

Rebecca Evans AC/AM

Y Gweinidog Tai ac Adfywio

Minister for Housing and Regeneration



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref DC/RE/0874/17

John Griffiths AM

Chair of the Equality, Local Government and Communities Committee

4 January 2018

Dear John,

Thank you for your letter of 8 December regarding the Supplementary Legislative Consent Memorandum on the UK Government's Financial Guidance and Claims Bill ('the Bill').

I am happy to provide further clarity on the comments in paragraph 8 of your Committee's report.

An LCM is required because 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 ('GOWA 2006'), as the Bill is proposing to establish a Single Finance Guidance Body 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.

Providing advice and support on debt, money guidance and financial capability skills falls within the relevant subjects within Part 1 of Schedule 7 to GOWA 2006 detailed above, relating to education and training and the promotion of advancement and application of knowledge (subject 5). Similarly, subject 4, economic development is also engaged enabling economic regeneration and development which includes the social development of communities. In addition, subject 15 is engaged as the provision of money guidance, debt advice and financial capability skills will work towards the protection and well-being of children and young adults together with the care of children, vulnerable persons and older persons.

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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.

With regards to the provisions for a 'debt respite scheme' (the breathing space amendments dealt with in the Supplementary Memorandum), the proposed framework provisions are considered to be within the legislative competence of the National Assembly for Wales pursuant to subject 4, 5 and 15 of Schedule 7 to the Government of Wales Act 2006 ('GOWA 2006') given that the primary purpose of the provisions is to provide protection, support and help in respect of debt through establishing a statutory debt respite scheme.

The Welsh Government recognises the importance of financial capability skills in improving the ability of people in Wales to make informed financial decisions and avoid experiencing crisis debt. For example, we have embedded financial capability education within the school curriculum and, through our employability programmes, individuals are directed to money management skills courses to help them to secure and sustain employment.

Within the Information and Advice Action Plan and the Financial Inclusion Strategy, we have also recognised the significant role played by social welfare advice services, including debt and money advice and guidance, in supporting economic development. For example, there are established links that social welfare problems, such as crisis debt, have a detrimental impact upon a person's mental health, which acts as a barrier to progression along their pathway to employment. However, through accessing the advice and support that they need to resolve a particular problem, the detrimental impact upon mental health is relieved, enhancing the person's ability to focus more effectively upon finding employment or training opportunities.

I would like to thank your Committee for its ongoing consideration of these important provisions which offers potential benefits for Welsh citizens through a more integrated and co-ordinated advice sector. I look forward to receiving your comments on the Supplementary Memorandum, and both Memorandums will be covered in the debate on 13 February.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive, flowing style.

Rebecca Evans AC/AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration

Rebecca Evans AM
Minister for Housing and Regeneration

8 December 2017

Dear Rebecca

Supplementary Legislative Consent Memorandum on the Financial Guidance and Claims Bill

You will be aware that on 11 July 2017, the Business Committee referred the Legislative Consent Memorandum on the Financial Guidance and Claims Bill to the Children, Young People and Education Committee for consideration. As elements of the LCM fall within the Equality, Local Government and Communities Committee's remit, the LCM was also considered by our Committee.

We wrote to the Welsh Government seeking clarification on a number of issues including the extent to which the provisions identified in the LCM under Education and Training; Social Welfare; and Economic development were within the Assembly's legislative competence. The response did not cover this clarification. (Copies of both letters are enclosed).

In reporting on the LCM we stated there was no reason why the Assembly should reject the LCM, but that Members may wish to seek clarity during the debate on this issue. As the debate on the LCM has not yet occurred, this clarification remains outstanding.



We received a letter from the Business Committee on 6 December asking if we could consider the supplementary LCM by 9 January. At our meeting on 7 December, we considered this request, and agreed to do our utmost to ensure swift consideration of the supplementary LCM. To this end, we will be tabling it for consideration at our meeting on 13 December, to ensure that if it is referred to us, we can consider it before Christmas. However because there is still an outstanding issue, we would ask that you could provide clarification on the outstanding matter in writing, as soon as possible, but no later than 2 January.

As the Llywydd's letter indicates that there will be time for committee scrutiny, we would suggest time is given to enable us to consider your response before reporting before the Plenary debate. We believe this could be done if the Plenary debate was moved back to 16 January. This would give us four sitting weeks to consider the LCM, which is still less than the six week period which the Welsh Government has previously committed to for scrutiny of LCMs.

Yours sincerely



John Griffiths AM
Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

