

Caroline Siarkiewicz
Chief Executive
The Money and Pensions Service
Holborn Centre
120 Holborn
London
EC1N 2TD

9 December 2021

Dear Caroline,

I am writing to ask that you:

- Pause the Money and Pensions Service's procurement process for debt advice in England
- Publish an Equality Impact Assessment of your procurement plans
- Conduct a full public consultation on your proposals
- Extend your current funding agreements until the consultation process is complete.

AdviceUK has a range of concerns about your UK Strategy for Financial Wellbeing and your procurement plans for debt advice. My colleagues have set out these concerns in detail in our response to the question that we were asked on your commissioning portal about our reasons for not submitting bids for any of the lots available under your proposals.

I question, anyway, the wisdom of entering a procurement process at a time when the debt advice sector is experiencing major disruption because of the COVID-19 pandemic.

However, I have specific reasons for making these requests.

Your proposals represent the biggest shake-up of debt advice services in many years. Given the scale of these proposed changes, it is simply unacceptable for you to seek to implement them without consulting appropriately on your plans. AdviceUK colleagues were actively involved in the work of the Better Debt Advice Challenge Group last year, but the group's final recommendations were not consulted upon and neither have your commissioning proposals been.

I have particular concerns about the way in which small and medium sized debt advice organisations have been effectively precluded from bidding for the new contracts, either as a lead provider or as part of a supply chain. Our internal assessment of your proposals and the ITTs that you published

earlier this year is that they place an unreasonable level of risk on debt advice organisations. Our members have drawn our attention to the combined impact upon them of conditions such as payment in arrears, TUPE, claw-back, VAT and no allowance for inflation. These conditions and the size of the contracts available have made it impossible for most of them to submit bids. Perhaps that was the intention. In our view, it is essential that your proposals are revised to enable smaller and medium sized debt advice organisations to bid and potentially continue to provide important services to their local communities. Failure to do so will, I fear, result in many of them closing and the permanent loss of a significant number of experienced advisers from the debt advice workforce.

I am also alarmed that you have failed to publish an Equality Impact Assessment of your plans. I would suggest that you have a public sector equality duty to do so and run the risk of a legal challenge if this failure continues. I welcome the fact that your proposals mean more funding for debt advice in England but understand that the allocation of resources to digital and telephone advice will in practice mean cuts in face-to-face debt advice funding of more than 50%. I know that many of the most vulnerable people in society depend upon face-to-face debt advice to resolve their problems. Unless you publish an Equality Impact Assessment, we will not know how your plans have taken account of their needs.

I urge you to respond positively to the requests that I have made in this letter and look forward to hearing from you very soon.

Yours sincerely,



Steve Johnson

Chief Executive