

**Note to the Public Accounts Committee on the restructuring of the Money Advice and Budgeting Service (MABS)
December 2017**

There are currently 51 local MABS services. Each MABS service is constituted as an independent company limited by guarantee with a voluntary board of management. There are 14 MABS services in Dublin, 4 in Cork, 3 in Donegal, 2 in Mayo, 2 in Galway, 2 in Waterford, 2 in Tipperary, 2 in Westmeath, and one in each of the remaining counties.

MABS services are entirely State funded through the Citizens Information Board (CIB). The decision to restructure MABS and the Citizens Information Services (CIS) was taken in 2014 by the Board of CIB. There are currently 42 CIS companies across the country.

The decision to restructure the MABS into eight (8) regional companies was only taken at the Board meeting of the CIB on the 15th February 2017. This decision related to governance, accountability, value for money and using the skills of the employees of the MABS and CIS companies to provide the best possible service to the people who need those services.

The service users will not see any change in the services they receive; when this decision is implemented, the person in need of mortgage advice or struggling to meet their utilities bill or needing advice about any choices they may have about social welfare payments will:

- Go to the same place
- Be looked after by the same people
- Get the same level of service as they currently receive

Decision Summary

2014

Following a feasibility study by Pathfinders published in September 2014, the Board decided, in November 2014, to restructure MABS and CIS to provide for better governance. While CIB is the statutory authority for the services it funds, it has become increasingly challenging in recent years due to staff reductions to meet the needs of 93 individual companies. There is also concern expressed by the delivery services themselves that a considerable amount of staff time is being diverted into administration with a consequent negative impact on the delivery of services to citizens. The Board convened a Design Group to consider the Pathfinders recommendations and the feedback from the network. The Design Group was composed of representatives from CIS, MABS and CIB; it worked through all possible options in the course of 2015.

2015

In 2015, the Design Group carried out its work and identified a preferred option for a new regional structural model for CIS and MABS. This model was seen as the best solution to the difficulties being experienced by CIB and delivery services and aimed to better meet the ongoing needs of the service providers and the CIB.

Other models considered on the basis of submissions from the network were a county based integrated model, a hybrid county model with some services integrated and some consolidated and a consolidated national model for CIS and MABS. Based on the Design Principles that had been agreed for the evaluation of potential models, the regional model was considered the preferred option.

This addresses the risks that exist with the current structure with regard to effective management, governance, consistency and quality of service delivery, responsiveness to needs and the role of CIB as the statutory authority.

2016

In October 2016, the Board of CIB, having met with the representative bodies, took the decision to go ahead with the restructure on a regional basis. It was agreed to set up a Restructuring Committee. The Committee was in place for a period of three months and consisted of three members of the Board, including the Chair; four representatives of CIS and MABS and three members of the CIB Senior Management Team. The Committee's mandate was to design a regional structure for the CIS and MABS networks and to draw up an implementation plan and a communications plan. The Committee reported back to the Board for its meeting in February 2017.

2017

On 15 February, 2017, the decision was taken to restructure the governance arrangements, reducing the number of individual CIS and MABS company Boards from ninety-three (93) local Boards to sixteen (16). The new regional Board structure will consist of eight (8) CIS Boards and eight (8) MABS Boards. This decision comes after a lengthy and extensive consultation period with all stakeholders and was communicated by the Board to all CIS and MABS Boards and to all staff on 15th February 2017.

The restructured governance arrangements are being implemented at local company board level only. There will be:

- no job losses – all employees of MABS and CIS will transfer over to the newly established companies;
- no closure of any services or no change to the location of any services during the lifetime of the restructuring programme;
- no change to the terms and conditions of serving staff during the lifetime of the restructuring programme; and, most importantly,
- no disruption to CIS and MABS services for those who use them.

A more streamlined governance structure will result in a more targeted use of valuable staff resources, re-directed to increased front line service delivery, made possible by reduction in the current significant administrative burden associated with maintaining ninety-three (93) individual companies nationwide.

This in turn will improve the service user experience, allow for the development of additional specialist roles where required, and achieve consistency in service delivery standards across the network. Additionally, a more streamlined service delivery model will assist CIB in the fulfilment of its statutory obligations, help to promote awareness of the wide range of services and supports available to citizens on behalf of Government, and, in so doing, further raise the profile and accessibility of both MABS and CIS Services.

In 2017, received State funding of €54 million, of which €15 million is allocated to CIS services, and €24 million is allocated to the network of MABS services.

The forthcoming changes in the service delivery company governance structure will bring, not just MABS, but also the CIS organisations more into line with modern public service governance guidelines and requirements where significant State funding is involved.

