

Full Business Case

For NEW financial proposals over £500k (whole life cost)

Project or Activity NAME	Project ID*
Debt Recommissioning	█
PLEASE READ <div style="background-color: black; height: 15px; width: 100%; margin-bottom: 2px;"></div> <div style="background-color: black; height: 15px; width: 100%; margin-bottom: 2px;"></div> <div style="background-color: black; height: 15px; width: 100%; margin-bottom: 2px;"></div> <div style="background-color: black; height: 15px; width: 100%; margin-bottom: 2px;"></div>	

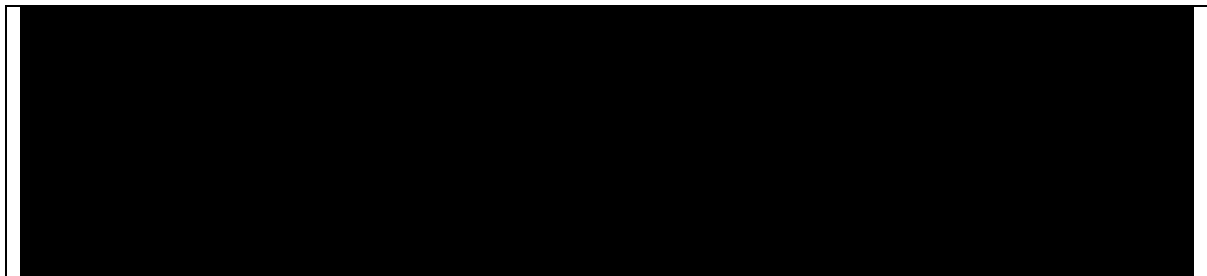
Project or Activity DESCRIPTION IN A SENTENCE
<i>Re-commissioning of debt advice and the administration of DROs in England, moving from grants to contracts and more control of the VfM and quality of services to those in debt.</i>

Information Summary	
█	█
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Version History Control (Prior to submission)			
Version	Date	Author	Summary of Changes
█	█	█	█
█	█	█	█
█	█	█	█
█	█	█	█
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Budget Status	
Project/Activity Cost (whole-life) incl. VAT* *For contract value, this £ figure must be verified by the Commercial team	█
Is funding available within budget?	Yes No

	Subject to CSR Settlement
IF YES – which budget(s) will this project be funded: N/A	Debt Advice <input type="checkbox"/> Money Guidance <input type="checkbox"/> Pension Freedoms <input type="checkbox"/> Pension Guidance <input type="checkbox"/> Department Budget <input type="checkbox"/>
IF NO - what is the proposed source of funding?	Debt Operations Core budget
Directorate name:	Debt Operations



Governance Approval Level (including External Approval for >£2m)		
<i>Tick once below against the highest level of approval needed for this project/activity</i>		
	Within Directorate of Programme Budget	Outside of Directorate or Programme budget
Department of Work and Pensions (£2m and over) Also subject to Cabinet Office Spend Approval	Over £2m (over £25m for commissioning of contracts and grants) <input type="checkbox"/>	Over £2m (over £25m for commissioning of contracts and grants) <input type="checkbox"/>
Board	£2m <input type="checkbox"/>	£2m <input type="checkbox"/>
Finance and Investment Committee	£1m <input type="checkbox"/>	£1m <input type="checkbox"/>
Chief Executive Officer	£500k <input type="checkbox"/>	£100k <input type="checkbox"/>
Chief Financial Officer	£200k <input type="checkbox"/>	50k <input type="checkbox"/>
Director	to £100k <input type="checkbox"/>	none

Endorsements via the Business Case Portal
<i>The endorsement process is managed via the Business Case Portal. Having uploaded your Business Case to the portal and completed the endorsement round, the system will email you the table you need to copy and please below. Only do so when all endorsers have approved the Business Case.</i>
Business Cases that have not been both 1) registered and 2) fully endorsed on the portal will not be accepted by the Governance team for onward approval by ELT.

Endorsements			
		Name	Date
Mandatory			

Mandatory	[REDACTED]	[REDACTED]	[REDACTED]
Mandatory	[REDACTED]	[REDACTED]	[REDACTED]
Mandatory	[REDACTED]	[REDACTED]	[REDACTED]
Mandatory	[REDACTED]	[REDACTED]	[REDACTED]
Contingent	[REDACTED]	[REDACTED]	[REDACTED]
Contingent	[REDACTED]	[REDACTED]	[REDACTED]

