

# DÁIL ÉIREANN

---

## AN COMHCHOISTE UM CHOIMIRCE SHÓISIALACH

### JOINT COMMITTEE ON SOCIAL PROTECTION

---

*Déardaoin, 23 Feabhra 2017*

*Thursday, 23 February 2017*

---

The Joint Committee met at 10 a.m.

---

#### MEMBERS PRESENT:

Deputy Maria Bailey,	Senator Alice-Mary Higgins,
Deputy John Brady,	Senator Kevin Humphreys.
Deputy Joe Carey,	
Deputy Joan Collins,	
Deputy Gino Kenny,	
Deputy Martin Kenny,	
Deputy Willie O’Dea,	

In attendance: Deputy Denise Mitchell.

DEPUTY JOHN CURRAN IN THE CHAIR.

## BUSINESS OF COMMITTEE

### **Business of Committee**

**Chairman:** I welcome members to this meeting of the Oireachtas Joint Committee on Social Protection. I remind members to please turn their mobile phones off or put them in flight mode.

I propose we go into private session to deal with some housekeeping matters. Is that agreed? Agreed.

*The committee went into private session at 10.05 a.m. and resumed in public session at 10.30 a.m.*

### **Money Advice and Budgeting Service Restructuring: Discussion**

**Chairman:** From the Citizens Information Board I welcome the chairperson, Ms Ita Mangan, Ms Angela Black, chief executive, and Mr. Adrian O'Connor, senior manager. From the Money Advice & Budgeting Service, MABS, I welcome Mr. Micheál Ó Giolláin, chairperson, and Mr. James Clarke, secretary, both from the national management forum. They are accompanied by Mr. Donald Yourell, director of Longford MABS. Members have already been circulated with the MABS presentation on 8 February and a copy of the most recent parliamentary question answered by the Department, as background information. I will invite both bodies to make their opening statements and members will then be invited to address their questions to them. I remind members to confine their initial round of questions to five minutes. They can ask supplementary questions after that.

I draw the attention of witnesses to the fact that, by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by it to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matters of these proceedings is to be given and are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

The opening statements submitted to the committee will be published on the committee's website after the meeting. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official either by name or in such a way as to make him or her identifiable. I remind members and witnesses to turn off their mobile phones or switch them to flight mode. It is not just an interference with the meeting as the proceedings are recorded and mobile phones interfere with the sound system. I invite Ms Mangan to make her opening statement.

**Ms Ita Mangan:** I thank members for the invitation to address the committee on the matter of the restructuring of the Money Advice & Budgeting Service, MABS. As members are no doubt aware, the Citizens Information Board, CIB, is the statutory authority responsible for the delivery of MABS services and the use of the State resources for MABS services. I think I should also point out that CIB is also the statutory authority for the provision of information services and advocacy services. It provides some of these services directly; for example, it is directly responsible for the Citizens Information website which receives 17 million hits annu-

ally. I realise that today's discussion is about the organisation of MABS but it is important that the context is recognised and that the staff of the CIB have many other responsibilities.

MABS services are entirely State funded. There are 51 MABS companies, each of which is subject to company law and is required to use the resources provided by the State, that is, by the people of Ireland, in the manner agreed between that company and the CIB. As the chair of the CIB, I am required to sign off on the annual accounts. When I do that, I state that I believe and know that the allocated money was spent in the manner outlined. I am similarly required to sign off on the use of State funds by 42 Citizen Information services' companies. Within the resources available to the CIB, the many other tasks which it is required to undertake, and the requirements of the Comptroller and Auditor General in terms of State funds, it is very difficult for the board or for me as chair to so satisfy ourselves.

The issue of reorganising the delivery of MABS and Citizens Information services, CIS, has been on the CIB agenda for some time. In fact, since 2009 when MABS came under the remit of the CIB. It is regrettable that it has taken so long to reach the point which has now been reached. While the decision to restructure MABS and the CIS was taken in 2014 by the then board of the CIB, the decision to restructure MABS into eight regional companies was only taken at the most recent board meeting of the CIB last week on 15 February. The executive of the CIB is now beginning the process of developing the detailed operational project plan for the restructuring.

I wish to emphasise that this decision is about 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, people in need of mortgage advice or struggling to meet a 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 and get the same level of service they currently receive.

In the longer term, the changes will almost certainly result in a better level of service but in the immediate term, there will be no change from the service user's point of view. The governance of the service providers will have changed but the person in need of the service does not care about the governance. If one has a serious mortgage problem, one needs the sort of help that MABS can provide and one does not care who is delivering the service. Similarly, employees of the services – approximately 2,800 people - will continue to work from the same place and provide the same services. Nobody will lose his or her job or be moved. This is a governance issue. Given that the employees will be relieved of administrative duties, they should be able to provide services to more people or more intensive services than they currently do.

There will be changes for the approximately 800 members of the current local boards. They will no longer be the employers of the people providing the services but they will have the opportunity to continue as local advisory boards if they wish so they can use their expertise to help their local communities but shed their current administrative burdens.

I would like to give the committee some history about how the current decision was reached. I do not intend to read out the entirety of the statement, which goes into all the detail, because I recognise that everybody can read and can follow what happened.

A feasibility study was carried out in 2014, and that was the point at which the basic decision to regionalise the structure was taken. A design group considered the recommendations

of the study and in 2015 the design group carried out its work and identified a preferred option for a new regional model for CIS and MABS. This model was seen as the best solution to the difficulties being experienced by CIB in the delivery of services. Unfortunately, there was a hiatus while there was no board of CIB and no decisions could be implemented because there was not a quorate board in existence.

In October 2016, the board, having met all the representative bodies, took the decision to go ahead with the restructure on a regional basis. We set up a restructuring committee, which I chaired. It was in place for a period of three months and consisted of three members of the board, four representatives of CIS and MABS and three members of the CIB senior management team. The decision to regionalise had already been taken so the committee's mandate was to come up with the most appropriate design for a regional structure. The committee reported back to the board at its meeting last week. At that meeting, the decision was taken to proceed with the structure as recommended by the restructuring committee. I emphasise that there is no one perfect structure that will meet all requirements. We are not suggesting that this is the perfect structure but it is the best we could come up with in the circumstances. It will involve eight MABS companies and eight CIS companies. They will each be responsible for a number of counties but there will be roughly equal resources and work involved for each company. That was the basis on which the decision was made.

In terms of regionalisation in Ireland, nobody has ever quite agreed on what should be the appropriate regional structures apart from the provinces and, for example, the GAA in the provinces. We have had regional assemblies and various forms of regional administration but no one perfect model has emerged. We have decided on this particular model. That decision was made last week. The restructured governance arrangements are being implemented at local company board level. There will be no job losses, no closure of services and no change to the location of any services during the lifetime of the restructuring programme. There will be no change to the terms and conditions of serving staff and, most importantly, there will be no disruption to service users who need to use the services.

A more streamlined governance structure will result in a more targeted use of valuable staff resources. At present, we have a very large number of companies, all of which have to be administered and involve a certain level of bureaucracy. That will be removed and the people who have skills - the information givers and money advisers - will be able to spend their time actually providing information and money advice. That is the objective of this. It will improve the service user experience and allow for the development of additional specialist roles where required. The MABS organisation has, at the request of the Government, taken on a greater role in helping people with mortgage arrears. It is a specialised area of activity that needs to be further developed. There are still an awful lot of people in mortgage arrears who are not availing of the service and we want to extend the service to as many people as possible. It requires skilled staff and we are building up that core of skilled staff to provide the service.

In 2017, CIB is set to receive 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 governance requirements of State boards and voluntary organisations, which the MABS companies are, have all become much stricter and more demanding in recent times. The feasibility study we carried out recognised, among other things, the need for consolidation of the services in order to provide effective governance and management capability. The management of and accountability for grants from Exchequer funds is the subject of a 2014 circular from the Department of Public Expenditure and Reform. 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 for the CIB at present in the context of 93 boards, many of which do not have the capacity or desire to focus on these aspects of their roles. That is not a criticism of them because their primary role is to provide services to people. Their primary role is not to be accountable for public money. The CIB has to be accountable for public money. A new code of practice for the governance of State bodies came into effect in September 2016, with an associated robust performance agreement with which the CIB needs to comply.

Recent reports of the Comptroller and Auditor General have requested the CIB to review its financial control arrangements for MABS companies and to request compliance statements for each MABS company supplemented by on-site visits 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. I emphasise that we are amalgamating companies. We are not changing the level of service but are hoping to improve the level of services.

One of the most important considerations in the case for change is the potential to improve the services available. Potential improvements could include greater availability of services in areas where services are not currently available and greater access to a wider range of expertise and services. The need to ensure that all citizens can access a high-quality, consistent and accurate service throughout the country is critical for both CIB and the services. Recent developments in quality standards have been progressed in both the CIS and MABS services. While acknowledging that much has been achieved and that there are some really high-quality services being provided, there is still serious concern and evidence, including direct complaints to CIB about service in some companies, that not all the services are delivering a quality service. MABS, like most other services in Ireland, provides services that range from extremely good, to average and quite poor. Very many of them are extremely good, which I acknowledge, but there is no such thing as a service that cannot be improved. There are significant areas of the country that are not covered by the services. All of these are factors in all our considerations.

