

**Consultation on a proposed  
Financial Education and Inclusion (Wales) Bill**

**Community Housing Cymru Group response**

**About Us**

The Community Housing Cymru Group (CHC Group) is the representative body for housing associations and community mutuals in Wales, which are all not-for profit organisations. Our members provide over 155,000 homes and related housing services across Wales. In 2012/13, our members directly employed 8,000 people and spent over £1bn in the Welsh economy.<sup>1</sup> Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

**Our objectives are to:**

- Be the leading voice of the social housing sector.
- Promote the social housing sector in Wales.
- Promote the relief of financial hardship through the sector's provision of low cost social housing.
- Provide services, education, training, information, advice and support to members.
- Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.

In 2010, CHC formed a group structure with Care & Repair Cymru and CREW Regeneration Wales in order to jointly champion not-for-profit housing, care and regeneration.

**General points**

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<sup>1</sup> Measuring the Economic Impact of Welsh Housing Associations, November 2012

CHC welcomes the opportunity to respond to the proposals for a Financial Education and Inclusion Bill and to address the issues raised. Our members provide homes and services to some of the most vulnerable members of our communities and we therefore recognise the value of financial education, particularly in the context of UK Government welfare reforms and spiralling personal debt levels.

Housing associations in Wales provide homes to some of the most vulnerable people in our communities, many of whom are financially excluded and are consequently at risk of homelessness and social exclusion. Welsh housing associations undertake huge amounts of preventative work via their own anti-poverty and financial inclusion programmes and initiatives. They work in partnership with local authorities, credit unions, Moneyline Cymru and Your Benefits are Changing to develop well-rounded, accessible services. This is particularly important in light of direct payments under Universal Credit. We estimate that social housing tenants make up 60% of all financially excluded individuals and are therefore likely to have low levels of financial capability.<sup>2</sup>

The **Your Benefits are Changing** campaign is an example of the sector's collaborative approach to financial capability. The Your Benefits are Changing team has been working in partnership with Moneyline Cymru, Registered Social Landlords (RSLs), community organisations, charities and Dŵr Cymru, thanks to funding from the Big Lottery (£248,000) in June 2011. Since starting the project the team has:

- Completed over 3,300 advice sessions
- Helped people to restructure budgets and manage over £1,000,000 worth of non-priority debt
- Identified over £390,000 of unclaimed welfare benefits
- Identified over £1,300,000 of water related debt.

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<sup>2</sup> Financial Inclusion and Housing: Baseline survey, Chartered Institute of Housing  
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- Have given 511 people a budgeting plan to follow that could lead to a debt write-off of over £700,000
- 336 people have had their annual billing reduced by over 50% thanks to the Water Assist scheme, a total of £83,000.
- 628 people have been identified as being in fuel poverty and been assisted to claim the Warm Home Discount and added to the Priority Services Register, claiming a rebate of over £94,000 (£135 per annum)
- Of those advised, 78% have said that the advice session has reduced their stress levels.

The Your Benefits are Changing team ([www.yourbenefitsarechanging.co.uk](http://www.yourbenefitsarechanging.co.uk)) has answered over 1,300 enquiries on welfare reform (which are usually about multiple benefits) and spoken to over 1,500 people at community events and outreach locations about welfare reform. They also worked with Shelter Cymru and other partner organisations to provide information to 800 people at various locations across Wales. Over 70 organisations have adopted the YBAC branding to date.

## Response

1. What are your views on making financial education a statutory part of the curriculum (from Key Stage 2 onwards), in a similar way to personal and social education (PSE) and work-related education?

We support the proposals to place a statutory requirement on schools to ensure that financial education is a core part of the curriculum and recommend that housing-related debt and household expenses are central to the proposed curriculum to ensure that young people are able to sustain their tenancies.

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Under 25s are more likely to experience tenancy failure than any other age group. The Newport-based **MyPad** works with young people. Three young MyPad participants, who are **Charter Housing and Solas Cymru** tenants, worked with Charter staff to create new learning resources for the course which was launched in May 2012. The young people worked with MyPad project officers for two months to produce a short film on youth debt and a new home handbook for young people. The MyPad project enables young people to make informed decisions for themselves about their finances. MyPad is delivered by Newport City Council and Supporting People, along with Linc-Cymru, Newport City Homes, Charter and Melin.

