



MABSndI

Pre Budget Submission

2009

Introduction:

The Money Advice and Budgeting Service (MABS) was established in 1992 to help people on a low income to cope with debts and take control of their own finances. It is a free, confidential and independent service. It currently comprises 53 MABS Services, located in over 60 offices nationwide. It is funded by the Department of Social and Family Affairs which has overall responsibility for the management of the MABS service, including monitoring, financial administration, executive decision-making, facilitating regional networking and funding the MABS service in its entirety.

MABS National Development Limited was established in 2004 to further develop the MABS Service in Ireland. It provides training and technical support to MABS staff nationally. MABSndl also assists the MABS service in providing educational and informational supports as well as assisting in highlighting policy issues that arise in the course of the money advice work on behalf of clients. MABSndl has responsibility for the ongoing development of the MABS website www.mabs.ie and for providing the MABS national helpline service.

MABS Statistics:

In the first half of 2008 MABS advised and supported 8,000 customers in financial difficulty with balances due to creditors at €88m approx. This compares with just over 6,000 customers in the same period of 2007 with a balance due of €51m approx. The MABS helpline was contacted by 4,000 callers during the same period seeking advice and information on debt related issues.

In providing the money advice and budgeting service to customers, issues arise of a social policy nature that have a direct impact on our target group's capacity to manage their money and avoid problem debt on an ongoing basis. We understand the nature of the change occurring in the economic environment and we appreciate the need for State funding to be used judiciously in the context of Budget 2009. Our concern as we enter into 2009, is to ensure that the State affords some protection to those who are most vulnerable in a changing economic climate by taking action now in a number of key areas which will prevent debt spirals in the near future. The most recent figures from the EU-SILC survey (2006) show that 8.8% of the population experience debt problems arising from ordinary living expenses. Our primary concern is to enable people to avoid debt problems relating to day-to-day living expenses, such as food, childcare, education, housing and utilities¹ and to ensure, where possible, actions are taken which would prevent loss of employment, income, or housing. As such, the issues that are current and in need of attention, in Budget 2009 in our view, come under the following headings:

- 1. Supports for low income families:**
- 2. Cost of Energy and Low Income Households**
- 3. Mortgage Interest Supplement**
- 4. Sole Traders Accessing Social Supports**

¹ MABS has done some preliminary internal research on 'debt triggers' and such day to day living expenses are commonly cited as causing money management issues and problem debt.

1. Supports for Low Income Families:

People on a low income make up the majority of clients approaching the MABS service. In 2007², the majority were on social welfare (60%), of which the highest percentage (29%) were in receipt of one parent family payment (OPFP), 25% were in receipt of Jobseekers payments. Families accounted for 54% of all active clients and 80% of all clients are in receipt of social welfare payments.

We know that many parents on low incomes approaching MABS find it difficult to pay for day-to-day living expenses and the MABS experience is also reflected in a number of relevant research studies. The aforementioned EU SILC survey found that 41% of lone-parent households experience debt problems arising from ordinary living expenses. In research on 'Minimum Essential Budgets for Six households', carried out by the Vincentian Partnership for Social Justice and supported by MABS, it was shown that a minimum essential standard of living is not possible for five out of six of the household types in the study. This was particularly the case in households with older teenage children³

Due to wider increases in the cost of living, MABS would like to see greater assistance provided to families managing on a low income in 2009.

MABS Recommendations:

Childcare: The Early Childcare Supplement that came into effect in April 2006 was a welcome initiative. However, international evidence does indicate that the best way forward is by universal provision rather than targeted income support measures. We therefore welcome the increase in the provision of childcare as outlined in the Government Discussion Paper 'Proposals for Supporting Lone Parents'⁴. In this regard we welcome the Community Childcare subvention Scheme 2008 – 2010 and would recommend that the €53-55 million already indicated for 2009 would be allocated.

Back to School Clothing and Footwear Allowance: While people coming to MABS do not initially present with a 'cost of education' debt it does manifest as a problem in October/November when the monies put aside for utility/rent costs have been used to cover return to school expenses or borrowings.