Wider Considerations		
Type	Considered? (Yes/No)	Further action taken in preparation of this business case
GDPR (if yes, then Data Protection Impact Assessment)	[REDACTED]	[REDACTED]
Vulnerability and Equalities Impact Assessment	[REDACTED]	[REDACTED]
Welsh Language	[REDACTED]	[REDACTED]
Managing Public Money	[REDACTED]	[REDACTED]
Cabinet Office Spend Controls	[REDACTED]	[REDACTED]
Social Value	[REDACTED]	[REDACTED]
PSED	[REDACTED]	[REDACTED]

Objectives and KPI's	
List below the organisational Objectives and KPIs this initiative will support	
Objective/KPI	[REDACTED]
See Critical success factors Appendix 2	

1. Project Overview

1. The Strategic Case - Rationale	max: 400 words
<p>1. Strategic context</p> <p>Facilitating delivery of high-quality debt advice in England is one of MaPS' five core statutory functions. Due to the regulated nature of debt advice it is not within MaPS remit to deliver these services in-house, therefore MaPS is seeking to secure provision by outsourced arrangements with third parties.</p> <p>MaPS has submitted details of the proposed approach to the Cabinet Office via the DWP triage process. This has resulted in an initial 'Control' status which means that further detail is required, for them to be assured and grant spend control approval, before we publish the tender on the 5th July 2021.</p>	

The Executive seeks Board agreement that the content of this document can be shared with Cabinet Office to get that assurance and to continue ongoing dialogue with them.

A full business case for award and spend approval will be submitted to Board at the end of October 2021.

Case for change

1. Debt advice provision has for nine years been awarded on an annual direct award grant basis. In pursuit of driving value for money and improved customer outcomes, MaPS has considered the ongoing suitability of this approach to debt advice provision and has determined that an annual direct award grant approach is no longer fit for purpose because:
 - a. It limits MaPS ability to manage performance and therefore improvements, innovation and efficiencies and the positive impact this could have for customers.
 - b. It limits MaPS ability to drive value through competition and exploring the broader market, including profit generating providers.
 - c. The annual cycle prevents the existing supply chain from planning and investing in their services, further impeding the improvements and innovation.

The proposal therefore is to discontinue grant funding and move to service provision via longer term competed contracts. DWP and HMT have provided support for this approach and additionally gave their approval to proceed following review of the draft Prior Information Notification and market engagement content.

2. Commercial legal advice was sought on the pros and cons of retaining grants or moving to contracts, which would also, over time, enable MaPS to develop the market bringing in new suppliers and different commercial models. [REDACTED]
3. Against the backdrop of the pandemic, which is changing consumer needs, and a series of ongoing high priority developments in the debt advice sector and within MaPS, we intend to prioritise higher volumes of debt advice and a material step forward in the quality of services. MaPS also intends to ensure provision remains available to those most in need, which will include service provision for people with particularly complex circumstances, access issues and vulnerabilities.
4. The Critical Success Factors for commissioning have been identified and developed in line with MaPS' strategic target end state for debt advice provision and contribution to the UK Strategy for Financial Wellbeing. [REDACTED] and will provide a significant initial step in achieving those longer term ambitions.
5. The ability for MaPS to performance manage the contracts is key to the achievement of the Critical Success Factors. Having looked at other markets approach to funding and had MaPS SMEs previously from the sector interrogate how payment triggers could be abused, we have set out the proposed range of metrics MaPS will use [REDACTED] to ensure that we only pay for services that are delivered and can apply service credits/penalties based on the level of quality and data integrity. Additionally MaPS is investing in training staff in contract management using the Government Commercial organisations' training modules.

2. The Economic Case – Options and Recommendation

max: 200 words

- 1) Do nothing and roll over grant agreements with monthly payment in arrears terms
- 2) Commission all services under grant agreements not contracts
- 3) **(Recommended) Commission all services under contracts by April 2022**

Having reviewed the three options we recommend option 3 as it represents the best value for money proposition, providing the maximum impact on the customer, through the improvement of quality and performance that can be achieved through contract management.

Financial Settlement

The increased value gained within the recommended option, is dependent on the level of budget approved for 2022-27. Therefore, we have considered the impact on customers served in, relation to the current allocation remaining static with channel shift and an increased budget allocation.

Current Position – Grants (flat budget)

- £47.2m (VAT not applicable) serves 536,500 customers(175,500 Regional Providers, 361,000 National Providers).

