



Presentation to the Joint Oireachtas Committee on Social Protection.

1. MABS as we know it today was not a product of a Government decision but rather the result of an initiative developed by the late Brendan Roche and the Locke Credit Union in Cork over 25 years ago to provide free access to debt and budgeting advice having identified such a need in their community. Such was the success of the initiative driven by community based volunteers that the then Minister Michael Woods , decided to replicate the model and roll out a number of pilot Schemes in 1992 culminating in the 51 MABS Companies which today provide a nationwide free, independent and confidential service. Local voluntary community involvement was then, and remains, the key to the success of the service. The MABS model encompasses a long standing Government policy on “Active Citizenship” - “People getting involved in their local communities and democracy at all levels”.
2. So why are we here today? - Simply because the DOSP/CIB have plans prepared and are fully intent on abolishing the MABS services as we know them now - i.e. to replace the 51 Voluntary Companies with 8 Regional Companies far removed from the communities they serve and to spend millions of taxpayers money in so doing . Aside from this unnecessary and costly exercise it is worth sharing with you the value of Volunteering in monetary terms in Ireland. CSO analysis gives us the picture - If every Volunteer in Ireland was paid the minimum wage for their services it would cost the Taxpayer €5.5bn annually - almost half of the HSE Budget. Successive Programmes for Government (2011 and 2016) undertakes to “take a range of initiatives to shift power from the State to the Citizen” and to engage with Partners from outside of the public sector itself – particularly on initiatives of strategic importance to act as a catalyst for effective delivery, feedback and learning”.

3. Responsibility for supporting MABS transferred from DOSP (Department of Social Protection) to CIB (Citizens Information Board) in 2009 – Assurances in writing that this would have no effect on the existing MABS structures were given. “This notice is to inform you that the Minister for Social & Family Affairs has signed the Commencement Order to give effect from 13th July 2009 to Part 4 of the Social Welfare (Miscellaneous Provisions) Act 2008 which extend the functions of the Citizens Information Board to include the provision of the Money Advice & Budgeting Service. MABS will be a separate distinct service within the Citizens Information Board. There will be no change in the status of the independent MABS companies with voluntary boards of management nor in the employment status of their employees that provide the local services.”
4. There have been many Dail Questions by various Deputies over the last number of years following concerns raised by constituents. The responses have always been the same. The Minister for Social Protection in the Dail recently spoke about the difficulty in managing 93 Companies. Is this proposal solely for the purpose of solving CIB’s difficulty if they have one. Repeatedly “Governance” concerns are rolled out without any substantiation. MABS absolutely rejects any inference by CIB of improper management or governance shortcomings in any MABS service. CIB could perhaps articulate the precise nature of the difficulty and examine other ways of addressing them. We say there is not one shred of evidence of any complaints or maladministration. We acknowledge that CIB have accounting and Governance responsibilities for state funded organisations under their remit. However, we do not believe that CIB have the necessary competencies in the area of the front line delivery of the MABS services which are critical to the citizen who is at the centre of everything that we do.

We ask the Minister to spell out the “difficulties” he talks about– he have never told us what they are. Could there be better ways to address it which might be less costly and less disruptive?. MABS have consistently demonstrated that it is always open to listen and to effect change for the betterment of the service. That offer remains on the table today if the Minister wishes to take it up. Dare we ask – If it not broken then why fix it?

5. How does this argument stand up when you compare it to what applies to the same model delivering Community Employment Schemes by the same Department and the same Minister. Approx 660 Companies with Voluntary Boards of Directors providing a vital service in their communities. Responsibilities of Directors in relation to Governance are exactly similar regardless of the stated objectives of the Company.
6. If CIB cannot manage, there is an alternative. MABS National Development CLG which presently provides the majority of support and training for local MABS Boards and staff is well placed to take on the responsibility with the transfer of some staff from CIB which were allocated to them when responsibility for MABS was transferred in 2009. The Programme for Government 2011 provided for a commitment “to convert the Money Advice and Budgeting Service into a strengthened Personal Debt Management Agency with strong legal powers” – recognising , we suggest, that it did not fit in its new home in CIB.
7. The Minister assured the Dail on many occasions that there would be no changes to frontline services – On what basis were these assurances given? What research/investigation/evidence underpins this conclusion? We say, with respect – THERE ARE NONE. You will have no control over the Governance and budget or over the management of frontline services if you regionalise the MABS service. You are devolving this to 8 independent Companies who will be Employers and deliverers of the service.
8. We ask: What will a budget look like for the “Regional Companies” versus the current local budgets; Who will control the allocations; What will the expenditure ratio between front line delivery staff and Management expenses be; What will the Management cost versus the current costs be; Have these matters been fully considered and costed; What would a decision- making structure look like in such a scenario; No thought whatsoever has been given to any of these matters or if it has we respectfully suggest it is misinformed due to the lack of adequate research. Starting from the top down changing structures without detailed analysis of the impact on citizens and clients is putting the cart before the horse.

9. The Minister and CIB propose to attract and retain voluntary (unpaid) Boards for Regional Structures? Volunteers generally have a day job and tend to work voluntarily on their own time to support and improve services in their local community. A regionalised approach will not be attractive to volunteers - e.g. time, travel and responsibility involved. Company and Employment Law compliance will be on a much larger scale. We say – No thank you Minister. Your only hope is – dare we say – 8 new Quangos.