While the Back to School Clothing and Footwear Allowance does contribute towards some of the costs, the payment does not reflect the true cost of uniforms and footwear.

2 Unless otherwise stated, MABS data referred to throughout this submission relates to the active caseload recorded on MABSIS in 2007 and excludes "information only" and Helpline clients.

3 Minimum Essential Budgets for Six Households, Vincentian Partnership for Justice 2006,(5.4)

4 Government Discussion Paper-Proposals for Supporting Lone Parents, February 2006

A survey carried out by North Cork MABS in 2004 showed that the payment then did not meet the financial need associated with education at primary and secondary level⁵.

The Vincentian Partnership's research on 'Minimum Essential Budgets for Six Households' also demonstrated the shortfall in educational support provided by the Back to School allowances⁶.

In a more recent survey on the cost to parents of school going children, Barnardos found that the payment was still falling short of what was needed.⁷

We ask that consideration be given to increasing this educational targeted support and that other costs associated with education be included.

The Family Income Supplement (FIS) scheme was originally established *inter alia* to restore the 'incentive to work' in the case of the low wage earner with a family who might be only marginally better off working than claiming social welfare benefits. It is an important source of income to many in our target group and, in this regard, an increase in the income ceilings for this family income support would be welcome.

Although progress has been made, our Services report that in many instances there are still delays in processing FIS applications which can lead to considerable hardship. As receipt of FIS is often a deciding factor in a client's capacity to enter into, and stay in, the labour market we ask that serious consideration be given to providing additional resources to facilitate a prompt response to applicants.

In addition, and in particular in the present climate making the public aware of this income supplement is of great importance. MABS promotes FIS to clients as relevant/appropriate and in addition we would request that an ongoing public information campaign be embarked upon.

Differential Rents: Of the 8,000 new MABS clients in the first half of 2008 over a quarter (2,016) were living in Local Authority rented accommodation.

The calculation methods for Differential Rents vary throughout the country and this results in wide divergence in the amounts payable by families in different circumstances. It is inequitable that people living on the same low income in different counties have their rents estimated differently.

In the 'Good Practice Recommendations' (Recommendation No 6) issued by the Department of Environment, Heritage and Local Government it states that "*in developing policy on this issue housing practitioners should take account of the need to achieve equity, avoid contributing to the unemployment trap or to poverty and to ensure that rent determination schemes are simple and transparent*".⁸

5 http://www.mabs.ie/publications/reports/school_costs_survey_2004.pdf

6 Minimum Essential Budgets for six households, Vincentian Partnership for Justice 2006 – (4.3.3)

7 <http://www.barnardos.ie/our-latest-news/story>

8 <http://www.environ.ie/en/Publications/DevelopmentandHousing/Housing/FileDownload,2061,en.pdf>

To illustrate the issue we carried out a small survey on the Differential Rents payable in respect of two family compositions – a single parent with one child and a family on the FIS guideline income. (See below)

Table 1 Differential rents payable (sample of local authority areas) September 2008

