

London Citizens Advice: Response to MaPS commissioning consultation

Introduction and general comments

This response is on behalf of the London Citizens Advice network, 28 local charities (all FCA accredited) that work collaboratively across London; we deliver advice services in all London boroughs and support approximately 250,000 Londoners annually through our services.

The UK is in the grip of a household debt emergency and the cost of living crisis that has led to a rapid growth in levels of over-indebtedness. Almost 13 million people are now struggling to pay bills or finding their debt repayments a heavy burden, that's a 60% increase since 2017.ⁱ The challenge is especially acute in London, as MaPS own evidence shows that up to 30% of Londoners are in need of debt advice.ⁱⁱ

We welcome that MaPS are consulting on a new commissioning strategy. In the previous suspended proposed tender round of 2022 that sought a uniformity of delivery structure based on 3 artificially large super-region (North, Midlands, South) lots across the England, the model arrived at had been through insufficient consultation, was inappropriate, did not reflect any mapping of local need, and would have led to significant loss of local community-based debt advice capacity. We hope that the same mistakes are not repeated. The Wyman Review of debt advice funding on which many of the assumptions were based was undertaken pre-pandemic,ⁱⁱⁱ and pre-cost of living crisis, so many of its assumptions are out of date.

This consultation is focused on the role that MaPS could play within the debt advice sector, prioritising activities according to the budget that MaPS receives, to deliver on its statutory remit. Whilst it is welcome that feedback is sought on stated priorities, we would like to see this exercise being more sector-led with a focus on how can the sector can utilise its insight and knowledge about how resources can be best distributed to help people with problem debt, rather than working to formulas that are commissioner imposed. The consultation is also notable for what it does not ask, and it avoids any engagement with the wider policy agenda and economic context, for example the consultation does not set out or seek views on:

- the appropriateness and interpretation of MaPS statutory remit
- the MaPS standards and the quality assurance framework for our funded services
- what the overall level of debt advice capacity should be relative to debt advice needs
- how much funding should be available for debt advice (through MaPS or other funding sources) and what the sources of funding for debt advice should be
- how MaPS works with other funders and stakeholders

Nevertheless, we hope that this consultation exercise will result in an offer to the sector that is more appropriate and fit for context in which debt advice services are now operating, facing the cost of living crisis, and the longer-term impacts of the social and economic upheavals over recent years.

Chapter 1: The debt advice services that MaPS funds

Question 1: Do you agree that MaPS continuing to commission a range of debt advice service models is the best way to make debt advice accessible and available for those who need it?

Question 2: Do you have any additional evidence or insight that would help MaPS to decide on the level of capacity that is needed across the range of services it funds (nationally accessible to community and place-based)?

Question 3: Should MaPS change the scope of the services that it funds (see Appendix A) given increased debt advice case complexity? If so, how?

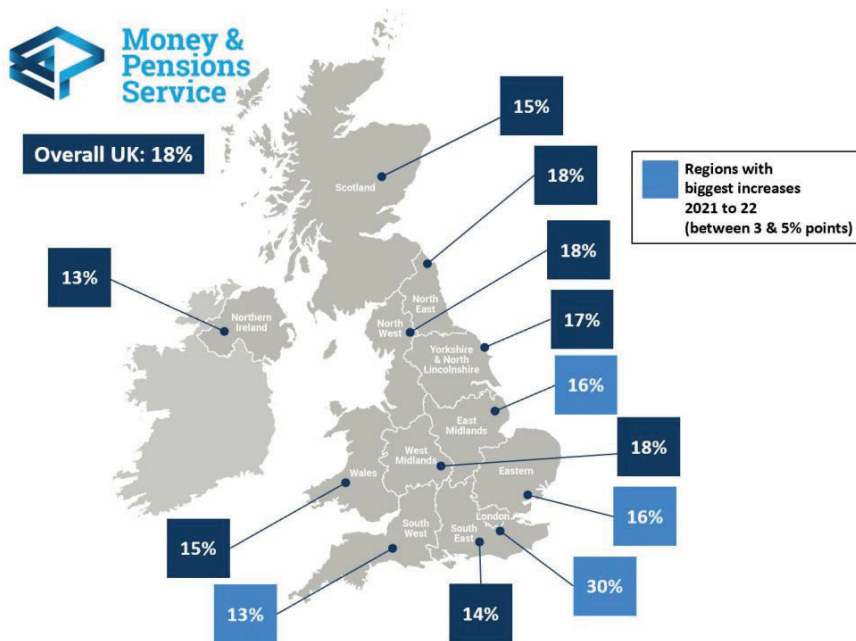
Question 4: Do you have any views on how this work should be prioritised or additional views you want to share?

These questions are quite generally framed, with question 1 asking consultees to back MaPS existing strategic direction and balance in how it approaches its statutory task in commissioning debt advice services. In our view the focus should be on models that bring debt advice closer to, and embedded within the community, that are responsive to how those in need of debt advice can best access support and are integrated with other forms of support, especially crisis support as more clients come to us in crisis situations.

Whilst it may appear trite to say this, when it comes to considering the range of services needed, one size does not fit all. The starting point should always be what do clients need. Increasingly our debt clients are in negative budgets, situations in which they face a vicious cycle of not being able to repay their debts or meet basic costs, such as rent or bills, leading to further debt and social welfare problems, with the risks of eviction or homelessness or having energy supplies cut off. Clients problems are far more complex than the MaPS definitions of casework allows.

In line with any strategy to address inequality it is logical to target resources at those who are most excluded and disadvantaged and who are, accordingly, most likely to experience barriers in accessing services. But there is a risk that in identifying priority groups on a UK wide basis, the unique situation in local areas is not adequately considered. We are particularly concerned about the high level of debt advice need in London which needs greater resourcing, and that resources are unevenly distributed in the existing model of service procurement in London and especially outer London; boroughs that we have identified under-supported by debt advice provision, despite rising needs include Hounslow, Redbridge and Havering, Greenwich, and Croydon.