Under the current structure, there is little that can be done to address these problems because of having to deal with 93 companies. This lack of a co-ordinated approach can have a detrimental effect on service users. It also creates risks for services such as leaving them open to complaints relating to poor quality, inaccurate advice and even litigation. Recent research commissioned by the CIB has confirmed there are variations across services in the level of accuracy and relevance of the advice provided. While CIB will continue to develop tools to assist services, there are no economies of scale to be derived from having to implement the standards across 93 separate companies. If the CIB was to carry out all the requirements of the Comptroller and Auditor General in the 93 companies, we could say goodbye to providing a decent information service which we currently do. We could also say goodbye to providing a decent advocacy service, which we currently do. It would not be a good use of resources to keep an eye on all the 93 companies, even if those resources were made available to us. Instead those resources should be directed towards the provision of better-quality services in information and the money advice services.

The boards of management and service managers have expressed concerns in recent years about the considerable amount of managerial time being directed into administration with a consequent negative impact on the management of service delivery. In addition, boards vary in their level of engagement and buy-in to national service developments and in their capacity to oversee the manager's role in implementing these. Many managers are managing very small

numbers of staff and are duplicating the same administrative responsibilities associated with reporting to the board of management and CIB as much larger companies. The new structure will remove much of the administrative burden and duplication and will free managers up to promote skill development and resulting service improvement. The existing managerial resources within the networks could potentially be assigned as dedicated service development-delivery managers, business managers and quality managers within the new regions. Local managers would be asked to focus on quality assurance tasks and could get involved in projects at a regional level such as public personal insolvency practitioner, PIP, services, which deal with insolvency matters, and administration of bankruptcy services. These are areas in which the CIB and MABS are trying to provide better services in which developments are progressing at present.

In each region, a dedicated management team approach could be taken rather than individual managers working independently within silos. This team will be managed by a senior manager who will hold responsibility for board and CIB reporting, finance and overall staff management. Ultimately, this will have more direct benefits to service users as the quality of the service provided is supervised and assured.

At present, boards vary in their ability to fulfil their role in overseeing operations. The level of engagement with CIB as the funding body is also variable. The responses of some boards to audit reports is concerning. Oversight of the operations of companies and performance management of managers does not happen consistently. A reduced number of services will enable more regular auditing and a more effective follow up by the CIB on the implementation of these recommendations. 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.

The Citizens Information Board, CIB, is in receipt of Exchequer funding for which it must account to the Department of Social Protection. As I said initially, I personally have to sign off on all the accounts. The board of the CIB has to be satisfied that everything has been done properly. At present, the Comptroller and Auditor General is not satisfied that all of the necessary steps are being taken to ensure the proper use of resources, and we have to operate within his recommendations.

The CIB must also operate to a strict employment control framework. There is nothing unusual in that respect in that all Departments and bodies are subject to employment control regulations. In order to continue to meet the governance and compliance demands created by 93 companies, the CIB will be forced to redeploy staff into these roles. However, as I said, that would not be a good use of resources.

An important issue is the need to ensure that during any change process the service users will not be adversely affected. It is our intention to ensure that the service users will not be adversely affected during the change. They should see no disruption in the service being provided. As I said at the outset, they will still go to the same place, they will be looked after by the same people and they will get the same level of service. It is only the backroom aspects of the delivery of services that will be affected.

**Chairman:** I thank Ms Mangan for her opening statement. I invite Mr. Ó Giolláin or Mr. Clarke - or both of them, whichever way they would prefer to do it - to make an opening statement on behalf of the Money Advice & Budgeting Service, MABS.

**Mr. James Clarke:** I thank the Chairman and the members for being here this morning to

listen to what we have to say. We circulated a six-page document to the committee which I am sure the members have had an opportunity to read, so I will not read it all verbatim. I will pick the important points from it and elaborate on those on basis of what some of the chairperson of the CIB has said about what the difficulties are.

The MABS national management forum, which we represent, is the umbrella body that represents the 51 MABS companies throughout the country and we speak entirely on their behalf. We have the remit to speak on their behalf. We are not here as three people with our own agenda but to speak on behalf of them all. We are also here as volunteers. We work as volunteers in our local communities. I was on a project board in the CIB yesterday as a volunteer. I give my time to that for no monetary return for the benefit of MABS and the citizens we serve. It is not as if there is a major row between the CIB and the MABS national management forum on issues. We work quite well on committees. I believe the chief executive officer of CIB will fully accept that this is the way we operate.

We are seriously concerned about the issue under discussion. We have outlined the concerns in the document we submitted. MABS was not the product of a Government decision. It was an initiative developed by the late Brendan Roche in Cork in The Lough Credit Union in the late 1980s when he became aware of difficulties people had in meeting their debt, difficulties with illegal moneylenders and other related matters. He established a small group of people and decided they would do something to help those people concerned. It worked so well that the then Minister, Michael Woods, decided it was a very good idea and that the Department of Social Welfare, as it was then titled, would take it on board and set up six initial pilot projects. Those projects worked so well that the idea was rolled out throughout the country, culminating in the establishment of 51 MABS companies, all in individual locations, picked as necessary where the needs arose. Those 51 companies are still operating today.

The local voluntary community involvement was and remains, the key success to the MABS service. Regardless of what anyone else says, its key success is in the local involvement because volunteers volunteer locally. People getting involved in their local communities and democracy at all levels is what we are talking about. It is a bottom up service. There is a major difference between a bottom up service, which comes from the ground up, informing Government policy and change and something that is being developed at the top level in Dublin and decision being made that such a model will fit throughout the country and that it will work. That is the real difference between MABS and the service that the chairperson of CIB spoke about.

We are here today because we are aware that there is a plan to abolish the 51 MABS companies and replace them with eight regional companies. Those eight regional companies will be far removed from their communities. The chairperson of the CIB said it would not cost anything but it will cost a good deal of money, and I will give some of those figures later. This is the biggest decision that has ever been made about any organisation in the country. The members will know of MABS and of the work we do. They will know the organisation provides an excellent service. I am sure many members refer constituents who are in debt to MABS. That is what we want people to continue to do. The proposed decision is a major one for MABS.

The question of volunteering at local level is what matters. The Central Statistics Office produced figures recently. I might shock the members by revealing that if every volunteer in Ireland was paid the minimum wage for what they do, it would cost the Exchequer €5.5 billion a year, nearly half the HSE budget. That is the reality. The CIB is saying we are no longer necessary. There are also many volunteers working in other organisations. Why is every such organisation not being brought in, abolished and their work centralised in the way that the CIB

is talking about centralising MABS?

The programme for Government for the period 2011 to 2016 refers to undertaking a range of initiatives to shift power from the State to the citizen and to engaging with “partners from outside the public sector itself - particularly on initiatives of strategic importance - to act as a catalyst for effective delivery, feedback and learning”. What is being proposed is going in the opposite direction. It is removing everything from the citizen and centralising it to the State. We do not believe that is the correct approach.

We were directly under the Department of Social Protection between 1992 and 2009 and responsibility for MABS was then transferred to the CIB. The idea at the time was that the CIB had expertise in governance and in supporting the delivery of local services. We are a little disappointed with the support we got, and I am not aware of what support we actually got. The IT system in MABS, for instance, is the same as it was in 2009. We are still working off Excel sheets and such like. We have a telephone system that was introduced a few years ago at a cost of €400,000, not an inconsiderable amount of money, which does not work today. All the other telephone systems were thrown out in the bin, this system was installed, now it does not work and the CIB will have to consider how to replace it. We expected to get a different type of support from the CIB than we got.

The notice from the Department at the time states:

[this notice is to inform you that] The Minister for Social and Family Affairs has signed a Commencement Order to give effect from 13 July 2009 to Part 4 of the Social Welfare (Miscellaneous Provisions) Act 2008 which extends the functions of Citizen Information Board to include the provision of the Money Advice & Budgeting Service. ... The MABS will be a separate distinct service within the Citizens Information Board. There will be no change in the status of independent MABS companies with voluntary boards of management nor in the employment status of their employees that provide the local services.

Is that gone out the window today? That was the basis outlined, namely, that there would be no change to the companies and that all the companies would remain as they were.

Many parliamentary questions have been tabled in the Dáil on this issue. Deputies throughout the country have been asked by constituents to raise this issue in the Dáil. There have been several responses by the Minister. He recently spoke about the difficulty in managing 93 companies. The issue of governance came up repeatedly. Governance is a wide issue, but today was the first time I heard that the CIB board had received complaints over how any MABS was run.