County	Local Authorities		OPFP 1 Child		Waged Family 2 Children	
		Base income	221.8	%	570	%
		Formulae where provided	€		€	
Dublin	Dublin City	Allowance €32.00 Single €64 Couple @ 15% €1.00 PER CHILD	27.47	12.39%	73.90	12.96%
	South Dublin	Phone Enquiry: 10% of total Income + Minimum €19.50 less 50c per child	41.18	18.57%	75.50	13.25%
	County Council	Website Enquiry: 10% income & €1, €19.50 min less €5.00 per child	37.68	16.99%	67.50	11.84%
	DLR	minimum rent on scale & scale index used for earnings also less 10 cent per child	34.00	15.33%	82.40	14.46%
	Fingal	11% of Principal Earner	24.40	11.00%	62.70	11.00%
Cork	Cork City	Allowance €37.00 and €20 per child Balance @ 15%	24.72	11.15%	73.95	12.97%
	North Cork	Over €203.16 Allowance €12.70 Balance x 1/7 €3.81 for first 3 children €7.62 thereafter	26.06	11.75%	71.99	12.63%
	Cork County	Up to €140 €15.00 / Over €140.00 €15.00 & 20% of all additional income less €2.00 per child	29.36	13.24%	97.00	17.02%
Galway	Galway City	Up to €115.50-€14.30 / Over €115.50 1/5 of excess plus minimum €14.30	35.56	16.03%	105.20	18.46%
	Galway County	First €100 excluded then Income x 20% +€17 -€1.50 each dependent child OAP Flat Rate €25	39.86	17.97%	108.00	18.95%
Mayo		Long Term Unemployed or OAP 11% of Income / All other Income less €16 per person x 20%	37.96	17.11%	101.20	17.75%
Waterford	Waterford Co		20.46	9.22%	88.10	15.46%
	Waterford City	First €139.99 =€15 balance 20% less €1.00 per child	30.36	13.69%	99.00	17.37%
	Dungarvan	First €197.80 €21.50 over that 20% €2.00 per child allowance	24.30	10.96%	91.94	16.13%
Wexford		€19 on first €125 which works out at 15.2% & 24% thereafter minus €1.75 per child €4.50 if OAP	40.48	18.25%	122.30	21.46%
		Living Alone allowance of €2.00 if SW Recipient Subsidiary Earner in Wexford Capped at €20.00				
Wicklow	Arklow					
	Wicklow County	Net Wages minus €198 - remainder by 20% & €20 minimum rent less €2 per child	22.76	10.26%	90.40	15.86%
	Bray	Up to €210.00-Rent €18.50/210.01-340.00-20% of income minus €210 plus €18.50				
		€340.01 - €540.00 - 30% income minus €340 plus €43.50	19.86	8.95%	114.50	20.09%
		€540.01 upwards-40% of income-€540 plus 104.50 / €1 per child				

We ask that consideration be given to establishing a common methodology across all Local Authorities for the estimation of Differential Rents in order to establish equity for all tenants.

Savings: While the capacity to pay bills using the An Post Household Budget Scheme and the MABS Special (Budget) Account Scheme which pays creditors via the MABSIS EFT system, greatly assist our target group, neither system is designed to facilitate or encourage saving by people on a low income. It is the lack of either incentive or capacity to save which causes many on a low income to borrow for important family

events such as Christmas, Communion, back to school costs etc. In this context we advocate further investigation of a low income saving scheme.

2. **Cost of energy and Low income Households:**⁹

The Money Advice and Budgeting Service has had over the years, but particularly in recent times with the increasing cost of energy, a special interest in the impact these costs have on the clients approaching the service. A short questionnaire circulated by MABSndI to money advisers in July 2006 did show that local MABS services were experiencing an increase of between 20% and 30% in clients presenting with significant utility bill arrears.

The MABS Experience

A study carried out by Gwen Harris of Finglas/Cabra MABS in 2006 entitled 'Fuel Poverty – A Local Perspective' found that of the new clients that came to Finglas/Cabra MABS in 2004, 54% of them were considered fuel poor.¹⁰

From the latest MABSIS statistical data for the first half of 2008 as compared with 2007 we see an increase in the number of clients presenting with utility debts as part of their overall indebtedness. While the size of the individual debt has not increased significantly we believe that this is due to a more proactive approach by energy suppliers to arrears.

Table 2 MABSIS Data Fuel Debt Q1, Q2 2007/2008

Year	Quarter	Clients	Debts	Total OB	Average Value Debt per client
2007	Q1	562	783	€435,803.00	€775.45
2007	Q2	444	598	€371,555.00	€836.84
2008	Q1	532	720	€443,635.00	€833.90
2008	Q2	645	856	€526,786.00	€816.72

Increased Energy Costs:

- From June 2000 to January 2008 household electricity prices doubled (99% increase). The price of kerosene rose by 78% over the period and natural gas prices increased by 87 %.(SEI Figures) and this coming winter the cost of electricity is to increase by 20% while gas is to cost 15.5% more.
- In 2004/2005 those in the lowest income decile spent on average 13% (compared with 14% in 1999/2000) of their disposable income on energy while the highest earners spend 1.7% (2% in 1999/2000). (Energy in the Residential Sector SEI Report 2008)