Across London the need for debt advice is extremely high and rising – far higher than across the rest of the UK, as revealed by *MaPS Survey of Debt Advice need* both for 2022, and 2023.^{iv} Indeed since the survey started in 2019, London has been shown the region with the by far the highest level of unmet demand in the UK, with demand for **face-to-face** debt advice services is up to seventeen times higher than supply in some areas. Most local authority areas experience high levels of unmet demand, with the exception of the City of London.^v



Map is from 2023 report on MaPS Debt Advice Needs Survey

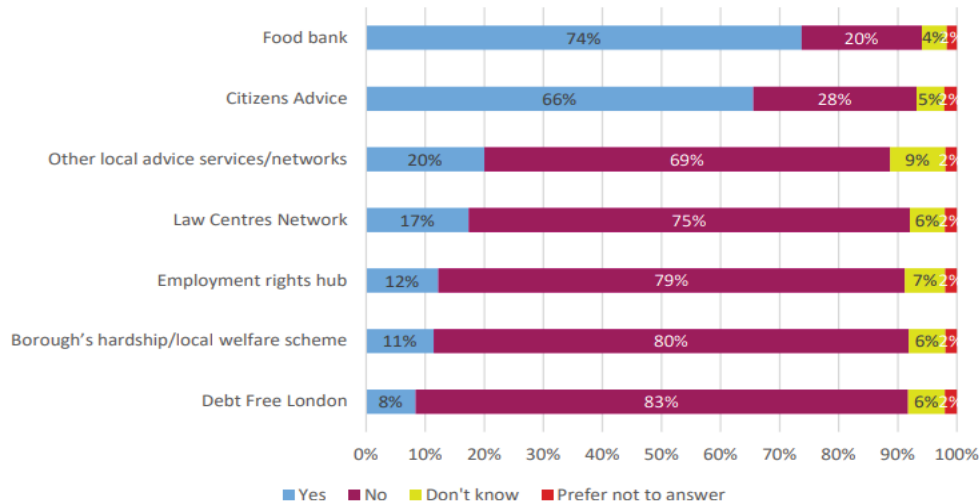
The combination of high inflation, stagnant wages, soaring energy bills, unaffordable London rents and a sharp rise in mortgage rates is putting many people beyond the point where traditional debt advice can help. Our Citizens Advice “National Red Index” shows that 5 million people, including 1.5 million children, are in a household with a negative budget, another 2.35

million people are living on empty - they're only escaping a negative budget by cutting their essential spending back to unsafe levels. The problem is deepening - the average monthly deficit for a negative budget household has gone from -£270 in 2019/20 to -£365 in 2023/24.^{vi}

In short, the cannot be separated from the cost of living crisis, and they feed each other; debt being on aspect of experiencing financial hardship. In London, a large-scale survey commissioned by the Greater London Authority asked Londoners about financial hardship sources of support and awareness of the organisations that could help them. Citizens Advice and Food banks were ranked as the highest in terms of awareness.

GLA Survey of Londoners 2022

Figure 3.1 – The majority of Londoners were aware of food banks and Citizens Advice as sources of financial hardship support, but not of many of the others that were shown to them

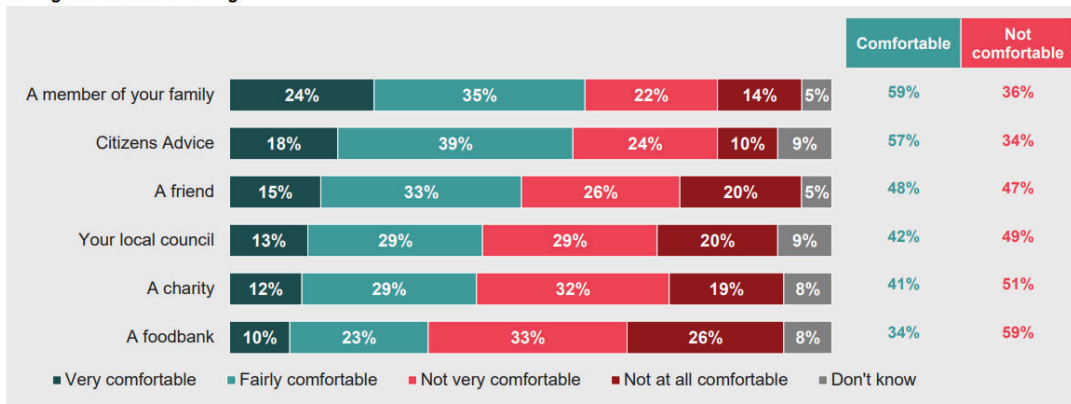


Base: Londoners aged 16 and over (6,088)

This clearly shows that for Londoners, Citizens Advice are a first point of call for support. A similar survey was commissioned by London Councils, looking at how Londoners view statutory versus community sources of support, and again Citizens Advice

Most would feel comfortable asking family or Citizens Advice for support, but comparatively few are comfortable asking their local council (especially private renters)

Q. If you needed support or advice to help with the rising cost of living, how comfortable, if at all, do you think you would feel asking each of the following?



Base: All adults aged 18+ in Inner/Outer London (2022: 1021) : Fieldwork dates 27th October - 9th November 2022; Source: Ipsos UK

Chapter 1.2: Business Debt Advice, Breathing Space and DROs

Question 5: Do you agree that MaPS should continue to provide these services?

Question 6: Do you have any additional evidence or insight that would help MaPS to decide on the level of capacity that is needed for these services?

Question 7: Do you have any additional views you want to share on these services?

We support the principles and policy behind the breathing space and statutory debt management schemes for people who face financial difficulties, and welcome MaPS commitment to funding different specialist offers such as Business Debt Advice, the Mental Health Crisis Breathing Space Service, and the Debt Relief Order Hubs. Debt Relief Orders (DROs) are a vital insolvency option, providing those eligible with a route to write-off debt and regain a stable financial footing. As these are more national schemes, our national Citizens Advice organisation is better placed to comment on these issues, but we offer a few observations and concerns in respect of future commissioning plans and how these services could work better with mainstream debt advice provision.

