation agreement, where we give TNLCF monies to another organization to distribute on our behalf and they are responsible for everything including the decision making.
- Taking in 3rd party funding and administering other people's funding alongside our own."

The National Lottery Community Fund

Structure of lots and contracts

We found that the financial value of the contracts on offer in the Summer 2021 commissioning exercise acted as a barrier to some potential bidders from engaging in the exercise. This applied to both the national and regional lots. These providers found the value[37] to be too large to administer and manage, as well as the financial risks around them being too large to possibly deliver for the existing size of the organisations. This included use of a service credit model for suppliers, where funding could be withheld if certain expectations were not met.

"The service credit regime was wrong given the charitable nature of the sector"

- Charitable debt advice provider, non-MaPS funded.

[37] The contract values which MaPS originally went to market with in 2021 were £14m per annum for national provision and £6m and £7m per annum for regional provision.

Particularly in the regional lots however, many stakeholders also referenced that the geographical regions were too large for them to consider bidding for. This was partly due to many local providers being tied to specific local areas in their charitable objectives and partly due to practical limits in how far and wide local providers felt they could build meaningful partnerships with other local providers in consortium.

The evidence we have seen suggests that MaPS needs to do more to structure lots - both in terms of financial levels and geography - to make them more attractive to potential bidders and ensure they are operationally and practically deliverable. For example, the large geographical areas proposed in the regional lots would have required a level of cross regional coordination, which suggests that a larger organisation would have needed to be involved.

Consideration 14: Reduce contract (or grant) sizes and geographical areas

Smaller funding allocations to individual grants and contracts across national and community-based provision should be explored. As should smaller geographical regions for community-based provision. This would need to be proportionate, however, and avoid MaPS having an unmanageable level of administration in managing grants or contracts.

This would assist in broadening the pool of potential bidders and could still be attractive to larger providers if they were allowed to bid for multiple grants or contracts. For community-based provision, the recognised English regions would appear proportionate. MaPS may wish to combine this with commissioning for large metropolitan areas.

Building bids and partnerships

Linking strongly to the above, stakeholders reported there were limited ‘prime contractor’ options for smaller providers to link into. This was particularly true of community-based providers but also reported by many agencies who had hoped to enter coalitions for the national contracts. Some providers found potential prime contractors unwilling to work with them, sometimes for what they perceived as relatively arbitrary reasons.

Others highlighted they had exploratory discussions with prime contractors but could not agree terms and/or, more broadly, simply did not have the time available in the procurement timetable to build partnerships and agree details of any working relationships.

Interestingly, this was a view mirrored by some of the potential prime contractors we spoke to, stating they were interested in entering partnerships with some sub-contractors but time to negotiate and build trust was a genuine barrier. In a similar vein, we were also made aware of examples of potential partnerships being formed during the bidding window but one party being ‘dropped’ at the ‘11th hour’.

This seemed to happen due to prime contractors, understandably, exploring partnerships with multiple sub-contractors and selecting the one best fitting their bid. However, when this happened very late in the process, it left the potential sub-contractor with no time to seek another option. That said, there were some potential sub-contractors who entered partnerships with almost all known likely prime contractors, seemingly guaranteeing themselves MaPS funding regardless of the outcome of the overall process.

This tells us that allowing more time for ‘market warming’, setting out commissioning plans a good time in advance and advocating for agencies building partnerships from there is beneficial. It would likely make for more orderly negotiations and secure better outcomes all round. It also tells us there are wide variances in how savvy potential suppliers are.

This is perhaps indicative of how little experience there was of commercial commissioning processes within the debt advice sector or, using the commercial terminology, how immature the marketplace was (and remains to be now).

Where a prime contractor model is adopted for new contracts, we recommend that potential prime contractors be prohibited from “locking-in” delivery partners on an exclusive basis as to do so would force a sub-optimal split of capability as bidders compete for supply chain members.

Similarly, we are aware there were very limited new entrants into the marketplace for the commissioning exercise. If this is something MaPS is seeking to achieve; again, adequate time for market shaping and market warming will be required as a minimum.

Shaping and adapting to the 'marketplace'
Commercial activity and competition can be tools that commissioners use to develop the markets they work with. However, successful commissioning activity needs to align with the market services are being sourced from. To avoid some of the challenges seen in MaPS' Summer 2021 exercise (particularly for community-based provision), to use commercial terminology, MaPS will need to 'mature' the marketplace if it wishes to utilise a similar approach in future.

This will likely require interventions from MaPS to enable potential suppliers and will not be a quick process. Any initiatives in this sphere will only have minor impact by the time MaPS next comes to commission. Linked to our other commentary on articulating a longer-term strategy and strategic coordination of the sector, MaPS will benefit from looking ahead across at least a ten-year time horizon.

Aside from the structural, geographical, financial considerations noted above, the only short-term intervention we identified which could help improve bids in a similar process would be to make available professional support to potential bidders in how to write good bids. We came across one example of this being used by another funder who reported it had made a tangible difference. In a related point, there was a perception in several stakeholders we interviewed that the process used for the recent commissioning exercise lent itself to rewarding those suppliers who had employed or bought in professional bid writers.

In commercial terms, the marketplace for national provision has some material differences to the marketplace for community-based provision. This includes factors such as scale and the business and operating models in use. We note the approach used in the recent exercise was a better fit for national provision than it was for community-based provision; however even here there were material difficulties for bidders in engaging well with the process.

More broadly, it should be noted our stakeholder interviews revealed that there were a sizable minority of incumbent MaPS funded agencies who elected not to be part of any bids in the Summer 2021 commissioning exercise. In the regional commissioning, this tended to be due to the perceived restrictions around the MaPS contracts, including some who considered the MaPS expectations of volumes of clients seen would not fit with the level of service they felt they needed to give their clients.

This is a key point as MaPS did not actually set any volume expectations in the regional commissioning launched in Summer 2021. However, the perception of the MaPS contract and the operational requirements and / or the expectations set by those managing bids into the regional lot still proved to be a barrier for some.

Additionally, choices made by their existing 'lead organisation' around who to include in bids restricted others from being able to partake when they were not selected. In the national commissioning, this tended to be more the financial requirements, such as expectations on reserve levels or the risks around financial penalties.

Whilst MaPS did not ultimately proceed with the regional commissioning, those agencies not part of any bids had intended to find (or already found) new sources of funding for its debt advice delivery or simply planned to drop or reduce debt advice from their services.

'Cliff-edges' of funding
As referenced in the earlier theme, 'cliff edges' of funding are a key risk for debt advice agencies. MaPS current funding approach also creates these 'cliff edges' for funded agencies. There is a good degree of acceptance in the sector that funding tends to have an end date and agencies need to prepare for that eventuality.

Still, those who lost out on MaPS funding in the most recent commissioning exercise explained to us the difficulties they faced in managing this, particularly where staff redundancies were required. Even those who had made staff aware of the possibility that funding could end, but later received funding to maintain service, mentioned how unsettling this could be for staff members.

In any event, we found that the amount of notice provided to organisations when funding is set to end or be reduced can be very short, sometimes as little as a matter of days in extreme examples. This is not simply an issue for MaPS funding, it appears to be commonplace in many other funders too.

There are clear benefits for all concerned if at least three months' notice can be provided, with six months or longer optimal. This enables a more orderly winding down of services and potentially allows time to source alternative funding. It also promotes better staff retention if funding is to be continued. We know MaPS often does not get its own budget confirmed until relatively late in the financial year, which may restrict this.

However, MaPS should look to move as many of its funding agreements away from being aligned with the beginning and end of the financial year to minimise the link to its own funding 'cliff edge'.

We note the new debt advice contracts have an end date of 31 January, which seemingly achieves this and could be replicated with other agreements. In a related but separate point, several stakeholders expressed frustration with MaPS' programme management around commissioning, suggesting MaPS often missed its own deadlines. This had several knock-on impacts for providers in managing their operations and suppliers. Clearly, there is material benefit in avoiding situations like these in future.

Case Study Spotlight on Funding 'Cliff Edges': Citizens Advice Gateshead

Due to funding uncertainty during the last round of MaPS commissioning, the organisation was preparing to close all their debt services and informed their debt advisers of this being the likely outcome.

Fortunately, due to diverse funding streams CAG was going to be able to reallocate staff to other projects, so didn't suffer from any attrition during this time and were able to maintain the debt advice provision without disruption when their funding was extended. The impacted staff members we spoke to however discussed how unsettling and distracting this was and how it made more secure employment more attractive.

Further detail can be found in the Citizens Advice Gateshead Case Study below.

Consideration 15: Avoid the start and end dates for grants and contracts being aligned with the financial year

If grants and contracts start and end mid-year, this will likely increase the amount of notice MaPS can give to providers about continuation of funding.

Outcome Reporting

We found mixed perspectives of MaPS' approach to outcomes reporting and other data requirements. There was a view that the newly commissioned contracts involved data requirements which were a significant administrative burden. Some providers were unclear about whether all the required data was genuinely needed and how it would be used. This finding adds additional weight to our comments around MaPS increasing communication about the intent behind its commissioning activities.

Conversely many of those in receipt of funding in the regional grants noted that MaPS data requirements felt low compared to other funders. One community-based debt advice provider stated:

> "MaPS' monthly report is probably one of the easiest ones that we do".

This, in part, was driven by good case recording systems. Staff noted that the system did 'the heavy lifting' and, unlike other funders, no additional data reports were specifically required over and above what was produced by the system. In fact, many of these providers felt MaPS was measuring to narrow a set of data and would like to see a broader set of outcomes recorded. This was an interesting finding as MaPS undertakes a relatively in-depth independent evaluation of customer satisfaction and longer-term outcomes but awareness of this was low in the stakeholders we spoke to. This is another example of where MaPS may be able to improve how it engages with stakeholders, as we reference in an earlier section.

Two of our Case Study organisations had voluntarily started recording wider outcome measures than required by funders to better reflect the value being added by services.

This finding is a good example of where investment in good infrastructure can be highly beneficial to MaPS and the debt advice sector – here a piece of software significantly reducing administrative burden and freeing up resource which can be used on delivering debt advice.