We are the umbrella body that looks after it. One would imagine that if we did, the first persons to be approached would be ourselves if someone had a difficulty with a particular company. That has never happened. If we do not know there is a difficulty, if the CIB does not inform us there is a difficulty, how can one deal with it?

We have a responsibility for employing all the people. When there are IR issues, we have to appear in the Labour Court and defend the position. It is not the CIB because it is not the employer. We fully acknowledge that the CIB has these accounting responsibilities. However, let us consider the reality of the budget. I am chairman of the Longford service and have a budget of €180,000 a year. Some 84% of that is predetermined by the CIB, by way of salaries, rent and other outgoings. We have discretion over 16% of the budget. We give our time. The people who are there are not fools. They are professional people, solicitors, accountants etc. who come



in and give of their time after their work to provide a service in their local community.

We ask the Minister to tell us what the difficulties are. We have consistently demonstrated that we are open to listening and effecting change for the improvement of the service. That offer remains on the table as we speak. If the CIB has a problem with governance, it should tell us what it is. If the Minister has a problem with governance, he should tell us what it is. Let us sit down and try to work it out. We do not know what it is. As I sit here, I have no idea what it is, other than general broad statements about the Comptroller and Auditor General. We all know public funds are very important and need to be looked after. We all know about the Department of Public Expenditure and Reform circular 13 of 2014 about spending public moneys. I report four times a year to the CIB as to how we spend the €180,000 of which I have discretion on 16%. I have audited accounts completed by a professional auditor and sent to the CIB. Let us put that to bed; it is a red herring. I do not believe it is reality at all.

The Minister spoke about the trouble in managing 93 companies. A good analogy is the community employment scheme operated by the Department of Social Protection. Do members know how many of those there are? There are 660 limited companies, the same as MABS. In a small county like Longford there are 16 of them. There are two people in the Department of Social Protection in Longford to look after them. They have no difficulty about the Comptroller and Auditor General and circular 13 of 2014. They provide an excellent service in local communities, cleaning up areas and doing work on a voluntary basis. Again all those directors are volunteers.

The Fine Gael and Labour Party 2011 programme for Government provided for a commitment “to convert the Money Advice and Budgeting Service into a strengthened Personal Debt Management Agency with strong legal powers”. Clearly it was suggesting it did not fit in its new home in the CIB and it needed to be taken out, put back on its own and given more powers to deal with the issues that arose.

On many occasions the chair of the CIB and the Minister said that there would be no changes to front-line services. Let us put that one to bed. On what basis were these assurances given? There was no research or investigation to underpin this conclusion. We say, with respect, there is none. There will be no control over the governance and budget or over the management of front-line services if the MABS is regionalised. That is because it would establish eight independent companies that will be given budgets of more than €2 million each. The CIB will have no control over these. There will be independent directors of independent companies running the services on a regional basis. How can the CIB and the Minister claim there will be no change to front-line services? I see Deputy O’Dea is present. A regional company could decide that it will not give as much to Limerick next year and that it will reduce the staff numbers because they have too much there. That is what can happen. There is no control over it. They are talking about more control when we would end up with less control.

What will a budget for the regional companies look like? Who will control the allocations? Nobody will control the allocations. The CIB can give a particular company a sum of €2 million, but there is no control over what it might do with it. What will the management costs versus the current costs be? Starting from the top down and changing structures without detailed analysis of the impact on citizens is putting the cart before the horse. The one thing that is missing is the suggestion that there would be a better service to the citizens we serve. The service is very good as it is. There is nothing to suggest it will be better. That is our prime importance. We are there as volunteers. We work to ensure the services work and that citizens get the best service they can get, and that is it.

On the issue of attracting volunteers to be directors of these regional companies, I presume the CIB will not create eight new quangos, God forbid. However, I am not sure it will get people who have a day job to become directors and run eight regional companies with responsibility for 80 or 90 staff and a €2 million budget, and do it for nothing. Is that what is being suggested? It is not reality.

They say they will retain the present directors as members of local advisory groups. We all know what local advisory groups do. They will sit for one or two meetings, make a few suggestions and be shot down by the CIB, the Minister or whoever it might be. That will be the end of local involvement in MABS and CIS.

When the local boards are wound up, there will be no going back. There will be no more involvement in the delivery of service. The breaking of the link between local communities and MABS will decimate the entire ethos upon which its success was established, which was bottom up rather than top down.

I refer to the credit union movement, which is critical to MABS. We need to have the credit union onside to do the special accounts. It is now looking after the recently introduced micro credit scheme. Credit unions do not work on a regional basis. They are all local and run by voluntary local people. Every credit union has a member on the board of the local MABS. That is what they do. That link will be broken. Do members think we would get the same co-operation from credit unions if we tell their representatives that they are no longer fit to be a director of Longford MABS? We certainly will not. The Minister was speaking at our conference in November. He spoke about using the savings, as did the chair of CIB, that were going to be achieved to enhance the service. Let me tell the committee, the figures that are in there are not actually correct because we have done a few sums on it since. Very conservative estimates of the cost of winding up the existing services and setting up the new companies are €1.2 million. The annual running costs thereafter will be €2.3 million per annum. That is the actual figure. I have papers here, if CIB wishes to look at and examine them. I have erred on the side of caution. I have not been exaggerating. I expect it will probably be approximately €3 million a year. Is that €3 million going to be provided from more State borrowing or will it be taken from the CIB budget? I am not sure the Minister, Deputy Paschal Donohoe would like to give us another €3 million for that. If CIB take it out of its own budget there will be a reduction in services.

MABS was recently designated as the Government's gateway to debt advice and cannot be diverted from the 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 and all the rest.

Next week the Tánaiste and the Minister will launch a big communications plan. They will roll out MABS as the front line for the new Abhaile service. At the same time they are abolishing MABS, because you can take it for granted that if the 51 companies are abolished, MABS will be gone.

MABS boards locally have always been highly responsive and adaptable. New Government initiatives have recently been professionally embraced and implemented with minimum fuss. We took on the debt relief notices under the new legislation, the dedicated mortgage arrears advisers and the court mentoring service. Let me tell the committee about the court mentoring service and the importance of local involvement in that. That court mentoring service is run in tandem with the courts. I was able, as chairman of Longford MABS, to go in to the county registrar. I was able to sit down with her, say that we would try out this court mentoring service

and ask for accommodation in the courtroom. She was supportive and asked what we wanted. I asked for a room and she said that she would certainly arrange that; she would dedicate a room for us, allow us to put our signage outside and she would inform every person in there that MABS was outside if they wished to see us. Would that happen on a regional basis? No. It is all on a personal basis, it is all local, it is all in the community. That is the way it works.

The chair of CIB has spoken about all these recommendations that came from consultants. I am not going to go into the cost of consultants because I would scare the Chairman. The Pathfinder consultants, commissioned in 2014, identified that the two services, MABS and CIS, could not be integrated. We suggest that regionalisation may not have the same effect on CIS as it may have on MABS. If there is a desire to go regional there is a possibility if the appetite is there. I am not saying it is there, and CIS is not here today, but it I am hearing on the ground from CIS people that they would not mind regionalisation. However, they are two totally distinct and separate services so it would not make any difference. I would suggest to my colleagues from CIB to have a look, and possible regionalise the CIS services as a pilot.

To regionalise eight MABS services without any pilot is to move ahead on a wing and a prayer. Nobody has any idea what will come out at the end. We know what we have today but we do not know what will come out the end of this. Nobody knows. They do not know and we do not know, but we do know that the people who are involved locally are not going to be involved. The chair of CIB spoke about all these great sub-groups that were involved; design groups, steering groups, Pathfinder reports and all the rest. Each of those groups had a majority from CIB.

Pathfinder was quoted as stating: “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 they do not enjoy the public sector perks of public servants. Common sense would dictate that it was DPER’s concern to achieve savings, not to increase costs. I have shown the committee, and will demonstrate to it and challenge anyone to question it, that it will cost money. It is all very fine to talk about these things but in reality implementing them and making them work is a totally different story.

In summary therefore, we suggest that the Minister and CIB have both failed to evidentially demonstrate the existence of a problem, the solution to which they consider to be regionalisation. They have failed to deliver a cost benefit analysis. We have never seen it and they have never prepared any figures. 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, that is the national management forum and the national executive committee, who represent staff, in any new structure with their existence likely to be dispensed with. That is most likely what will happen because they will not be there any more. 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, distraction and destabilisation. Contrast this with what is happening in the UK at the moment, where this week they are introducing legislation to look specifically at debt issues facing families with young children.

So, finally, what can the Minister do? The committee, I am sure, can report back to the Minister and can tell him what it heard today. The members can make up their own minds. They do not have to believe everything I have told them, but I think that I have set it out fairly

clearly. The Minister has the power under the 2007 Act to issue a directive to the board. We are suggesting that the Oireachtas might suggest to the Minister that he abandon this whole idea of regionalisation and examine all the reasonable issues that have been raised and provide space for all parties to discuss and agree a workable alternative. His late predecessor, Deputy Seamus Brennan, whom I met, was faced with a similar dilemma. When the facts were put before him he put his foot down and said that it would not happen, and it did not happen.