1. Integration with local provision is essential and we not convinced that highly centralised models for these services best serves client needs. For example, with the DRO “hubs” originally the MaPS tender for the DRO hub was expected to work on a regional basis, but that was dropped when the number of hubs was reduced to two. But there are many reasons why reasons advisers may prefer to do an in-house DRO and referring agencies have to give advice on the clients’ full debt options, including a DRO, and the pros and cons of them before making referrals, so as the advisers know more about the clients’ situation. It would be interesting to see an evaluation of how well the hubs model is working, and the referral routes are working.
2. It is inappropriate to commission these services from the market in such a way that it may offer commercial providers marketing and lead generation opportunities for private client debt solutions. For example, in the IVA market there are very significant and well documented concerns about widespread mis-selling. Commercial providers also typically charge their clients monthly fees for running Debt Management Plans (DMPs) – fees which reduce the money that goes to clients’ creditors, ensuring that they stay in debt for longer. Although we understand MAPS position of neutrality as between different types of providers, and that there should be an element of consumers choice based on good information, it is important to consider from a consumer protection perspective that commercial providers mis-selling IVAs have large marketing budgets. MaPS cannot compete with those budgets and it would be a poor use of resources for MaPS to try to compete. We believe that primarily MaPS should fund local community organisations – who are well known and trusted and don’t need to spend money on marketing, that don’t charge fees, and don’t have other dependencies on the credit sector for funding which can present conflicts of interest. For private providers of MAPS funded services, it may be extremely difficult to treat this work separately from their commercial work given their business models. We welcome that fees for DROs are now being scrapped.
3. It is vital that that the breathing space scheme acts as a gateway to a longer-term debt solutions, that the breathing space and subsequent solutions should be ‘joined up’, flexible, and that above all of these services are free to clients. The scope of breathing space and statutory debt management schemes should include the majority of debts held by clients, and these debts should then be prioritised according to existing debt advice best practice. One third of all debt issues seen by Citizens Advice are from public sector creditors, with almost half of these associated with council tax and enforcement action around council tax is a major problem for our clients. Effective protection from enforcement action, fees and charges must therefore include public

sector, household and consumer credit, debts – welcome the publication of the Debt Fairness Charter as the first step to this.^{vii} To ensure that significant numbers of people participate in the scheme, it is necessary to ensure funding for debt advice is sufficient and sustainable.

Finally, we would emphasise that whilst these services do add value, the MaPS funding for additional and specialist services should not be at the expense funding of community-based services. The position on this is somewhat unclear in the consultation document.

Chapter 1.3: Different types of debt services and different ways of delivering services

Question 8: Do you have views on whether MaPS should explore the need for these services?

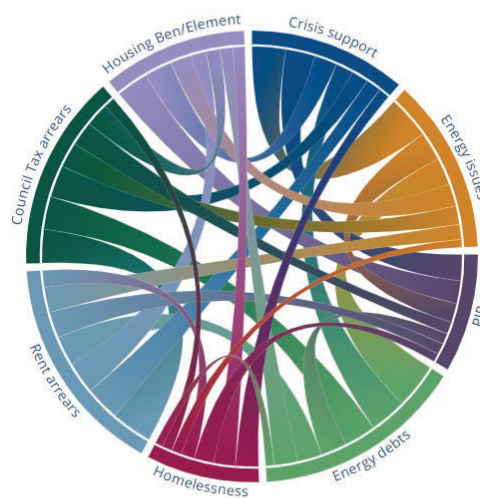
Question 9: Do you have any views on how this work should be prioritised or additional views you want to share?

Question 10: Do you have any alternative suggestions the types of debt advice services with a specialism that MaPS should commission in the future?

We welcome MaPS understanding in this consultation that mainstream advice provision involves a level of complexity, that client journeys into debt and debt advice are not linear, and that debt advice needs to be adaptive. Typically, many Citizens Advice client accessing debt advice do not contact us with an explicit debt advice issue - they usually contact us with a ‘presenting’ issue and are offered debt advice as a result of our ‘initial contact’ services assessing the client needs addressing the client situations in their entirety. It is also harder to resolve debt issues unless other problems are also addressed. MaPS should therefore pivot their strategy towards funding advice in community settings delivered by local trusted organisations such as Local Citizens Advice – rather than funding national phone services that only offer remote debt advice. We can evidence this through our data

When we help people with one cost-of-living issue, they often need help with another.

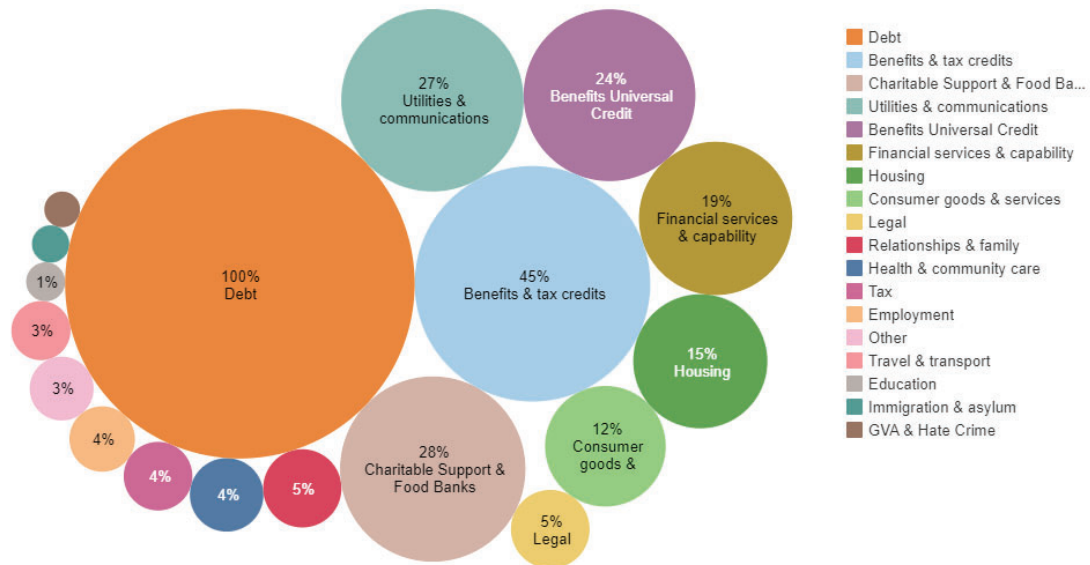
For example, of the people we helped with energy issues, over 50% needed help with crisis support (like food bank referrals or emergency charitable support).



[You can access this visualisation directly here.](#)
Data for England and Wales, January 2023 to the end of the latest month.

TEMPLATE CREDITS
Chord diagram by Flourish team

Our data also enables us to undertake “cluster analysis” for our debt clients and the other issues that we are helping them with.



It is not only the complexity of client problems that is increasing, but also the demand, so the challenge is that community-based MaPS funded services do not have the capacity to deal with demand. The IMA capacity survey of advisers shows just under half of advisers reported that their capacity had reduced over the past year, whilst demand had increased.^{viii} Advisers also reported dealing with more complex cases. MaPS need to address this issue in the next commissioning round; just addressing management of targets and delivery models through this consultation process risks ignoring the underlying problem of a lack of adequate funding and capacity. So, MaPS need to undertake a review of the funding level needed to provide sufficient debt advice services over the next five-year period and publish a funding target as part of its forthcoming commissioning strategy, together with details of any shortfall, and to press for Government to provide sufficient resources through the FCA levy. MaPs should also consider whether, and how, funding for debt advice could be channelled alongside funding for housing and/or welfare benefits advice, and what role local or sub-regional agencies should have in the direction of debt advice funding.