**Cartrefi Conwy, North Wales Housing Association** and **Cymdeithas Tai Clwyd** developed the **'Going it Alone'** app to help young people who are moving home for the first time. More people are now accessing information through mobile devices, for example, 70% of people access the Your Benefits are Changing website via mobile phones or tablet computers.

The mobile app pulls in some basic good advice, a 'rate a property' feature and useful links for further information. Cartrefi Conwy residents contributed to the development of the project.

2. To what extent should there be increased provision of financial education in schools to better prepare young people for the challenges and financial decisions they face beyond school?

If financial education provision is to be increased in schools, in order to be achievable it should focus on the basics. Basic budgeting, types of credit and housing costs and the implications of non-payment are probably the most important.

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Planning and budgeting for holidays, the cost of starting a family, planning for funerals, pensions and using online banking services could be introduced for post-16 year olds.

We also recommend that all forms of borrowing and their consequences are explored to ensure that young people are able to make informed decisions about their future borrowing needs, according to their circumstances.

**Tai Pawb** suggests that it is important that financial education also considers relevant equality aspects to enabling financial inclusion. Certain groups are more likely to be financially excluded and tackling this at an early age should be one of the objectives of the Bill.

For example, there are financial products available that comply with Shariah law that Muslims may need to be aware of. Disabled young people may also want to be aware of benefits that they may be entitled to or schemes such as Access to Work to enable them to access employment.

Financial education could also look at the need for longer term planning as well, such as the need to save for older age, including issues such as the potential cost of paying for care and different options for doing so.

The requirement to provide financial education as a compulsory part of the curriculum should be formalised by amending the relevant section of the Education Act 2002. It is well documented that current arrangements are not sufficient and will not adequately equip school leavers to make financial decisions when they begin to take on financial responsibilities.

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3. In what ways and to what extent are money and financial matters relevant to what young people should be learning at school?

Money and financial matters should be taught alongside other subjects and with a range of other essential skills, such as the cost of buying and cooking food, family planning, basic DIY and the importance of budgeting for sports and recreational activities and holidays.

Financial capability could also be an element of the Welsh Baccalaureate qualification. It could fit in from the perspective of students gaining life skills, and students helping the community to gain life skills.

Financial capability should also be taught alongside advice around potential careers and incomes. For example, the proposed **Housing Ambassador Scheme** showcases the opportunities available for young people in the housing sector and raises awareness around housing-related issues.<sup>3</sup>

The housing sector has a reputation for high job satisfaction which comes from an unprecedented opportunity to get up close to customers and make a remarkable difference to people's lives. Almost half of the organisations in the Sunday Times top 100 best companies to work list for 2014 are from the housing sector. The challenge for the sector is to recruit a steady stream of young people into our ranks to ensure that we remain innovative, dynamic and relevant.

A Housing Ambassadors Scheme made up of talented, able and enthusiastic housing professionals would help meet this goal. The ambassadors would act as the face of the sector, sharing positive experiences with young people who are considering housing as a career, inspiring them and helping them to see the wide range of opportunities that the housing sector offers.

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<sup>3</sup> 'Housing Ambassador Scheme, Lisa Evans, March 2014 <http://wp.me/s4nyuV-post1>'

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Housing Ambassadors work in housing with at least two years' housing experience in training or employment. They deliver lessons to pupils at primary and secondary schools to bring learning and career opportunities to life. They could also attend careers events to market housing to young people.

The scheme would raise awareness of the career opportunities to young people in the area and equip them with skills that they will benefit from throughout their career, and also raise awareness of the importance of making good financial choices both through career decisions and personal finances.

4. If financial education becomes a statutory part of the curriculum, should schools have flexibility in how they follow guidance on its delivery? (This would be similar to PSE and work-related education but different to the way national curriculum subjects are taught.)

Schools should have the flexibility to link financial education with PSE and work-related education to maximise learning potential and to help pupils make the link between financial decisions and other life decisions such as starting a family and career choices.

Allowing flexibility will also enable schools to focus on any specific issues relevant to their area or demographic. For example, a school in Cardiff with a large number of Muslim pupils may wish to include Shariah mortgages on the curriculum, whereas a school in a rural area with no Muslim pupils may not see this as relevant and may want to concentrate on other areas that will better enable their students instead.