Finally, I will say it is never too late to make the right decision. The chair of CIB spoke about a decision made by the board last week. If that decision is going to be carried through without any real addressing of the issues I have raised, I think we are going into very dangerous territory. Effectively, it is the back door to seizing control of MABS with the option to walk away if something goes wrong. What do I mean by that? What CIB did not tell the committee is that they are going to select the directors of the eight new boards. They will select them. They are going to interview the people who will chair these new boards. They are effectively going to become the shadow employer. By becoming the shadow employer, responsibility will transfer to the Government and the staff will have claims to be civil servants with all the perks that go with that. That is the reality. This has never been examined.

**Chairman:** I thank Mr. Clarke. We have heard comprehensive and detailed opening statements that were substantially longer than usual. They were worth doing because they set out clearly the two positions. Mr. Clarke made one important point, which is that this committee will make its decision based on the evidence provided by him and others. That is the process and the purpose of these hearings. They are open and transparent and the committee will make decisions based on the evidence as presented. In terms of the questioning, I ask members to be detailed and specific on the issues they have heard because the questioning needs to help inform us as to where we go from here.

**Deputy Willie O’Dea:** I thank both groups for their presentations. At the outset, I note that both my party and I are concerned about these proposals and what I have heard today does nothing to allay my concerns. One thing that jumps out at me from the Money Advice & Budgeting Service, MABS, presentation is that in 2009, when the then Department of Social and Family Affairs was running the show instead of the Citizens Information Board, CIB, there were four staff dealing with the entire operation. There are now 74 staff employed by the CIB, if I am reading it correctly, and they are having difficulty managing. I am not clear on the reason for the radical restructuring proposed.

I have some specific questions for the CIB. Ms Mangan stated in her presentation that everyone will be going to the same place, everyone will be doing the same job and nothing will visibly change. I assume that only applies during the process of the restructuring. Can she give the staff, who have been in touch with me and many of my colleagues, any guarantees as to what their position will be when this is all over? I took time to speak to people who through my constituency clinic, I had referred to MABS. I spoke to some volunteers and staff in MABS. Every person to whom I spoke, without exception, was horrified by this proposal. The representatives of the CIB should indicate what sort of consultation there has been with the stakeholders and the clients who are the people this is supposed to serve. The feedback coming back to me is there has been no consultation.

One would need to be an actuary to follow some of the figures flying around but as far as I can make out, no cost-benefit analysis has been done. There are vague statements that this will cost less and there will be money left over that can be put into front-line services. On the other hand Mr. Clarke makes a compelling case that this could actually cost more, which would mean

the taxpayers of this country could be asked to fork out more money for the same services or alternatively, depending on the state of the budget, the service could actually be cut. That is the last thing we need in this country at this point in time given the expanded responsibilities MABS has taken on.

I also wanted to ask about volunteers, who volunteer locally. All the people I know in Limerick who volunteer to work with MABS and other local organisations have no interest in working with an organisation in Waterford. At a stretch, they might consider the part of County Clare that adjoins Limerick city. Volunteers tell me that they have no interest in volunteering in a regional situation. If something is done that will risk losing volunteers then the whole thing is in danger of collapse. What strikes me is that in the UK, which has been doing this for longer than us, they have both embraced the present situation we are now trying to radically change and are boasting about it. The report of the UK's Citizens Advice service of 2014 states "Our bureaux are staffed with local people who are passionate about their local communities and sensitive to local needs." MABS is based on a local-volunteer ethos and we appear to be moving away from that and taking a gigantic step in the dark. There has been no dialogue or cost-benefit analysis. If this does not work out the unfortunate clients of MABS will suffer, that is, the front-line people who are struggling with their mortgages and debts. They are the sort of people who come to me and who are at the very sharp end of society. The people I speak to praise MABS and the work it is doing. The clients do not see any difficulty and there is an old saying that if it is not broken, why fix it.

**Deputy Martin Kenny:** I thank the Chairman and the committee for allowing me the opportunity to speak today. I am not a member of the committee but it is an issue about which I am highly concerned. Mr. Micheál Ó Giolláin is a neighbour of mine from Ballinamore and I am very conscious that MABS in Ballinamore, County Leitrim, has done tremendous work for many people down the years and I have worked very closely with them. As Deputy O'Dea has said, it is really about the volunteers who are on the board and how they network. There are people there from social welfare, the Garda Síochána, the local credit union, the Irish Farmers Association, the Irish Countrywomans Association and a whole range of organisations. It is broad and it encompasses everybody. People work together and it is seen as being part of the community. In other words, it is a community response where the community comes together in a generous way to help people when they fall on hard times or get into trouble. That is how it is reflected. The danger is that presenting MABS as changing to a regional structure would take that away. On a gut instinct the majority of people would be opposed to that.

I would like to raise a couple of issues. There was mention of the Comptroller and Auditor General, the Revenue requirements around employment, the requirements of the Departments around how money is spent and that due diligence must be carried out in these matters. I take it that the 51 MABS companies must do their returns and make sure that they are done correctly. There have been no issues. I spoke to someone in Revenue off the record recently and asked whether there was a problem with MABS not doing their returns correctly. I was asked where I had heard that and was told there has never been a problem with MABS beyond the occasional late form, as happens in every organisation everywhere. I was told the broad thrust of it was there is no problem with MABS and the individual companies around the country were doing their job properly. That is the information that has come back to me.

It was mentioned that there will be no closure of any service or change to the location of any service during the lifetime of the restructuring programme. I would like to get an idea as to what is that lifetime. How long will that take? Why put that in there if there will never be

a change? That suggests to me there is an intention to have changes once this restructuring is over. That is the logical conclusion of having that sentence in there in the first place.

It was mentioned that there have been complaints about how some of the MABS organisations have been run. I would like specifics on that. About which MABS companies have there been complaints and what is the nature of those complaints? That has not come to the fore up to now. One fear I have is that what this is trying to do is set up the organisation in a way that it can move from being a community-based organisation that is providing a service to the community and the people in it to a more Civil Service-type organisation. I think that is a dangerous path to go down. One fear I have concerns the emphasis that has been put on JobPath and how that has become a private company, in that two private companies are now running that system. I fear this is the direction in which the provision of services to people who have debt problems is going, namely, the State does not need to be involved in this and should step back. That is how these things work out in most cases and I fear that if we agree to take on this restructuring and agree that it is the way forward, we actually are agreeing to go down a path that is very dangerous and which we do not need to go down. I would like to get the specifics on exactly what companies had problems, the nature of the problems, when they occurred and on whether they have been resolved. We are being told there are problems we have to fix but today is the first time that I have heard that there are specific problems. I would like to be assured that there are problems and if there are, let us deal with them.

**Senator Alice-Mary Higgins:** I know we are constrained by time.

**Chairman:** There will be time available at the end. Everyone will have an opportunity.

**Senator Alice-Mary Higgins:** Some of the points I wanted to raise have been identified. Certainly the question of a cost-benefit analysis is very important as is clarity around the cost. In a recent parliamentary question, the Minister for Social Protection, Deputy Varadkar, confirmed there has not been a cost-benefit analysis, but I am also interested in a risk analysis. When I read Ms Mangan's presentation, I saw some of the reassurances but it seems unclear how those reassurances can be made. She spoke about people going to the same place and being looked after by the same people. She was speaking of the CIS and the MABS restructuring, on which we have received submissions.

As I understand, of the 2,800 staff in the CIS, 1,900 are volunteers. If we are looking to restructure the delivery of those services, it is very hard to understand how there would not be a severe risk in respect of the board of MABS but perhaps more crucially in respect of the volunteers at the front line of the Citizens Information Service around the country. What is the risk in terms of loss if we are looking at 1,900 volunteers? Potentially, that could be disruptive to those seeking support. It would be very useful to get a breakdown on who is delivering those services.

I refer to the rationale for this proposed restructuring. We heard about governance and questions have been asked about that. In her presentation, Ms Mangan mentioned that it had become increasingly challenging in recent years due to staff reductions to meet the needs of these companies. She also explicitly mentioned the concerns in terms of compliance with the employment control framework levels. Is this a matter of staffing? Could we have clarity on what the staffing levels were in 2009 when MABS was originally amalgamated? What are the staffing levels today and what is the employment control framework? We have lifted the recruitment embargo so if this is a matter of staffing and staffing resources, it might be like using a sledgehammer to break a nut to seek to restructure all these companies if the key problem

is simply one of staffing supports at the central level. It would be good to clarify that, so that we do not put it in as a rationale for something which might be much more easily fixed and addressed without such radical costs.

