

National Assembly for Wales

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

March 2014

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Foreword

On 16 October 2013, the National Assembly for Wales voted to allow me to introduce a Bill to the Assembly that would **promote financial literacy** amongst people in Wales. Assembly rules state that I must introduce the Bill by 15 July 2014, from which point it will be subject to thorough scrutiny by the Assembly and consideration by any interested parties.

This consultation seeks the views of all interested parties to help inform the content of my proposed Bill. The Financial Education and Inclusion (Wales) Bill would seek to increase prosperity in Wales by improving the financial education and literacy of our citizens. My proposals fall into two broad categories:

- Improving financial capability amongst school-age children and young people by making it a legal requirement that financial education is included in the school curriculum;
- Strengthening the role of local authorities in helping people avoid falling into financial difficulty, by requiring local authorities to adopt a financial inclusion strategy to promote financial literacy and address issues around financial inclusion.

I also propose to include provisions in the Bill relating to internet access in public libraries; the financial education of looked-after children; and the signposting of information about financial management.

I want to make legislation in this area to address the situation where many people in Wales are falling further into financial difficulty. I believe many people lack the knowledge and skills to manage money and, in this adverse economic climate, are increasingly turning to high interest, unsustainable borrowing as a route to address their financial problems.

Evidence suggests that there would be considerable support for my proposals. It is recognised that people in Wales need additional help to be financially literate and to make the best decisions for their circumstances. However, I want to hear people's views on my specific proposals before the Bill is introduced to the Assembly and begins its scrutiny process.

The purpose of this consultation, therefore, is to invite a range of views on my proposals. This may include highlighting areas of concern, commenting on my intentions, raising financial implications and, in general, assisting in ensuring that the resulting proposed legislation is fit for purpose.



The remainder of this document gives further background and asks a number of questions that may be helpful in framing your responses. For clarity, the questions are also listed at the end of this document along with information on how to respond. I look forward to receiving any comments you wish to make by 28 April 2014.

Thank you for your time and interest in this important matter.

Bethan Jenkins

March 2014



Overview of my proposals

Wales, along with the rest of the UK, is experiencing on-going economic adversity, compounded by depressed wage levels and unpredictable work practices (such as zero hours contracts, continuing job losses and company closures). People in Wales face tough financial choices on a daily basis.

In this context, some alarming statistics on financial competency have come to light in recent years. For instance:

- 70% of 18–24 year olds surveyed in 2008 were in debt (YouGov);
- People in their twenties are the least capable age group at ‘making ends meet’, choosing financial products and planning ahead (Financial Services Authority);
- 43% of parents do not know what basic financial terms like APR or PPI mean;
- A lack of financial education has cost British people nearly £250 million in charges and penalties alone, according to Credit Action’s 2011 [Debt Facts and Figures](#) report, with almost a quarter (24%) of the population having been hit by charges because they do not understand the terms and conditions of financial products;
- 84% of those seeking Citizens Advice Bureau Cymru help between April 2012 and March 2013 had financial capability issues. 74% continue to receive financial capability help;
- Citizens Advice Bureau Cymru has experienced a fivefold increase since 2012 in the number of people who have problems with a payday lender;
- In 2012 it was found that 4% of the adult population in Wales (93,808) have taken out a payday loan – from a base of nothing in 2007. From those, 11% (10,319) were young people.

Some of the consequences of this have been highlighted by the Money Advice Service’s November 2013 report: [The Financial Capability of the UK](#). The report found:

- The proportion of people in the UK struggling to keep up with bills and credit commitment had risen from 35% in 2006 to 51% in 2013;
- 35% of people had experienced a shock to their finances in the last three years;
- 23% had experienced a large drop in income in the last three years;
- 40% would have to think about how to cover an unexpected £300 bill;



- Compared with 2006, 5 million fewer people in the UK in 2013 made sure that they had money saved for a rainy day (around 238,000 people in Wales, according to the population proportion);
- In the last six months, 12% (or around 398,000 people in Wales, according to the population proportion) had missed more than one payment on a loan, credit agreement, mortgage or had an unauthorised overdraft charge;
- In the last year, some 40% of people (or 1.2 million people in Wales, according to the population proportion) had used a credit or store card to pay because they did not have the money at the time.

I am, of course, aware that the Welsh Government's [Financial Inclusion Strategy](#) was published in 2009 and reviewed in 2011, leading to the [Financial Inclusion Strategy Priorities for 2011–13](#). The strategy aims to identify the work which needs to be undertaken by the Welsh Government, in collaboration with all relevant stakeholders, to address the problems associated with financial exclusion.

