**Debt Advice Modernisation Fund 2024/25**

Frequently Asked Questions

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# **1 - General Information**

**1.1 - What is the Debt Advice Modernisation Fund 24/25?**

The Debt Advice Modernisation Fund 2024/25 is a grant initiative by the Money and Pensions Service designed to support projects aimed at enhancing and modernising debt advice services within the not-for-profit advice sector. The fund will help organisations access new tools, technologies, and training to improve efficiency, accessibility, and user experience, especially for the most vulnerable.

**1.2 - How much funding is available?**

Grant funding offers will be up to a maximum of £25,000 per organisation. The minimum funding award is £10,000.

**1.3 - What are the key dates to remember?**

* Application Opening Date: 28 October 2024, 12:00pm (Midday)
* Application Closing Date: 22 November 2024, 12:00pm (Midday)
* Project Completion Deadline: 31 March 2025

**1.4 - Where can I find more information?**

For further details, including templates and supporting documents, please visit the grant advertisement on the Find and Apply for a Grant website.

**1.5 - What happens after I submit my application?**

Applicants will be informed of the outcome of their application by mid-December. The timeframe for assessment and award is indicative and subject to change based on the volume of applications received.

**1.6 - What are the objectives of the grant?**

The objectives are:

* Enhance service delivery through innovation and modernisation
* Improve accessibility of debt advice services
* Drive sustainable change with long-term impacts
* Foster innovation in response to evolving client needs and sector challenges

**1.7 - Can the funding be withdrawn?**

The funding may be subject to change and withdrawal at any point during the competition window and application assessment process, up until decisions are communicated to applicants. The competition may close early if the fund appears to be over-subscribed.

**1.8 - What happens if I am successful?**

Successful applicants will need to enter into a Grant Funding Agreement with the Money and Pensions Service in order to commence with their proposed project. The terms of this grant agreement will be non-negotiable.

# **2 - Eligibility**

**2.1 - What types of projects are eligible?**

Eligible projects must focus on modernisation or innovation in debt advice services. Areas include:

* Digital Transformation (e.g., mobile apps, AI-driven tools, digital self-service platforms)
* Access and Inclusion (e.g., services for underserved or vulnerable populations)
* Operational Modernisation (e.g., streamlining processes, improving case management)
* Workforce Development (e.g., staff training in wellbeing, digital and technical skills)

**2.2 - Who is eligible to apply?**

To be eligible, applicant organisations must:

* Be registered not-for-profits, such as charities or community interest companies (CICs)
* Have an annual turnover of less than £1,500,000
* Be authorised by the Financial Conduct Authority (FCA) to provide debt counselling and adjusting services
* Directly provide free debt advice
* Be located and provide services in England only
* Operate in compliance with the Data Protection Act 2018 and UK GDPR
* Hold adequate insurance coverage to operate
* Ensure their proposal includes a modernisation or innovative element and is not solely focused on ongoing operational costs

**2.3 - What would make an application ineligible?**

Applications will be ineligible if:

* The organisation is not a registered not-for-profit
* The organisation does not directly provide free debt advice services
* The organisation has a turnover of £1,500,000 or more
* The organisation does not demonstrate sound financial status
* The organisation does not have FCA authorisation for debt advice
* The project cannot meet the 31 March 2025 completion and spending deadline
* The project focuses solely on ongoing operational costs without a modernisation or innovative component
* The project is already funded by another source
* The organisation is based outside of England
* The organisation does not comply with the Data Protection Act 2018 and UK GDPR
* The organisation does not hold adequate insurance coverage

**2.4 - Are not-for-profit organisations such as Community Benefits Societies eligible to apply?**

All not-for-profit organisations are eligible to apply for the fund. Although, if organisations are not registered with the Charity Commission or Companies House, they may be asked to provide further information in order to validate that they are eligible for the scheme (e.g. provide accounts verifying that their revenue is under £1.5m).

However, applicants must also be authorised by the FCA to provide free-to-client debt advice and must provide their FCA Firm Registration Number as evidence of this.

**2.5 - What types of not-for-profit organisations are eligible to apply?**

Eligible organisations include registered charities, community interest companies (CICs), and community benefit societies.

The key requirement is that the organisation must be a registered not-for-profit entity and authorised by the FCA to provide debt advice.

**2.6 - What happens if my organisation is based outside of England?**

Only organisations based in England and providing free-to-client debt advice services within England are eligible for this funding. Organisations outside England are not eligible to apply.

# **3 - Funding Usage**

**3.1 - Can part of the grant funding be spent on a relevant licence that extends beyond 31st March 2025?**

Yes, as long as the licence is paid for in full before the end of the grant period (31/03/2025) and this can be evidenced as part of your payment claim, there is no issue with the term of the licence extending beyond the grant period.