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Such flexibility would allow schools to link in with external partners such as banks and third sector organisations, who could usefully deliver relevant sessions with a focus on financial education.

For example, **Clwyd Alyn** housing association in North Wales has worked with local schools for staff mentoring and judging public speaking competitions, together with various intergenerational projects. These have been for topics such as gardening, arts and crafts and very successfully for paired reading, rather than specifically tackling financial inclusion issues, but they help to raise awareness of housing and housing related issues at a formative stage.

**Clwyd Alyn** also worked with **Flintshire Barnardos** to run some Money Magic interactive advice sessions. These increased financial capability as an intergenerational project with residents. These sessions were led by Vernon Fuller and used the Arts to communicate key messages about financial capability.

**The Rhondda Housing Association school attendance challenge** was a primary school initiative within a cluster area that promoted raising attendance records through offering a series of prizes for achieving the most improved attendance.

The aim of the project was to help improve the attendance records in cluster primary schools by rewarding the pupils, parents and teachers for all their hard work and effort. As a whole, the project positively promoted the work of the Association within the community.

As a result of the project, all six schools involved have increased attendance by 1% on average. The project has enabled RHA to strengthen partnerships and raise their profile within the Ferndale cluster. It has also improved the health and education of

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children who are most at risk. RHA has contributed to sustainable communities by reinvesting in communities, influencing and supporting partnerships that add value.

5. What are your views on the Welsh Government and local education authorities having a statutory duty to ensure financial education is delivered during compulsory education from Key Stage 2 onwards?

We support this approach and agree that existing methods currently utilised by Welsh Government to ensure that PSE is effectively delivered should apply to financial education.

6. What are your views on imposing a duty on Welsh Ministers to ensure that financial education is taught on a cross-curricular basis in primary and secondary schools and considered as part of any reviews of the curriculum?

As the paper suggests, policies and legislation around financial matters can change quite quickly and this can dramatically alter the financial landscape. New financial products and trends can spring up and it is therefore essential for Ministers to review and shape the curriculum at this level.

The rise of pay day lenders and the new rules under FCA regulation are examples of this, along with changes to the welfare benefit system.

7. What are your views on the Welsh Government being required to formally consult relevant stakeholders and experts when developing curriculum content on financial education?

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8. Which persons and organisations should be consulted?

We support the proposed requirement on Welsh Government to formally consult with relevant stakeholders and experts when developing the curriculum.

Our suggested organisations:

- Consumer, debt and housing advice organisations
- Housing organisations and landlords
- Equality and Diversity organisations
- Credit Unions of Wales
- NIACE
- Money Advice Service
- Toynbee Hall
- FCA
- Utility companies
- UK Online Centres (advice on financial transactions and online banking)?

9. What are your views on making it a duty on Welsh Ministers to review the progress of financial education in schools and to produce an annual report on this?

10. What are your views on how this duty should be delivered? For example, should this be a required part of Estyn's role in inspecting schools and local education authorities in Wales?

We support the view that financial education in schools is kept under review, particularly since it complements and therefore must keep pace with other developments in the curriculum. Welsh Ministers should review the delivery of the subject and ensure that any necessary changes are implemented.

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If financial education becomes part of the statutory curriculum, there would be a duty for Estyn to look at this within the general inspection framework, as specific subject areas are not individually inspected.

11. How appropriate or necessary would it be to require universities and further education corporations to provide information to students about where to get advice about financial management?

Universities and further education corporations should promote money skills and the availability of money advice through their student services, open days and students' unions.

Advice or the availability of advice should also be promoted and offered during the Student Loan and grant process.

12. Are there any implications for the autonomy and status (classification) of higher and further education institutions in placing such a requirement on them?

13. What are your views on requiring each local authority to have a strategy outlining how it intends to promote financial inclusion and the financial literacy of its residents?

We believe that every local authority should be required to have a strategy which outlines how it will work with stakeholders and individuals to promote financial inclusion and capability. This is particularly important in light of recent welfare reforms such as the 'bedroom tax', when more people are struggling financially and struggling to understand changes which will impact on them.

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Welsh housing associations have for many years developed their own financial inclusion strategies to review internal mechanisms for accessing advice and support and to formalise arrangements with voluntary sector partners and others.

Prior to formalising their work in strategies, housing associations were already successfully delivering on the financial inclusion agenda, but a strategy helped them to build on previous financial inclusion work and to provide greater clarity in respect of how they deliver an effective and all-encompassing financial inclusion programme.