Ms Mangan spoke a little about the consultation process and very real concerns have been raised about it. It was mentioned that CIB had a majority on those various groups which the process moved through. Perhaps she could comment on that and on whether it has affected the outcome. She mentioned meeting and consulting people but the key point for us is agreement. Has there been agreement from either CIS or MABS? It seems that there has not been agreement to these proposals and models.

Ms Mangan mentioned what was agreed between that company and the CIB. If concerns have been raised, maybe she could clarify them. We have had some indication that due to confidentiality arrangements around these processes, there may have been difficulties in those who were taking part, for example, on behalf of MABS or CIS, in these processes engaging in their own consultation on the ground with their members and clients. What was the consultation on the ground? Was there further consultation with staff, volunteers and service users feeding into that? That is crucial.

On governance, I would respectfully disagree with one point which Ms Mangan made where she suggested that the persons using the service do not care about its governance. Perhaps they do. Currently, in the cases of both MABS and CIS, we have a situation where service users maybe on the board because there is voluntary and community representation on those local boards and the same could be the case with some of the volunteer staff. It is quite deeply ingrained in terms of 25 years of MABS and 40 years of the community services.

I have two very explicit questions. It does not seem to me that there is agreement. What will happen to services that do not agree? That is very important. The county based option was discussed as a model. It seems to have been in place for 20 years or so with the community information services. The county based model would be one other way of amalgamating them and would perhaps be less drastic than reducing the number from 98 to 16. Why was the county based model rejected?

**Senator Kevin Humphreys:** I probably have a slightly historical insight into this. There have been incredible successes with CIB and MABS. Without the active support of CIB we would not have had microloans from the credit union and we would not have gone into the Court Services. Mr. Clarke pointed to his relationship with the Longford court house, but we had to put in place an agreement on a national basis to get back into the courts and that was done as overarching thing. There was a local and a national approach. Everybody I have dealt with in regard to CIB, MABS, microloans or otherwise had the one intention which was to try to improve the service. There was no attempt to seize power; there was nothing like that. As a Minister of State, I might have had disagreements with people I worked with but I never questioned their commitment to improve the service.

I refer to the local advisory board. What is CIB talking about? What would MABS see as that local advisory board? On the process itself, Senator Higgins has raised the inbuilt majority of CIB in regard to the process. It would be interesting to know how many times that came to a vote and how many times CIB used its majority.

On the set up and the different sets of figures, I do not think anyone has entered this process to try to save money. It is not a money saving exercise. I do not think previous Governments

set this up as a money saving exercise, so it would be interesting if MABS could share its figures and do a proper analysis of those figures. If anything the intention was the provision of more money into the service.

In many ways, we have probably become very politically correct and our response to every crisis in a service, whether it is in the charity sector or otherwise, is to raise the bar of reporting which affects everyone. I am a volunteer in another national group where we are now putting three strands into one. We are putting three sections into one committee because the reporting standards are so high that the volunteers are taking more time to reach the standard than actually doing the work they volunteered to do, which is frustrating. It is frustrating because they had a connection. The process has worked well as people can see the overall vision.

As I have said on many occasions, my wife worked for MABS. The work she carried out for MABS with the local credit union was the single payment and sharing out the money. Some money went to the ESB bill and some went elsewhere. That has grown and changed to an extent where MABS has changed and is very different in different locations. Some MABS advisers' time is taken up working with mortgage arrears rather than arrears on the ESB bill.

The credit union movement has greatly changed, and there is the question of how we are going to interact with that credit union movement. My local credit union was the Sandymount Credit Union but it is now the Dundrum Credit Union, with about four or five different credit unions coming in to make up that. We are dealing with a bigger entity. Some are more like a credit union movement and some have grown to the same size as small banks. There will be a different relationship with those and how that relationship is managed.

**Deputy Joe Carey:** I thank the witnesses for their presentations. I have huge admiration for the work done by MABS. I am from County Clare and regularly engage with MABS.

Deputy Kenny has asked legitimate questions, particularly in terms of the line that there will be no change to the location of any service during the lifetime of the restructuring programme. We need clarity on that. So much in terms of managing this is volunteer centred that if the volunteer element cannot be brought with us, how will the service be managed after that? What was the level of consultation in that context? It was said there was extensive consultation. What did that entail?

I would like to hear more about trying to arrive at a more streamlined governance model. What are the advantages of that model? The witnesses speak of trying reduce administration, which is a good thing in many ways. If they cannot bring the volunteers with them, how will they manage the service? My fear is that if they cannot do that, it will spill on to the service users, so to speak, and will have an impact on them. I would like if the witnesses could convince me in terms of what they are trying to achieve. How will the service user benefit from the changes the witnesses are trying to implement?

**Deputy Joan Collins:** From the point of view of the citizen, the Citizens' Information Service and MABS have been very important in communities. The closer they are to communities, the better. When they are taken away, they become more distant and they cannot be accessed. There was a Citizens' Information centre in Ring Terrace in Dublin 8 which was moved to Thomas Street. When it came to elderly people and others trying to access it, it created all sorts of problems in trying to access services.

The point about no change to location in the lifetime of the restructuring is important. Why



at the time, in 2009, did the Department of Social Protection transfer responsibilities to the Citizens' Information Board, CIB? It put a lot of responsibility on another organisation to play a role. When that responsibility was passed over, it was noted:

This notice is to inform you that the Minister for Social & Family Affairs has signed the Commencement Order to give effect from ... 2009 ... which extend the functions of the [CIB] 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.

It is quite clear from 2009 what the roles of the CIB and MABS were and that they were distinct. There must be more clarity around why this proposal is being made and why it has started already. It is my understanding that the process has started already. Maybe that should be put on hold for a period until we go through this process.

In 2014 and 2015 all the Citizens' Information services and MABS were tested and received a gold star, which is a service delivery quality mark. I do not know where the questions are coming from. If the services are being provided in the way that has been done for the last period and they are working, we should maintain them and put more work into them to build on them and provide better services.

**Chairman:** Before I hand over to the witnesses for responses, I will make a few quick comments. I will not repeat any questions that colleagues have raised.

As public representatives, we see at first hand the work done by the Citizens' Information and MABS. Public representatives and both organisations deal with the same people. We see at first hand the positive impact that both organisations have on communities.

I will not go over the same points but I have one or two very specific questions. If the witnesses do not have the answers here, they might forward them to the committee.

My first question is for Ms Mangan, and it comes from her opening statement. As part of the rationale for the decision to change and have a new model, she said there was concern expressed by the delivery services themselves that a considerable amount of staff time was being diverted into administration with a consequent negative impact on the delivery of services to citizens. I have not heard that point reflected in what the people from MABS said. It is a basis for making a decision to change structures, it is a point that has been made, but the evidence to support it has not been presented to the committee today.

Ms Mangan, in terms of the rationale behind making the decision, referred on a number of occasions to letters from the Comptroller and Auditor General in 2014 and 2015. Perhaps she will tell us specifically what is in those letters. Maybe, from the point of view of correspondence after the meeting, those letters might be forwarded to the committee.

There is a divergence of views in terms of finances in the context of the rationalisation programme being done. Ms Mangan seemed to suggest that there were economies to be made and money could be reinvested in additional services. Mr. Clarke was quite specific when he spoke about an additional €1 million a year. I would like that, if the witnesses have figures to back up their cases, and they may not want to present them today, those figures would be circulated to the committee.

**Mr. James Clarke:** Yes, Chairman.

**Chairman:** We are here to make informed and evidence-based conclusions. They are some of the issues emanating from the presentations today. That is all I want to say at the moment.

A number of issues have been raised by colleagues. It is up to the witnesses to decide in which order to reply. Ms Mangan made the opening statement, so maybe I will start with her. Her colleagues should feel free to assist her with any response. Then I will go to Mr. Clarke.

**Ms Ita Mangan:** Quite a large number of questions have been asked and I will try to deal them in the time available.

Deputy O’Dea said that the Department had four staff when it looked after MABS before 2009 and that 74 staff work in the CIB. Yes, something like 74 staff work in the CIB but they also provide an information service, an advocacy service, training, the hearing service for the deaf and all sorts of other services. It is quite ridiculous to compare the two issues.

When the CIB took over MABS in 2009, it had 92 staff but it only has 74 today. I want to kill that one immediately. I do not think it would be a good idea to get more staff to do a compliance job. The CIB does not want simply to be a compliance organisation. We want to be an organisation that encourages the further development of Citizens’ Information services and MABS.

In case people get the wrong impression, I would like to point out that I personally was involved in setting up Citizens’ Information services in the 1970s. I realise that dates me very considerably but it nevertheless is the case. I absolutely reject any suggestion that the people on the board of the CIB now have anything other than the best interests of the CIS and MABS at heart.

