



**AN BILLE UM SHEIRBHÍS BHUISÉADAITHE AGUS
COMHAIRLE AIRGID, 2002
MONEY ADVICE AND BUDGETING SERVICE BILL, 2002**

EXPLANATORY MEMORANDUM

Introduction

The Bill provides for a statutory basis for the Money Advice and Budgeting Service (MABS), which is currently operated by 52 local projects nation-wide. The legislation will provide for the co-operation of statutory agencies and voluntary and community groups in providing the Money Advice and Budgeting Service; will set out the respective responsibilities of the Minister and the local projects (to be known as local service providers) and provide for the establishment of a National Money Advice and Budgeting Service Advisory Committee.

Overview of the Money Advice and Budgeting Service (MABS)

The service is designed to target families and individuals identified as having problems with debt and moneylending and is operated by 52 projects throughout the State. Each of the projects is incorporated as a company limited by guarantee and run by a management committee drawn from local voluntary and community groups, credit union representatives and local statutory agencies including their Department of Social, Community and Family Affairs, the Community Welfare Service of the health boards and local authorities.

These groups come together in a partnership arrangement to provide an advice and budget management service to people with difficulties with moneylending and overindebtedness.

The key features of the service are:

- a co-ordinated structure, which allows for different approaches in local communities in relation to debt management and money advice and arrangements for sharing experiences and information on progress;
- a general money advice and education element for the local community including publication of information on money lending and debt counselling;
- an approach which targets families who have been identified as having particular problems with debt and moneylending, particularly those families on low incomes;
- ongoing evaluation of the work of the programme;

- an emphasis in the work of the projects on practical, budget-based measures directed towards removing people permanently from dependence on moneylending and opening up alternative source of low cost credit through local credit unions.

In addition there is a National Advisory Committee representative of local projects, the Minister and certain statutory agencies which advises the Minister on future policy and direction of the service and assists in the exchange of advice and information on the work of the projects.

The Bill contains 17 Sections.

Section 1 contains the usual provisions for the definition of terms used in the Bill.

Section 2 outlines the process involved in establishing a local MABS service. It provides that the Minister will initiate consultation with the statutory and voluntary bodies and community interests for the purpose of establishing a company, limited by guarantee, to deliver the service where s/he considers such a service is warranted. Following incorporation, the company shall apply to the Minister to enter into a written agreement to deliver the service.

Section 3 provides that the written agreement referred to in *section 2* will include such matters as the term of the agreement which shall not exceed 5 years; the agreed programme of work; the funding to be provided and the area to be serviced. It will also specify other terms and conditions in relation to the local service providers including their duties and responsibilities, their administrative and accounting arrangements and the role of both the Minister and the local service provider in the monitoring and evaluation of the service at local level.

Section 4 sets out the transitional arrangements for existing projects who have already entered into written agreements with the Minister to provide the service. Such projects shall be deemed to be local service providers for the purposes of the Bill for the remaining period of their contract and, on expiry of the agreement may apply to the Minister for a new agreement provided it satisfies the conditions set down in *sections 2* and *8* of the Bill.

Section 5 provides that each local service provider will be known as the name of the geographical area it serves, followed by the words “Money Advice and Budgeting Service”, or the acronym “M.A.B.S.”, or “Seirbhís Bhuiséadaithe agus Comhairle Airgid” or the acronym “S.B.C.A.” as appropriate.

Section 6 sets out the principal objects of the local service provider under the Bill which shall be included as part of its memorandum and articles of association. These include:

- providing confidential, free and independent advice to individuals who are experiencing difficulties managing debt or who may be at risk of overindebtedness;
- identifying suitable sources of credit; and
- disseminating information relating to the service.

Section 7 provides that, where a local service provider enters into a written agreement with the Minister under *section 3* of the Bill, it

shall not alter its memorandum or articles of association without the prior approval of the Minister.

Section 8 deals with the appointment of directors of local service providers. It provides that at least 4 directors shall be representative of at least 4 of the following organisations i.e. a credit union, voluntary bodies or community groups, the local health board, the local authority and the the Minister. One director shall be an elected member of the staff of the local service provider.

Section 9 contains standard provisions relating to the keeping of accounts by local service providers and to the submission of audited accounts to the Minister.

Section 10 sets out the functions of the Minister in relation to the Money Advice and Budgeting Service. These functions include establishing a National Money Advice and Budgeting Service Advisory Committee, providing funds to local service providers, monitoring the provision of the service by the local service providers, and the regular evaluation of the service at local level.

Section 11 outlines the key objectives which the Minister, the National Committee and the local service providers must have regard to in carrying out their responsibilities under the Bill. These include:

- fostering the development of the knowledge, skills and experience required by people in effective debt management;
- promoting co-operation between the relevant statutory, community and voluntary bodies in alleviating problems of overindebtedness;
- ensuring that policy, at both national and local level, provides an appropriate and effective response to people experiencing indebtedness;
- ensuring equality of access to the service throughout the State; and
- implementing changes at national and local level for the effective operation of the service.

Section 12 provides for the establishment of a National Money Advice and Budgeting Service Advisory Committee to advise and consult with the Minister, on policy matters in relation to the operation of the scheme and to perform other functions given to it by the Minister from time to time.

Section 13 provides that the Committee will comprise not less than 22 and not more than 27 members. It provides that members shall include at least one representative nominated by the following bodies i.e. The Combat Poverty Agency, Comhairle, the Office of Director of Consumer Affairs and the Irish League of Credit Unions. The Committee will also include a representative from a local authority and a health board, and at least one and not more than three officers of the Minister. In addition, it will include at least one member nominated by voluntary and community groups, at least one but not more than ten members nominated by local service providers and at least one but not more than two members representing the staff of local service providers.

The chairperson will be appointed from among the membership of the Committee. The Minister shall appoint the Committee

members and shall provide, insofar as is possible, for an equitable balance between men and women in the composition of the committee.

Section 14 requires the Committee to submit an annual report to the Minister and provides for the laying of such reports before the Houses of the Oireachtas.

Section 15 prohibits disclosure of confidential information obtained while performing, or having performed duties as a director or a member of staff of a local service provider or as a member of the Committee.

Section 16 contains the usual provisions relating to expenses incurred in the administration of the Act.

Section 17 provides for the short title and commencement of the Bill.

The *Schedule* to the Bill deals with the term of office of members of the Committee and shall be fixed by the Minister for a period not more than five years. Provision is also made for such matters as removal from office, resignation, disqualification from membership, casual vacancies, reappointment of members and expenses. The Committee shall adopt its own standing orders.

Financial Implications

The establishment of the service on a statutory basis will not give rise to any significant cost implications.

*An Roinn Gnothai Soisialacha, Pobail agus Teaghlaigh,
Máirtín, 2002.*