By developing a financial inclusion strategy, a local authority could expect to see reduced rent arrears, reduced abandonment of properties, reduced homelessness and more settled communities as wealth remains within the area.

Financial inclusion by its very nature requires organisations to work together due to cross-cutting themes. Often this will require one organisation to take the lead. In many ways local authorities are best placed to play the lead role but this has not always happened. The new anti-poverty champions in each local authority must make the links with anti-poverty and financial inclusion and education.

In Monmouthshire, much has been achieved in joining up financial inclusion work. Whilst RSLs have led the financial inclusion agenda, they have managed to develop a partnership approach and have over the course of 5 years been able to get the local authority in Monmouthshire to agree to lead the work. A coherent financial inclusion strategy would help the current disconnect between anti-poverty initiatives and the financial inclusion agenda and promote value in public services and delivery of truly joined up services.

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14. What are your views on requiring each local authority's financial inclusion strategy to show how authorities intend to:

- effectively regulate street trading;
- take steps to prohibit cold calling in their area;
- engage with credit unions in their area; and
- promote financial inclusion when buying goods and services?

We support the proposals to for local authorities to promote financial inclusion and well-being and better partnership working between local authorities and third sector organisations.

It should be noted that preventing people from borrowing from legitimate, licensed lenders, however irresponsible they are perceived to be, could lead people to borrow from more accessible illegal money lenders.

**Credit unions** are making good progress with their business plans and many are now able to lend to a broader customer profile. Changes in legislation will help them to achieve sustainability. However, credit unions are not the only option for those who are excluded from mainstream financial products. Moneyline Cymru delivers financial capability through its personal loan service. Currently almost 100% of customers taking out loans for the first time open a savings account and continue to save for Christmas and other special occasions.

**Moneyline Cymru**, a Welsh housing association initiative, has set up outlets in 7 areas of decline, as described in the document, in Wales. Moneyline Cymru provides a sensible alternative to door step lenders and pay day loans.

Since Moneyline Cymru was founded in 2009 it has:

- Loaned out over £8 million
- Approved over 18,000 customer loans

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- Opened savings accounts for 80% of new customers
- To date over 6,100 savings accounts have been opened
- Helped customers to save a combined total of £1.25 million into their savings accounts

Moneyline Cymru works in partnership with other stakeholders to increase financial capability and improve choice. Moneyline Cymru Swansea is currently working with Swansea City Council and the Your Benefits are Changing campaign ([www.yourbenefitsarechanging.co.uk](http://www.yourbenefitsarechanging.co.uk)) to raise awareness of the roll out of Universal Credit. Swansea Council have been very proactive in their campaigning against pay day loans and “addressing the economic wellbeing” of the area and are currently using any powers at their disposal to discourage unscrupulous lenders from moving into the high street.

15. Are there any other things that the strategy should contain in terms of how local authorities promote financial literacy and inclusion?

We support the proposals for local authorities to promote financial inclusion and well-being and better partnership working between local authorities and third sector organisations.

New strategies from local authorities on financial inclusion should also include specific focus on the needs of groups who are at risk of financial exclusion, including those with protected characteristics.

Research has shown that there are several groups who are at risk of financial exclusion who struggle to access mainstream financial products. For example:

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- Disabled people are disproportionately likely to use a loan shark<sup>4</sup>
- Those from BME backgrounds are less likely to have a bank account<sup>5</sup>
- Young people are less likely to have savings or insurance<sup>6</sup>

While many of the reasons behind this and barriers that communities may face are beyond the control of local authorities, they will be in a position to analyse and respond to those most relevant to their local population.

16. What are your views on requiring local authorities to publish an annual report on how they have implemented their financial inclusion strategy?

Local authorities could include their progress in their general annual report. However, in addition to a strategy, each local authority should produce an action plan which clearly indicates which individual is responsible for overseeing and / or implementing each action point.

Housing associations constantly review their strategies and action plans and measure their outcomes against pre-set targets.

17. Should the Bill make any further provision with regard to monitoring or enforcement arrangements in relation to the financial inclusion strategy? If so, what should these provisions look like?

