

COLLABORATIVE APPROACHES TO DEBT ADVICE

Background

The Scottish Government acknowledges that collaboration is not a panacea for the challenges of providing free debt advice in Scotland, and the different priorities and needs of individual funders and providers must be recognised. However, there is considerable evidence that increasing joint working across the free debt advice sector – both among and between funders and providers – can ensure better user journeys, more effective use of expertise, and more efficient use of resources. Going forward, collaboration must therefore be a cornerstone of the Scottish Government's approach to use of levy funding. Our strategy to achieve this will be shaped by the work of this Group and wider engagement across the sector.

Good work has already been done to encourage collaboration, for example through the Funders Framework and Scottish National Standards for Information and Advice Providers (SNSIAP). But with increasing pressures on resources, we should seek to go beyond these and ensure collaboration for the benefit of the client is at the heart of free debt advice in Scotland. In helping us develop practical approaches to achieve this, the TPDG should be mindful of the progress already made and seek to build on it, but should also not shy away from exploring new ideas.

In undertaking this work, the Scottish Government proposes that some key objectives for increased collaboration should include:

- smoothing customer journeys, for example increasing warm transfers and using technology to share information or book appointments between organisations
- treating multiple linked issues holistically, rather than targeting single issues
- increasing co-operation between organisations to make the most of expertise
- reducing infrastructure and training costs
- reducing adviser pressure

Below, we have set out some suggestions for future collaboration. These are based both on the feedback received to the questions issued to Group members, and from individual discussions with stakeholders between meetings.

The TPDG will be split into groups to discuss the proposals. By the end of the session, we ask that each group provides a joint score on each proposal using two metrics.

- **Metric 1:** its likelihood of increasing collaboration, and
- **Metric 2:** its ease of implementation.

The metrics will be multiplied together to give the total score for each proposal.

Below we have set out the proposals. The questions that follow are designed to form a basis for discussion, though as always, we do not intend them to be limiting. Similarly, if there are additional proposals that arise during discussions, we will take note of these and ensure they are considered.

Suggested approaches to increase collaborative working

1. Scottish Government to explore whether the Framework for Public Funding of Advice (Funders Framework) could be used across all debt advice commissioning

The Funders Framework was developed by Scottish Government, alongside the Improvement Service and SLAB. However, at launch, it was noted that this was a beginning rather than an end point. Feedback has suggested that Scottish Government should now fully adopt the framework. Achieving this across all advice funding is outwith the scope of this project. However, the commissioning of levy-funded debt advice offers an opportunity for us to explore how best Scottish Government can practically implement the Funders Framework to a new policy area.

Questions for consideration

- What practical steps would Scottish Government need to take to embed the Funders Framework across all debt commissioning?
- Are there specific challenges that might arise based on practical experience of using the Funders Framework?
- Are there specific principles within the Framework that Scottish Government should particularly focus on to meet the needs of the free debt advice landscape?

2. Scottish Government to develop common outcomes that can be used across all Scottish Government-funded debt advice to guide its commissioning strategy

Seeking to achieve common outcomes for free debt advice providers, such as specifying support for particular groups of people or increased numbers of users reporting they feel better able to manage their money, should make it easier to achieve a collaborative approach to debt issues, while also minimising the reporting requirements for advice providers.

Questions for consideration

- What might be some common outcomes?
- What process should be followed to identify common outcomes?
- Are there existing outcomes used by key funders in Scotland, such as local authorities, that Scottish Government should explore aligning with?
- How can common outcomes be sought while respecting the priorities of local communities?

3. Scottish Government to seek to move away from single year funding models for debt advice

Short term funding cycles can lead to providers having to focus on continually chasing funds or being in a commissioning cycle. This is a distraction from achieving learning and sharing resources. It also leads to the provider trying to strengthen its own position in a competitive market rather than cooperating with other providers. The nature of levy funding means moving from yearly cycles is challenging. However, where achievable, longer funding cycles can offer significant benefits, such as longer term and more strategic planning both within and between organisations.

Questions for consideration

- What would an optimal funding timeframe be?
- Would there be any drawbacks in a longer timeframe?
- Are there situations, beyond pilots, that lend themselves to yearly cycles?

4. Scottish Government to explore possibility for shared infrastructure, such as telephone lines and case management tools

More coordinated use of infrastructure could create cost efficiencies, while encouraging collaborative work in terms of delivery and access to assistance in areas such as case management systems, digital solutions and referral tools. This could mean either a common infrastructure, such as all debt advice providers using the same case management software, or shared infrastructure, such as two or more organisations agreeing to share access and costs of a telephone service.

Questions for consideration

- What is the appetite across the sector for common or shared infrastructure? Are there particular items, for example a case management tool, that would be more welcome than others?
- What barriers would there be to moving to common or shared infrastructure?
- Beyond funding, are there steps not outlined in these proposals that Scottish Government could take to assist moving to common or shared infrastructure?

5. Scottish Government to explore how procurement could play a larger role in a commissioning model

SG recognises that competition can often stand as a barrier to collaborative working among the third sector. However, it also offers the potential for more efficiency and specificity in the commissioning process. We would therefore seek to develop a model that makes the most of these benefits, while de-emphasising competition by developing tenders that explicitly seek evidence of genuine partnership working, including sharing of expertise and infrastructure.

Questions for consideration

- How ready would the debt advice sector be for a procurement-focused model of commissioning?
- What barriers might there be to the effective operation of this model?
- Would such a model offer increased incentive for providers to work more closely together?
- Would funders find this approach helpful?

6. Scottish Government to develop a commissioning hub

The key aim for levy-funded debt advice delivery is that it should supplement the wider advice landscape. It must support national priorities while responding to local need and circumstances. Achieving this requires considerable thought to be done well. However, one model is a commissioning hub, which could comprise a range of expertise, including Scottish Government, local authorities, a user advocate with suitable expertise, a strategic third sector voice. This would help in creating a consistency in specification, commissioning and evaluating. It could also avoid duplication in commissioning and effort for suppliers.

Questions for consideration

- Could a central commissioning hub of this nature ensure greater consistency of debt advice provision across Scotland?
- If so, what are the practical barriers to creating such a model?
- What might the disadvantages be of such a model?
- Are there alternatives that could have similar or greater impact? If so, what are they?

Consumer and Competition Policy Unit
August 2018