Scenario 1 – Contracts (flat budget)

- Static budget (£47.2m) accounting for VAT but delivering channel shift through budget reallocation (-50% Regional, + 69.8% National) would serve 700,000 customers in a full year

Scenario 2 – Contracts (budget increased to absorb proportion of current Covid budget)

- Budget increase to £65m, accounting for VAT, delivering channel shift through budget reallocation with increases concentrated at national provision would serve some 1.1m customers in a full year. (Channel shift - 51.4% Regional, +166% National)

Scenario 3 – Contracts (efficiencies budget in CSR)

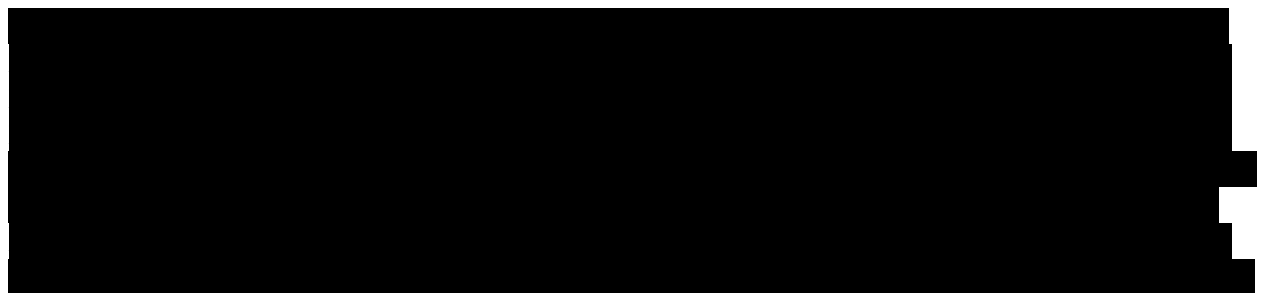
- Budget decrease to £40.2m, accounting for VAT, delivering channel shift through budget reallocation with increases concentrated at national provision would still serve 536,500 customers

NB: All figures exclude DRO provision

NB: The final volumes will be decided as a result of the competitive process

3. The Commercial Case – Procurement Approach

max: 200 words



Activity	Lots 1 (National) & 2 (Regional)	Lots 3 (Business debt) & 4 (DRO administration)
PIN Issued	██████████	████████████████████
Bidders Information event – Webinar	██████████	██████████████████████████████
Bidders Information event – Q&A opportunity	██████████	██████████████████████████████████
Issue of ITT to Bidders	██████████	██████████████████████████
Deadline for ITT clarification questions	██████████	██████████████████████████
Return of Tenders	██████████	██████████████████████████
Completion of evaluation of Tenders	██████████	██████████████████████████████
Award approval/ Notification of intention to award	██████████	██████████████████████████████████
Standstill period ends	██████████	██████████████████████████████
Contract Award	██████████	██████████████████████████████
De-commissioning period (where applicable)	██████████	██████████████████████████████
Contract commencement	██████████	██████████████████████████████████
Contract mobilisation	██████████	██████████████████████████████████
Full-service commencement	██████████	██████████████████████████████████

4. The Financial Case – Affordability **max: 200 words**

The budget requirement for this activity will be part of the annual MaPS budget negotiations with DWP and HMT. In section 2 there are two scenarios that cover the possibility that the higher budget allocation is not approved and how the commissioning will achieve its goals in either a static (£47.2m) or increased budget (£65m) scenario.

This case presents a requirement for funding in multiple financial years. Future funding cannot be guaranteed as approval must be sought for each financial year. Hence, a break-clause will be included in contract to ensure that funds are not committed in advance of budget approval being granted.

Our need and demand modelling suggests demand for debt advice will remain materially elevated for several years, therefore strategically we are seeking to retain an uplifted sector capacity for the duration of the forthcoming commissioning period, with agreements set to last three years. As a response to the pandemic MaPS was successful in securing additional funding to maintain and increase capacity to deliver debt advice, whilst maintaining the entirety of the covid linked budget uplift for the longer term is likely to be unsustainable, retaining c.40% of it and utilising it effectively

is believed to be a reasonable request in ensuring we can get closer to meeting consumer demand. Therefore, we work on the assumption of a c.£65m budget per annum for 'business as usual' provision and £12m per annum to fulfil the requirement for Debt Relief Order administration. This will be a materially lower budget than the one at our disposal in 2021/22 but given our improved approach to commissioning, we will have capacity to continue serving the same volume of people.

VAT is not considered to be recoverable on the contracts to be awarded so must be considered part of the overall funding requirement.