I will now turn to the question of what happens when the restructuring is over. We expect that the restructuring will take approximately 18 months. We cannot guarantee, and nobody can, that there will never be any further change. Life is not like that. I could not say, with my hand on my heart, that there would be no further change at some future date. It is my hope and expectation that there will be massive improvements after the implementation is fully conducted and that we will have more MABS services and more CIS and they will get into every corner of the State. I hope that everybody with mortgage arrears will be in a position to access MABS. I accept that MABS grew out of a local desire to provide services but the reality now is that all the recent developments in the services offered by MABS came from the top. It was the Government that decided we should have a dedicated mortgage arrears service. It was the Government that decided we should have the Abhaile service. It was the Government that decided we should have the court mentoring service. These are all great developments and I am delighted about them but they came from a national level. They did not come from a local level. The establishment of regional boards will not necessarily remove the local aspect because of the people who work in MABS. With regard to volunteers I should point out that the services MABS provides are delivered by professional staff. There are some 800 board members who give their time voluntarily. Staff that works for MABS will be, as I have said, in the same place, delivering the same service and conscious of all local needs. If the existing MABS companies take up our suggestion that they be local advisory groups, then they will be able to give the local input that is desirable and which would be helpful to the people concerned.

On the issue of costs, I make the point to Senator Higgins that there are no volunteers working in delivering MABS services. There are some 1,000 volunteers working in the CIS. We are in the process of developing a new volunteer strategy. It is our intention to foster further vol-

unteering within the CIS. The change from local boards to regional boards will not change the role of volunteers who work in the CIS in any way. If a new board is established, a volunteer in Bray, for example, will still work as a volunteer in the Bray information service. There is no reason why there should be any change in the volunteering by people in the CIS.

With the boards of MABS, the reality is that some boards actually do the administration themselves and I accept that - Mr. Clarke is one of those people who do that - but most MABS administration is undertaken by the people who work in MABS. This takes away their time that they could be using in their role as qualified money advisers. The dedicated mortgage arrears advisers are qualified to help people with their mortgages. Dedicating their time on returns to the Companies Office and the Revenue Commissioners is not a good use of their time. With the regional structure we hope there will be a common pay system, a common HR system and savings in those areas. This brings me on to the cost-benefit issue. Costs have been examined in some detail in the various reports. We will forward the details of these to the committee because it would take too long to go through them all now. The costs have been examined and we looked at having a county model, a regional model and a national model. The simple reason the county model is not acceptable is that we would end up with 52 companies and we do not believe that a reduction from 93 to 52 is enough to achieve what we want. In fact, eight and eight are probably the outer limits of the manageability of the scheme.

Deputy Martin Kenny asked about the specific complaints about MABS companies. It would be entirely inappropriate for me to mention such complaints, but I assure the Deputy they exist and are being dealt with directly with the companies concerned. The representatives here today are not the employers of MABS staff, they are the representative body of the employers of the MABS staff, so we could not - in all fairness to everybody - bring individual complaints to their attention. It would be entirely inappropriate and is not the way to deal with complaints. We have all had a lot of experience recently in how to properly deal with complaints to properly deal with complaints one of the things we do is to deal with the direct employer, that is the local board in these cases.

I apologise that I cannot remember exactly which member asked about the level of consultation. Consultation has been going on for several years and, as I said in my opening statement, I regret that the decision has taken so long, but that is the way it is. The various consultation mechanisms are outlined in all the reports and again, we can provide the committee with the exact details of that. I chaired the recent restructuring committee myself. Obviously, I was not involved, as chairman, in the earlier discussions about restructuring but I was involved in the recent round. There was no dissent from the decision of the restructuring committee. I absolutely accept that the MABS organisation is not happy with the proposed restructuring, but it is not that we did not consult. We did. We are faced with a situation where, as the group responsible for public money, we must make the decision and we must stand over that decision. I accept that MABS are not happy with the position. It is very obvious, but I do not believe there is anything we can do about that.

There are responses to the extensive consultation that took place in 2014-2015 and we will provide that to the committee afterwards. We will also supply the Comptroller and Auditor General's letters which specify exactly what we are required to do.

Deputy Joan Collins asked about why the Department of Social Protection handed over responsibility to the CIB in 2009. The simple reason is that at the time the Department realised it did not have the mechanisms for proper oversight of the spending of the funding. The Department generally hands money to its own staff to distribute and oversee. The analogy with

the community employment service, as referenced earlier, is not exactly on point because community employment services are provided by other organisations that are financed by various Government Departments, which have their own control mechanisms. Some CIS providers have community employment schemes in operation and there is a difference between them. Lots of community employment schemes are run by non-companies. There are all sorts of different employment schemes so I do not think it is comparable to the status of MABS or the CIS.

**Mr James Clarke:** As there were not as many questions directed to me I will not be as long in dealing with the queries. The main issue and one upon which every member spoke today - nearly without exception - is the importance of local involvement and the local advisory boards. That is why we are here today, to talk about this issue and ensure it is retained. If it is lost, we are going to lose a huge asset. We will be left with people who are running the service from afar and who will not have the same interest in it. It would be very difficult to deal with it.

The issue of consultation has come up regularly with regard to CIB and MABS. We have continually complained about it. CIB's idea of consultation is to appoint a consultant who they send out to meet various MABS organisations. One gets a report back from a consultant and more likely than not, there will be nothing in it. For example, the CIB employed Indecon to produce the last CIB strategic plan. We put a huge amount of work into the plan and met the Indecon people to present it. We gave them a paper. The person from Indecon asked us to send it to the CIB. I said that we were told to meet Indecon to consult and that Indecon would take the paper and include it. He said "oh, that's not the way it works" and told us that he was working for the CIB. That is what the CIB understands consultation to be and that is our continuous difficulty. I was a member of several of those steering groups and can tell the committee it has always been the same. The last group was weighted six to four in favour of the CIB. The proposal was made to introduce restructuring. The committee was picked by the chair of the board and each representative body was asked to appoint two people so there was six-four-nil game before one started. That was the reality and that was the way it was going to end. There would be no change because the people who had the issues would still have them but it did not make any difference.

It is very easy to blur the lines with regard to administration. The management of the company in which I am involved does all the administration. In response, the chair of the CIB talked about wasting time dealing with Revenue and company returns. MABS companies do not do that. The auditors appointed by MABS companies do all the paperwork in respect of Revenue returns, the Companies Registration Office and the Charities Regulatory Authority so no time is taken up. Where the time is taken up involves requests by the CIB for this, that and the other. Those requests must be answered and supplied on the basis of a spreadsheet because that is the best we have had on offer for the past seven years by the CIB. That is what staff time is taken up with - completing returns on a monthly basis about waiting times. I am not saying the CIB should not have this information but at least we should have a proper case management system. The CIB was tasked with providing the proper support to MABS to enable this to happen. That will continue to be the case. I can tell the committee there will be no reduction in the amount of work that the manager at local level will have to do. The quarterly returns are a simple process. They do not really work.

I do not buy the idea that there will not and cannot be change. We always accept that change can take place but change must be on the basis of an identified need for change and being satisfied that change will make a difference. This is where we are today. Unfortunately, if we have these eight regional companies, not only will MABS local companies and local volunteers lose

any input into it, the Government will lose any input into it. It will be taken out of the Government's hands and will not be there. It will be for somebody to decide. I do not know where. If one goes around the country and ask the MABS companies, the Citizens Information Service, CIS, companies and the end users, one will find that nobody complains but still the CIB has a problem.

The Chairman and Senator Humphreys mentioned many great examples of strides made by the CIB in respect of dedicated money advisers and the court mentoring service - areas that are very important, as is the debt relief notice . What they might have forgotten to mention concerns MABS National Development Limited, which is a support company for MABS based in Blanchardstown. When CIB was given that responsibility, it handed it over to MABS National Development Limited and told it to look after it. MABS National Development Limited implemented every one of those items in conjunction with the companies. They were all streamlined out. There was not a single issue with any of those measures but it was MABS National Development Limited that did it. We love working with the CIB; it did the donkey work and fought with the Department for the moneys. If we can work together and are allowed to work together, it will work better. That is where it is.

The chair of the CIB has said that we are not the employers. I wish to God that someone would tell us that because we are facing a claim for an increase in wages from the Unite union and a claim in respect of sick pay entitlements and will shortly end up in the Workplace Relations Commission. It is not the three people sitting here today who are going to go there. We are going there to support their position. The committee must understand the hat we must wear. As we are limited in the funding we have, we cannot tell MABS staff that we will give them a 15% increase because we must talk to Ms Black, Ms Mangan and Mr. O'Connor. In that way, we work together. It is not as if we are at total war every day of the week. I am only saying that to keep that going, the CIB should put a little bit of effort into respecting - a word I do not like using lightly - what the volunteers do on the ground and the value of that volunteerism more.

The Chairman mentioned the letters from the Comptroller and Auditor General. I can tell the Chairman that the Comptroller and Auditor General has not yet audited a MABS company with the exception of MABS National Development Limited about three or four years ago. I am not sure where this information comes from. The chair of the CIB said that all community employment schemes are not funded by the Department of Social Protection. Who are they funded by? Of course, they are all funded entirely by the Department of Social Protection. The money comes directly from the Department to the companies to employ the people. They are not funded by the CIB.