10. The Minister and CIB say there will be local advisory groups. The Answer, we believe, simply is – No there will not – What is your function if you cannot influence decisions – just a talking shop to tick a box.

Responsibility without authority does little to attract volunteers. What responsibilities will these advisory groups have and how will their terms of reference be framed to ensure that they can influence decisions affecting their community

When the local Boards are wound up – there is no going back and no more local involvement in service delivery. The breaking of the link between Local Communities and MABS Services will decimate the entire ethos upon which it's success was established – bottom up rather than a top down service. Managing from a distance can never replace this key foundation. Not alone the ethos – also the impact. Whilst much of the solution to problem debt can be found in statutory solutions and more formal global protocols, dealing with over-indebtedness, poverty and deprivation is done most effectively at local level and through the networking facilitated by these local committees. This will be lost.

11. The Minister when speaking at the MABS Conference last November suggested that he would use the savings achieved to enhance the service to the vulnerable Clients we serve. Where are these savings? Conservative estimates indicate that it will cost up to €1m to wind up existing Companies/constitute Regional Companies with estimated additional running costs thereafter of €1m annually. Is this to be funded by further state borrowing or from the existing CIB Budget by way of a reduction in service to the customer.

12. MABS has recently been designated as the Government's Gateway to Debt Advice and cannot be diverted from this mission. No consideration has been given to the disruptive aspect of this proposed restructuring at this time – HR Issues, negotiations with Unions, new Lease Agreements, legal issues in winding up Companies, uncertainty for staff - to name but a few. This hasn't even been explored never mind addressed.

13. Next week the Tanaiste and the Minister are expected launch a significant Communications campaign outlining Government initiatives to tackle Mortgage Arrears –the Abhaile Scheme. This includes putting MABS out front as the Government's preferred response to the debt problems facing society – The Gateway to Debt Advice. How does this sit with the dissolution of the 51 MABS Companies at the same time. If we are serious about making an impact now is not the time to concentrate energies on internal restructuring when these must be used elsewhere.

14. Local MABS Boards have proved to be highly responsive and adaptable. New Government initiatives have been professionally embraced and implemented with minimum fuss – e.g. Debt Relief Notices, Dedicated Mortgage Arrears Advisors, Court Mentoring Service and the roll out of the recently announced Abhaile initiative. When the Mortgage crisis first erupted with little notice, it was MABS who took the initiative without prompting from Government or elsewhere to respond to the emerging needs of its clients in keeping with its ethos. It was MABS who assisted in framing and the amending of legislation to give extra protection to their clients.

15. Pathfinder, the Consultants commissioned by CIB to recommend solutions had included in their brief a proposal to pilot any proposed restructuring as provided for in the CIB Strategic Plan. No Pilot is proposed and the Pathfinder Report is now gathering dust. Pathfinder did identify that the two services supported by CIB (MABS and CIS) were not suitable for integration.

We suggest that Regionalisation may not have the same affect on CIS's as it will have on MABS and there could possibly be an appetite in CIS circles to support Regionalisation. Is this not an ideal opportunity to consider a pilot – 8 Regional Companies for CIS, leaving the 51 MABS Companies in tact. This would reduce the number of Companies under the remit of CIB from 93 down to a very manageable 59.

16. In a recent report circulated by a Sub-Group established by CIB to MABS Companies Pathfinder was quoted as follows: *“The Government through the Department of Public Expenditure and Reform(DPER) has been driving significant change programmes through the public service”* MABS Employees are not public servants, they are employed by independent limited Companies and do not enjoy the public sector perks of public servants – most notably pensions. Common sense would dictate that DPER’s concerns were to achieve savings - not to increase costs.
17. In summary therefore, we suggest that the Minister and CIB have failed to evidentially demonstrate the existence of a problem the solution to which they consider is “regionalisation”; they have failed to deliver a cost benefit analysis; they have failed to quantify the real monetary cost of the endeavour; they have failed to cost the loss of the input of voluntary local boards of management; they have failed to be explicit on what the value of this costly exercise will be to the vulnerable clients served by MABS; they have failed to address the status of the national representative groups in MABS in any new structure with their existence likely to be dispensed with; they are doing all of this at a time when MABS is dealing with the greatest personal debt crisis and can ill afford such disruption and distraction and destabilisation. Contrast this with what is happening in the UK where this week they are introducing legislation to look specifically at debt issues facing families with young children.
18. So what can the Minister, the Dail and the Government do? – The Minister either personally or on instruction from the Dail/Government can issue a policy directive to CIB under Section 9 of the Citizens Information Act 2007 to abandon the “regionalisation” proposal for MABS pending the examination of all the reasonable issues we have raised and provide space for all parties to discuss and agree a workable alternative. His late predecessor Seamus Brennan RIP halted a similar proposal in 2007 when the full facts were disclosed to him. This was not done lightly but it was done in the best interests of the most vulnerable in our society.

Note: This Presentation is made by the MABS National Management Forum (NMF) which is the Umbrella Body representing all of the 51 MABS Companies.