Lot Allocation:

Lot number	Lot 1	Lot 2	Lot 3	Lot 4
Lot title	National services	Regional services	Business debt advice	Debt Relief Order (DRO) administration hubs
Overall annual value (inc. VAT)	£42m	£20m	£3m	£12m
Number of contracts available	3 (max. 1 per supplier)	3 (max. 2 per supplier)	1	3 (max. 1 per supplier)
Individual contract values (inc. VAT)	£14m	£6m – North £7m – Midlands £7m – South	£3m	c. £4m (minor regional variations apply)
Areas covered	England	<ul style="list-style-type: none"> North (North West, North East, Yorks & Humber) Midlands (West Midlands, East Midlands, East of England) South (South West, South East, London) 	England	<ul style="list-style-type: none"> North (North West, North East, Yorks & Humber) Midlands (West Midlands, East Midlands, East of England) South (South West, South East, London)

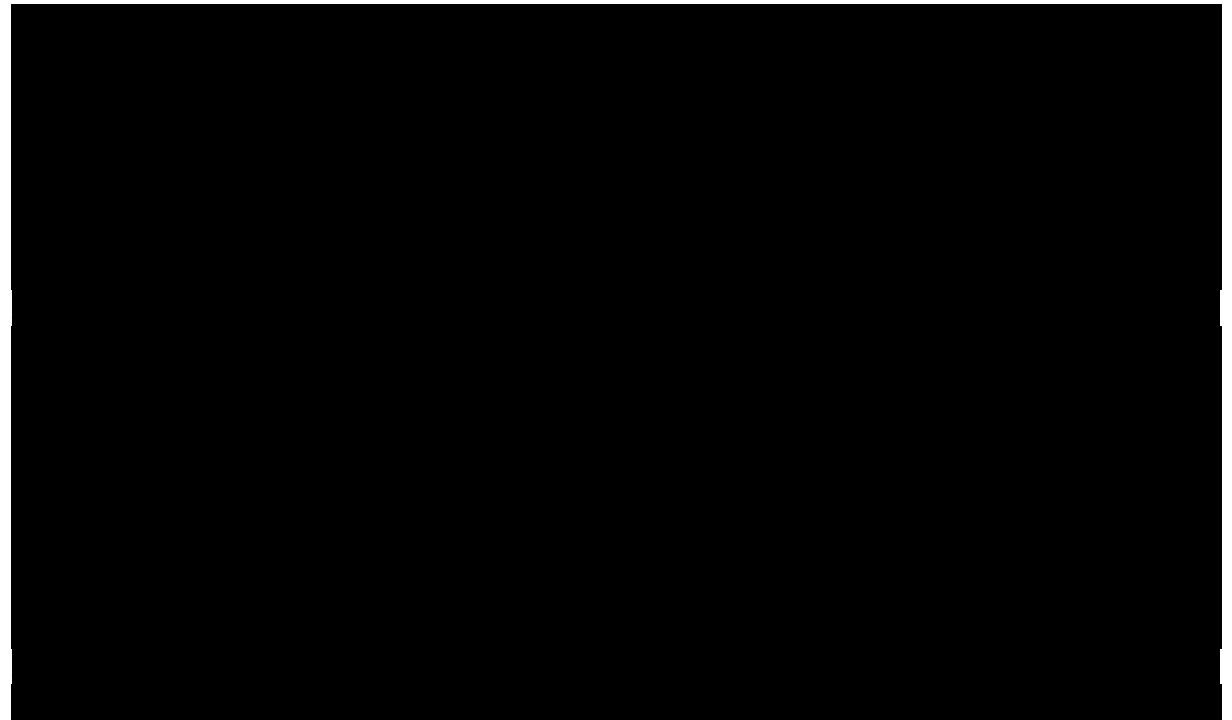
5. The Management Case – Successful Delivery