We welcome that MaPS want to explore commissioning more specialist services for those on negative budgets who may need more intensive and specialist forms of advice and support, or for client groups with particular vulnerabilities and challenges, eg. for those left in debt as the result of economic and domestic abuse. However, as observed above, it is not clear from the consultation in terms of resourcing and available levy funding whether these would be additional to mainstream debt advice provision – existing capacity should not be lost. As above (see our answers to questions 5-7) we would also welcome the on focus services that improve the accessibility and availability of debt solutions (subject to MaPS providing additional resources to fund these), and protections from aggressive debt enforcement. As the consultation document recognises “The evidence shows clients with deep, long-standing deficits typically experience concurrent needs or issues alongside their problem debt, such as housing, welfare benefit, health and language barriers. Others struggle to access a debt solution and may require ongoing support from their advice provider to maintain creditor forbearance.”^{ix} The holistic model of debt advice has always been the model that Citizens Advice have advocated for, and aims to put into effect, but too often it is the funding regimes and regulatory regimes that result in debt advice being delivered as a silo service.

We are not convinced that service ‘navigators’ model as MaPS conceives it adopted from within health and social care settings is easily replicable for debt advice need. There is of course a huge role for information outreach, navigation and trusted intermediaries, but our experience is that there are already good models within the advice sector that can assist in supporting this sort of approach, especially through working with community groups and partners. For example, as part of our Pan-London project work with the GLA (see CoLCPA project below) we deliver a programme of “Advice First Aid” training and capacity building

which works with a range of community partners, skilling them up and enabling them to both refer into advice and provide frontline information and support.

Chapter 2: MaPS' role as a commissioner and funder

Question 11: Do you agree on the commissioning approach and principles that MaPS has set out? What feels most important to you? In your opinion is there anything we have not considered?

Question 12: Do you agree with MaPS' broader intent around collaboration, and do you have any ideas on how we should best deliver on this?

Question 13: Do you have any views on the approach MaPS should use to ensure our commissioning practice is shaped by an understanding of inequities and intersectional disadvantage and able to address these accordingly?

Question 14: Do you have any views on the approach MaPS should use to ensure our commissioning practice is shaped by the voice and lived experiences of people in debt?

Question 15: Do you agree with MaPS' understanding of the impact that changes in our funding and strategic approach can have? What feels most important to you? In your opinion is there anything we have not considered?

Question 16: Do you agree with the opportunities MaPS has set out in working with other funders of advice? What feels most important to you? In your opinion is there anything we have not considered or downsides we have not thought of?

Question 17: Do you have any views on how MaPS should embed our ways of working with other funders of advice?

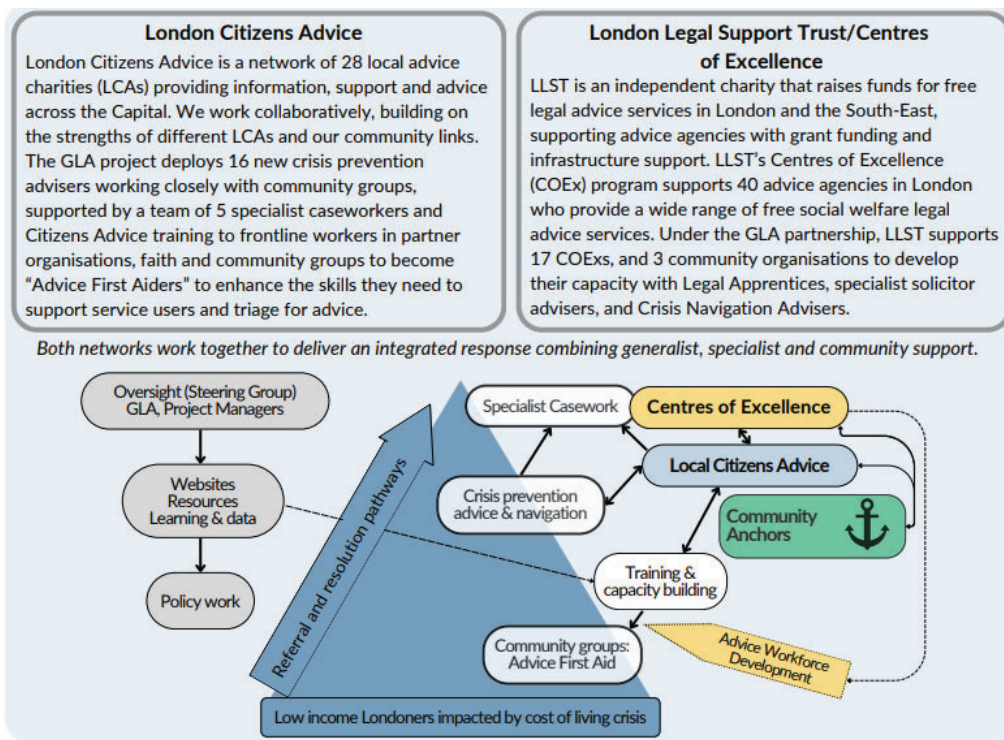
We welcome MaPS commitment to a “collaborative ethos”, and using sector-based collaboration to inform MaPS about how inequities and intersectional disadvantage can drive problem debt and shape the accessibility, experience and outcomes that clients receive from funded service services. In our experience, the best funding models are ones that are based on strategic alignment and partnership in which the advice sector itself. As an example, across London, we work with Greater London Authority (GLA) cost of living advice project to extend cost of living support and advice to London communities (the CoLCPA project). The project arose from discussions between the GLA, London Citizens Advice and London Legal Support Trust (LLST) respectively in early 2022 about the advice sector response to the rapidly developing cost-of-living crisis. The decision was taken by GLA to provide £2.3million funding for advice provision via the London Citizens Advice and LLST (LLST specifically supports specialist legal advice agencies), on the understanding that the three bodies work together to provide a coordinated response. GLA extended funding for a further year in summer 2023, with funding increased to £2.5million.