Estimated Extent of Fuel Poverty:

⁹ Full Submission entitled 'Cost of Energy' sent to the Department of Social and Family Affairs in September 2008

¹⁰ 'Fuel Poverty – A Local Perspective' by Gwen Harris of Finglas/Cabra MABS - 2006

- Data from the *Household Budget Survey* indicates that, at least 144,171 homes were experiencing fuel poverty in 2005. In 2006 average annual spend on energy by households was €1,767, an increase of 4% on 2005 and 70% on 1990 (3.4% per annum on average). SEI figures show that 28% of those experiencing fuel poverty live in Dublin while 38% live in rural areas. Just over 12% were found to reside in other cities and a further 12% in small towns.¹¹
- In the report 'Do the Poor Pay More' produced by OPEN and supported by MABSndI, it was found that both gas and electricity bills were a huge worry to the women participating in the focus groups. (*Do the Poor Pay More – OPEN 2005*)
- In the joint report of the Women's Health Council and MABSndI on '*Women, Debt and Health*' the most commonly cited main debt issue (30%) of clients approaching the MABS service was arrears on household utilities.¹² This study also showed that debt to utilities occur more the lower the household income. This study's findings and the view of the Institute of Public Health concur that those in fuel poverty and consequently in debt often live in cold and damp houses and living in such conditions has an adverse impact on health.
- One parent families make up a disproportionate number of clients approaching the MABS service. "The highest levels of fuel poverty in Ireland is found among lone parents and fuel poverty is therefore an important aspect of child poverty"

Within this context, there are a number of practical measures which could be taken to reduce the cost burden of energy for people on a low income.

MABS Recommendations Energy Costs

2.a Insulation:

Homes need to be better insulated in order to save energy and so reduce cost. This was clearly illustrated in the research carried out in Ballyfermot, with support from Dublin 10 & 20 MABS and other agencies which found that *"the overall impact of heating and insulation improvements assessed here, if installed in their entirety, would have a significant impact on the energy performance of the dwellings. the impact of improving the basic insulation standards would be to raise temperature, reduce fuel costs, and reduce atmosphere emissions of CO2. For the residents, the improved energy performance would translate into improved quality of life, through more affordable bills and warmer homes."*¹³ The majority of MABS clients are in private or public rented accommodation where often the insulation is very poor. The SEI 'Warmer Home Schemes' in the private domestic dwelling sector is a welcome development and can achieve huge benefits. The Department of the Environment, Heritage and Local Government has co-funded the installation of central heating, and associated energy efficiency measures, in approximately 20,000 homes to date. There is also a Pilot Fuel Poverty Initiative for Older People in Dublin.

MABS would welcome a further extension of low/no cost schemes to improve the insulation standard and overall energy efficiency of homes in which low income families reside. .

11 A Review of Fuel Poverty and Low income Households Ch.6.2 SEI 2003

12 Women, Debt and Health - A joint report of the Women's Health Council and MABSndI, Autumn 2007

13 The Ballyfermot Residential Energy and Fuel Poverty Report 2004 - 9.1

2.b Security Deposits:

It is the experience of MABS that in some regions the Community Welfare Service (CWO's) assists people with these payments while in other regions assisting with these payments is seldom, if ever, considered. The decision seems to rest with the local superintendent. Some HSE regions do give assistance while others give a guarantee for some, or all, of the up-front payment. For people in regions where such support is provided, this can and does lead to considerable hardship and in some cases to unaffordable borrowings.

Because of the hardship caused, and the now considerable cost of these up-front payments, we ask that consideration be given to reviewing the guidelines governing emergency need payments so that customers throughout the regions will have equal access to assistance.

2.c Fuel Allowance:

We would welcome an increase in the fuel allowance.