max: 300 words



Critical Success Factors

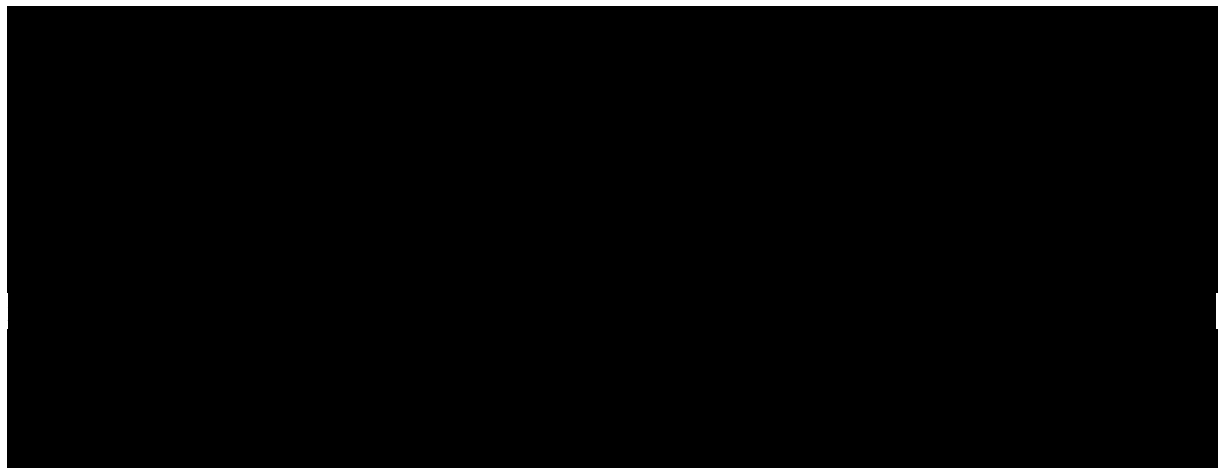
max: 200 words

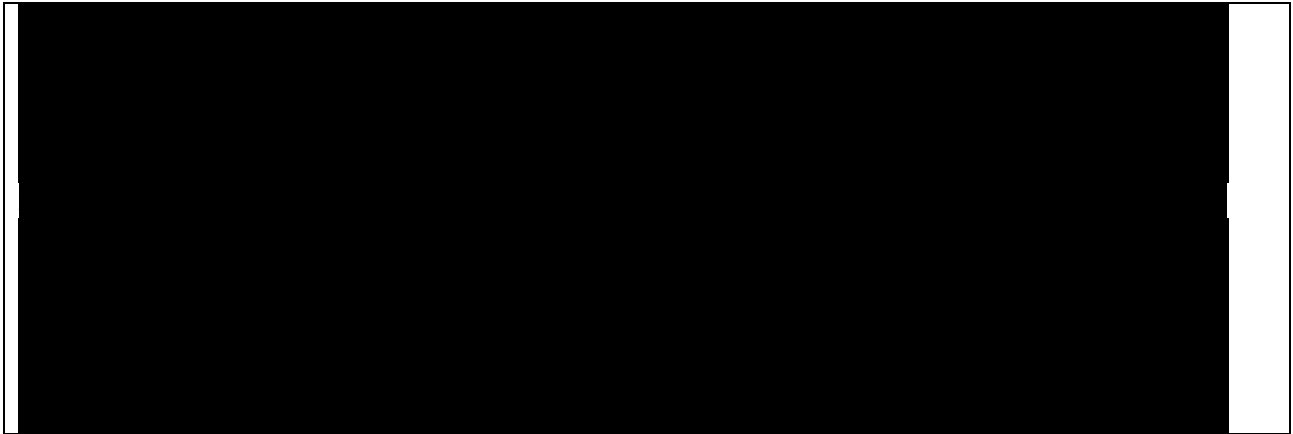


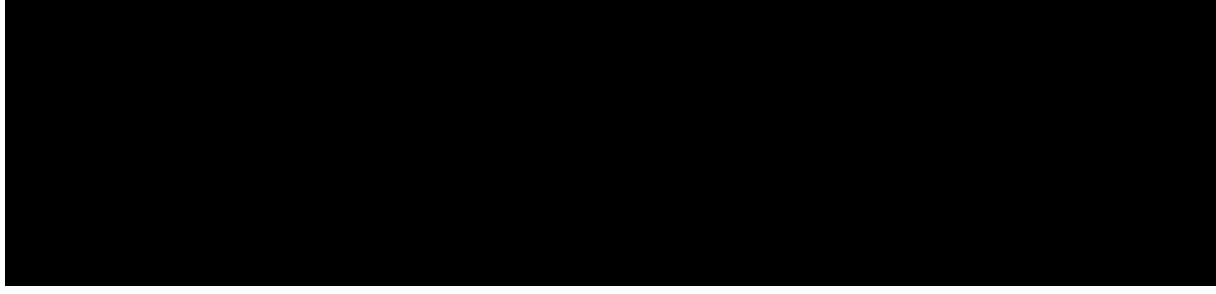
2. Business Options Analysis

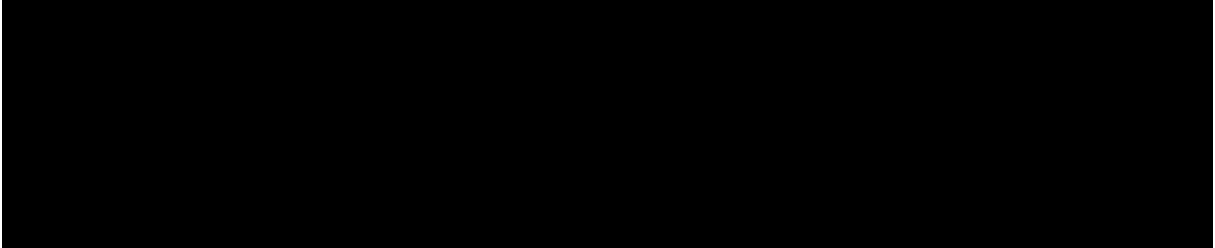
Business Option 1: Do Nothing

max: 200 words





Business Option 2 Commission all services under grant agreements not contracts	
Benefits + Disbenefits	Benefits> 
	Disbenefits> 