The CoLCPA project was designed not only to respond to the growing advice needs of Londoners, driven by the cost-of-living crisis, but also to address important strategic and operational issues identified in two important reports on London's advice sector.^x The project mobilised quickly, with London Citizens Advice and LLST inviting expressions of interest in delivery during summer 2022. This resulted in sector led and managed arrangements to equitably distribute funds to 20 local Citizens Advice (LCA) agencies and, via LLST, 18 Law Centres and other legal advice agencies ('Centres of Excellence - COEx'), plus three community agencies, with some commencing delivery in September 2022. LCA charities deployed 16 fte Crisis Prevention Advisers (CPAs), 6 Specialist Welfare Advisers and an Advice First Aid training lead, supported by a Project Manager whilst the COEx and community agencies deployed part time 14 generalist roles (including navigators and apprentice roles) and 27 specialist legal advice roles, in total equivalent to 21 full time equivalent roles.

At the specialist level the project includes some debt advice work, and the focus of delivery is local, working with local communities. The COLPCA project actively advised a total of 27,502 Londoners (approximately 25% generalist and 75% specialist advice) between September 2022 and January 2024 and a further 11,654 Londoners attended cost-of-living project events at which information was available, so in total 39,156 Londoners reached. The advice and information offer has helped Londoners wellbeing, and financial improvements for clients achieved were over £13m – put back into Londoners pockets and London’s economy. In addition, 62 Advice First Aid sessions were delivered to 852 people from approximately 200 community groups, improving their capacity to support vulnerable people. More can be seen about the success of this model in the evaluation of its delivery.^{xi}

We are including this in our response not in order to suggest that this is a perfect model, or one that could be exactly replicable for a debt advice context, but some aspects of this approach could be – it bridges the gap between local delivery, and a Pan-London co-ordinated partnership structure. Crucially, it is has been the element of co-production between the partners that has enabled it to work for diverse range of Citizens Advice and other advice organisations in London, and a model that facilitates collaboration within advice networks and their community partners from the bottom-up, rather than one imposed from the top-down.

The COLPCA model: Builds on an ‘advice in community settings’ approach.



Innovation, partnerships and co-production.

Innovation and new partnership and outreach models can be delivered, but it best comes from within the sector where the knowledge of the debt advice providers delivery capabilities and challenges lies, with advice agencies understanding of client needs, and where the links with the community are well embedded. The consultation refers at several points to the links with health (especially the link between debt and mental health as well evidence by the Money and Mental Health Policy Institute), and specifically mentions the partnership with Impact on Urban Health, part of the Guys & St Thomas’ Foundation. The partnership aims to explore ways to better understand and increase the value added by community-based services through the services funded by Impact on Urban Health. London Citizens Advice charities, especially Citizens Advice Southwark are involved in this and other work in health settings.

The Money and Mental Health Policy Institute have authored several reports challenging mainstream debt advice provision to adapt to become more accessible for people with mental

health issues^{xii}, and there is a significant body of evidence demonstrating the value of embedding integrated social welfare and money advice within health settings and pathways. Some examples (non-exclusive - there are many other examples in different parts of London of local Citizens Advice embedding integrated welfare advice within health settings) of social welfare and money advice delivery work involving Citizens Advice in health settings include:

- Citizens Advice Southwark’s “Back on Track Project” provides advice and assistance to patients of GP practices in certain locations in Southwark and Lambeth. It is also funded by Impact on Urban Health and the project involves multi-partner working between Primary Care Networks, GPs, local creditors such as the council and local housing associations, and Southwark and Lambeth Social Prescribing teams. Through GPs and a network of community organisations in Southwark, the programme reaches out to people with long-term health conditions to offer support with financial issues.
- The South London and Maudsley (SLaM) NHS Foundation Trust delivers an integrated welfare service. A pilot is currently underway in SLaM trialling a combined Talking Therapies and money advice intervention to increase recovery rates in the NHS Talking Therapies programme. Clients are routinely asked about money worries during referrals to Talking Therapy HIT services. Where money worries are identified, clients are directly referred to Citizens Advice for a follow up appointment with a money advisor.
- Working with St George’s Hospital Charity, Citizens Advice Wandsworth established a social welfare advice service for patients who have experienced major trauma and their families. The service was found to be highly effective in enabling faster discharge of patients. In Wandsworth through NHS support Citizens Advice advisers have also been working with GP surgeries, including some where they offer advice sessions directly with advisers working alongside link workers, and Citizens Advice training link workers in ‘Advice First Aid’.
- Citizens Advice Camden provides full time advice service for families of children at Great Ormond Street Children’s Charity, an advice service for Macmillan patients and those using the renal service, and an advice service for patients of Kentish Town Health Centre.
- Citizens Advice Enfield delivers outreach advice in North Middlesex hospital. Several other local Citizens Advice partner with MacMillan Cancer care to provide assistance to individuals and families in hospital and community settings to those who have been diagnosed with cancer.

Local authorities are also key partners in how we approach local delivery of advice services, so their role also needs to be considered within the “eco-system”. Last year we asked via a survey of the local Citizens Advice network in London about local debt advice provision, 92% of local Citizens Advice responding said that their local authority was “concerned about adequate provision of debt advice for their residents.” Also, 70% said that they were working in partnership with their local authority to deliver debt advice, whilst 46% said they were work with other local public bodies to deliver debt advice. Respondents also noted how important local knowledge is to the provision of debt advice; in response to an open text box question about local knowledge, comments included:

It helps - we found that if we can link advice (including debt advice) with other services, that is most effective. For example, crisis support such as foodbank vouchers.

It’s crucial as most debt clients also have related issues including housing for which local contacts are key. Our debt advisers are able to set up follow on appointments in order that we can provide holistic advice. We also operate as part of a [borough]-wide referral partnership, enabling us to provide specialist support via local government agencies such as the Employment Service, or to appropriate voluntary sector partners.

It’s important - our top debt issue is Council Tax debt, and an understanding of the local scheme is important, as is maintaining links with the right people in the council.

Local knowledge is key to providing good debt advice especially in relation to priority debts such as rent and council tax arrears and knowing who to contact and about local schemes such as Discretionary Housing Payments and Council tax Hardship Relief. Debt Advisors frequently contact local nominated

officers to request a hold on an account such as council tax recovery and which would not be possible without that local knowledge.

Very, many of our local areas are some of the most deprived in London and many have English as a second language. Part of the issue is that when this group fall into debt much of it is priority, rent arrears and council tax- often as a result of benefit issues, over-payments, sanctions and self-employment. In addition, our private rented sector is becoming more and more unaffordable so we are seeing multiple families who are living within one household so there are further complications with both benefits and debt. These require complex case work and are not realistically managed on the phone, as often they are from marginalised communities, and have little or no English.

