



Department
for Work &
Pensions

Minister for Work and
Pensions (Lords)
4th Floor
Caxton House
Tothill Street
LONDON
SW1H 9DA

0207 340 4000

www.gov.uk/dwp

ministers@dwp.gsi.gov.uk

Lord Stevenson of Balmacara
House of Lords
SW1 0PW

17 October 2017

Dear Wilf,

Many thanks for your contributions to the Committee debates on the Single Financial Guidance Body clauses in the Financial Guidance and Claims Bill. I am writing in response to questions you had about the new body's commissioning practices and your query on how the SFGB's service standards would be enforced. We will write with further information on the funding arrangements with the Devolved Authorities in due course.

Enforcement of the SFGB's service standards

You asked how compliance with the single financial guidance body's standards would be enforced. It is important that the public are confident that the body will provide consistent, good quality, information, guidance and advice services. This is the purpose of the standards. As an independent, self-governing entity, responsibility for monitoring compliance with its standards rests with the body itself.

In ensuring that the standards are complied with, there is a range of monitoring processes that the body could use. The body's Board will want assurance that services meet the standards they have set. We expect the body to design and implement a monitoring framework to support this, and to regularly report to the Board findings and recommendations from this activity. Where issues are identified, the body will take action to resolve any problems. We would expect to see the body provide help and support to its own teams or delivery partners to implement measures that would address any issues; it is in the body's best interest to ensure that both its own teams and its delivery partners understand and are clear about the expectation to comply with its standards.

The body and DWP will also have controls enabling the enforcement of the standards. For delivery partners, we would expect the contract or grant

arrangement with the body to contain terms and conditions that are clear about the requirement to comply with the standards. For the body's own teams, we would expect compliance with the standards to form part of the body's key performance indicators. As a further safeguard, the FCA will periodically review whether the processes that the body has established to monitor and enforce compliance with the standards are robust. Ultimately – and I would envisage this only in exceptional circumstances – where there is a persistent failure to meet the standards, the body could terminate arrangements with a delivery partner, or, where the failure is internal to the body, the board would deal with the matter in line with the body's normal arrangements for the management of its staff. The Secretary of State could employ measures such as the provision of guidance or directions in relation to the body's functions.

Commissioning: A statement on how the body will operate in practice

At Committee you asked for a further statement on how the body will operate in relation to commissioning. We are not in a position to pre-judge the commissioning principles for how the new SFGB will operate in practice as this will be a matter for the body to decide. However, we would expect that the SFGB will share some of the commissioning principles of the three bodies it is replacing. For example, MAS's commissioning principles include: placing client outcomes at the heart of commissioning, placing the needs and voices of clients at the heart of service design and delivery, and operating an evidence-based approach to commissioning throughout.

As I mentioned in Committee, we expect that the SFGB will publish its procurement requirements with adequate time for delivery partners to prepare their propositions, and will require delivery partners to adhere to robust standards set by the SFGB. The body will be required to comply with the Public Contracts Regulations 2015 when contracts are above a certain value. The regulations require public tendering exercises to be competitive where the size of the contract is above a certain threshold. Where contracts are smaller we would expect the body to follow similar principles.

We expect the body to continue to build on the strong and collaborative relationships with delivery partners developed by the bodies it is replacing, and to support those delivery partners to deliver high quality, inclusive and effective services.

Commissioning arrangements for non-UK organisations

You asked whether non-UK organisations would be able to bid to become SFGB delivery partners. I can confirm that whilst the UK remains a member of the European Union, the new SFGB will have to comply with EU procurement rules, meaning that organisations based in other EU Member States will be able to bid to become SFGB delivery partners.

Presently, none of the existing service providers have commissioning relationships with delivery organisations based outside of the UK, although the Money Advice Service has previously collaborated on projects with other countries, including European Union countries.

I hope this helps to clarify your questions raised in relation to the body's commissioning practices and the service standards. If you need, I am happy to have further discussions on any further areas of concern. I will place a copy of this letter in the House Library.

A handwritten signature in cursive script, appearing to read 'Buscombe', written in dark ink on a light background.

**BARONESS BUSCOMBE
MINISTER FOR WORK AND PENSIONS (LORDS)**