Business Option 3 (Recommended) Commission all services under contracts by April 2022 (appendix one gives the rationale to move to contracts)	
Benefits +	Benefits> 

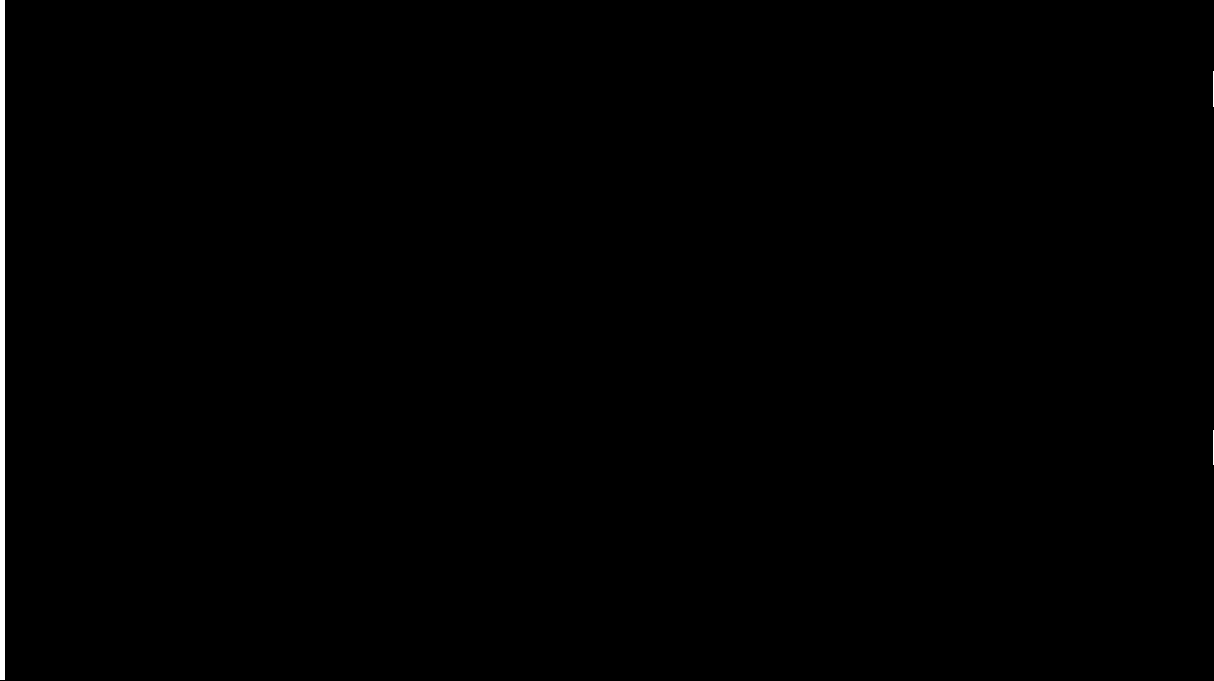
Disbenefits>

3. Risks

Risk Appetite Statement						
How does the issue addressed in this business case align with MaPS Risk Appetite Statement? max:100 words						
Top Five Risks:						
•						
Key Risks Identified						
Applies to Business Option	Risk Appetite Taxonomy Select 1 from the 8 categories from the Risk Appetite Statement	Description incl. of causes (There is a risk that.....)	Impacts	Inherent Score (Pre-Mitigation)	Residual Score (Post Mitigation)	Mitigations
2&3	Financial (Cautious)					