It is important because part of debt advice is maximising income which can include applying for grants or local funding - so would need to have understanding about DHP, local discretionary funds (HSF, CT fund) etc. Other than that side of it, you wouldn't need to know from a pure debt point of view but again would say it's good to know who and how to contact (behind the scenes so to speak) - eg our arrangement with CT dept to contact on own email for 2-day turnaround, ability to get accounts recalled from enforcement agents asap if in receipt of CTS. If you take Stepchange for example. they essentially only do 'debt' in that they do I&E and debt options but don't seem to advise on maximising income.

Accessing debt advice locally is very important and we currently have an arrangement to refer complex debt issues to a partner advice organisation in the borough. There is a huge demand for debt advice and so understanding which of our local partners can best assist with various types of debt is important as well as understanding the various access points for that support.

Our local knowledge directly helps us to deliver debt advice. For example, we are familiar with local authority officers and can easily directly contact them for example, recall council tax arrears from bailiffs. Local authorities take different approaches to enforcing council tax debt, with for example, some councils being more 'aggressive' in their use of bailiffs than others. Our debt advisers also have good working relationships with local social housing providers and these relationships facilitate simpler negotiations over rent arrears.

We also asked local Citizens Advice in London how they how were able adapt their debt advice services to meet local need, respond to the impact of the cost of living crisis, for any other comments on the need (or otherwise) for debt advice to be commissioned in coordination with local stakeholders. We received the following comments:

We are going more local, more into neighbourhoods and work in local hubs. Debt services should be located there.

We provide face to face services in community settings, and we provide language support. We are part of a food and energy network run by the local council which has enabled us to develop new partnerships within areas of multiple deprivation.

We need a paid money adviser or two, we lost our contract [with MaPS]. We could not afford to provide advice for the price they paid us.

Local presence in community settings and strong links with revs/bens and enforcement teams at the Council.

We look to develop our services to meet local need. We have very strong working relationships with both local authorities and range of partners. We discuss and if possible adapt existing services to meet new needs/trends. If this is not feasible we develop a case for support, discuss and discuss again, identify potential funding and apply. In some cases [our] analysis including R&C [Research and Campaigns] has resulted in additional local authority funding being allocated.

we need to provide direct debt advice to clients via all available channels. currently we have trust funding to deliver debt advice but the provision is not sufficient to deal with the demand

We provide extra time to deal with the issues, don't work strictly to one issue but will address multiple issues including enrolling children into school to enable pre-settled status. We try and match the client with an adviser who speaks their language and will otherwise resort to an interpreter. We have also set up a fund to help in crisis and apply for funding to allow us to support our client groups and work with Food banks to identify who needs help.

channel mix working with partner agencies to make referrals inclusion of welfare benefits debt in debt advice (which MaPS doesn't currently do)

Identifying borough-specific debt issues is partially identified through our research work and identifying the local trends. There is much more we can do in this area to identify what types of debt or volume of debt people are taking on, and then to design services around these areas of need. It would be useful to understand if clients in our London borough have a similar experience of debt as clients from other London boroughs and to learn lessons around service delivery from them.

Ours is a relatively small borough with good, internal public transport links. Our debt advice service is predominantly face to face and this works for us as people can easily travel to our offices. We do, however, provide outreach advice in areas of the borough with the highest need for debt advice.

On cost of living impacts on our local debt advice services:

Difficult to quantify. We have lost funding in one area, and moderately gained in another. The need for debt advice as well as crisis support has increased significantly.

We have seen an increase in demand for debt advice and for help to gain charitable support. The local funding environment has been favourable, as the local authority have put additional resources into cost of living support including a local support fund administered by CAW, and have funded additional telephone assessor posts

[Our borough] is an advice desert and we cannot cope with demand for debt advice and DFL provide no real service.

Funding locally is flat and the council's response to the CoL crisis has been lacklustre. Advice needs have increased dramatically, of course.

Massive rise in debt, welfare benefit and housing demand. Unfortunately, London advice services are always on the back foot as advice funding is historically low when compared with other UK regions.

We have had a reduction in funding that has meant we have lost staff through redundancy, we have had to streamline our services so that only the most desperate are able to be helped and refer anyone we can to external sources of help, such as telephone debt help.

Considerable and likely to be even greater going forward. [Our] Council has the highest Council Tax rise in the country (15%) and this will just add the pressures on residents. The CoL crisis itself I wouldn't say has impacted the operating environment, but what has, is the financial pressure of [the] Council. This has resulted in widespread cuts to statutory services as well as severe cuts to the voluntary sector.

We see similar trends to that which have been reported nationally - that clients who used to just get by have slipped into negative equity and are slowly accruing debt. This means that they are struggling to increase their income to start their journey out of debt but also that they are now relying on charitable grants to afford the essential goods that they would once have been able to save up for (e.g. washing machines, fridges, clothes, etc.).

The cost of living crisis has increased the demand for debt advice. The numbers of clients with deficit budgets has increased. A higher proportion of clients would benefit from a Debt Relief Order. Our advisers are also directly impacted by the Cost of Living Crisis as their pay has fallen behind in real terms. Our local authority recognises the need for debt advice and has provided additional funding for a debt first aid post.

Need for debt advice to be commissioned in coordination with local stakeholders:

Debt advice is vitally important, and despite attempts to bureaucratise the process, a one size fits all approach is probably not a helpful one. Local stakeholders should be involved in scoping/commissioning processes, but there's always the potential problem of having too many stakeholders.

We used to have MaPS commissioned debt advice in [our borough] provided by [xxx Advice Centre]. But then they had capacity issues and stopped providing [our borough]. There is now no location or service provider that offers debt advice [in our borough].

Local need differs by area, we need to address specific areas of concern that are unique to our area, and location. We also work with only those who have the tenacity to stay the course, e.g. breathing space, so we end up chasing up clients who think that when the letters stop the problem has gone away. The lack of understanding, despite warnings is part of the issue. The complexities of debt advice means effective advice is not limited to debt. There is no requirement of local authorities to be FCA registered to provide debt advice so it can deliver poor quality help for the right reasons without understanding the detrimental impact. Local services are able to tap into other support that may be available to help, e.g. non Trussell Trust food banks that may have more relevant opening hours or offer other immediate services that address the debt need. In addition, they do not have access to some of the support that we do, breathing space, DRO intermediaries and 80% of debt insolvency solutions end up being IVA's which are a poor substitute for full advice and often the wrong intervention. Without a full service debt advice can at best be a sticking plaster and at worst can cause a significant detriment.