Case Study Spotlight on Outcomes: Money Advice Plus

For Money Advice Plus (MAP), there are inconsistent outcome measurement requirements from funders, so MAP must create a range of outcome reports to satisfy different funders needs.

This ranges from email and online based feedback forms to Housing Associations to a bespoke report to the National Lottery. The reporting requirements are mostly 'static', referring to 'how many' activities rather than 'outcomes or outputs from' activities. For this reason, MAP have developed a range of their own outcome measures in addition to financial outcomes, covering money knowledge and financial confidence.

This is documented in an organisational theory of change which makes clear the change that is expected within their clients through engagement with MAP.

Further detail can be found in the full Single Advice Fund Case Study below.

Overall, we recognise that reliably measuring outcomes in services is challenging, particularly where client circumstances have such a bearing on what can be achieved. This is a challenge not just seen in debt advice. MaPS is in the fortunate position of being able to review the data coming through in its newly commissioned contracts to assess if this is delivering a proportionate and insightful view of what is being achieved in the services it funds.

This will be a key source of insight for what is appropriate in future commissioning. While we recognise there are some limitations in 'soft' outcome measures such as the ones highlighted above, we see value in these being systematically being recorded across MaPS' debt advice services. This brings something more 'human' into data collection and makes for a richer set of measures about the value services are adding.

Next steps for the commissioning model

Looking ahead to the next commissioning round MaPS will undertake, MaPS should consider a materially more flexible commissioning model, not least due to the current maturity of the market.

This can go hand in hand with the market shaping and market development we have set out above to increase the likelihood of better outcomes from a stronger commercial and competitive process in the longer term. Alternatively, MaPS should consider if a materially different approach is both possible and desirable against its statutory objectives for the longer term as well. As highlighted above, we identified at least one Arm's Length Body (ALB) who had found several different ways to successfully fund services within the rules ALBs must comply with.

A significant proportion of debt advice agencies in our work advocated for a less competitive approach. They called for a more collaborative method where MaPS worked in partnership with the sector to improve outcomes, increase standards and improve value for money. This approach has risks, it is more likely to create a 'closed shop' of funded agencies and has potential conflicts of interest where those in receipt of funding can influence how MaPS acts as a funder.

However, with appropriate 'checks and balances', this may be a complementary approach to MaPS being a more hands-on strategic sector coordinator.

> "With a competitive procurement process, there is a rule book and you tick boxes. This is different to working in a smart way with a range of known partners. It's worth noting that debt advice is not a transactional activity – it is messy and people have complex lives and situations. So there is a question regarding whether the classic public procurement model is the right mechanism to get you the outcomes that you need when it's not transactional."

> - Charitable Debt Advice Provider, MaPS funded.

Consideration 16: Ensure the funding and commercial approach fits the landscape

MaPS should undertake an exercise to analyse the potential supplier base and consider which funding and commercial method will deliver the best outcomes. This should evolve over time, aligned with activity to achieve the longer-term strategy MaPS has for debt advice provision.

This might continue to vary between national and community-based services (as presently applies with a mix of contracted and grant based funding).

5. Case Studies

To garner an in-depth appreciation of some of the issues that were raised by the wider consultee organisations, five organisations were selected to participate in a deeper dive review. Each organisation offered a different perspective on the debt advice sector:

- **Case Study 1: Money Advice Plus.** A charity who specialises in supporting individuals who struggle to access mainstream debt advice.
- **Case Study 2: London Borough of Barking and Dagenham**. A multi-service offer bringing together benefits, rents and Job Centre Plus and others.
- **Case Study 3: Toynbee Hall (Debt Free Advice):** A debt advice service funded by MaPS.
- **Case Study 4: Citizens Advice Gateshead:** A local advice service embedded within the community.
- **Case Study 5: Welsh Government Single Advice Fund (SAF).** An offer bringing together social welfare advice strategically and commission an integrated advice service covering multiple social welfare topics.

5.1. Case Study 1: Money Advice Plus

Case Study focus:

Money Advice Plus is a community-based debt and money advice charity who specialise in supporting individuals who struggle to access mainstream debt advice. With a clear strategic vision and in-depth understanding of the support needs and service requirements for their target client group, they are an example of a provider that ensures that debt and money advice can be accessed by the most vulnerable.

MAP made the decision at board level to move away from Money and Pensions Service funding during the last round of commissioning, as the model set by MaPS was misaligned to the delivery model and client group that MAP serves.

Overview of the context and key features of the delivery model

Money Advice Plus (MAP) is based in Hove, Sussex, predominantly serving the residents of Brighton and Hove City Council. They are a medium sized charity with 57 paid staff and circa 6 volunteers, a turnover of c£1.5 million in 2021/22. They are a community-based organisation, with a long legacy in the Brighton and Eastbourne areas, their roots in charitable organisations in the area spanning 150 years.

In 2013 the organisation in its current form was created following a merger, which is why they now operate out of two locations in Hove and Eastbourne. The head office is in Hove Town Hall Council building, from where they predominantly support people of the community of Brighton and Hove. This office is co-located with Citizens Advice and Wave community bank. A second office is in Eastbourne, from where their national based services are delivered.

MAP client group

MAP's mission is to: **"Help people manage their money effectively. We will deliver person-centred money advice services. We will actively engage with those who find this the most difficult, improving wellbeing and financial resilience."**

MAP specialise in working with individuals who have complex needs and individuals who struggle to access mainstream debt advice. They also specialise in supporting victim survivors of domestic violence who have experienced economic and financial abuse, operating the only financial support line for victim survivors of domestic abuse.

MAP have a clear understanding of what factors may mean that an individual is unable to access mainstream advice services, including: older people and those with mental health needs and dementia; working aged people with mental ill health; people with substance misuse and alcohol misuse issues; people with learning and physical disabilities; people with social care needs. Many their clients when they are referred to the service will have significant additional needs, whether that be secondary mental health support needs or being on the verge of homelessness.

"So not just your financial need or your debt needs, but also your needs as an individual. So your capability, your mental health, your learning disability that you might have, your ability to access documentation…so a real holistic approach to what 'needs' means."

MAP strongly advocate for a holistic model that does not look at debt in isolation. They recognise that a client's debt concerns are usually set amongst a wider range of needs that also require support to resolve the debt and financial concerns.

The services provided by Money Advice Plus and their funders

Because of the needs of their client group, debt, benefits and income maximisation advice is provided in tandem. The services operate predominately under a referral model from funders (such as housing associations), except for the advice line funded by Brighton and Hove City Council. They deliver advice via telephone, face-to-face and home visits. All client cases are managed by an adviser via a casework model, and advisers will work with clients until resolution or disengagement.

MAP receive funds from thirteen funders, who combined fund the MAP projects. Each project is detailed below with information about the funding streams.

1. *Money management services.* Directly funded by Brighton and Hove City Council, MAP manage money on behalf of vulnerable individuals within the Brighton area as appointees for DWP and deputies in the court of protection, via referrals from Adult Social Care. As part of this money management work, debt and financial advice also forms a part as many of the individuals who come through the service present with multiple debts.
2. *Moneyworks* and *Advice Matters.* Funded by Brighton and Hove City Council via their lead partner Citizens Advice. Moneyworks and Advice Matters are both partnerships of advice services across Brighton and Hove. Under these two partnerships, MAP provide benefits advice to recently immigrated individuals, run a debt advice line and casework within that for debt advice, as well as providing outreach debt advice alongside food banks and other outreach locations. They also currently administer the household support fund.
3. *'Lift up'* project - financial capability. Funded by Brighton and Hove City Council and Eastbourne and Lewes Councils, working with clients who are 'just about managing', not yet in crisis but need coaching and support around managing finances to prevent crisis.
4. *Financial support line for victim survivors of domestic violence.* In partnership with Surviving Economic Abuse and funded via several funders including The National Lottery, Henry Smith, Lloyds and Nationwide and the Young Women's Trust, MAP deliver a national phone-based service to support victim-survivors by providing debt and money advice through a lens of economic safety with a deep understanding of the additional risks for those who are experiencing economic abuse and coerced debt. They have developed an innovative Economic Abuse Evidence form that is being trialled for a potential national rollout by all financial services and debt advice organisations.
5. *Financial and debt advice for Brighton and Hove City Council tenants and leaseholders,* funded from Brighton and Hove City Council via their lead partner Citizens Advice.
6. *UK wide financial and debt advice for tenants of housing associations.* Funded by six housing associations (London and Quadrant via We are Digital, Sovereign Housing, Hexagon, Victory, Orbit Housing, PA Housing and C&C Housing) MAP provide a telephone based national debt advice service for tenants of these funders who are struggling financially and are at risk of eviction.

When a client approaches MAP who does not fit into one of their projects, MAP will refer out to partner organisations including Citizens Advice, other local organisations or national services. Regarding quality assurance (QA), an individual at MAP oversees the QA process and Advice Quality Standard, with adviser supervision undertaken on a regular basis dependent on the experience of the adviser.

What has worked well

The organisation has strong partnerships and relationships with other local organisations who understand Money Advice Plus's specialty. MAP have a strong local presence and working relationships as part of their partnership arrangements. They are known amongst the advice landscape in the local area as specialists in helping those individuals who have complex needs and may have been unsuccessful elsewhere, often receiving referrals locally for clients that other organisations were unable to support.

Many officers in the organisation have strong relationships with teams within Brighton and Hove City Council, and because of this, they can resolve client issues more easily and are trusted as an organisation when approaching creditors with repayment offers.

A well-articulated delivery model to enable the right level of support to be provided to their clients. MAP have a clear threshold for their adviser caseloads, which they do not compromise on and articulate clearly to their funders. Funders will usually stipulate a higher number of clients than is feasible for MAP, because of the complex nature of the client needs and the impact on caseload for advisers. It is a consistent challenge to justify to funders and as part of tenders that MAP will only be able to manage a lower number of clients than mainstream debt advice. This may also include the need to negotiate on targets and methods of calculating targets so that the full scope of the work they do is recognised by funders.

To help make their case to funders, MAP have developed a methodology for calculating the number of clients that an adviser can take on in a year period. It is a continuing challenge for MAP to justify to funders the higher cost per case (c£500) to deliver their service; they use their evidenced calculations to make clear to funders the requirements for successful delivery of a project.

