

Minutes of Debt Advice Steering Group

Date: 7 May 2019
 Time: 10.30 -12.30
 Location: Crowne Plaza London City, 19 New Bridge Street, London
 Chair: Sir Hector Sants

Attendees

Name	Title	Organisation
Sir Hector Sants (HS)	Chair	MAPS
Steve Johnson (SJ)	Chief Executive Officer	Advice UK
Yvonne MacDermid (YM)	Chief Executive Officer	Money Advice Scotland Scottish Forum
Gillian Guy (GG)	Chief Executive Officer	Citizens Advice
Fiona Hoyle (FH)	Head of Consumer and Mortgage Finance	FLA
Brian Holland (BH)	Head of Commercial Planning, Personal Products	RBS
Britta Rinaldi (BR)	Head of Financial Capability and Consumer Debt	HM Treasury
Phil Andrew (PA)	Chief Executive Officer	StepChange Debt Charity
Jackie Barodekar (JB)	Director, Cards and Consumer Credit	UK Finance
Joanna Elson (JE)	Chief Executive Officer	Money Advice Trust
Patricia Mulligan (PM)	Advice Services Team, Voluntary and Community Division	DfC Northern Irish Forum
Chris Quince (CQ)	Head of Consumer Affairs	Barclays
Moray McDonald (MM)	Non-Executive Director	MAPS
Apologies		
Catherine McGrath	Managing Director, Transaction, Insurance and Mass Market	Barclays
Eric Leenders	Managing Director, Personal Finance	UK Finance

Money and Pension Service staff in attendance	
John Govett (JG)	CEO
Caroline Siarkiewicz (CZ)	Partnerships and Commissioning Director
Craig Simmons (CS)	Sector Coordination Manager
Bob McNinch (BM)	Digital, Marketing, and IT Director
Francis McGee (FM)	Consultant – Debt Sector Transformation Programme
Sarah Porretta (SP)	Strategy & Insights Director

These minutes should be read in conjunction with the associated meeting papers

Welcome

- 1.1 HS welcomed attendees, providing an overview of the agenda and introducing new members.

Previous minutes & matters arising

- 2.1 The minutes of the previous meeting were agreed as an accurate record. There were no matters arising not covered later on the agenda.

Money and Pensions Service – Update & Listening Exercise

- 3.1 HS gave an overview of the activities of MAPS since its inception and introduced the ongoing listening exercise. He went on to set out MAPS' intention to make a significant impact across debt advice, money guidance and pensions for consumers. MAPS would be producing its three-year corporate strategy towards the end of the calendar year.
- 3.2 HS also noted that the governance structure of steering groups that MAPS inherited from predecessor bodies was being reviewed. He anticipated a new governance structure would be in place from the Autumn and expected a senior debt advisory group would be a feature of it.
- 3.3. CQ requested adequate notice of any wind down of the consumer brands MAPS had inherited, citing that many firms have regulatory requirements to refer customers to the existing brands. HS acknowledged this and confirmed MAPS will take into account the need for process changes, as well as the current regulatory requirements.

The Wider “Target Operating Model” – and the PACE Pilot Project

- 4.1 JG introduced this agenda item, explaining that the PACE project was about creating value. The existing MAS Target Operating Model work had created six workstreams and JG noted that MAPS would be giving priority to the PACE project and sector-wide funding work. CZ also noted other aspects of the Target Operating Model work, including workforce development and quality, would form part of MAPS business as usual work.
- 4.2 CZ introduced the principles the PACE work would operate under. These were welcomed by members.

- 4.3 CS talked the group through model 1 of the pilot. JG talked through model 2 of the pilot. Both referred to the IT systems hub, explaining it would be utilised in both models and that there would be significant overlap between both. This would mean that two entirely separate IT builds were not required.
- 4.4 In response to a question from GG, CS noted the 33% efficiency savings were based on learnings from the Wyman Review, particularly around use of cheaper channels (where possible) and utilising technology and other process improvements to create efficiency savings. JG added that the 33% was indicative of the direction of travel MAPS is seeking to achieve and would not be applied to each individual intervention but accumulated across the whole of the service offering. JE added that debt advice agencies are facing increased costs for ensuring quality requirements and noted the need for this being factored into efficiency targets.
- 4.5 PA suggested terminology was important in this sphere and stated that the target should be to help a third more people with the same money, rather than reducing costs by a third.
- 4.6 In relation to questions from JB and JE, HS explained that the MAPS based model was a broader remit than simply for those in financial difficulties and would seek to deliver a fuller financial wellbeing journey. It would not, however, deliver any specialist advice and people would be referred on for regulated debt advice. HS also noted the need for clear governance for the project and the MAPS Executive and MAPS Board would work on governance proposals in coming weeks to ensure clarity.
- 4.7 Following the overview by JG, JE added some additional detail around model 2, noting that it was designed in a way so it could be applied across the entire debt advice sector and not simply the three charities currently involved. It could also work across all four nations of the UK. JE felt that the differences between models 1 and 2 were not significant.
- 4.8 GG noted a risk of duplicative triage if a customer was to pass through both aspects of the pilot. HS did not believe there would be duplication as, while both models would perform a triage, a person passing through both models would not be triaged on the same issue. It was noted the initial triage and common data set should allow a customer to arrive into the advice environment with an element of “pre packing”, which should reduce time and costs for the debt advice process. HS agreed to discuss this further with GG at a later point and both noted the need to actively avoid duplication. HS and GG also agreed that the precise detail of how customers are routed through the model was critical and this would need careful consideration in coming months.
- 4.9 MM clarified that both models would be built on one IT systems hub and a customer would not go through more than one data gathering exercise, provided they consented to data sharing.
- 4.10 BH noted that existing customer journeys were not working well for many clients and he welcomed the PACE attempts to improve them. However, he felt the need for clear KPIs and other success measures was critical.