People who have oil central heating find it difficult to fund a fill of oil at the beginning of the winter months. In MABS experience they often have to borrow, sometimes at expensive interest rates in order to purchase a tank or half tank of fuel. We ask that consideration be given to facilitate the recipients of the Fuel Allowance Scheme, who have oil central heating, by paying the total of the fuel allowance payments at the commencement of the allowance payments period.

2.d Social Tariff:

We are of the view that a recent proposal for the development of a so-called 'Social Tariff' or any similar initiative or scheme which would provide low cost energy to people in receipt of social welfare supports has merit and should be further investigated with interested parties. In the UK, the Government's commitment to eradicate fuel poverty by 2016 has focused the minds of suppliers, and the energy regulator Ofgem, on how innovative tariffs can contribute to this wider policy objective. Consequently there have been a number of tariff initiatives developed by companies to address specific elements of fuel poverty. It is both necessary and timely to adopt an interagency approach to this issue. In this context we wish to draw attention to some worthwhile international initiatives such as The Energy Efficiency Commitment (EEC) in the UK and The Utility Debt Spiral Project (the Melbourne Model in action) in Australia. The Project is based on the premise that water, electricity and gas bills can be a significant factor in personal debt spirals and the poverty trap. MABS would welcome any similar initiatives to reduce the burden of fuel costs for low income households.

3. Mortgage Interest Supplement

3.1 Introduction

The recent downturn in the economy has resulted in an increase in the number of MABS clients experiencing a negative change in their financial circumstances. The number of clients approaching the MABS service with mortgage debt in the first half of 2008 was 1,985 compared to 1,268 in the corresponding period in 2007. (It should be highlighted that those seeking assistance with mortgage debt from the MABS are on a low income,

often due to changes in their family, employment or health status.) This in turn has led to a substantial increase in the number of clients applying for Mortgage Interest Supplement (MIS) to assist with the cost of their mortgage repayments.

The MABS Experience

This increase in the number of applications has resulted in a corresponding increase in the number of refusals. On examination of individual cases we believe it is necessary to assess trends in decision making and how these decisions interpret the existing regulatory provisions governing the supplement. While it is the case that there are number of regulatory provisions allowing refusal of the supplement, it is the experience of the MABS service that these provisions are in many instances being interpreted in an overly restrictive and unduly punitive manner. It is important to stress that while there may be legitimate reasons to refuse payment we submit that the decision making process should begin from the premise; *does the law allow payment in this instance?* rather than, *does the law allow refusal?* Of particular concern are the issues highlighted below.

3.2 Clients exercising their right of appeal

If a client is refused MIS this necessitates an appeal in the first instance to the Health Service Executive followed in the majority of cases by a further Appeal to the Social Welfare Appeals Office. This process may take 9 months or longer depending on the number of cases received by the Social Welfare Appeals Office. While a case remains undecided the client will be facing further arrears and legal action in respect of their home.

3.3 MABS Recommendation MIS (a):

We recommend that consideration be given to establishing a "fast track" system to determine MIS Appeals. We believe this is justified as a delay in accessing the appeals process is a threat to the client's home and in consequence incompatible with the protections afforded under Section 3 of the European Convention on Human Rights Act 2003 that is, every organ of the State shall perform its functions in a manner that is compatible with the State's obligations under the Convention provisions. We refer in particular to the Convention provisions contained in Article 6 that a hearing take place in a reasonable time and how a consequential delay in a hearing may infringe on the rights of the family under Article 8.

3.4 Interpretation of existing regulatory provisions

The rules governing Mortgage Interest Supplement are set down in the Social Welfare (Consolidated Supplementary Welfare Allowance) Regulations 2007; S.I. 412 2007.

Article 10 (1) (b)

A supplement towards the amount of mortgage interest payable by a person referred to in paragraph 3.3 may be payable where-

- (i) the loan agreement was entered into at a time when, in the opinion of the Executive, the claimant was in a position to meet the repayments thereunder, and*

(ii) *the residence in respect of which the loan is payable, is not offered for sale*

Rule i. In relation to rule (i) above a degree of subjective interpretation can be applied rather than interpretation based on factual evidence. It is our contention that if a client can reasonably demonstrate that they managed to meet their mortgage costs as a matter of fact prior to their change in circumstances then clear evidence is shown that the condition stipulated in rule (i) is met.