"I've done a real formula for caseloads for across the organisation. There's been an awful lot of thought process gone into what that looks like for us. We need to do that to be clear [to funders] that we can show you how we've come to those and we can be more confident as a management team that we actually set those targets right."

There is a clear strategy behind how MAP apply for funding, and which funding pots they bid for. MAP have devised an internal tool to help with decision making on new funding applications and projects, not only to ensure that any future project aligns with their core mission, but also to ensure that the funding is sufficient for them to deliver the required level of service for their clients. MAP demonstrated overall positive relationships with funders, centred around a relationship of trust in MAP advisers and the organisation to deliver the commissioned services in line with their agreed targets.

"The tool helps us work out whether we chase the piece of funding and if it's worth our while. We have a model that helps ask is [the bid] resource intensive?; is it low cost or high cost?; does it bring value or low value?... so we can plot it on the framework. It has allowed us to think OK, we'll take that piece of funding because it brings value to the organisation even if it means we can justify using some reserves. Whatever reason it was easier to have that conversation with the trustees to get approval for things or recognise that that piece of work will bring us some funding in."

A relatively stable funding stream from Brighton and Hove City Council with a long commissioning cycle. MAP have many funders they rely on, with the largest being Brighton and Hove City Council (BHCC) which is separately funding distinct MAP services as shown in the pie chart. The Council commissions their support services on a five-year cycle with the next commissioning cycle due in 2025. They distribute their funding via their lead partner Citizens Advice, who are in the same building as MAP which supports the ongoing relationship between the two organisations.

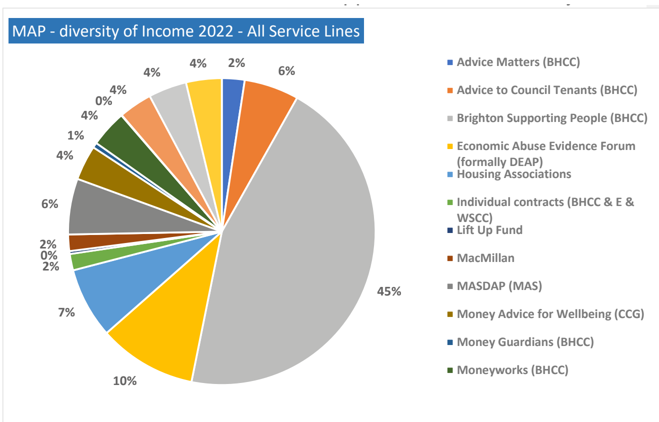


Figure 17, MAP diversity of income

This approach means that organisations are funded at a baseline for a committed five-year level of funding, with additional monies that become available year to year added into the funds without the need for re-commissioning. This provides a level of stability but this is not the case with many of the other funders, who re-commission / extend funding usually on a yearly basis.

Due to inconsistent outcome measurement requirements from funders, MAP have developed a range of their own outcome measures. Their funders reporting requirements range from email and online based feedback forms to Housing Associations to a bespoke report to the National Lottery. The reporting requirements are mostly 'static', referring to 'how many' activities rather than 'outcomes or outputs from' activities.

For this reason, MAP have developed a range of their own outcome measures in addition to financial outcomes, covering money knowledge and financial confidence. This is documented in an organisational theory of change which makes clear the change that is expected within their clients through engagement with MAP.

Challenges experienced and lessons learned to date

Ongoing funding challenges, and the impact of a lack of core funding. The hardest project to receive funding for is the financial support line for victim-survivors of domestic violence, which has a range of different funders. MAP have recently had confirmation that they will be funded for 3 further years for this project but are actively seeking new funders because of the scale of demand - they are only able to answer 30% of the calls that are made to the helpline.

All of MAP funding is attached to delivery, so there is no core or unrestricted funding. This is a particular challenge for MAP and contributes to a lack of stability around year end as funders re-commission or renew funding. The lack of unrestricted funding directly limits their ability to innovate or test new ways of delivering their services.

> "I think [unrestricted / core funding] would allow us to innovate, which I don't think is any capacity to do or it's hard to do when everything is a project because unless you go prior, got an application or an approval for funding, which is it for an innovative product, there isn't much space for innovation."

MAP made a strategic decision to move away from the Money and Pensions Service funding at the last round of commissioning. This was due to a misalignment between the targets and requirements under MaPS and the delivery model and needs of the client group that MAP specialises in supporting.

Previously, MAP had significant challenges with their MaPS funded debt advice service, predominantly due to the high-volume targets which resulted in inequity in the provision of advice between teams. MaPS' perceived requirements for the confirmation of advice letter was also a significant challenge to work with, particularly considering their client group who would often find the advice letter distressing and impossible to engage with.

As a result of these challenges, there were ongoing challenges recruiting and retaining staff into the MaPS funded project. The decision to move away from the sector's largest funder was a very challenging decision, and now places greater pressure on the requirement to seek additional funding sources.

5.2. Case Study 2: London Borough of Barking and Dagenham

Case Study focus:

The London Borough of Barking and Dagenham (LBBD) run two 'Homes and Money Hubs' in the London borough for residents with high financial support needs. The multi-service offer brings together benefits, rents and Job Centre Plus, amongst others. It is an example of strong local partnership working where the customer is at the heart of services and the outcomes to be achieved.

Overview of the context and key features of the delivery model

LBBD is a borough in East London with high levels of deprivation and widespread disadvantage. To respond to cost pressures and keep vital Council services running, the Local Authority implemented a major service restructuring at a similar time to when Universal Credit entered the borough. In April 2018, the Homes and Money Hubs were established, focusing on work, financial stability and enhancing benefits in the first instance. Current funding for this function is c£900k pa.

Teams were brought together from many areas, focusing on supporting individuals rather than collections. The service has evolved, with some new services joining, such as the adult college, but the focus remains on supporting the borough's most vulnerable and in-need residents.

> "The operating model for community solutions was about finding the problem and going from there." LBBD Service Lead

Since the multi-agency hubs and services have been set up formally, there has been a lot of testing and analysis of where the team provides the most value and makes the most impact. They found they were most effective when working with people with multiple debts (Council debt) and, more recently, with utility debt, too (as they have the means to manage and alleviate it through a household support fund); this is where the Council teams target their efforts.

For debt advice, the Council works closely in the borough with Citizens Advice and, more recently, with Debt Free Advice to refer people who do not meet the **Criteria for Allocation to a Homes and Money Hub Caseworker**. LBBD caseworkers do not provide a full debt advice service but are able to act on Council Tax and rent debts and utilities debt (where team can apply Household Support Fund to clear debts). For broader debt advice the team will work with Debt Free Advice who have advisers in the same building. Standard technology between core partners (Refernet) and regular referral networking meetings help the referral process to be quicker and for clear communication about cases.

How clients access the service

There is a great demand for the service, and the Council operate an initial online assessment that is then reviewed and assessed by the team. This can be completed by a Barking and Dagenham resident or by a professional team member on behalf of a resident. The screening team will do a series of checks and review the available data; if the resident meets the criteria, a case is opened.

Typically, cases take two to four months to resolve. However, cases can remain open beyond this until they are resolved. Every case is monitored for two months post-closure.

Where a resident is particularly vulnerable and additional support is required longer-term, the Council can pass cases to community teams, where their partnerships with the voluntary sector come into place.

For example, within the borough are six localities, each with a voluntary sector Locality Lead (jointly funded by the Council and NHS North East London) who support people, provide warm spaces, help at-risk individuals daily to improve health inequalities and respond to the rising living costs. The Local Lead organisations also upskill other partners in their localities to help them to know when and how to make referrals and get into communities. The Council and its partners recognise that early intervention and prevention are vital and integration with the voluntary sector is key to this.

A newly developed website, “BD Money”, is a central resource to support people in managing their finances, with tools and guidance in one place, as well as partners’ information and signposting to support and grant eligibility checkers. Other partners, including Citizens Advice, review the information to ensure it is accurate and compliant.

The Council team do a lot of outreach work and speaks to schools, Housing Associations, and faith and community groups, for example, to let them know what services are available.

A lot of targeted work is driven by data from across the Council, enabling them to identify cohorts of people they proactively focus on and work with. For example, when people are identified as having Council debt, they are contacted (by text message, phone or email) to let them know what support they can access. There is a clear demarcation between the support being offered and collections teams.

Measuring the impact

The Council measures the financial impact on income maximisation, rent arrears reduction and Council tax arrears reduction. They also monitor the number of people they provide vouchers for and use the data within their case management system to monitor triggers for financial difficulty or support.

For income maximisation (for example, single-person discount, any benefit, any back-dated benefit, any grant awards), the Council records the value for just one month, even if it is a lasting benefit.

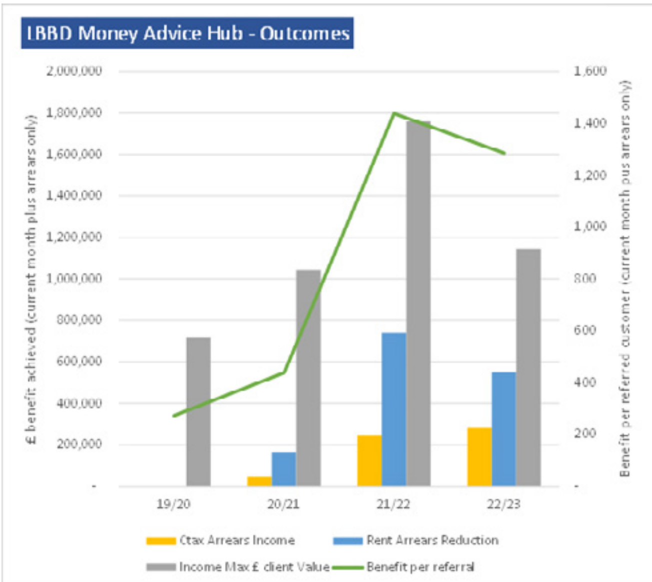


Figure 18, LBBD Money Advice Hub Outcomes

If it is a back-dated benefit, they record the whole value in the one month. An audit is done every month, and this is the outcome measure of the impact made. This is done for every person they work with, but it is quite a manual process. ***"… and we don't have the capacity to measure anything more at present".*** They are working on a new system to manage the data and measure outcomes automatically.

