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Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
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Llywodraeth Cymru  
Welsh Government

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Ann Jones AM  
Chair  
Children, Young People and Education Committee  
National Assembly for Wales

2 October 2014

Dear Ann,

### **Financial Education and Inclusion (Wales) Bill**

Your letter of 24 July invited the former Deputy Minister for Social Services Gwenda Thomas AM to provide comment to the Children, Young People and Education Committee on the Financial Education and Inclusion (Wales) Bill as introduced by Bethan Jenkins AM. I am responding as Minister for Health and Social Services.

Your letter addresses three broad categories contained in the Bill; which I will address in turn.

- **“The Bill will improve financial capability amongst school-age (ages 8 -16) children and young people by making it a legal requirement that financial education is included in the school curriculum (sections 4 to 7 in the Bill)”.**

Sections 4, 5 and 6 are outside my portfolio and are the responsibility of the Minister for Education and Skills. Section 7, however, has the intention of inserting an additional section on to the face of Part 6 of the Social Services and Well-being (Wales) Act (“the Act”).

There is no requirement for additional legislative provision to fulfil this policy ambition in relation to looked after children (LAC) and care leavers. There are existing legislative powers to impose a requirement upon local authorities in Wales to provide financial education for LAC and young persons leaving care; the current legislative provision, deriving as it does from regulations made under the Children Act 1989, is contained within:

- section 23A(3) – *the responsible authority and relevant children;*
- section 23B(5), (6), (8)(c) and (10) – *additional functions of the responsible authority in respect of relevant children;*

- section 23D(2) – *personal advisers*;
- section 23E – *pathway plans*;
- section 24B(6) – *employment, education and training*;
- paragraph 19B(2), (3), (7) and (8) of Schedule 2 – *preparation for ceasing to be looked after*).

These provisions are now replicated within the Act within:

- section 104 – *young people entitled to support under sections 105 to 115*;
- section 106 – *personal advisers*;
- section 107 – *pathway assessments and plans: general*, and
- section 116 – *supplementary provision about support for young persons in further or higher education*.

In respect of the provision made for children who are LAC and the amendment proposed to section 78 of the Act, there is already an extremely wide regulation-making power for Welsh Ministers within section 87 of the Act – *regulations about looked after children*

- **“The Bill will strengthen the role of local authorities in helping people avoid falling into financial difficulty, by requiring local authorities to adopt a financial inclusion strategy (sections 8 to 10 in the Bill)”.**

Sections 8 to 10 are general duties on local authorities and are outside my portfolio responsibilities falling instead to the portfolios of the Ministers for Communities and Tackling Poverty, and Public Services.

- **“The Bill will give local authorities duties in respect of providing advice and arranging for advice about financial management, both generally and specifically to looked after children aged 16 or 17, to former looked after children and to students (sections 11 to 13 in the Bill)”.**

Section 11 specifically targets looked after children, in my response to the first broad area, in particular section 7, I have explained the duties on a local authority under the current legislative framework in the Children Act 1989 and that those duties will be transferred into Part 6 of the Act and can be strengthened if necessary under regulations and the Code of Practice supporting Part 6 of the Act.

I would also have concerns about the scope of the Bill in relation to its provision for looked after children and care leavers. I have noted the different ways in which looked after children and care leavers are described throughout the Explanatory Memorandum, this gives the impression that there is no rational basis for the choice of young persons in respect of whom the Bill is seeking to make provision.

These concerns seem to be borne out by the provision made in section 11 of the Bill, which makes specific provision of categories 1, 2 and 3. The heading to the section is incorrect, as you will see from the explanation of categories in the following paragraphs, but it does highlight the apparent misunderstanding of the categories and the provision made by the Act and duties imposed by it upon local authorities.

Category 1 young persons are indeed looked after and are still children, being under the age of 18. Category 2 young persons are still children but are not looked after and category 3 young persons are neither looked after nor are they children.

If the Bill seeks to target the under 18s who are or have been looked after (in the sense required by the Act) then it would need to look to including references to the relevant young persons within categories 5 and 6 (a category 4 young person will never be a child).

If the Bill is seeking to include additional provision for such children / young persons on the grounds of their perceived additional vulnerability in this area because of their circumstances and the fact of their LAC / care leaver status then it would need to look again at the categories specified for coverage by section 11 (suitably re-titled).

Sections 12 and 13 are general duties on local authority and are outside my portfolio; Section 12 falls to the Ministers for Communities and Tackling Poverty, and Public Services, whilst Section 13 is the responsibility of the Minister for Education and Skills.

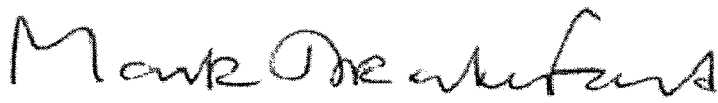
The two messages that I wish to convey to the committee are that the power already exists within the Children Act 1989 and the Act to remedy any perceived gap identified as existing in relation to the provision or quality of the financial education provision for LAC and care leavers within both. There is no need to single out these children and young persons for special treatment over and above the provision that is being sought for non-LAC and care leavers under the Bill.

The second is that the rationale for the choice of young person covered by section 11 is unclear and requires clarification / amendment.

I conclude therefore that there is no need for additional legislative provision within the proposed Bill.

I am copying this letter to the Minister for Education and Skills, Minister for Communities and Tackling Poverty and Minister for Public Services.

Yours sincerely



**Mark Drakeford AC / AM**

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Minister for Health and Social Services