Governance Requirements

Among the most important drivers for a changed model which the CIB has been directly involved with in recent times are the following:

- Firstly, a feasibility Study was carried out for the Citizens Information Board – among its findings was the need for consolidation of the services in order to provide effective governance and management capability.
- Secondly, as the Deputies may be aware, the Management of and Accountability for Grants from Exchequer Funds is the subject of Circular 13 of 2014. The main principles required of companies in receipt of grants are clarity, governance, value for money and fairness. A comprehensive checklist for grantees, coupled with an increased focus on compliance via reporting requirements is an unsustainable burden in the context of 93 Boards, many of whom do not have the capacity or the desire to focus on these aspects of their roles.
- Thirdly, a new Code of Practice for the Governance of State Bodies came into effect on September 2016, with an associated robust performance agreement with which CIB needs to comply.
- Finally, recent reports of the Comptroller & Auditor General have requested CIB to review its financial control requirements for MABS companies (C&AG 2014 letter) and to request compliance statements for each MABS company supplemented by onsite visits (C&AG 2015 letter) in order to ensure adequate controls are in place across each funded company. This task will be impossible to fulfil unless the number of funded companies is significantly reduced.

Positive Impacts

One of the most important considerations in the case for change is the potential to improve the services available to our service users. Potential improvements could include greater availability of services in areas where services are not currently available; greater access to a wider range of expertise and services; consistent quality of service; timely outcomes; and reductions in waiting times.

Better Governance

At present Boards vary in their ability to fulfil their role in overseeing operations of the companies and the execution of their legal responsibilities as Directors.

The level of engagement with CIB as the funding body is also variable. In particular, the responsiveness of some Boards to audit reports is concerning. Oversight of the operations of companies and performance management of managers does not happen consistently. Most relevantly for service users, some Boards do not see it as their responsibility to ensure and oversee the quality of the service provided.

A reduced number of services will enable more regular auditing and a more effective follow up by CIB on the implementation of audit recommendations. CIB will have greater visibility as to how Boards are operating and can provide better and more tailored support. A reduced number of Boards will improve the likelihood of Board members having the requisite skills and expertise to properly discharge their duties as Directors and to implement appropriate performance management and quality assurance. Improved governance within a smaller number of companies will mean that time and resources can be better directed to the provision of high quality services to service users.

Improved Responsiveness of Service

At present any change to the way in which services are delivered must go through a process of consultation and /or communication with all 93 Boards. This delays implementation at local level as most Boards only meet 6 to 8 times per year. Again, this has a direct impact on citizens, who because of their geographical location may not receive the most up-to-date service or information available.

In the future there may also be requests from Government Departments and other agencies to have CIS and MABS respond to emergencies or issues that develop very swiftly based on external events. It is not possible to do this in a timely or flexible way with the large number of companies that need to be communicated with and prepared for such events. However, with a smaller number of companies it should be possible to be more responsive and capable of meeting urgent or sudden needs.

In short, change is required to ensure that citizens get the most appropriate support for their particular circumstances in a timely manner regardless of where they live. Making change to the structures now is the best way to ensure that this is the case in the future.

Improved Investment in Services

CIB is in receipt of Exchequer funding for which it must account to the Department of Social Protection. At all times the expenditure of CIB must meet the agreed benchmarks with regard to value for money and public sector reform.

Over the past two years the Government through the CIB has provided MABS with over €10 million in additional funding for the Dedicated Mortgage Advice scheme and €15 million for the Abhaile Aid and Advice scheme covering the period up to 2019. This will help MABS to develop and move into more specialist areas to help citizens in difficulty. At present, it is clear that a significant amount of the funding given to CIS and MABS is spent on governance-related activities such as professional fees and other administrative requirements such as payroll operation costs. These requirements are a cost to each of the 93 companies that cannot be reduced. The only way in which to reduce these costs would be to reduce the number of companies. The savings accrued to CIB in this regard could be re-invested in other key areas such as front-line staff to improve the service provided to the public. While there is unlikely to be immediate short term savings, the CIB takes a longer term view of the need for new structures, as do many MABS and CISs.

Additionally, CIB must operate to a strict Employment Control Framework with regard to its own staff numbers. In order to continue to meet the governance and compliance demands created by 93 companies CIB will be forced to redeploy staff into these roles. This will necessarily require that other areas within CIB will have reduced numbers. In short, CIB does not have adequate staffing levels to provide the required level of governance and compliance oversight for the existing number of companies. In order to address this staff will have to be re-allocated internally, for example, reductions in the Regional Service or Information Resources team that will have an immediate impact on the work of services. These impacts might include services having to undergo waiting periods before updated information is provided on-line or direct support given locally with regard to recruitment or premises. These delays will also negatively impact on service users at local level. Allocating CIB staff to compliance would not be a good use of its resources or skills.