For Council tax and rent arrears, they look at arrears when the case was opened and then record a figure at case closure. They record the difference in these figures.

> "Although we are massively underselling what we have done, what we have achieved, but we know it is accurate… we have made a huge difference in reducing arrears for residents and maximising income for the Council."

What has worked well

There is a clear LBBD resident focus which is seen at every level, from leadership to front line staff
There is a clear strategic direction, and the overall focus is doing the best for the resident, rather than the Council. Everyone makes this commitment and is a clear principle for all involved. There is committed leadership and management and Elected Member support. The lead director owns Housing and statutory homelessness and homelessness prevention services, so it is easier to converse with peers. Different teams have no barriers, with one director overseeing all the services.

There are collaborative benefits from partnership working, for example, sharing learning and developing teams involved in referrals
There are skill sets within the team to work with the most in-need and vulnerable residents. Having moved people from different jobs into one wider team, the Homes and Money Hubs have people from different backgrounds pulling in the same direction. With advice linked to wider partnerships in the borough, there are more opportunities around money guidance, working together, training and development, and collaborative learning. For example, the Council has funded Citizens Advice to lead the development of training to help people understand how and when ('the triggers') to make a referral to the Homes and Money service.

Integration of teams within the Council and with the voluntary sector has made a difference
Building relationships in the community and across organisations are strongly encouraged. Advisers are based in community hubs rather than remotely. It is an integrated service, connected with different Council departments, Citizens Advice, and other organisations via the referrers network, enabling clear communication and support across cases.

There is a sense of community and there is reported to be much informal communication between partners, formal processes and meetings, and strength in individual relationships. The Council service lead holds regular 'drop-ins' and the voluntary sector leads six-weekly partnership meetings, where different themes and scenarios are discussed to support resolutions to be found for Barking and Dagenham's residents. Part of the success of these partnership meetings is noted as due to the voluntary sector leading them.

Co-location is reported to have made many things more accessible and has helped to overcome barriers. For example, being in the same room as Home Office colleagues, housing advice teams, and DWP job centre colleagues has greatly improved communication and finding the right help and support for residents.

> "When working with money and financial issues, you need to be able to look at things holistically… We can look at the root cause of the problem… the reason why debt has happened. We can support lots of things that might be going on in the background, for example, mental health issues or housing issues… we don't work just focusing on debt. It's been really exciting. We have had a lot of success."

Engagement is designed to be informal and not typical of corporate Council services
Barking and Dagenham try to keep engagement with residents and settings they're meeting people in as informal as possible to ensure they can develop relationships to understand residents' needs better. Basing people in an informal location has improved customer outcomes with people more willing to engage as they're more relaxed. Creating an open hub with a shared physical environment allows for much more open dialogue.

“We put so much effort into building our relationships with the voluntary sector because we know we can’t do it on our own… we know we are just one organisation alongside them… this isn’t about the Council coming in and being overpowering, and it’s really important for us [the Council] to have that attitude. We don’t do corporate.”

The ability to quickly respond flexibly and quickly to policy and environmental shifts
The model has meant the Council has been able to mobilise projects and respond to priorities and arising needs. For example, during the pandemic, the team could redirect staff into areas where support was needed, and they could keep a face-to-face service running, which was particularly important for Barking and Dagenham’s residents. Throughout Covid, people were redeployed into the service to keep the service going, help manage calls, and manage the ‘front door’.

Challenges experienced and lessons learned to date

The service changes required significant transformation to the Council’s ways of working
The Council had to look inwardly first to change to get to the new model. The need for services in LBBD is so high that the cost of statutory services (such as costs of eviction and homelessness services) would increase if cuts were too big. Pooled budgets have enabled the joining up of service delivery, which links back to one director responsible for its delivery.

A significant benefit to staff has been that by pooling the budgets of the different services, significant savings could be made without any staff redundancies. This was a motivation for people to be on board with the proposals, but the degree of change and internal reorganisation was significant and challenging for some, for the new delivery model to be put in place.

The required change in focus has been difficult for all to adapt to
For the model to work, it required a shift in focus of roles, which meant potentially people being asked to do a different job. With the range of services being joined together, it was common for people to be trained in specific areas or skills, so the change in service model has required people to work differently. Some individuals still struggle with that change. But collaboration and a culture of shared values have been core ingredients reported to make the merged services successful.

Criteria for Allocation to a Homes and Money Hub Caseworker

The criteria below must be met for allocation to a Homes and Money Hub Caseworker.
Allocation to a Caseworker may also not apply to anyone who has been allocated a Caseworker in the previous year and is returning with the same issues without a relevant change in circumstances.

If the criteria are not met, the Homes and Money Hub may still provide urgent food assistance and will provide Information, Advice and Guidance to signpost to relevant support and services.

1. At least 2 out of these 3 Primary debts:

- Rent Arrears.
- Council Tax Arrears.
- Utility arrears (Electricity, Gas, Water).

Or

2. One Primary debt from Rent Arrears, Council Tax Arrears, Utility arrears and at least one of the following applies:

- at risk of eviction.
- significant physical/mental ill-health or disability.
- limited capacity to manage affairs.
- victim of domestic abuse.
- victim of modern slavery.
- victim of loan sharks.
- care leaver.
- has complex Universal Credit or other benefit issues, such as Benefit Cap, Under-occupancy (Bedroom Tax) or under-claiming.
- has mortgage arrears.
- a carer of a child or an adult with a disability.

Or

3. NEET - 16- to 18-Year-olds who are not in Education, Employment, or Training

5.3. Case Study 3: Toynbee Hall (Debt Free Advice)

Case Study focus:

Toynbee Hall (TH) is a large charitable organisation in London's East End. In operation since 1884, it has a long legacy in philanthropy and social change. TH provide advice services, youth and older people's projects and financial inclusion work and are a significant delivery organisation of debt advice in London. Their debt advice service is funded by MaPS.

Overview of the context and key features of the delivery model

The main service provided by Toynbee Hall (TH) is a London-wide debt advice service delivered under the name 'Debt Free Advice (formerly Debt Free London). This service is funded by MaPS and delivered in line with the MaPS debt advice service requirements. Toynbee Hall is also currently participating in MaPS' Pilot of Adviser Capacity and Efficiency (PACE) service, where TH receive and triage client calls made from any location in England.

Funding from MaPS for Debt Free Advice accounted for £6.8m (84%) of the £8.1m charitable income in 2021/22[38], which included some additional grants from MaPS for overhead costs and under the Covid Increasing Debt Advice Capacity grant. This year (2022/23) Toynbee Hall has received charitable income of c£5m of which c£4.5m came from MaPS, making them the most significant funder of the organisation and the largest focus of their activity.

In addition to Debt Free Advice and the PACE pilot project, Toynbee Hall provides:

- *Debt advice for residents of Tower Hamlets,* funded by Tower Hamlets Council.
- *Debt advice for individuals who have been diagnosed with cancer,* funded by Macmillan Cancer Care.
- *'City Advice'* – a generalist advice provision funded by the City of London.
- *A long-running free legal advice centre,* funded via donations from law firms in the City of London.
- In 2022/23 a time-limited mobile advice centre and 24-hour advice line funded by the Greater London Authority.
- A platform for local voices to influence thinking and policy-making both locally and nationally through its research and policy work.
- Free and inclusive social, physical and learning activities at its Community Centre.

How clients access the service

Toynbee Hall delivers Debt Free Advice services directly, as well as via commissioned partners across London. The advice model correlates to the commissioned requirements from MaPS, meaning that there are no generalist advice services or non-debt related financial advice provided to clients under the MaPS advice service. Clients who require non-debt advice are referred within Toynbee Hall where possible or referred out to other organisations.

Debt Free Advice's delivery partners include local Citizens Advice centres, Advice UK member organisations and independent advice charities. Debt Free Advice can be accessed from forty-eight locations across London as shown in the diagram below. This reflects the continued need for locally delivered services in key locations in the community.

Toynbee Hall directly deliver services from their head office and primary location on Commercial Street in East London and satellite locations in Barking and Dagenham, Newham and Greenwich.

[38] https://www.toynbeehall.org.uk/wp-content/uploads/2022/11/2022-Annual-Report-and-Accounts-web.pdf