- 4.11 PA noted that sector discussions around improved customer journeys had been taking place for several years, with a lack of consensus on the right way forward often delaying progress. He felt now was the time to pilot new ways of working, which are completely customer centric, and there would be valuable learnings and evidence from it which would help move the sector forward. He stated that StepChange currently spend 5-7 minutes when a customer first enters advice establishing what the customer need is. A way of identifying this further up the customer journey would be beneficial. HS agreed that learnings from the pilot should shape future customer journeys.
- 4.12 JG noted that agreeing the detailed specification of the IT Hub was the current priority. If MAPS could not take it to market by the start of July, it is unlikely the pilot could proceed in January as planned. If this were to happen, MAPS would have to reflect on spend of the budget for 2019/20. HS agreed the common tool was critical to the pilot. CQ recognised this and stated that it was essential debt advice agencies can consume data coming out of the Hub into their own systems. JG agreed.
- 4.13 CZ took DASG through the proposed evaluation criteria for PACE. BH noted his broad agreement with the criteria but proposed that the quality of debt advice measure should be stronger. Additionally, the cost per advice case was a critical measure as was ensuring the model can deliver scaled up capacity. BC stated these needed to be quantified and suggest the capacity measure should be an increase of 50%. PA requested that the SROI evaluation be open source.
- 4.14 HS summarised discussion and DASG agreed to support the PACE project subject to:
- (a) Any material impact on the pilot arising from HMT's confirmed Breathing Space policy, which was expected shortly.
 - (b) A clear governance structure being put in place.
 - (c) A clearer and more granular evaluation plan being put in place.

Funding Workstream – Update and Proposed Workplan

- 5.1 SP introduced this item, noting it was a priority for MAPS to progress swiftly. Related to this, an additional FTE resource would be added to the project. FM then took the DASG through the associated slides.
- 5.2 HS noted MAPS had now taken on the conversations around sector wide funding and felt that gathering effective data was the correct first step – this was currently ongoing. He also acknowledged there were many stakeholders with hugely varying viewpoints involved in sector funding. MAPS and DASG building a proposal and then fully engaging with HM Treasury and FCA was an appropriate next step.
- 5.3 PA suggested it was important to establish how much money was required per year to provide free at the point of delivery debt advice to those who need it. He had calculated that with efficiencies totalling a third, the total would be in the region of £275m.
- 5.4 BH stated that the additional funding to reach that total should be sourced from creditors which currently create a need for debt advice but do not provide equivalent funding. HS stated his viewpoint that the current funding arrangement were not fair. FM went on to note

that the DASG had not yet reached consensus on what fair funding arrangements looked like.

- 5.5 FH flagged a recent FCA consultation on the levy structure and a statement within it that the regulator is working with HM Treasury and DWP on its findings. She highlighted the need for the MAPS work to be joined up with that. HS agreed, and FM confirmed this was in progress.
- 5.6 CQ enquired whether an aim was for all funding to be channelled via MAPS. HS explained this was not pre-judged and a mixed model of funding was still one of many possibilities.
- 5.7 BH suggested that the PACE pilot should not create any inter-dependencies with the funding work as to avoid possible delay. In response to a query from BR, HS confirmed the planned timeline for creating a funding proposal was by the end of the year.
- 5.8 DASG agreed to support the plan outlined in the slides and the associated timelines

AOB

- 6.1 There was no further business and HS closed the meeting.

Close of meeting at 12.35pm

Action log

Action number	Action	Due by (owner)
1	Take into account process changes and regulatory requirements in any wind down of MAPS' inherited consumer brands	Open (MAPS)
2	Produce clear governance arrangements for the PACE project	25 June (MAPS Executive / MAPS Board)
3	HS and GG to meet to discuss avoiding duplication of triage between model 1 and 2	25 June (MAPS)
4	A more granular evaluation approach to PACE to be produced	25 June (MAPS)
5	Progress funding workstream as set out in associated funding slides	Open (MAPS)