

Social Justice and Regeneration Committee

SJR(2)-09-06(p.6)

Date: Thursday 8 June 2006

Time: 1.30pm-4.30pm

Venue: National Assembly for Wales

Title: Review of Over-Indebtedness in Wales

Purpose

1. To provide the Committee with an update on the delivery of the recommendations outlined in the Deputy Minister for Social Justice and Regeneration's Review of Over-Indebtedness in Wales.

Summary / Recommendation

2. That the Committee considers this paper and notes the intentions of the Minister and Deputy Minister in continuing work on the delivery of the recommendations. Members of the Committee are invited to offer their views on the avenues that are being pursued and offer solutions to the obstacles that have been identified.

Background

3. The Deputy Minister for Social Justice and Regeneration published his Review of Over-Indebtedness in July 2005. The Review identified what was already being done to tackle over-indebtedness in Wales and the UK and made ten specific recommendations for taking work forward in Wales. Furthermore, it:

outlined the evidence surrounding over-indebtedness in Wales;

assessed the impact of debt on individuals, communities and the wider economy; and

established the impact of over-indebtedness on Assembly Government policies and strategies.

4. The findings of the Review have implications for a number of Ministerial portfolios within both the Welsh Assembly Government and the UK Government. In addition, the Review recognised the crucial role that a number of external agencies need to play. Consequently, the Minister for Social Justice & Regeneration consulted her Cabinet colleagues and the then Under-Secretary of State for Wales Don Touhig MP on the recommendations before circulation to Committee in June 2005. Meetings between

officials and those bodies and Government departments critical to the delivery of the recommendations continue.

Consideration

5. The Review of Over-Indebtedness contains ten recommendations. Annex 1 of this Committee paper is a table summarising the achievements to date and Annex 2 restates the original Welsh Assembly Government response, offers greater detail on progress made and includes proposals for further action.

6. While it should be acknowledged that there is considerable work yet to do, there has been success in respect of the delivery of certain recommendations, particularly:

Efforts to secure for Wales an appropriate proportion of the Department for Trade and Industry's £45m Face-to-Face Debt Advice Fund (£3.15m);

The decision to appoint the Financial Services Authority as an agent of the Welsh Assembly Government to develop proposals for the funding of a Welsh Centre for Financial Education; and

The ongoing work by ACCAC (the Qualifications, Curriculum and Assessment Authority for Wales) to strengthen the financial literacy components of the Personal and Social Education Framework.

7. Committee members previously recommended that the Committee should regularly monitor progress. Consequently, updates on the delivery of these objectives will be made available to Committee on a quarterly basis.

Compliance

8. There are no compliance issues.

Financial Implications

9. There are no financial implications associated with this paper.

Cross-cutting Themes

10. Promoting Social Justice is one of the Assembly's major cross-cutting themes. Financial inclusion and the issue of addressing over-indebtedness are major components of achieving social justice for those living in deprived communities across Wales.

Action for Subject Committee

11. The Committee is invited to consider both the progress made to date and proposals for future action and to offer their views and recommendations.

Edwina Hart AM