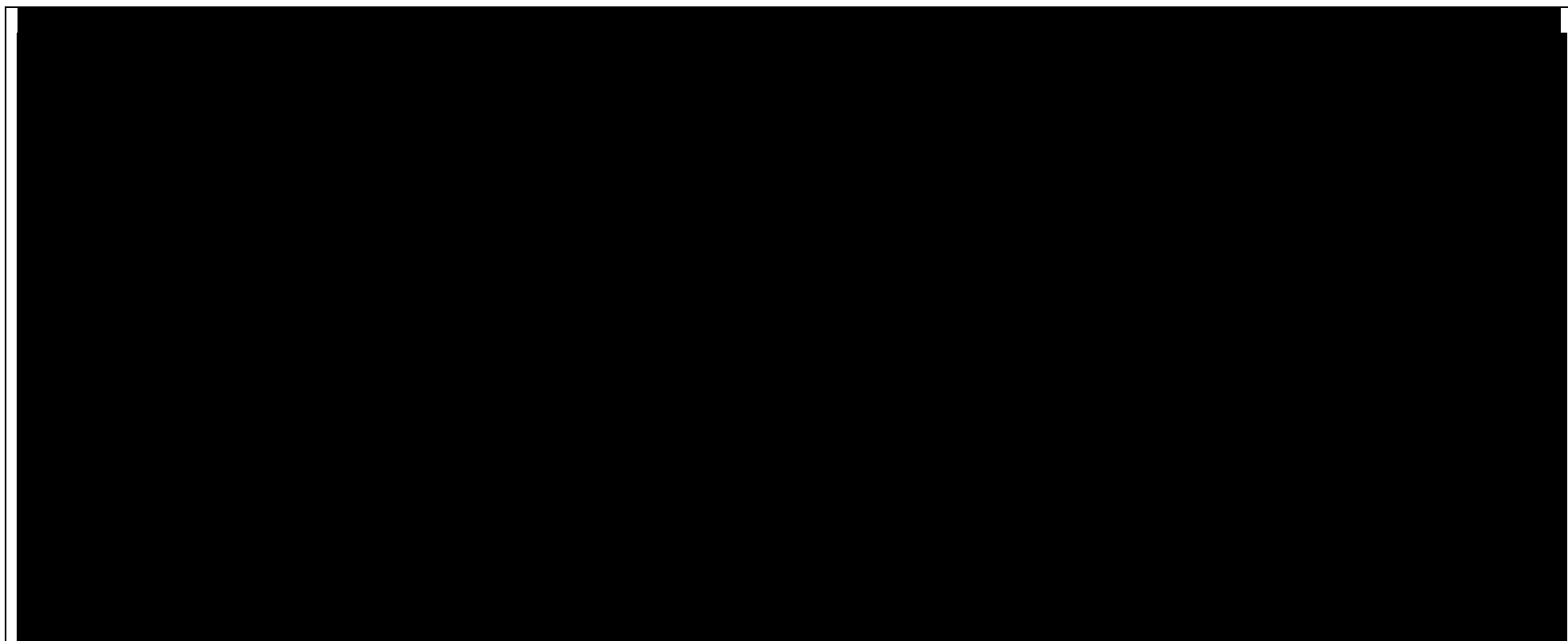
		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
all	Financial (Cautious)	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
3	People & Culture (Open)	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
2&3	Reputation & Credibility (Cautious)	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
2&3	Operational Delivery (Minimalist)	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]



4. Timescales

A task-based programme plan maintained in MS Project is used to manage the programme timelines on a daily basis.



External Resourcing - Legal Support

Include any key roles that are being brought in externally, please identify any resource costs that have not been included on the costings detailed on 'Business Options' tab. Please do not use people's **names** in this section.

Role	Day Rate	Estimated Number of Hours	Included on Business Options Tab?	Forecast Cost
[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
			TOTAL	[REDACTED]

APPENDIX 1 Grant to Contract Rationale

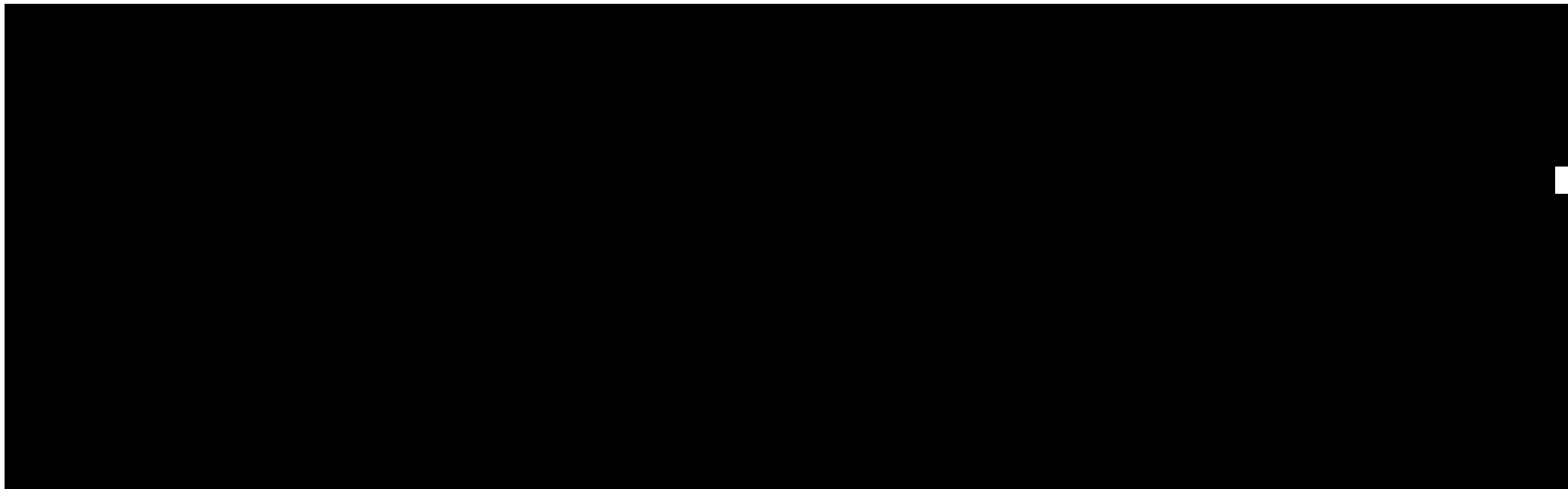
Outcome	Why	How
Improve value for money	[REDACTED]	[REDACTED]
Improve performance	[REDACTED]	[REDACTED]
Improve Quality	[REDACTED]	[REDACTED]
Commission services which align to and drive towards the Target End State/TOM	[REDACTED]	[REDACTED]