Rule ii. This is largely a moot point as given current market conditions a client may be left with no choice but to withdraw the property from the market as a prospect of sale may be unlikely. Equally, it is the case that a Community Welfare Officer may ignore this provision by employing Article 10 (3) (a) or Article 38 of the regulations and pay a supplement regardless of this provision (see below).

Article 10 (2)

(2) Subject to sub-article (3), it shall be a condition of any claimant's entitlement to a supplement under sub-article (1), that the Executive is satisfied that—

- a) the amount of the mortgage interest payable by the claimant does not exceed such amount as the Executive considers reasonable to meet his or her residential and other needs, and*
- b) it is reasonable to award a supplement having regard to the amount of any arrears outstanding on the loan.*

Rule 10 (2) (a) provides the Executive with the power to determine what is a reasonable level of interest before paying a supplement. It is the experience of Money Advisors that the interpretation of this rule is often flawed. Specifically, in deciding if a person's level of interest repayments are reasonable, Community Welfare Officers and Superintendent Community Welfare Officers often refer to the rent limits set down in the regulations as a basis for their decision. Additionally, if a client has a mortgage with a lender whose interest terms are higher than those of some of the larger lending institutions, the interest payable is often considered unreasonable and a supplement is refused.

As 'reasonable' is not defined on any statutory basis it is our contention that this rule can only be interpreted with reference to what was reasonable to the individual client prior to their change in circumstances. In other words could the client pay the interest prior to losing their job or becoming ill etc?

It is clear from the content of the regulations that it was not the intention that they be interpreted in a prescriptive manner that fails to address the basic premise of individual need as provided for under the primary Supplementary Welfare Allowance legislation. This is particularly the case when account is taken of the provisions contained in 10(3) (a) and Article 38 respectively.

10 (3) (a) Notwithstanding sub-article (2) and subject to paragraph (b), the Executive may award a supplement where the amount of mortgage interest payable by the claimant exceeds such amount as the Executive considers reasonable to meet his or her residential and other needs.

Payment in exceptional circumstances.

38. (1) Notwithstanding the foregoing articles, the Executive may award a supplement in any case where it appears to the Executive that the circumstances of the case so warrant.

MABS Recommendation MIS (b/c):

We recommend that the Supplementary Welfare Allowance Unit of the Department of Social and Family Affairs engage in a consultation process with the MABS service and senior members of Community Welfare Services to agree a consistent approach to decision making in the case of Mortgage Interest Supplement applications that is compatible with the existing legislative provisions allowing payment of the supplement based on need. As part of this consultation process we recommend that consideration be given to any proposed amendments to the existing regulatory provisions that may be necessary to allow sufficiently responsive welfare support.

4. Sole Traders Accessing Social Welfare Supports:

The MABS Experience

Over the last twelve months Money Advisers have experienced a considerable increase in the number of sole traders coming to the service looking for advice in sorting out financial difficulties. In the first six months of 2007 the number of clients approaching MABS citing self employment as their primary source of income was 122. In the corresponding period of 2008 this had doubled to 249. Because they traded without having the protection of a limited liability company they now face considerable personal debts.

Some businesses have already folded while others are still operating, but their mortgages and utilities are falling into arrears as they struggle to make the business pay. Many were formerly on the Back to Work Enterprise Allowance, and their businesses have failed. They are now left in debt, often with potentially serious implications for themselves and their family's finances.

While business debt does not fall within the remit of MABS, whose services are aimed at the personal and family debts, of people on low income, there is very often no division of their finances into business and personal and those presenting in MABS services are often on a low income. Further, they often put up their home as collateral for business loans and do not have separate accounts for home finances. This means that when things go wrong, as they often do, the family home can be in danger. Even if the home has not been put up as collateral, as the trader is not limited by guarantee, his/her personal assets may be subject to repossession. It is this, together with their loss of income and lack of capacity to cope with their debts that brings such clients the MABS Services.