**Ms Ita Mangan:** I want to clarify that I did not say that all community employment money did not come from the Department of Social Protection. I know exactly where community employment money comes from. What I said was the community employment schemes were not comparable with the MABS situation. I did not suggest they were not paid for by the Department of Social Protection; they are.

**Mr. James Clarke:** There are 660 schemes in the Department of Social Protection and 93 in the CIB. That is the reality. I did mention MABS National Development Limited as a company that provides all the support to the companies delivering the services. I suggest that if the CIB has a difficulty, why not transfer responsibility for the management of the 51 MABS companies to MABS National Development Limited? It is a competent company that does excellent work and has very good people working for it. Some of the people in MABS National Development Limited have influenced legislative changes. Senator Humphreys knows this because of issues

that arose in some of the legislation passed, particularly relating to debt relief notices, where it was inoperable because of deficiencies. It was MABS National Development Limited that identified that, not CIB. They are the issues we need to look at. We should not destroy that structure.

**Chairman:** A number of colleagues have questions. To clarify, will Mr. Clarke make available his projections in terms of wind-up costs and the recurring annual cost to the committee?

**Mr. James Clarke:** I have copies here.

**Chairman:** I appreciate that. A number of colleagues have additional questions.

**Deputy Willie O’Dea:** I apologise because I must leave for the Chamber after this. I neglected to make a point in my initial contribution about citizens information centres. A similar argument applies. I want to make it clear, despite insinuations to the contrary, that I am not suggesting for one moment that there is any bad faith on the part of anybody or that it is the intention of anybody, on the board of the CIB or otherwise, to do down MABS. I never insinuated that and do not mean that; I simply observe there is a seismic change. All parties across the spectrum have received many representations on this matter and we are entitled to bring the people responsible for that change in here and ask them to justify it. I am sorry to have asked Ms Mangan what she describes as a ridiculous question about the staffing.

**Ms Ita Mangan:** I did not say it was a ridiculous question.

**Deputy Willie O’Dea:** She implied it.

**Ms Ita Mangan:** I said it was a ridiculous analogy to suggest that four people working in the then Department of Social and Family Affairs looked after it in 2009 and 74 in CIB when I pointed out how much other things that-----

**Deputy Willie O’Dea:** I heard what Ms Mangan said.

**Ms Ita Mangan:** I did not say it was a ridiculous question.

**Deputy Willie O’Dea:** I am sorry to be accused of having made a ridiculous analogy. Specifically, how many people are now dealing with MABS in the CIB?

**Ms Ita Mangan:** In the Citizens Information Board, there are no separate people dealing with MABS. People work on all aspects.

**Deputy Willie O’Dea:** “None” is the answer. I get the point.

Ms Mangan has mentioned that the board’s staff number has decreased from 92 to 74. I offer congratulations but I notice the board has access to consultants. In addition to the other information we have requested, could we have an account of how much the CIB has spent on consultants over the past five years?

If CIB and MABS were to be amalgamated, how many companies would one finish up with? I suspect there would be slightly more than half of 52, perhaps 30 or so.

I asked whether any comfort could be given to the staff as regards what is to happen when the amalgamation is concluded. I thank the delegates for the clarity on this. Ms Mangan said it was her hope and expectation – I wrote that down – that the new arrangement would grow and grow. That is the answer to that.

As regards complaints, Deputy Martin Kenny asked a valid question. He asked a simple question as to the general nature of the complaints. I do not believe he was looking for specific details on some guy making a complaint about some individual on 14 August. Members are entitled to get an answer because the committee is trying to decide how the new structure will deal with those complaints. As far as consultation is concerned, I repeat myself: the volunteers and clients were not consulted. Mr. Clarke outlined very well the nature of the consultation process with MABS. Again, we are no wiser as regards costs. I look at the figures with great interest because, while reference is made to various reports, studies and this and that, why have these not been brought together and presented to us as a justification?

**Chairman:** There were a number of specific questions. We shall hear the direct answers to those first.

**Ms Angela Black:** We were asked about the nature of the complaints. I could list a dozen categories of complaints, some of which include staff being put on the wrong salary scale, failure to give rights to staff commensurate with the current body of supports for natural justice and for the rights of employees who were demoted or unfairly dismissed etc. Others include failure to comply with audit requirements, failure to report variances in significant amounts of expenditure and failures generally in governance and in the quality of the management of the companies. These come to our attention all the time. At any given time, we have to deal with up to a dozen issues extending from a complaint right up to, and including, litigation.

**Senator Kevin Humphreys:** While I acknowledge that the delegates were asked many questions, could I have their vision and ascertain whether there are any kinds of matching views on the local advisory boards? Some believe the advisory boards do not have any teeth. On the making of changes to legislation, which was mentioned, I have seen advisory boards making significant changes. The 10% social and affordable housing measure was brought in by a non-statutory advisory board under the then Minister, Mr. Noel Dempsey. I accept the position outlined but contend a significant role was also played by the CIB and the Department's own staff on the initiatives that came through. Those should always be acknowledged. It was always very much a question of a team rather than individuals. How do the delegates envisage the local advisory boards operating and having a true impact with regard to volunteerism?

**Senator Alice-Mary Higgins:** I would like to make just a couple of points. I do not believe any inference is being made. We are simply responding to the multiple representations we are all receiving in terms of ensuring restructuring is not simply efficient but also effective, well grounded and well rationalised. That is the spirit in which we try to ensure the process is considered.

With regard to the cost-benefit analysis, we have asked for the costs. It concerns me that we saw in the response to a parliamentary question shared with the committee a statement by the Minister, Deputy Varadkar, that there had not been a cost-benefit analysis. That seemed to be on the same date. We received it on 14 February. On 15 February, we were told the decision was made to restructure. Given the concerns that were in the public realm, regardless of how strongly one might have been committed to this model and acknowledging the importance of ensuring it is managed carefully, it seems surprising that the decision was made on 15 February in the absence of a cost-benefit analysis. Is there one? Are there plans for one before the move to the next stage of implementation? That would be important.

I asked earlier about the risk analysis. We have talked about the delegation's hopes for what might later. A risk analysis allows an organisation to genuinely look to that. What is the

risk analysis explicitly in terms of the questions of the independence of the CIB and MABS services and in terms of the volunteers and the current level of volunteer participation? I thank the delegates for the clarified figures in respect of the numbers of volunteers in both the CIB and MABS. What is the risk regarding changes that may occur? While, of course, we cannot guarantee them, we should be able to predict what they might be.

The two issues mentioned explicitly were the location of services and the terms and conditions of operation. I asked explicitly what will happen if we do have services that refuse the plan or are resistant to it or if there are those who do not wish to amalgamate. What will the plan be in that event?

If we are to have further information, what will be the scale of complaint or concern in this regard? Deputy Joan Collins mentioned that in 2014-15, all the MABS and citizens information services had received gold-standard accreditation. We are hearing that while hearing there are complaints. While it would not be appropriate to have the detail on the complaints, we need to know the scale of concern.

**Deputy Martin Kenny:** With regard to my question on the timescale, it was said the lifetime of the restructuring would be approximately 18 months. The two sentences that alarm me indicate there will be no closure of services, no change of location and no changes to the terms and conditions of staff during the lifetime of the restructuring programme. This infers there will be changes in all these areas after the completion of the restructuring programme. Otherwise, why would those sentences be included?

On my second question, I am not asking for the exact detail. Most of the complaints pointed out, such as a member of staff having a problem with his or her salary scale, are normally dealt with in every company in the country. There is not a SuperValu in the country that does not have a member of staff who believes he or she is on the wrong pay scale. That is normal, and it goes on everywhere, but it is far-fetched to suggest that is the reason all the boards have to be closed down and all the companies dissolved.

We were told that weapons of mass destruction was the reason a war was waged on Iraq but when the war was over, no weapons of mass destruction were found. We do not want to be in a position where we are told there are many issues and, for that reason, this huge restructuring and the closing of all these boards is needed only to discover at the end of it that there was no reason for it. We do not want to be back here saying what a mess we made of it. We centralised the Health Service Executive, HSE, and many other organisations and they turned out to be a disaster. This programme is not broken. There is no reason to try to fix something that is not broken. That is my position, and I have yet to hear where these serious problems have been identified that require such a massive change.

**Chairman:** I will start with Ms Mangan and then call Mr. Clarke.

**Ms Ita Mangan:** I apologise to Senator Humphreys. I should have addressed the local advisory boards in my earlier reply. Currently, the local boards that run MABS are helping the people who work in the MABS centres and they are the administrators. All we are asking to do is not have them as administrators. They can still remain as local advisory boards and be helpful. The range of people who serve on MABS boards is very wide. They include many local credit union people and some community welfare officers. Various people serve. There is nothing to stop them being available to assist the staff in the delivery of the services. What we are trying to do is take away that administrative burden. They can still operate as boards if they



wish. We would encourage them to do that and to provide their expertise, if possible.

