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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

Lynne Neagle
Chair
Children, Young People and Education Committee

23 August 2017

Dear Lynne

Thank you for your letter of 24 July regarding the Legislative Consent Memorandum (LCM) on the UK Government's Financial Guidance and Claims Bill.

I refer to the points in your letter requesting further information and have listed the responses against each point below.

- i. The reasons why the Welsh Government considers it appropriate for the Single Financial Guidance Body ('SFGB'), rather than an appropriate Welsh body/organisation, to have responsibility for creating a strategy to improve the provision of financial education to children and young people in Wales.
 - As 'Education' is devolved, the aspect of the SFGB's strategic financial capability function to support and co-ordinate the provision of financial education (as a curriculum activity) to children and young people is a devolved matter, which lies solely with the Welsh Government. This is recognised by DWP, the sponsor department.
 - The Welsh Government (and the other Devolved Administrations) will continue to lead on its own Financial Inclusion Strategy, which includes financial capability of children and young people. However, as happens now with the UK Financial Capability Strategy, it is important to link both strategies to ensure that the particular challenges facing devolved administrations are fully recognised, the full range of funded activities are better joined up, best practice is shared, and partners work more collaboratively across debt, financial capability and financial education.
 - Schools and learning settings in Wales will be able to access the financial capability and money guidance activities that will be funded through the

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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.

SFGB. This function is currently undertaken by the Money Advice Service ('MAS') and financial education/capability projects provided across all age groups within Wales have recently benefitted from £1.7 million funding through the MAS 'What Works Fund'. These projects are testing the effectiveness of various interventions in order to build the evidence base around what types of interventions make a measurable impact on bringing sustainable improvements to people's financial capability. It is important that Wales continues to benefit from funding in this area, and these activities are appropriately linked to devolved debt advice funding.

- ii. How the Welsh Government anticipates it will work in practice with the Single Financial Guidance Body in relation to the provision of financial education of children and young people in Wales.
- Clause 2(8)(e) within the Financial Guidance and Claims Bill provides that the Single Financial Guidance Body (SFGB) will work closely with the Devolved Administrations. The requirement for the SFGB to work with the Devolved Administrations reflects the SFGB's UK wide role on money guidance and in its coordination role of a UK national strategy covering debt, financial capability and financial education which will reflect the Devolved Administrations' lead on debt advice within their jurisdictions.
 - MAS officers meet regularly with officials to ensure MAS funded activities are supporting the strategic priorities of the Welsh Government as set out in the Financial Inclusion Strategy and Delivery Plan, and this is expected to continue with the new SFGB.
 - The Bill requires the SFGB to establish a committee and UK Ministers have indicated that Devolved Administrations will be represented within the SFGB. In particular, UK Ministers' propose that representatives from the Devolved Administrations should have a formal role in the commissioning of local services to take full advantage of local expertise and sectoral knowledge. In this regard, the Bill includes provision requiring the SFGB to work with the Devolved Administrations in respect of its strategic financial capability function together with providing the objective that the SFGB works closely with the Welsh Ministers regarding the provision of information, guidance and advice to members of the public.

Yours sincerely



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