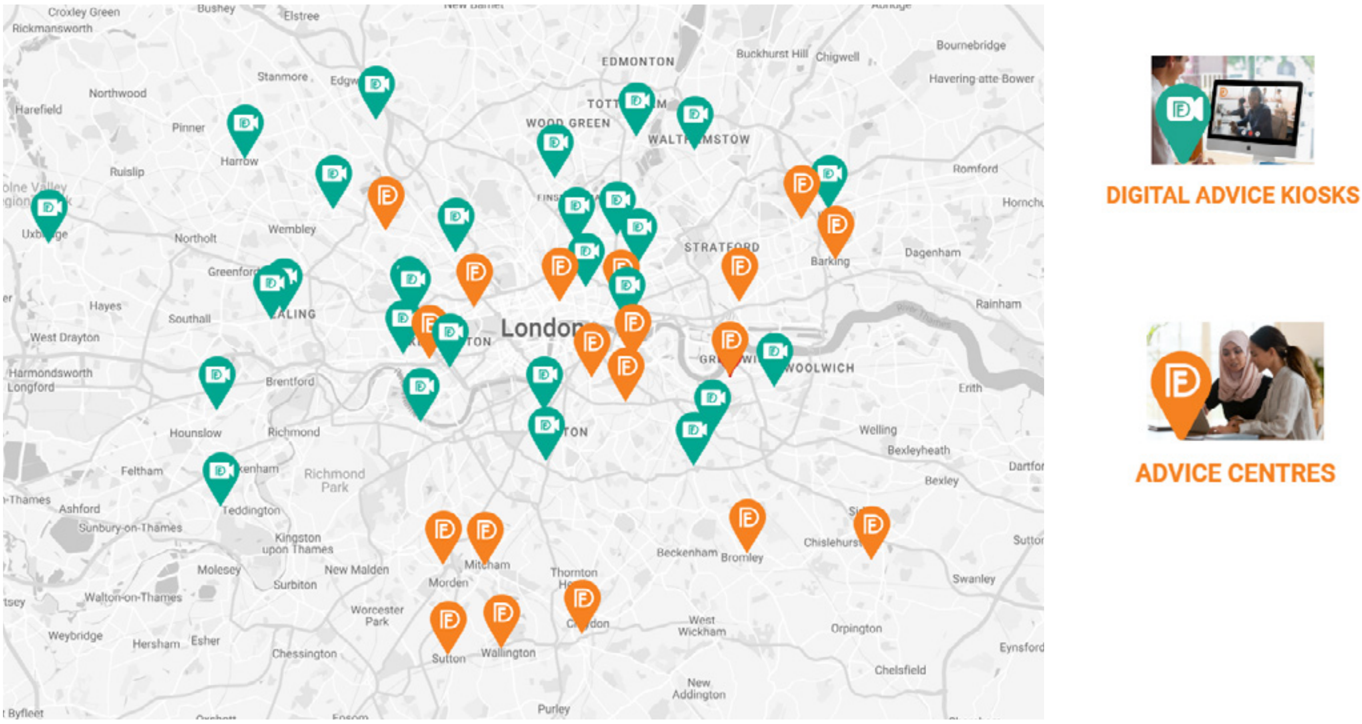


Figure 19, Toynbee Hall Service Access Points

“We provide one third of delivery directly, and then we commission out the remaining two thirds to our supply chain for delivery across London. That’s important for us as a community organisation because we recognise the power and importance of community-based advice services. But we also recognise the limits of our knowledge and connections and where it’s important for other local based organisations to take that on.

“Because they know their local communities best and they have those connections the best…we are really committed to acknowledging where that local expertise is needed. I think we’ve got the balance of what is central and what is local”

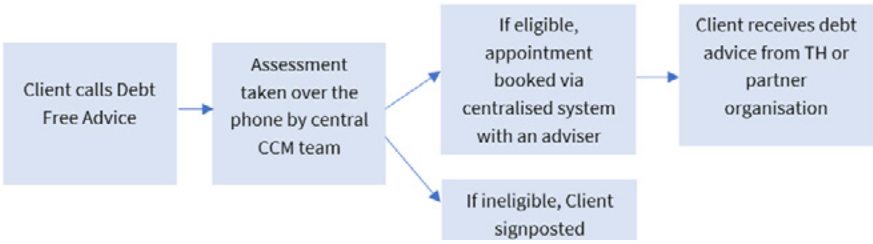
TH’s main office is a large modern space, with high quality technology including client video conferencing facilities for virtual face-to-face advice provision. This technology can also be found in several partner agencies, so that individuals can connect to an adviser virtually.

TH operate a central call-centre which takes all incoming calls from across London. Following an initial assessment over the phone, if required, the client is then booked into an adviser appointment at the location of their choice (either Toynbee Hall or partner locations). This central service also operates the PACE project, triaging clients after the assessment into either local services around the country or to a telephone appointment with a TH adviser.

The client debt profile and journey into Debt Free Advice

Debt Free Advice works with anyone who has personal debt. Very often clients will not speak English as their first language. Clients have on average £18,000 of debt and have 3.8 creditors (pre-pandemic it was 1.4). The top two debt types are Council and rent arrears, the third having just changed to water/utility debt.

TH have observed that clients' needs are growing in complexity. Clients are increasingly presenting with additional vulnerabilities which means they require more support, compounded by an increase in poor mental health and wellbeing post-pandemic.



Measurement of success

TH collect client outcomes in line with the requirements of their funders and have recently started to measure financial outcomes consistently across the projects. For the Debt Free Advice project, this includes the information required by MaPS, predominantly focussed on client numbers.

This information is easy to collect through the casework system in use which is set up to seamlessly collate this information. Other funders require different outcome measures, for example financial outcome measures which are collected on a project-to-project basis.

What has worked well

In response to recent performance challenges, Toynbee Hall has made significant changes in their service model to improve performance across internal and partnership operations. Firstly, TH moved away from seeing themselves as an aggregator and distributor of MaPS funding to viewing the partnership as delivering a single service for London. This also triggered the change of name to Debt Free Advice.

> "what we're actually delivering here is a single service for London that happens to be delivered by twenty-nine expert charitable partners"

TH centralised the case management system, moving everyone on their supply chain onto a common delivery platform. This has had a positive impact, ensuring consistency across the partnership in terms of record keeping and performance measurement.

A core delivery model change focussed on the centralisation of the supervision function, removing the quality assurance requirement from partner organisations. A group of ten supervisors now work across the full partnership, undertaking quality assurance activities. This has streamlined the approach and created consistency in QA activity and improved overall quality

In recognition of this change to a central QA function run by TH, there was a reduction in funding given to partners to reflect the reduction in delivery requirements. At the same time, TH reshaped the structure of the funding to bring more parity in adviser salaries across the partnership, capping the funding for an adviser salary with a % overhead sum per adviser. As a result, there were less recruitment issues across the partnership with a greater parity in adviser salaries meaning less attrition and movement of advisers between providers.

Innovative use of technology across the partnership to provide digital access for customers. TH significantly invested in technology, installing video booths in their own building as well as at locations across the partnership. This has enabled a greater range of engagement opportunities for clients who can access face-to-face virtual advice with advisers alongside telephone advice.

"The return to face-to-face post pandemic has been really challenging. So both getting advisors back in advice centres any more than two or three days a week and getting clients to return to advice centre…for many complex reasons like health, their ability to come in, people's perceptions of what service looks have changed during the pandemic, and how accessible it is. Cases have got more complex. It's far more challenging than time consuming to give that advice over the phone…which is why we've introduced attempted to introduce the video advice kiosks, which they can do on their own device."

Challenges experienced and lessons learned to date

Collaboratively working with partners to deliver the organisational change outlined above has successfully addressed issues with the performance and delivery across the partnership. These performance issues included: partners being unable to hit their target delivery numbers; missing quality targets; and managing the funding they received through Toynbee Hall inconsistently, leading to variation across providers in adviser salaries which impacted negatively on staff retention.

The re-structuring the operating model has resulted in a clearer service offer across the partnership, although there were consequences of this change. TH consolidated their partnerships and some partners opted to step away from Debt Free Advice funding. This was due to some partners being unable to meet the demands under the contract and/or the new funding structure no longer working for some organisations.

It is increasingly challenging for TH to resolve cases due to an increase in the needs of their clients. This is impacting on the ability of advisers to resolve queries in the target times for advice sessions, which increases pressure on adviser time and can lead to clients returning to the service after several months to resolve additional concerns. It is also the case that the clients that seek face-to-face advice via community-based services are likely to be unable to engage with national services or online only services.

"We know that clients have got additional vulnerabilities - they might have had periods where they haven't worked, they might be from single parent households and therefore juggling multiple jobs whilst having caring responsibilities, they might have their own health conditions that they're trying to manage with health professionals at the same time. The clients that we help, we would argue are more complex than somebody that is able to call up National Debtline or StepChange."

"The clients we support require a bit more hand holding…and often that you know their issues are interconnected with other things like they've had a drop in their income because one of their benefits has been cut. So, we now need to work with them on their behalf to speak to that benefits advisor or that person they're claiming from and work out what we can do to support them. We're not going to be able to do that in 45-minute call."

Managing funding cuts and increased competition for funding.

Toynbee Hall are facing cuts in their funding from MaPS by 10.9% at the same time as costs are rising. Whilst their client volumes KPI are also being reduced by 10.9%, the management of this reduction will be a significant challenge. Meeting core costs is a continued challenge across all funders, and their next budgeted core cost funding for Debt Free Advice falling short on core costs of over £300,000 in the next grant period. There is a concern amongst TH that they will lose further partners during the next period.

> "There's a challenging expectation within MaPS that we can give far, far more. I'm expecting to lose at least two more partners as we transition from one grant to another."

TH have been less successful this year in securing additional funding outside of MaPS, due to the significantly higher competition for funds now compared to previous years. This is due to increased competition for funding: funders have advised TH that where in the past they would have received 20-30 applications, they are now receiving hundreds.

5.4. Case Study 4: Citizens Advice Gateshead

Case Study focus:

Gateshead Citizens Advice are a good example of a local advice service embedded within a community, with a strong reciprocal relationship with their local Council and local funders. They offer a range of advice and support services under several umbrellas – of which debt is one – which is described in this Case Study.

Overview of the context and key features of the delivery model

Citizens Advice Gateshead (CAG) is a local charity, established more than 60 years ago. With an annual turnover of c£6m, they employ 200 staff and have around 30 volunteers. CAG central office is in Gateshead town centre. There are six locality hubs and twenty outreach locations throughout the borough from which they deliver advice, including community centres, churches, a local homeless charity, and other community spaces which are predominantly based in residential areas. A key principle in their advice delivery is to embed into local communities, working with partner organisations, to try and break down barriers to seeking advice.

Over the full spectrum of advice provision, CAG has many funders and access routes into advice, including open-access advice services for Gateshead residents and direct-access projects which are funded for specific communities of interest to receive advice.

CAG deliver five debt-focussed projects from four funders from their 'Legal and Regulated Service' which includes their debt advice service. The team is structurally separate from the other services that CAG offer, due to the specialist nature of the advice given and due to its status as 'regulated'.

The five debt projects are outlined in **Table 2,** showing the client group the project is aimed at, the funder and the number of staff working on the project. Those advisers who sit on the MaPS funded project are ringfenced to the project due to MaPS' requirements for reporting and recording named advisors as part of the contract (due to training requirements and technology access requirements), which makes it hard to move staff in and out of the project.

This means there is less flexibility to provide cover and move staff around in instances of staff absence. The other funded streams are more flexible and staff working on the Council, Gateshead Foodbank and E.ON Next projects can adapt to different projects as required.