Some MABS boards have the same people as members since the day they were established. Some boards change very frequently, so the level of interaction varies hugely throughout the country.

On the costs and risks, we have done a cost-benefit analysis and a risk analysis. We will forward the results of both of those to the committee. I have not seen the figures from the representative, Mr. Clarke, so I cannot comment on them. We recognise that the initial change will cost some money. Ultimately, they will save some money but that is not the object of the exercise. The object of the exercise is to do with improved governance, and saving money is not a particular objective of it.

Deputy Kenny asked what would happen if MABS services do not co-operate. Our plan is to set up the eight regional companies. Under the normal terms of the law, transfer of undertakings will apply and the staff will transfer to those companies so they will not be affected. They will transfer on their normal terms and conditions.

The companies will have to dissolve themselves. That will be their job. The Citizens Information Board, CIB, cannot tell any particular company to dissolve. They can stay in place but the CIB will not be providing financing to it. That is the significant difference.

On the question of no change during the lifetime of the restructuring-----

**Senator Alice-Mary Higgins:** To clarify, if companies do not dissolve, the CIB will not give them funding. How would the CIB seek to have the services delivered in those areas?

**Ms Ita Mangan:** The staff will transfer to the new companies and the services will continue to be delivered by the staff under the overall control of the regional companies.

**Senator Kevin Humphreys:** What would be the position on the leases? With the CIB, the lease for the premises is with the local company. How will that affect the easy transfer of the leases? The leases of the residences, and it is a similar case with the MABS offices, would be with the CIB or the MABS companies. How would that work?

**Ms Angela Black:** I believe that part of the process is that an asset check is done at the time of the transfer so that all of that is taken in in an accounting process. Leases, insurance policies and many other areas will need changing but-----

**Senator Kevin Humphreys:** If I am a company and I am worried about the provision of the service and decide not to co-operate with the transfer, I have the lease of the shop down the road where the volunteers and the professional staff provide the service work. Staff transfer is covered by the transfer of undertakings but the lease is with the original company, which still could be *in situ*.

**Chairman:** It is not funded.

**Senator Kevin Humphreys:** No. The lease is still with me.

**Chairman:** Yes.

**Senator Kevin Humphreys:** I say I am not doing it so I lock the door.

**Chairman:** You do not have the funding to pay the lease.

**Senator Alice-Mary Higgins:** With respect, it is pertinent because we were told that people would be able to go to the same place to be looked after by the same people.

**Ms Ita Mangan:** I am expecting that the existing MABS companies will not make difficulties in respect of leases.

**Senator Kevin Humphreys:** I do not mean MABS. I mean the two of them individually.

**Ms Ita Mangan:** I am expecting that the two of them will not make difficulties in respect of leases. These are all people who are dedicated to their local communities. I accept that they do not like the decision being made but I believe they are genuinely committed to their local communities and that when it goes ahead, they will co-operate with the transfer. I would be astonished if they do not.

**Ms Angela Black:** There is a service agreement.

**Ms Ita Mangan:** There is a service agreement in existence and I have no doubt that will not constitute a problem.

Deputy Kenny referred to there being no change during the lifetime of the restructuring. That particular sentence was inserted to make it clear that there would not be a loss of jobs or movement from premises. We could have left out the words “during the lifetime of the restructuring” but it would have given a false impression. Changes happen all the time. If this process does not go through, the likelihood is that significant changes will occur anyway. All we are saying is that any reason for change will not be because of the restructuring. There are various reasons for change in many areas. I have said already that it is my hope and expectation that we will have more services available and that we will establish new services in various areas. We should not forget that the existing staff will be in a position to apply for promotions within the region, which they cannot do at present because they are in such small services. We cannot make promises into the future that we cannot keep but there is a possibility that the staff themselves may recognise that some changes need to be made, that a new office needs to be opened or that some offices need to be amalgamated. Deputy Collins instanced a case in her constituency where a service closed. That decision was taken by the local board in her constituency. It had nothing to do with the CIB. Local boards often make changes in their deliver of services for very good reasons, and that will continue.

**Deputy Martin Kenny:** Does Ms Mangan expect that regional managers will be put in place?

**Ms Ita Mangan:** Yes.

**Deputy Martin Kenny:** So eight regional managers will have to be employed and paid a salary.

**Ms Ita Mangan:** That is right.

**Deputy Martin Kenny:** Currently, the management is provided voluntarily by the boards-----

**Ms Ita Mangan:** No. The management is provided in some companies by the voluntary boards. In most of the companies the management is carried out by the existing staff. By having regional managers, the existing staff would be freed up to do what they do best, that is, give money advice or information.

**Deputy Martin Kenny:** If the money is taken out of the same pool and eight regional managers are employed, there will be less money to pay the staff.

**Ms Ita Mangan:** There will be less expenditure on compliance costs and on administration. All the administration of the companies will be centralised. Currently, we have 93 different payroll systems and HR systems in operation. Every one of those companies is paying audit fees to an auditor, as they are required to do under company law.

**Chairman:** I do not want to get into the detail of the funding because that documentation will be circulated to the committee and we can analyse it.

**Senator Alice-Mary Higgins:** Mention was made of an overlap of services. Are there other areas where particular services are on contract to all of the CIB services? Ms Mangan mentioned auditing. Is that something that could be separately rather than centrally delivered? Ms Mangan mentioned that there are duplications. Are there other areas where there has been a common contract for a specific service to allow for its delivery at local level?

**Ms Ita Mangan:** No. Currently, each company operates independently in regard to paying its staff, auditing its accounts, human resources etc. All those issues will be dealt with nationally.

**Senator Alice-Mary Higgins:** I just wondered if they could be dealt with in another way.

**Ms Ita Mangan:** It has to be cost-effective to bring it all together. We are talking about only 2,800 staff. Deputy Martin Kenny mentioned SuperValu. Its great advantage is that it has one system for the entire staff in the country.

**Deputy Martin Kenny:** There is no reason that the Money Advice & Budgeting Service, MABS, cannot have one system for all the staff but have them in separate companies for the payroll.

**Chairman:** Several issues were raised. I would like Ms Mangan to finish and then for Mr. Clarke to have his opportunity.

**Ms Ita Mangan:** I think I have finished.

**Mr. James Clarke:** I sit on the Citizens Information Board, CIB, of which Ms Mangan is chairperson. I did not refer to it today but I am absolutely shocked and amazed to hear Ms Mangan say to this committee that there is a cost-benefit analysis available and that the board made a decision last Wednesday and that cost-benefit analysis was not made available to it. I do not understand that. If one is to be fair to a board it should be given all the information so that it can make an informed decision.

The CEO spoke about complaints in a broad-brush way. I can make as many complaints about CIB as she has made. I can talk about correspondence unanswered for months or issues not dealt with. At the moment the MABS have no service agreement with CIB. It is paying out public funds without service agreements in place. These are the people who talk about governance. The last agreement expired on 31 December. We raised this with CIB in March 2016 to ensure that a service agreement would be in place. We have met CIB twice since January and it takes the line it is our way or no way.

**Chairman:** I do not want to get into that issue because it is slightly different from where we are trying to go.

**Mr. James Clarke:** I am only dealing with it so that the committee is fully aware of everything.

**Chairman:** The committee has referred to the cost-benefit analysis which was asked for. While it is regrettable that Mr. Clarke had not seen it in advance as a committee we will-----

**Mr. James Clarke:** Of course.

**Ms Ita Mangan:** This should not arise in a public arena because Mr. Clarke is a member of the board of CIB but the document here was provided to all members of the board and it contains the cost-benefit analysis.

**Chairman:** It will be provided to this committee afterwards.

**Ms Ita Mangan:** Yes.

**Senator Alice-Mary Higgins:** Is that available to the Minister? I raised it because the Minister had sent a note to us that he did not have that.

**Chairman:** The information will come to us.

**Senator Alice-Mary Higgins:** I would greatly appreciate the opportunity to see that.

**Mr. James Clarke:** In respect of the local advisory boards, the chair of CIB states they can advise the staff as usual but they are no longer the employers. The employer will advise the staff, will dictate to the staff and decide what the staff do. The local advisory boards have no role and will have no function.

**Mr. Micheál Ó Giolláin:** In 2014 when Pathfinder was employed to carry out an assessment, Arthur Cox was to carry out a cost-benefit analysis but that never happened. The Department carried out a feasibility study on each MABS company as otherwise, it would not have been set up.

**Chairman:** I thank Ms Mangan, Mr. O'Connor and Ms Black from the Citizens Information Board and from MABS, Mr. Clarke, Mr. Ó Giolláin and Mr. Yourrell, for their informative and comprehensive presentations, as well as for their responses and the additional correspondence they will make available to the committee. I thank them also for their attendance and their contributions to this meeting.

The joint committee adjourned at 12.35 p.m. until 10 a.m. on Thursday, 9 March 2017.