In our experience former sole traders are finding it increasingly difficult to access social welfare supports to meet basic living expenses for themselves and their families. This is as a result of the absence of a Tax Clearance Cert which, because of their situation, takes some weeks to obtain consequently leaving them and their families without any income.

MABS Recommendations Sole Traders:

- (a) Where a person cannot establish entitlement to Social Welfare that Social Welfare Allowance (SWA) be paid for a period of 6-8 weeks in order to tide a person over. The principle enshrined in the Social Welfare Consolidation Act 2005 regulations with respect to persons with no income to be invoked as normal practice in these cases.
- (b) That a mentoring service for small businesses in difficulty be established – preferably through the County Enterprise Boards ¹⁴.
- (c) That given the change in the economic climate and the need for the MABS to remain focused on its target group that this issue be monitored, (perhaps in conjunction with the Small Business Forum), on an ongoing basis with a view to establishing a separate support unit with the requisite competence along the lines of the UK Business Debtline (<http://www.bdl.org.uk>)

14 A recent European Social Fund report, *Crisis Intervention Tools and Management of change in Micro Enterprises* found that “One of the reasons for the high failure rate of this target group is that entrepreneurs look for assistance when it is already too late or even never”

Summary of all recommendations

Table 3 Summary of recommendations

Issue	Recommendation
1.Support for low income Families	<ul style="list-style-type: none"> (a) increase in the provision of childcare allowance (b) Increase in the Back to School Clothing and Footwear Allowance (c) Provide additional resources to facilitate a prompt response to applicants for FIS and to raise the income ceiling. (d) the creation of a low income savings scheme (e) to establishing a common methodology across all Local Authorities for the estimation of Differential Rents
2.Energy and Low income Households	<ul style="list-style-type: none"> (a) That increased resources be given to achieving adequate insulation of all local authority housing and that private landlords be obliged to have their property insulated to an acceptable standard prior to letting. (b) Emergency Need Payments should be available to people who have been disconnected to assist with reconnection charges and security deposits (c) The adequacy of the fuel allowance should be reviewed on an annual basis (d) The possibility of establishing a 'social tariff' for gas and electricity should be studied
3.Mortgage Interest Supplement	<ul style="list-style-type: none"> (a) that consideration be given to establishing a "fast track" system to determine Mortgage Interest Supplement Appeals (b) that the Supplementary Welfare Allowance Unit of the Department of Social and Family Affairs engage in a consultation process with MABS and the Community Welfare Services to agree a consistent approach to decision making in the case of Mortgage Interest Supplement applications allowing payment of the supplement based on need (c) As part of this consultation process we ask that consideration be given to any proposed amendments to the existing regulatory provisions that may be necessary to allow sufficiently responsive welfare support.

Issue	Recommendation
4.Sole Traders Accessing Social Supports	<ul style="list-style-type: none"> (a) Following a consultation process with relevant others, where a person cannot establish entitlement to Social Welfare that Social Welfare Allowance (SWA) be paid for a period of 6 - 8 weeks in order to tide person over' . (b) Where a person cannot establish entitlement to Social Welfare that Social Welfare Allowance (SWA) be paid for a period of 6-8 weeks in order to tide a person over (c) That a mentoring service for small businesses in difficulty be established – preferably through the County Enterprise Boards (d) That a separate support unit be established with the requisite competence to advise lone traders in solving their financial difficulties

Conclusion:

We would welcome consideration of our proposals which have been identified as those, which in our view, will do most to prevent problem indebtedness amongst those most at risk in the current climate. While, there are many other diverse issues that impinge on our target group, the above have been highlighted as they are those which could best be ameliorated in the context of Budget 2009.

We in the Money Advice and Budgeting Service will continue to do our utmost to support our target group during what is likely to be a difficult period in the months and possibly years ahead. We will continue to provide support through the network of 52 Services nationwide and through the MABS Helpline and Website. We will also be working with Government Departments and State Agencies and with the major creditor groups to assist our clients to manage their money and their debts effectively during uncertain times.