

Caroline Siarkiewicz
Chief Executive
The Money and Pensions Service
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Dear Caroline,

I am writing further to my letter dated 9 December last year, in which I asked that you pause the Money and Pensions Service's (MaPS) procurement process for debt advice in England.

I welcome the announcement made on 17 December 2021 that MaPS will not be proceeding with the procurement of regional debt advice services in England but will instead offer a short-term grant for three months to the organisations that it currently funds, and then put in place a longer-term grant for a minimum of 12 months. This decision has not only saved many debt advisers from redundancy and some AdviceUK members from closure but most importantly has also helped to ensure that many vulnerable people will continue to receive the debt advice that they need.

However, this decision and the procurement process as a whole have had a significant negative impact on the debt advice sector and have left many questions unanswered.

Our members funded by MaPS have reported to us that the procurement process has seriously affected them in the following ways: -

- It has been a major distraction and drain on resources at a time when demand for debt advice has been increasing and when our members have been adapting their services because of COVID-19.
- It has done significant damage to partnership relationships, creating situations in which advice organisations have had to compete against each other in ways that are unhelpful rather than building on the achievements of long-standing partnerships.

- It has had a significant impact on the mental health and morale of staff; experienced people have been leaving the sector as a result.
- Current capacity to deliver debt advice has been adversely affected: vacancies are now more difficult to fill due to the combined impact of funding uncertainty, the nature of MaPS-funded casework and wider labour market conditions.
- Additional financial costs have been incurred, particularly in relation to seeking independent legal advice, as well as human resources and restructuring costs.
- There is considerable uncertainty about interim funding arrangements, e.g., will the reduced funding envisaged in Lot 2 be reflected in the proposed three and 12 month grants? How is VAT going to be treated under these interim arrangements? What will happen to underspends?

Our members have also told us that: -

- They want a full consultation to be conducted by MaPS on the regional funding of debt advice.
- There need to be major changes to the requirements associated with future grant agreements; in particular, it is important that future arrangements should enable debt advice to be provided in ways that enable our members to meet the needs of the people who use their services flexibly.
- The administrative burdens associated with the current grants are disproportionate and should be drastically reduced for future agreements. The DAPA scheme and IFRs should be abolished.

To the wide range of concerns expressed by our members I would add the following two points: -

- The way in which the procurement process has been handled has damaged the trust that the organisations which give debt advice have in MaPS and seriously damaged the trust that debt advisers have in MaPS. Advisers feel that their commitment to helping people who are in debt and often vulnerable has been ignored and morale, which was already low, has been worsened by the procurement process. It is clear to me that MaPS needs to make major changes to its approach and the way in which it works with the sector if it is to stand any chance of beginning to rebuild that trust.
- The fact that the procurement process for Lots 1, 3 and 4 is continuing also raises major issues about MaPS's plans for the future funding of debt advice. I am of the view that the whole procurement process should be halted and that the overall allocation of funding to the different lots should be subject to a full consultation.

I ask that you arrange a meeting as a matter of urgency to enable us to discuss with you the full range of issues that I have raised in this letter.

I look forward to hearing from you very soon.

Yours sincerely,



Steve Johnson

Chief Executive