Client group	Funder	Staff assigned
Individuals who live and work in Gateshead who require debt advice.	Money and Pensions Service	4.5 FTE plus one supervisor
Tenants and leaseholders of Gateshead Council who are at risk of eviction and/or have debt issues.	Gateshead Council	1 FTE
Individuals who are referred into CAG social welfare team from the Council's call centre, who require specialist debt advice	Gateshead Council	1 FTE
Local customers of E.ON Next energy who have been assessed by their call centre team to require advice.	E.ON Next	1 FTE
Regular users of Gateshead Foodbank, to support them with money management to be more self-sufficient	Gateshead Foodbank	1 FTE

Table 2, Debt Project Resource

How clients access the service

Under the MaPS funded project, clients are generally referred in via other advisers and support workers within CAG and other referral routes, such as the local Council. Advice is delivered via phone, face to face and occasionally by home visit. The other debt projects work on a referral basis from Gateshead Council, Gateshead Foodbank or E.ON Next.

Within CAG's offer debt advice is generally seen as a specialist service, largely due to it being a FCA regulated activity. This has led to a degree of 'ringfencing' from other advice and services offered within the Local Citizens Advice. Non-debt advice staff and volunteers refer clients to the service when it becomes apparent debt is an issue. Similarly, debt advice staff refer clients to other staff and volunteers for other issues, such as housing advice and welfare benefit advice. Generally, there is dialogue between different teams to make referrals more seamless, although the structural separation of the debt service could prevent a more holistic service where multiple issues present together.

The team operate a booking system, opening appointments 10 working days in advance. These appointments are consistently filled across all projects. Where necessary and where there are capacity issues, CAG will refer clients to national phone services or other local services, but this is not preferable and they often see that when clients are supported by non-local services, they are less likely to be connected to the best local services in the same way as can be achieved when CAG lead the case.

What has worked well

A strong reciprocal relationship with the Local Authority and other organisations
CAG hold very strong relationships with Gateshead Council and other local partner organisations. They have an excellent in-depth local knowledge and understanding of the network of support that is available in their communities, which enables them to support their clients in a way that a national service would be unable to do.

They are co-located in the same building as Gateshead Foodbank, meaning there are strong personal relationships between officers that support cross working. They also have excellent links to the Council creditor teams, specifically the Council Tax service. CAG contact information is included on all the Council tax bills and the Council Tax team refer residents directly into the service. CAG advisers are readily able to ring the team directly to negotiate on client debts as a 'trusted friend,' which including the bailiff service.

CAG have built up a trusting relationship with other significant creditors such as Northumbrian Water. Creditors who know and trust CAG will accept their client assessments and financial statements, which ultimately results in quicker resolution times as repeat work is avoided, and more positive outcomes for clients as several organisations work together to support an individual's situation and share an understanding of their circumstance.

> "Creditors who know us, will accept our financial statements without questioning them, without asking any questions about expenditure - they know that has all been covered in the appointment. So I think all of that, having the local knowledge of people is really helpful."

Quality assurance approach and outcome measurement
CAG apply a robust QA process across their cases. For MaPS funded cases the process aligns with the requirements from MaPS. Other cases are scored as part of AQS and membership requirements.

CAG have positively responded to the recent change in how quality is assessed on the MaPS contract, noting that the previous method was extremely demoralising for staff, whereas the new way of assessing against 'detriment' provides a better framework through which to improve the quality of advice.

As seen across many providers, CAG collect outcome measurements as required by the funders, which is mostly focussed on quantities rather than outcomes.

Challenges experienced and lessons learned to date

Client challenges and needs in Gateshead
The individuals who approach CAG are often those who have been unable to access national telephone-based services or have a particular reason for wanting face-to-face advice, for example. The service aims to be responsive to the needs of their clients, whether that is the location in which they meet, or support to upload documentation that is required. If needed, home visits are provided although this is increasingly challenging due to the volume of cases and the need for two advisers to attend a home visit, which puts pressure on resources available.

There is an increasing complexity in the type of issues that clients face, and some cases are particularly challenging:

"There's a lot more clients, nowadays especially, in deficit budgets and we can't get them out of a deficit budget. We've done all of the usual the income maximisation, the reducing your bills and all that, and it's just they just don't have enough money to pay their essentials basically. Those clients are hard to manage because it's more difficult to manage than any type of debt they can have because you can deal with the immediacy and even can go insolvent and write those debts off, but if they can't afford the bills the next month, they're going to be back in debt straight away."

Funding uncertainty
Due to funding uncertainty, unclear expectations, and decision-making timelines during the last round of MaPS commissioning, the charity was preparing to close all their debt services and informed their debt advisers of this being the likely outcome.

Due to diverse funding streams CAG was going to be able to reallocate staff to other projects, so did not suffer from any attrition during this time and were able to maintain the debt advice provision without disruption when their funding was extended. The impacted staff members we spoke to however discussed how unsettling this was.

5.5. Case Study 5: Welsh Government Single Advice Fund (SAF)

Case Study focus:

In 2019 the Welsh Government created a Single Advice Fund (including funds from the UK financial services industry levy ringfenced for debt advice), which meant they could bring together social welfare advice strategically and commission an integrated advice service covering six social welfare topics. As a result, service users receive a much more rounded service because of the partnership working within the Single Advice Fund (SAF).

Overview of the context and key features of the delivery model

The Welsh Government has a long-standing commitment to lead the development of advice services and offer grant funding to providers to deliver social welfare advice services (funding advice services stretching back to 1999). The Welsh Government recognises that social welfare information and advice[39] are important in helping people make informed decisions to access their rights to civil justice and ensuring everyone in Wales has a fair and equal chance in life.

In December 2016, the Welsh Government published its five-year Information and Advice Action Plan for Wales (IAAP) (Welsh Government, 2018)[40]. The aim of the IAAP was to:

- Improve the quality of information and advice services by supporting providers to develop quality-assured services.
- Streamline the commissioning and funding processes and ensure that funding for services is based on an assessment of need.
- Improve access to services, particularly amongst people who tend not to access services until they are in crisis.
- Embed the prevention agenda within the delivery of advice services and promote public legal education for children and adults.
- Encourage better collaboration amongst all stakeholders around the commissioning and delivery of services.
- Develop outcome measures for information and advice interventions linked to the goals within the Wellbeing of Future Generations Act 2015.

The purpose of the Single Advice Fund is to fund the delivery of "free to the client social welfare information and advice services", and it sought advice services delivery which had a focus on promoting early access to advice, particularly to the most vulnerable households in Wales and that will enhance access to services that can deliver the type of specialist advice that people need to resolve complex and often entrenched problems.

[39] Social welfare advice includes debt, discrimination, education, employment, housing, immigration and welfare benefits
[40] information-and-advice-action-plan.pdf (gov.wales)

The Welsh Government pushed to receive their share of the UK financial services industry levy to bring together in Wales all advice and policy for areas such as benefits, immigration, housing and employment. This meant the Welsh Government could combine the levy with the funds it was already putting into advice services. A once piecemeal approach to advice could be brought into one strategy and fund.

Applications to the fund were welcomed by advice providers from the third sector, the private sector or within local authorities. There are three services (13 lots) to the SAF:

- Regional Community Focused Advice Services (six lots/regions).
- Regional Specialist Advice Services (six lots/regions).
- A pan-Wales Remote Advice Service (one lot).

Bidders could apply to deliver one, two or all the different service types. For each of the six regions in Wales, bidders could apply to deliver Community Focused Advice Services or Specialist Services, or both.

Community Focused Advice Services were defined as "services responsible for the delivery of all types of social welfare information and advice up to and including generalist advice with casework." The Community Services were to be planned and delivered on a regional basis and bidders were asked to explain how their proposed service delivery model would effectively coordinate the delivery of services within the individual local authority areas in a region and ensure services would be delivered in accordance with the needs of local communities across a region.

Specialist Advice Services (also one lot per each of the six regions) were designed to "ensure people have access to specialist advice and support, including tribunal and/or Court representation services, which they need to challenge erroneous decisions. [The grant] is intended to support specialist advice services providing benefits, debt, housing, employment and discrimination (including education) rights advice only."

The pan-Wales Remote Advice Service was designed to receive proposals for a pan-Wales telephone service which is accessed through a single telephone number and which quickly enables the person calling to access the advice they most urgently require. The grant was intended to support remote specialist advice services providing benefits, debt, housing, employment and discrimination (including education) rights.

"A person doesn't come neatly packaged with a debt problem... they have wrap-around issues which go beyond the debt, and if you don't sort those out, although you might sort the debt out today, the chances are six months later those problems haven't been resolved and have led to a debt situation arising."

The maximum funding available to deliver the information and advice service in each funding opportunity is set out below in **Table 3,** together with regional, national and programme totals:

Maximum Funding Available	2019/20 £		2020/21 £		Total Grant
	Community Focussed Advice Services	**Specialist Advice Services**	**Community Focussed Advice Services**	**Specialist Advice Services**	
Region 1	£132,250	£110,964 (*£71,587)	£396,751	£332,893 (*£214,760)	£972,858
Region 2	£131,937	£110,630 (*£71,371)	£395,810	£331,891 (*£214,114)	£970,268
Region 3	£211,014	£178,115 (*£114,908)	£633,043	£534,344 (*£344,723)	£1,556,516
Region 4	£180,171	£151,013 (*£97,424)	£540,513	£453,040 (*£292,271)	£1,324,737
Region 5	£122,440	£106,207 (*£68,518)	£367,321	£318,620 (*£191,079)	£914,588
Region 6	£117,438	£98,729 (*£63,693)	£352,313	£296,186 (*£191,079)	£864,666
Sub-total:	£895,250	£755,658	£2,685,751	£2,266,973	£6,603,632
Pan-Wales remote service		£360,404		£1,081,212	£1,441,616
Grand Total:	**£895,250**	**£1,116,062**	**£2,685,751**	**£3,348,185**	**£8,045,248**

Table 3, Funding Available

*Minimum level of funds that must be committed to debt advice because of the conditions of the Financial Services Levy Funding.

Driving partnership and expectations around collaboration

The Welsh Government built into the commissioning process the principle that bid responses could be from a collaboration of organisations in response to the SAF requirements. They knew the service would not be able to meet all the advice needs of everyone in Wales and asked in funding applications for organisations to describe practically how they would target people most in need or who typically do not seek advice until crisis point (without specifying who the priority cohorts were – this was left to advice providers to determine the priority groups in the region(s) they were bidding for).