The Citizens Advice service has very high levels of public recognition and people know that they contact a Local Citizens Advice about any problem. Many people are however reluctant to seek debt advice even from us. A very high proportion of people who access our debt advice service had initially contacted us about another issue but disclosed a need for debt advice during the interview process. There are various reasons for this reticence in seeking debt advice. Some people think they do need help or wrongly assume that nothing can be done to resolve their debt issues. Very few members of the public seem to be

aware of the existence of Debt Relief Orders. Some people seem to feel shame or embarrassment about their debts and some people think that seeking debt advice will damage their credit rating.

From these survey responses, it is clear that local knowledge, partnership working with local stakeholders especially local authorities, are important factors in successful reach and delivery. Strong links with local Councils enables advice to be delivered in community settings, for example in libraries and Children’s Centres – advisers doing outreach work is quite fundamental to how Citizens Advice services typically work and deliver services, there is simply no need to “re-invent the wheel” on this. The best examples though are where the outreach initiatives and partnerships are ‘sector-led’; for example:

- Brent Hubs – Citizens Advice Brent delivers specialist advice within the hubs – the hubs bring together housing advice, employment support, money management, wellbeing, benefits (including Universal Credit), food bank access, digital inclusion and more in different locations across the borough.
- In Greenwich Citizens Advice deliver advice across the boroughs “Welcome Centres” based community where Trussell Trust foodbanks are hosted
- In Enfield, Citizens Advice deliver advice within a homelessness charity outreach.

We hope that MaPs can learn from these and other models of sector-led collaborative working practices and local outreach models which can re-enforce and strengthen the sustainability of the sector. We welcome that MaPs may be open to commissioning models with a more local focus, but would again stress the importance of this process being sector led based on partnership and co-production to support the sector’s sustainability. Many features of the existing commissioning system for London MaPS funded services (branded as Debt Free London / Debt Free Advice) do not lend themselves well to supporting sector sustainability. There needs to be sufficient resource both at local provider and regional levels for shared project and partnership management, quality assurance, training (with accreditations) and development, and allowance to enable local advice agencies to cover all of their on-costs and not just the salaries of specialist debt advice roles. Unless these issues of ‘full cost recovery’ for providers are well modelled and understood, the outcome is that advice charities have to end up subsidising (through charitable funds and reserves) the delivery of statutory bodies’ contracts – that is a completely unsustainable situation. Several local Citizens Advice charities in London are carrying significant deficits against their MaPS funded debt advice work.

Finally, to give greater financial certainty there is a good case for longer contract/grant periods (ie., for job security etc – see workforce section below), but these would need to be adjustable for inflation and cost of living increases, and for changes in client profiles, complexity levels etc. MaPS needs to become a more flexible commissioner, and in order to ensure that its commissioning practices are more effectively shaped by an understanding of inequities and intersectional disadvantages, the emphasis on collaboration with, and support for, community and place-based services is essential.

Chapter 3: Adviser wellbeing and supporting the debt advice workforce

Question 18: Do you agree that MaPS should continue with activities to improve how the sector supports the debt advice workforce?

Question 19: Do you have any views on how these activities should be prioritised or additional views you want to share on these activities?

Question 20: Do you have views on whether MaPS should progress these additional activities to improve how the sector supports the debt advice workforce? How should MaPS prioritise these activities against the other areas where we could have an impact i.e. funding debt advice delivery?

Question 21: Do you have any alternative suggestions about activities MaPS could be undertaking to improve how the sector supports the debt advice workforce

We are pleased to see that MaPS have recognised and identified these issues as a critical strategic challenge for the sector, and the need to address this within the commissioning strategy. It has been especially challenging over recent years in London to retain a skilled and motivated debt advice workforce, and to keep pace with upward pressures on wages and cost of living pay increases, given how MaPS fund the sector. There needs to be a big step change on this, otherwise we will not only continue to lose skilled accredited staff, but there will be no new advisers coming through – ie., no ‘next generation’. There are examples in London of local Citizens Advice being unable to continue with MaPS funded work due to loss of trained staff and the challenges with replacing them.

We support MaPS being proactive on the issues of recruitment, training, progression and retention, but it is important that the workforce is developed through the advice sector – the debt advice workforce are not MaPS staff; again it is important to stress that this should be sector-led, and focussed on what the sector needs rather than MaPS ‘in-house’ workforce development needs. So, the question should be how can MaPS support, encourage and facilitate sector-led workforce development initiatives. One project we are involved with in London with a group of London civil society funders called “Propel” is a ‘grow your own’ initiative that aims to diversify the advice sector workforce and induct trainees from communities of lived experience into advice work. Models and approaches like this can work well, and we would also be interested in the idea of developing debt adviser apprenticeships. Issues concerning the workforce are complex, ranging from pay and conditions, to training and accreditations, recruitment, supervision, support and development – this should perhaps be a separate consultation.

What clearly is within the MaPS remit is to move away from the ‘targets culture’ in which hitting of targets/KPIs for numbers of clients engaged with for full debt advice has been a driver for all performance management, output metrics and contractual specifications. The IMA reports into debt advisers’ caseloads show that this has often been a cause of demoralisation.^{xiii} Only recently has MaPS begun to exercise any flexibility on this, recognising that debt cases are becoming more complex, harder to resolve and involving more work per client. There should be other metrics such level of activities undertaken and wider support for clients, and a greater focus on impact and outcomes delivered in the round.

Chapter 4: Helping to make debt advice easier to deliver and looking to the future

Question 22: Do you agree that MaPS should continue with these activities?

Question 23: Do you have any views on how these activities should be prioritised or additional views you want to share on these activities?

Question 24: Do you have views on whether MaPS should progress these additional activities to help make debt advice easier to deliver in the future? How should MaPS prioritise these activities against the other areas where we could have an impact i.e. funding debt advice delivery?

Question 25: Do you have any alternative suggestions about activities MaPS could be undertaking to drive continuous improvement and support the sector to adopt new and emerging technologies?

We think the question should not be whether MaPS should support these activities, but rather how, and at what cost, and whether these activities will be undertaken in a collaborative way with the sector, as we have raised in previous response answers. In terms of prioritisation, our clear view is that funding for debt advice delivery should be MaPS primary aim and function. Other activities which shape and support the market and best practice are clearly important, and piloting innovations can be valuable, but crucially they all depend on there being a sustainable debt advice sector and workforce to deliver services on the ground. MaPS core focus should be on its statutory remit of “improving the availability, quality and consistency of debt advice services across the UK” so what need to be assessed is the extent to which these activities and proposals support that remit.