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<sup>4</sup> Joe Allen, *Disability Poverty in Wales*, Leonard Cheshire Disability, 2010

<http://www.leonardcheshire.org/sites/default/files/Disability%20Poverty%20in%20Wales.pdf>

<sup>5</sup> Institute for Public Policy Research, Review of access to essential services: Financial inclusion and utilities, Equality and Human Rights Commission, September 2010

<sup>6</sup> Ibid

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18. What are your views on enabling Welsh Ministers to issue guidance to local authorities about any aspect of their compliance with the provisions of the Bill (including the production and implementation of their financial inclusion strategy)?

We believe that guidance should be issued.

19. Should the public be able to use online facilities in libraries without having to pay for them, and if so, is it necessary to put this down in law?

We do not believe that libraries should charge for online facilities. The **Your Benefits are Changing** campaign works with Welsh libraries to raise awareness amongst library staff about how benefit changes will impact on their service users. The feedback from libraries is that customers using online facilities are likely to be vulnerable and financially and digitally excluded and therefore unable to afford to make any contribution. Any means-tested scheme is likely to be unfeasible due to costs associated with increased resources needed to run such a scheme.

Libraries will no doubt be expected to play a part in the Local Services Support Framework which is currently being developed in Local Authorities across Wales to address the levels of support which will be required by Universal Credit claimants.

Libraries should receive further funding to allow them to enhance their online services and increase staffing levels to enable them to cope with the increased demand they are likely to experience as Universal Credit is rolled out.

It is also important that all members of the public are able to use computers and that adequate accessibility software is available, such as screen readers, so that disabled people are not further digitally excluded.

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Information about the availability of internet services, as well as any courses and support offered, should also be available in alternative formats and languages to ensure that disabled people, or those whose first language is not English or Welsh, are able to access the services offered.

20. Do you envisage any problems that could arise by prohibiting libraries from charging for internet access?

Libraries are struggling to cope with the level of support required by many of their service users due to the level of required support. Staff are often required to assist service users who do not possess basic IT skills and this is likely to increase due to the Universal Credit online application process. Charging for internet access could, in theory, create an income stream for the provision of increased support for those accessing the application process via libraries. We envisage that prohibiting libraries from charging for internet access could prevent them from generating income streams they need to address growing demand. However, charges would need to be means-tested to ensure that those on low incomes were not discouraged. Therefore, in practice, such a scheme is unlikely to generate the income necessary to support such increased demand. We are therefore in favour of libraries receiving more funding from Welsh Government to increase online access and support during a time of increased need.

21. Do you believe there are occasions when the public should be charged for using computers in libraries?

In principle, we believe that libraries should not charge the public for accessing computers. However, there may be instances where it is necessary to charge for consumables, such as printing materials.

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22. How appropriate or necessary would it be to require local authorities to provide specific financial management advice to those who were formerly looked-after children?

Former looked after children (LAC) are far less likely to have engaged with mainstream education and are therefore more likely to lack basic numeracy and literacy skills. The absence of familial support for many LAC means that they do not have access to the financial, emotional and practical support available to their peers and may be less likely to secure employment and manage their finances effectively. We support a requirement for local authorities to provide financial management advice to LAC both before and after they leave the care system.

23. How appropriate or necessary would it be to require local authorities to provide specific financial management advice to individuals seeking assistance on other related matters?

Local authority officers should be trained to identify and sign-post those who appear to be struggling with financial management. Many local authorities provide financial and debt advice, particularly to those who are at risk of homelessness. For example, Cardiff City Council has in-house debt advisers working within its homelessness prevention unit. However, the signs of financial mismanagement and low levels of basic skills could be identified before the situation reaches crisis point, for example, during Council Tax, social care and general housing enquiries.

Local authorities should partner with other organisations to deliver specific financial management advice, for example, the Money Advice Service, the Your Benefits are Changing campaign and local organisations who are able to provide this service, rather than trying to develop their own service.

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24. Do you foresee any financial implications, in terms of either costs or benefits, for any organisations or persons in relation to the proposals in this document? If so, can you describe and quantify these impacts?

There are very few direct costs associated with implementing the proposals laid out in this document. In fact, housing associations have been mainstreaming financial and digital inclusion and financial capability into their organisations for many years without incurring direct costs.

Staff time and commitment are the main resource implications for organisations; however, the financial capability agenda is a preventative one, therefore the benefit of implementing the proposals will be reaped by individuals and organisations in the longer term.

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