The delivery model sees advice partners who have the expertise in debt advice and benefits advice, working with 'access partners'. These community agencies (not advice agencies) support people who tend not to seek advice, such as older people, families in poverty, and disabled people.

They help people access the services they need. It is reported that an essential part of the model is the advice partners educating the access partners about what advice is so they can more effectively encourage people to seek advice and how to spot problems, especially debt.

"We have regular meetings where partners coming together from the single advice fund – from the advice side and the access side – are all singing from the same hymn sheet… they truly now work together",

- Welsh Government Lead.

The outcome of the commissioning exercise

Following a procurement process during April to June 2019, Citizens Advice Cymru were successful in all 13 lots. The SAF started in January 2020, with the original contract for 12 months, because of Welsh Government funding cycle timelines. Due to the impact of the pandemic, the contract has been extended several times.

The grant wasn't set up to have the same lead organisation in every region (in theory, there could have been a different provider for each of the 13 lots to work with). Still, because it has been the same organisation, performance monitoring and measurement have been helped because it is consistent across the regions and the Welsh Government is not dealing with a fragmented delivery landscape that they need to support.

There is a single point of contact for day-to-day operational issues and any funding reporting in terms of either performance or finance. Though practically, there is also potential for this to slow decision-making down at times if the Welsh Government communicate with a single point of contact which engages the regional Citizens Advice offices, rather than the Welsh Government having a direct engagement with each of the regions.

Citizens Advice Cymru

It is recognised by all involved that the customer in Wales needs a practical multi-agency service delivery approach which goes beyond Citizens Advice members. Even before the SAF, Citizens Advice Cymru had local networks of partnership arrangements. Many of these were formalised as part of the SAF delivery, as organisations became 'access partners' in each region.

"There are areas of expertise and reach into community groups that we simply don't have access to, particularly if we're dealing with minority communities. They're very much, first and foremost, looking for support within their communities. So for us to be able to reach out to provide expert debt advice, for example, or expert housing advice, we need to build that bridge into the people in those communities who are asking the questions perhaps within their Community networks. Then, once we're seen as a safe and trusted partner, they can bring detailed questions to us. And then that tends to be how those relationships, once they have been tested and trust develops, become how the local office operates."

One of the elements of the original requirements was a strong emphasis in terms of the accessibility and the pathways into the service, but also its community basis. As a result, citizens Advice Cymru has set up two strategic partnerships that we operate pan-Wales and gives funding to each of the six regions in Wales to provide pathways for clients. This means regions and partner organisations can direct clients to local services. Equally, where specialist services are outside individual local offices' expertise, they also refer out.

To facilitate this arrangement, Citizens Advice Cymru entered a contract with Refernet, an online referral management system used by Councils, Citizens Advice teams, charities, Social and Healthcare organisations.

It enables safe and secure data transfer between referral agencies and Citizens Advice to support a client being put in touch with the best place to receive the support they require. In support of the SAF, they entered an all-Wales contract and now have around 165 organisations registered across Wales on Refernet. The referral system helps to make the client's journey as seamless as possible.

What has worked well

Service providers have reported the Single Advice Fund has provided stability for their funding and therefore operations and service planning
A benefit highlighted by Citizens Advice Cymru is the ability to have a relatively stable level of funding on an annual basis, and therefore knowing ahead of time what resources are funded and what the service expectation is, which means that they do not experience the same turmoil in funding and its impact on service delivery.

It was mentioned that individual offices typically must commit a considerable amount of time and resources to bid for a diverse pattern of funding for specific advice issues, which is not the case under the SAF (although it is noted that local offices vary in the proportion of funding that the SAF makes of their total budget, ranging from 20-80%). ***"It can't be overemphasised compared to the previously fragmented model. It is such a drain in the charity sector in terms of what's needed to try and keep that annual turnover funding to provide some stability of service support for communities. So the single advice fund has been tremendously helpful in that respect."***

The ability to quickly respond flexibly and quickly to policy and environmental shifts, more easily than would have been possible without a streamlined Single Advice Fund
Where additional client needs have been identified the SAF has provided a distribution route that can be mobilised quickly to fund additional support during the Covid pandemic, such as support to the private rental sector. Citizens Advice Cymru has, in some examples, very quickly taken on other services to the 'launched product' designed initially under the SAF.

For example, looking at the impact on the mental and physical health of early intervention of advice for young people, they have been far more able to mobilise the 'Claim what's yours' income maximisation programme than they would be otherwise, demonstrating improved responsiveness to shifting policy. ***"…these are things that, without the SAF being in place, simply aren't going to be possible for a large government. The time scales and costs associated would have been disproportional to the benefits they would have otherwise received."***

As many advice streams are brought together and discussed with clients at once, debt needs could be identified, and advice continued to be delivered during the pandemic
The Welsh Government believes that they did not see as much of a drop in demand for debt advice services as expected, which other areas of the UK might have experienced under different delivery models, because debt need was reportedly picked up as part of conversations about wider advice issues.

"We found that during the COVID years, when there was quite a lot of support that prevented debts from becoming a crisis, we were still picking up quite a lot of households in Wales who needed debt advice because they were coming to the Single Advice Fund for advice on another topic, such as their Universal Credit claim.

And because of the integrated nature [during the initial conversation], they were able to talk to people about their Universal Credit but also, 'I see you've got these bills here, credit card bills, personal finance bills, etc., and maybe we can do something with those too' so we got debt advice delivered even though other agencies perhaps were saying 'our phones have gone a bit quiet because people aren't getting to that crisis point because there are no letters from creditors saying you're in court now because you've not paid. So this was a good example of how we were still doing debt advice when perhaps other parts of the UK advice services who do debt advice weren't."

In addition, compared to the previously fragmented model, education has been set as a core priority and built into engagement with service users to try to reduce the likelihood of people returning to the service (if appropriate for the individual service user).

Challenges experienced and lessons learned to date

The providers who were unsuccessful in bidding for the SAF went without government funding and this included some specialist delivery organisations
As the Welsh Government put all its budget into one stream, there were no other government funding streams to apply for if you were unsuccessful in receiving the SAF. It meant some smaller, more specialist services were not included in the winning bids and therefore went without Welsh government funding. Bidders were asked to respond collaboratively, describing what they could offer in their regions.

However, some concern remains that some of the 'niche' services may not have been invited to join collaborative bids. (Perhaps if they were viewed as a little too specialist and perceived as 'too hard' to argue the value of a service within a bid - not because they were not good services, but perhaps because they did not 'fit neatly' into the bid).

A needs assessment by local authority area informed the funding allocation to allow for a robust evidence base for why and where spend was directed. The needs assessment is being updated for Summer 2023, to provide a refreshed assessment for all councils in Wales. At time of writing a review of the delivery of the Single Advice Fund is underway, to evaluate the effectiveness of the fund in achieving its objectives. This will inform future ways of working and commissioning rounds.

Grant funding is reviewed and agreed on a two-year basis in line with the Welsh Government's core budget process. The impact of the service is regularly reviewed with the Citizens Advice Cymru service managers.

The ability to maintain competitive wages has impacted the retention and recruitment of staff, particularly during the pandemic
During the pandemic, it was reported that local authorities were delivering much help and support online and were interested in skilled advisors to provide this. This led to the perception or experience that people across third-sector advice agencies were highly desired by local authorities, whom it is reported 'pay higher wages.'

There is potential for this issue to be exacerbated as there was not built into the grant a funded year-on-year inflation increase. This means potentially the grant will not be for as many advisors in the next year or two as the increase in budget has not been secured.

> "It's a tough marketplace for us to hold on to good people at the moment",
>
> - Citizens Advice.

> "We had some funding offered to go in the Single Advice pot this financial year, which wasn't guaranteed for next year. So providers had to regretfully say no because they knew they would not be able to recruit"
>
> - Welsh Government Lead.

Increasing case complexity has impacted advisor wellbeing and the feeling of being able to resolve problems for clients (or not)
In addition to recruitment challenges, the Welsh advice sector has also experienced an increase in the complexity and need of its residents, as has been experienced similarly in other parts of the UK. It was reported by the advisers interviewed that there was a sense of trying to contain increasing debts for people, as opposed to being able to find ways to support removing debt.

> "Advisors want to help, but sadly there's no answer [for increasing numbers of people seeking advice and support]. You might be able to help and get crisis support which will support someone that week, but then they're back in the same situation next week,"
>
> - Welsh Government Lead.

"To a far greater extent than the cost-of-living crisis is that the issues that people present themselves to us are layering on top of each other. So, people might be approaching us under a traditional debt or benefits channel. You pick up the phone, but the conversation doesn't stick to that one advice issue. By the time we've gone round it with a client, we've provided advice in several specific areas just to help them overall."

- Citizens Advice Cymru

The timing of the pandemic impacted service delivery and the operating model within a few months of the initial service launch (January 2020)

It has taken some time to transition back to the face-to-face proportion of activity seen when the service initially launched. Another practical challenge has been the ongoing public health concerns around covid in Wales. For example, some of the buildings that local Citizens Advice offices use and the outreach centres have had limited ability to make adaptations in terms of face-to-face contact, so this has had a lasting impact compared to how face-to-face delivery operated pre-pandemic.

Some aspects of outcomes measurement are challenging given the breadth of the new model and its difference to previous ways of working

The advice landscape in Wales was so fragmented before the introduction of the SAF, it is hard to make a before and after comparison. Outcomes such as income maximised and debts written off are measured and there are reporting benefits to the SAF, helped by having the same lead provider in each region in Wales.

The future and expected developments

Part of the work for the next 12 months is to look at who else is funding advice across Wales and whether this is complementary or supplementary to the Single Advice Fund. The demand for advice is increasing (for example, due to the cost-of-living crisis). It is not realistic for the Welsh Government to fund all the increased demand for advice (for example, because this would take money away from other services, such as healthcare), and so exploring other funding and co-funding is something then there is an opportunity to explore to meet increasing service user needs.

Also, the Welsh Government is looking at those who can self-serve to use the advice pathway. However, it was noted that there is a higher percentage of digitally excluded people in Wales (and that some UK Government policies impact and generate a need for more advice and support in Wales, for example, Universal Credit and the approach to move towards asking people to use an online calculator).

