

Carl Sargeant AC/AM
Ysgrifennydd y Cabinet dros Gymunedau a Phlant
Cabinet Secretary for Communities and Children



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA/CS/0483/17

John Griffiths AM
Chair of the Equality, Local Government and Communities Committee

23 August 2017

Dear John

Thank you for your letter of 28 July regarding the Legislative Consent Memorandum (LCM) on the UK Government's Financial Guidance and Claims Bill ('the Bill').

The UK Government has stated that legislation on this matter is needed in order to ensure that members of the public are able to access free and impartial money guidance, pension and debt advice. These are currently provided by three publicly funded services – the Money Advice Service, the Pensions Advisory Service, and Pension Wise. Following a series of consultations, the UK Government concluded that the best way of addressing the issue is to create a new statutory Single Financial Guidance Body ('SFGB') providing advice in one place, aiming to reduce duplication and deliver and commission specific services to ensure that as many people as possible receive high quality, impartial financial guidance.

A LCM is required as the provisions within Part 1 of the Bill fall within the National Assembly for Wales' legislative competence pursuant to subject 5 Education and Training, subject 15 Social Welfare and subject 4 Economic Development within Part 1 of Schedule 7 to the Government of Wales Act 2006, as the Bill establishes the SFGB which has functions of pensions guidance, debt advice, money guidance and strategic financial capability to enable people to access the advice and help they need to make informed financial decisions.

The Bill also proposes that funds for debt advice should be transferred to the Devolved Administrations enabling them to commission services locally to help individuals manage debt. The proposal to devolve the funding for debt advice service provision to the Devolved Administrations is to be welcomed as it will enable the Welsh Government to develop a strategic and integrated approach to the commissioning of debt advice services in Wales alongside other areas of social welfare advice services including housing, welfare benefits, employment and discrimination.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Carl.Sargeant@llyw.cymru
Correspondence.Carl.Sargeant@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

This approach is also aligned with the aims of the Welsh Government's Financial Inclusion Delivery Plan and the Information and Advice Action Plan, published in December 2016, which encourage the development of a funding model for social welfare advice that merges together problem solving interventions with activities that aim to help people become more resilient in preventing similar problems reoccurring.

With regard to money guidance, the Bill provides for money guidance to be provided by the SFGB on a UK wide basis, with a duty upon the SFGB to work closely with the Devolved Administrations to represent their interests and needs in relation to the delivery of money and pensions guidance, including the commissioning, designing and delivering of services.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Carl Sargeant', written in black ink.

Carl Sargeant AC/AM

Ysgrifennydd y Cabinet dros Gymunedau a Phlant
Cabinet Secretary for Communities and Children