**3.2 - Can the grant funding be used to pay for annual subscription fees if the service provider agrees to advance payment?**

Yes, the grant can be used to pay for annual subscription fees if the payment is made in full before the end of the grant period (31/03/2025) and this payment can be evidenced as part of your payment claim. There is no issue with the subscription term extending beyond the grant period.

# **4 - Application Process**

**4.1 - What are the focus areas for projects?**

Projects should aim to modernise or innovate debt advice services, with all activities and spending completed by 31st March 2025. Eligible focus areas include:

* Digital Transformation.
* Adoption of a new technology: Such as mobile apps, AI-driven tools or digital self-service platforms to enhance advice delivery and efficiency.
* Access and Inclusion: Expanding access to debt advice for underserved or vulnerable populations, such as those with disabilities, language barriers, or in remote regions.
* Operational modernisation: Streamlining internal processes, improving case management, or developing tools that increase the efficiency and scale of services.
* Workforce Development: Enhancing the skills and capabilities of staff by providing training for wellbeing, and digital and technical skills to improve modern service delivery.

Proposals submitted must ensure that there is a modernisation or innovative component and the project must not focus solely on ongoing operational costs.

**4.2 - How will applications be evaluated?**

Applications will be assessed based on:

* Project Relevance: Alignment with the objectives of the grant fund
* Deliverability (Capacity): Organisation's ability to complete the project by 31 March 2025
* Deliverability (Capability): Expertise and experience in delivering similar projects
* Impact: Potential long-term benefits and measurable outcomes of the project

**4.3 - How can I apply for the grant?**

Eligible applicants can apply by selecting "Start new application" on the application portal via the Find & Apply for a Grant website.

The application consists of 9 sections, including:

* Eligibility Statement
* Due-diligence checks
* Project Relevance / Problem Statement
* Deliverability - Capacity
* Deliverability - Capability
* Impact
* Financial Methodology
* Data Protection
* Insurance Coverage

Only one application per organisation is permitted.

**4.4 - What is the process for due diligence checks and what information is required?**

Due diligence checks require organisations to provide information including:

* Organisation legal name
* Organisation type (e.g., charity, CIC)
* Registered address
* Charity Commission number or equivalent
* Companies House number (if applicable)
* FCA Firm Reference Number (FRN)
* Confirmation of providing free-to-client debt advice
* Confirmation of annual turnover being £1,499,999 or less
* Confirmation that the proposal meets grant objectives and capacity to deliver by 31/03/2025
* Confirmation that the proposal is not currently funded by another source

**4.5 - Can I submit more than one application for my organisation?**

No, only one application per organisation is permitted. Make sure to consolidate all your project needs and submit a single comprehensive application.

**4.6 - What should be included in the project relevance/problem statement section of the application?**

The project relevance/problem statement should briefly describe the project, the problem or challenge it aims to address, and how it will affect your debt advice services, clients, or operations.

Also, explain how the project aligns with the grant's objectives and what specific aspects of your service delivery will be improved or transformed.

**4.7 - What details are needed to demonstrate deliverability - capacity in the application?**

Provide an overview of your project management approach, available resources (staff, technology, infrastructure), and how these resources will be allocated during the project delivery. Include a delivery plan with timelines and milestones to ensure the project remains on track for completion by 31st March 2025.

**4.8 - How can I demonstrate deliverability - capability in my application?**

Provide details of similar projects completed in the past, how they contributed to improving your services or operations, and describe the skills, qualifications, and experience of the project team. If working with partners or external providers, explain their roles and contribution to the project's success.

**4.9 - What are the expected outcomes and impact of the project?**

Describe the expected outcomes, how they will improve the efficiency, effectiveness, or reach of your debt advice services, and provide specific, measurable indicators of success. Explain how the project will create long-lasting benefits for your organisation and communities and whether improvements can be scaled or replicated.

**4.10 - What financial information needs to be submitted with the application?**

Complete and upload the 'Budget Toolkit' template, ensuring the budget correlates with your delivery plan and the amount of funding requested. This should include details on how the grant funds will be allocated and spent.

# **5 - Compliance and Reporting**

**5.1 - What reporting and accountability measures are required?**

Successful grant recipients must provide:

* Progress Monitoring Reporting: Track delivery against planned milestones and forecasted spend
* Final Reporting: Within 3 months of project completion, covering financial spending, results achieved, and future sustainability plans
* Financial Reporting: Milestone-based grant claims and a final report demonstrating full spending by 31 March 2025

**5.2 - How do I confirm compliance with data protection regulations?**

Self-certify that your organisation operates in compliance with the Data Protection Act 2018 and the UK General Data Protection Regulation (UK GDPR) by confirming you have allocated resources, policies, and procedures in place.

**5.3 - What information about insurance coverage is required?**

Self-certify that your organisation holds an Employer's Liability Insurance certificate with the desired level of coverage (£5m) and disclose if you hold any additional insurance such as Public Liability Insurance, Professional Liability Insurance, or Product Liability Insurance.