There is an ever present risk of “mission creep”, and a tendency for MaPS to pivot towards ‘in house’ service design, solutions and delivery channels. In our view that would be a strategic mistake, and there are risks that may be overlooked or potential unforeseen consequences that might impact both the sector and MaPS objectives adversely. As an example of what we mean, whilst this is not covered within this consultation we are aware that the future of Pensionwise is under consideration with a focus on potentially moving to an in-house solution, but pensions information and guidance needs to be more integrated with mainstream money advice, income maximisation and the financial capability work that frontline organisations deliver within communities.

We will leave it to our national policy team to respond further in detail on the policy issues in this chapter, including the work of replacing the Common Financial Statement (CFS) with the Standard Financial Statement (SFS). As a London network of delivery charities we have not been directly involved, but buy-in from stakeholders from stakeholders and engagement with frontline advisers in respect of these processes is essential.

Chapter 5: Increasing public awareness and engagement with debt advice

Question 26: Do you agree that MaPS should continue to provide these activities?

Question 27: Do you have any views on how these activities should be prioritised (including the prioritisation of which sectors are referral partners into debt advice) or additional views you want to share on these activities?

Question 28: Do you have views on whether MaPS should progress these additional activities to increase awareness and engagement with debt advice? How should MaPS prioritise these activities against the other areas where we could have an impact i.e. funding debt advice delivery?

Question 29: Do you have any alternative suggestions about activities MaPS should be undertaking to increase awareness and engagement with debt advice?

MaPS has a statutory remit in respect of financial education/capability, money guidance and awareness, so it is entirely appropriate that MaPS have programmes about increasing public awareness and engagement with debt advice. As with our comments on other sections, the key thing is that these activities are undertaken in collaboration with the debt advice sector – for example, targeted financial literacy campaigns. Where appropriate they should be sector-led, and supported by MaPS to be sector-led, working for example with the Money Advice Liaison Group, the Money Advice Trust, the Institute of Money Advisers, and most crucially the networks of organisations that deliver debt advice like Citizens Advice. Other stakeholders such as Martin Lewis’ MoneySavingExpert, Which? and others have far more public reach and engagement in this space than MaPS does.

The debt advice sector and component networks rightly value their own brands and their independence from public bodies, so strategies for increasing public awareness and engagement with debt advice should be about promoting their brands and services, rather than the MaPS brand as commissioner and public body. In the early days of the Money Advice Service, the new body came under significant scrutiny and criticism from the Treasury Select Committee and others for the amount of resource directed towards advertising and marketing campaigns; lessons still need to be learnt from this. Resources should be focused on frontline debt advice and increasing capacity to meet the challenge of rising demand. We would not, for example, see it as adding value for MaPS to invest in the development of app-based platforms that offer access to debt advice and financial education resources, unless they directly extend and enhance the services provided by local frontline advice agencies.

Chapter 6: Building evidence and influencing others

Question 30. Do you agree that MaPS should continue to provide these activities?

Question 31: Do you have any views on how these activities should be prioritised or additional views you want to share on these activities?

Question 32: Do you have views on whether MaPS should progress these additional activities to better understand the value of advice and/or to drive more UK wide collaboration? How should MaPS prioritise these activities against the other areas where we could have an impact i.e. funding debt advice delivery?

Question 33: Do you have any alternative suggestions about activities MaPS should be undertaking to through our policy and influencing work?

Again the same comments apply to these questions as previous questions. These are appropriate activities to the extent that they are within MaPS statutory remit, but they should be done in collaboration with the advice networks (Citizens Advice, Advice UK, Advice Services Alliance) and relevant sector organisations and stakeholders – they need to be more than just passive consultees, but should be brought in as active partners in this work.

In terms of “influencing others” it is important to note that MaPS whilst claiming to be in a “unique position” also has limitations from being an arms-length public body; it cannot, for example, be publicly campaigning or engaging in direct advocacy work, whilst charities (subject to lobbying and charity regulations in respect of political impartiality) can undertake such activities. MaPS proximity to the financial sector, the credit industry and government can give rise to optics that may be unhelpful. So where it is more appropriate for debt sector charities to lead this work, MaPS should be standing back and supporting them to lead, and the same applies to other activities. For example, it is difficult to see how the Money Adviser Network has added any additional value that could not have been achieved by directly supporting debt advice agencies to enhance their capacity and collaborations.

Finally we again re-emphasise our call, especially within the context of the allocations of funding and resources, that MaPS core focus should be on its statutory remit of “improving the availability, quality and consistency of debt advice services across the UK”. Lack of access and availability is the critical challenge as debt advice services are facing challenges of both capacity and sustainability, and are unable to meet existing demand or extend services further into the community, so this is where resources should be focussed and prioritised.

ⁱ Debt Justice: Together against Debt <https://debtjustice.org.uk/wp-content/uploads/2024/03/TAD-Manifesto-long-version-v4.pdf>

ⁱⁱ MaPS Need for Debt Advice Survey

ⁱⁱⁱ <https://moneyandpensionsservice.org.uk/wp-content/uploads/2021/03/peter-wyman-review-of-debt-advice-funding-2018.pdf>

^{iv} <https://maps.org.uk/en/media-centre/press-releases/2024/eight-million-people-need-debt-advice>

^v <https://www.moneyadviceplus.org.uk/wp-content/uploads/2019/06/supply-2018-participant-report.pdf>

^{vi} <https://www.citizensadvice.org.uk/policy/publications/the-national-red-index-how-to-turn-the-tide-on-falling-living-standards/>

^{vii} <https://www.gov.uk/government/publications/debt-fairness-charter> .

^{viii} <https://www.i-m-a.org.uk/wp-content/uploads/Casework-requirements-and-workloads-in-the-money-advice-sector-Jan-2024.pdf>

^{ix} Consultation document – page 17

^x <https://asauk.org.uk/projects/>

^{xi} <https://londoncitizensadvice.org.uk/projects-partnerships/london-learning-how-partnership-works>

^{xii} <https://www.moneyandmentalhealth.org/publications/>

^{xiii} <https://www.i-m-a.org.uk/other-services/social-policy/workload-conditions-and-wellbeing-in-the-money-advice-sector/>