Therefore, Welsh Ministers are cautious about initiatives pushing online services inappropriately. But the Welsh Government aims to have a more seamless referral pathway outside the Single Advice Fund. For example, part of this could be assessing whether other organisations with waiting lists for advice services are looking around at other services in the region that could help and looking specifically at the join-up of SAF-funded and non-SAF-funded organisations in each region.

The Welsh Government is also refreshing its advice needs assessment to review client needs following the Covid pandemic and inform future commissioning under the SAF.

At the time of writing, the Welsh Government has commissioned a review of the delivery of the Single Advice Fund and whether it has met its strategic aims, which is due to be published in Spring 2023.

Further considerations for adopting the SAF model in England

Many stakeholders we engaged said that the SAF model has many benefits and that adopting a similar model in England could be beneficial. However, it should be noted that one significant factor which makes the SAF work well in Wales is the unique position of the Welsh government.

The Government structure in England is not comparable, for example, the Welsh Government can channel funding streams into the Single Advice Fund and there is cross-department recognition and buy-in to commission a service for wider advice services. In England this could be replicated but would need buy-in from different UK Government Departments to pool funding into one pot, and some of the equivalent funding in England is distributed by Local Authorities.

Adopting the SAF model in England would require a significant re-organisation of funding and commissioning which would require primary legislation changes. There would also need to be considerations regarding national differences, such as population size. England has a much higher population (circa 55 million than Wales c.3 million), and there are over 300 English local authorities, so a SAF for England would be a much more extensive service and, therefore, may require a different structure and management. The benefits of creating such an additional layer are not fully clear or documented.

As noted in previous sections of this report, a non-legislative version of such a fund could be delivered voluntarily. Albeit this is less likely to be as impactful as a well-planned, defined, and cross-cutting piece of legislation which recognises the need for a wider advice service and which then informs how funds are diverted to a single fund (from multiple government departments and local authorities) on this basis.

6. Applying the Research

The research carried out and presented above provides MaPS with qualitative insight into how debt advice services are funded to enable them to consider their role in shaping the debt advice sector, make more informed future commissioning decisions and enable them to explore options for the future debt advice commissioning strategy.

We recommend that the insight is reviewed alongside the other research projects underway (debt advice clients and the debt advice landscape post-pandemic; motivations and behaviours of people needing but not accessing debt advice) for MaPS to maximise its impact, work most effectively with the debt advice sector and other funders and minimise disruption for debt advice clients and staff as changes occur.

Whilst there are 16 considerations that we have presented for MaPS to review and assess throughout this report, the key next steps we recommend are:

- Develop and publish a clearly articulated medium to long term strategy for its debt advice functions.
- Take a wider role in strategic sector-wide coordination (for matters such as training, career progression, sector infrastructure) to make funded services more impactful and engender better services across the whole of the debt advice sector.
- Increase communication about its remit, its strategy, commissioning intents and delivery to build stronger relationships.
- Work with other funders to pool resources and commission more joined up services, particularly in community settings. This should be via pilots at first and scaled up if successful. It should also capture MaPS' own money guidance function, alongside debt advice.
- Regardless of strategic direction, consider the capabilities of the sector, either while rolling out initiatives that develop the 'marketplace' or as part of a different commissioning approach entirely.

7. Appendix 1: Pestle Analysis

POLITICAL

The increasing cost of living and impetus to offer greater support to households remains high profile. The value and role of debt advice arguably has never been more important. This creates opportunities for MaPS to engage stakeholders around the topic, promote improved funding and advocate for the vital role of the debt advice sector. It also 'raises the stakes' for any future commissioning strategy, particularly in stakeholder reaction to it.

A general election will take place no later than January 2025. Both largest political parties included landmark policies for people in problem debt in their manifestoes at the last election, and given the cost-of-living crisis, it is probable further new significant commitments will be made for the next parliament. MaPS needs to be ready to respond and adapt to these as they emerge, as will providers.

Government borrowing is at historically high levels, as are rates of taxation. Therefore, caution is likely to remain around public spending, which may limit any increase to MaPS' future budgets for spend on debt advice.

ECONOMIC

Economic conditions remain uncertain and most informed stakeholders expect demand for debt advice to increase materially over the next 12 months. This may well be sustained for much of the period MaPS will next commission for.

Economic confidence is relatively low and, combined with higher interest rates, firms may be less willing to invest in new services. Access to capital may also be lower. This may restrict new entrants to the debt advice sector and may limit how much current providers can improve their offering.

Many mortgage customers are facing, and many more will face, higher interest rates after sustained historically low rates. This will likely increase demand for debt advice in slightly higher income groups than generally seen in debt advice.

Increasing cost of living is likely to drive greater numbers of deficit budget customers. As referenced in this report, this increases complexity for agencies and makes clearly defined good outcomes from debt advice harder to achieve.

The employment market continues to have high levels of vacancies and employers have been increasing wages, sometimes multiple times within a year. While this can drive inflation, it tentatively can be a force for good in increasing disposable incomes for those in employment.

SOCIAL

Cost-of-living increases have made money struggles higher profile, which may encourage people to take stronger and earlier action around their finances. This is arguably reducing the ‘taboo’ around being in problem debt. This may increase debt advice demand but also increase the amount of preventative action people take.

The COVID-19 pandemic has made accessing services remotely more commonplace and widely accepted in the population. It has also increased caution around human-to-human contact for some people. MaPS will need to reflect this around channel usage in its future commissioning.

More in the population are in vulnerable circumstances, ranging from increasing mental health issues, more long-term health conditions and a larger proportion of people in old age. This, combined with increasing awareness, regulation, and creditor action to support people in vulnerable circumstances, means MaPS should prepare to reflect this in its future commissioning.

TECHNOLOGICAL

The debt advice sector remains behind most financial services sectors in its use of technology. This creates significant opportunities to improve services to clients and make services more efficient. Both are of importance to MaPS but activity here requires investment.

There are several pieces of technology which the debt advice sector could explore. While not exhaustive this includes quality assurance software, transcription software, open banking / open finance technology, better use of application programming interfaces (APIs) for more seamless data transfer, blockchain technology and language translations software.

Smartphone usage is high, including in low-income groups. Familiarity and preference for using services digitally are also high, which MaPS and services should reflect in their future approaches.

That said, a small but vitally important group of people relevant to MaPS’ objectives will not have access to the internet or be digitally illiterate. Many still have preferences for meeting people face-to-face for certain types of services. Therefore, ensuring these groups can still access services is key for MaPS future commissioning.

LEGAL

The Insolvency Service in England and Wales is carrying out a review of the Personal Insolvency Framework. This may result in material changes to key debt solutions within the life of MaPS' next commissioning period, which services will need to adapt to.

Implementation of the Statutory Debt Repayment Plan (SDRP) has been postponed and linked to the above review of the Personal Insolvency Framework. This means many of the functions, infrastructure and process proposed around the SDRP may now not happen or be amended. Again, MaPS and its funded services will need to adapt to this.

The FCA is rolling out the Consumer Duty. The Duty applies to many creditors and all FCA regulated debt advice agencies. This will change practices in the respective sectors, largely for the better. This can improve outcomes for people using FCA regulated debt advice and lower demand at the outset. However, there the possible consequences of debt advice agencies reallocating resource to meet the requirements of the Duty. Access to affordable mainstream credit may also become even tighter as firms seek to avoid customers who may be deemed higher risk. This may lead more people to higher cost borrowing, illegal lending and ultimately debt advice.

The Department for Communities in Northern Ireland is considering the rollout of a Breathing Space Scheme, which may mirror the scheme in use in England and Wales. Whilst MaPS only commissions in England, aligned approaches across the UK may result in more consistent creditor practice and debt advice practice in UK-wide organisations. This can reduce complexity and administrative burden for relevant agencies, which MaPS can reflect in future commissioning (if applicable).

ENVIRONMENTAL

There is growing consumer appetite for 'green finance' initiatives including in lending. This may create a new sub-set of creditors both MaPS and debt advice agencies need to engage.

There is increasing consideration of environmental policies in public procurement across the UK. This is something MaPS may wish to include further in future commissioning and may be a further consideration for potential suppliers when building bids.

Climate change may create more 'life events' for people, which are recognised as key triggers for debt problems. This may increase demand, particularly in local areas most impacted.

Similarly increasing severe weather can further impact business continuity for debt advice agencies (such as key sites being flooded). Therefore, business continuity planning should become of higher importance for MaPS and agencies.

Climate change may increase costs. This includes in prices for goods (such as poor harvests increasing food prices) and services (such as higher insurance premiums). This may have several knock-on impacts for debt advice, including additional demand and higher overheads for agencies.

8. Appendix 2: Acknowledgements

In carrying out the research and creating this report, we have been fortunate to speak with multiple organisations, who have been incredibly generous with their time, support, and contributions to the research. We would like to extend our sincere thanks to these organisations for their cooperation and involvement, and we hope they gained as much value from the process and this report as they provided us.

The full list of the 41 organisations who engaged with us and contributed follows:

- Access to Justice Foundation
- Advice NI
- AdviceUK
- Advice Services Alliance UK
- Barking and Dagenham Council
- Bristol City Council
- Burmantofts Community Project
- CDER Group / CIVEA
- Christians Against Poverty
- Citizens Advice Cardiff and the Vale
- Citizens Advice Cymru
- Citizens Advice Bureau
- Citizens Advice Gateshead
- Citizens Advice Isle of Wight
- Credit Services Association Ltd
- DEMSA
- Department for Communities NI
- Department for Work and Pensions
- HM Treasury
- Improvement Service
- Ipswich Housing Action Group
- Leeds City Council
- Local Government Association
- Mental Health and Money Advice
- Ministry of Justice
- Money Advice Plus
- Money Advice Trust
- Navigate
- National Lottery Community Fund
- Norfolk Community Advice Network
- Orbit
- PayPlan
- Salford City Council
- Scottish Government
- Shelter
- Step Change
- The Growth Company
- The Insolvency Service
- Toynbee Hall
- UK Finance
- Welsh Government

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