		<ul style="list-style-type: none">
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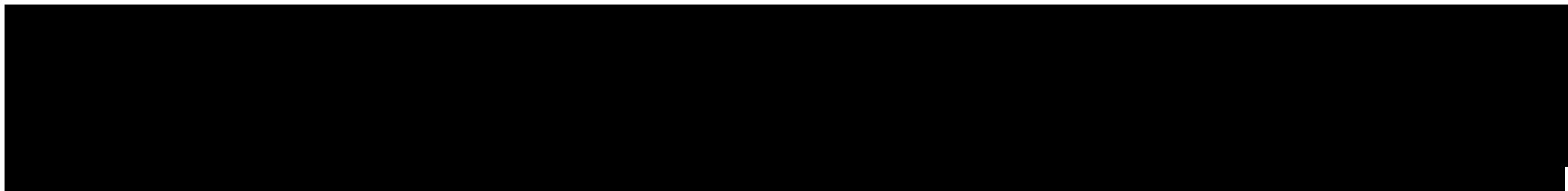
APPENDIX 2: Programme Critical Success Factors

Critical Success Factor	End State Goal / UK Strategy contribution	What the deliverable requires	KPI (proof that the success factor was achieved)	Timeline that benefit will be achieved over
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

APPENDIX 3 : Programme Risk Register



APPENDIX 4 Payment and Performance Measures



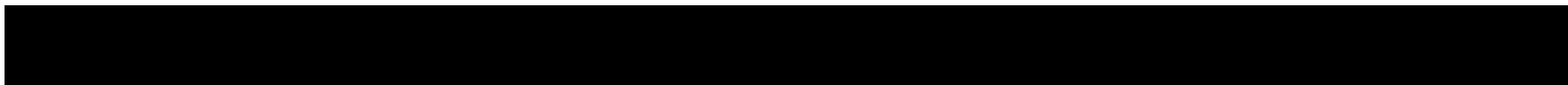


Payment Option	Benefits	Challenges	Potential supplier behaviour
Clients (each client entering a service)	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px;"></div>	<div style="background-color: black; width: 100%; height: 40px;"></div>	<div style="background-color: black; width: 100%; height: 40px;"></div>

Units of time spent (Recommended payment trigger)	[Redacted]	[Redacted]	[Redacted]
Volume of sessions	[Redacted]	[Redacted]	[Redacted]
Complexity - client/case	[Redacted]	[Redacted]	[Redacted]
Outcome	[Redacted]	[Redacted]	[Redacted]
Distance travelled	[Redacted]	[Redacted]	[Redacted]

Key Performance metrics

[Redacted]



	Inputs			Processes			Outputs	Outcomes		
	Customer Volumes	Complexity	Time* – 4 categories	Quality Scores Subject to the outcome of the Board Workshop/Review	Time waiting –from the point of engagement to access to services	MaPS Standards	Data integrity	Customer Satisfaction scores	Complaints – volume, issue and outcome	Customer outcomes (survey)
KPI	████████	████████	████████	████████	████████	████████	████████	████████	████████	████████
Which Lots?	████████	████████	████████	████████	████████	████████	████████	████████	████████	████████
Penalty	████████	████████	████████	Max 10% across 2 metrics Contract at risk	████████	████████	Max 10% across 2 metrics Contract at risk	████████	████████	████████