The Welsh Government stated that the overall aim of the strategy was to facilitate a joint-agency response to financial inclusion. I am also aware of the work that is ongoing in this area, such as through the Welsh Government's [Financial Inclusion Delivery Group](#). Despite this, I believe that more needs to be done. My view is that action around financial inclusion in Wales can be particularly strengthened by making legislation governing the way financial education is delivered; and how local authorities contribute to promoting financial literacy in their areas.

The Welsh Government has introduced financial education in schools through mathematics, personal and social education, and the Literacy and Numeracy Framework. It is my contention that existing provision would be insufficient in an advantageous financial climate let alone in current conditions. As such, **my Bill would provide a legislative footing for financial education, strengthening its role throughout the education system, while ensuring that educational organisations are able to provide support to students. It will also ensure young people are given a better understanding of issues such as interest rates, money management, and the dangers of unsustainable debt.**

At the same time, numerous local authorities have found themselves powerless to act against the spread of payday loan shops and cold calling scams. These often proliferate in deprived areas, where there is compelling evidence that financial competency is poor.



Although many local authorities can and do contribute significantly to the financial inclusion agenda, I believe that their role in this respect needs to be strengthened. A more financially literate population is a healthier population in all senses, and providing a central role to local authorities to promote financial inclusion and financial literacy could be a positive, preventative step we can take that would benefit the wellbeing of society as a whole. As such, **my Bill would make it a requirement for each local authority to prepare a financial inclusion strategy. This strategy will need to set out clearly what each local authority intends to do to promote financial inclusion and the financial literacy of individuals in their area.**

I also intend my Bill to include provisions relating to **prohibiting charging for internet access in public libraries**; to the **financial education of looked-after children**; and to the way in which **local authorities, universities and further education corporations signpost individuals to information about financial management.**

The remainder of this document provides you with more detailed information about these proposals, along with consultation questions that you are invited to respond to.



Proposals relating to financial education

Background

Schools are required by statute to follow the basic (or school) curriculum although there is no prescription of how they must fulfil this. Section 101 of the *Education Act 2002*, as amended, lists the requirements of the basic school curriculum in Wales.

It is important to note a distinction between the basic curriculum and the national curriculum. The latter consists of subject orders and programmes of study for core (compulsory) and foundation subjects, which schools are required to follow in the way they teach those subjects. I am proposing that financial education be added to the requirements of the basic curriculum in Wales from Key Stage 2 onwards (age 7+).

Both personal and social education (PSE), and work-related education are statutory parts of the basic curriculum in Wales, although, unlike with national curriculum subjects, schools are able to decide how and what they cover. The Welsh Government has published frameworks for both PSE and work-related education (known as *Careers and the world of work*), and these are important sources of guidance for schools, which they are expected to follow. However, they are non-statutory frameworks, which means that their content is not binding on schools.

My proposed Bill would give financial education a similar legal status to PSE and work-related education; it would be mandatory for schools to deliver but they would have the flexibility to decide how they did this.

There are of course elements of financial education which are already part of the curriculum requirements on schools. At present, financial education and use of money are included within the mathematics national curriculum, the statutory Literacy and Numeracy Framework, and the non-statutory Personal and Social Education framework. Further details of these are included below. The non-statutory [Careers and the world of work framework for 11 to 19 year olds](#) includes provision for entrepreneurialism but not financial capability.

However, there is no general requirement to deliver 'financial education' and this is what I believe needs to be changed. These proposals have been drawn up with reference to the context of existing provision for financial education and what the Welsh Government is already committed to doing. It is envisaged that 'financial education' will be delivered through a combination of potentially new measures and strengthening of those already in



place. In forming my proposals, I have also considered the on-going curriculum and assessment review that the Welsh Government is undertaking.

The [mathematics curriculum](#) includes understanding and using money at each Key Stage, for example at Key Stage 4, pupils are given opportunities to:

Calculate with money and solve problems related to budgeting, saving and spending, including currency exchange rates, profit and loss, discount, hire purchase, best buys, household bills and compound interest.

It also states that at Key Stage 4, 'learners consolidate their knowledge and understanding ... enabling them to solve problems in a variety of contexts ... particularly the management of personal finances'. However, how this is delivered is not specified.

The delivery of the [Literacy and Numeracy Framework](#) (LNF) is a statutory requirement on schools in Wales and was introduced in September 2013. A number of expectations of learner abilities are set at each year from Reception to Year 9. From September 2014, teachers will be required to assess pupils against these expectations on an annual basis.

One of the strands of the numeracy components within the LNF is 'Using number skills' and within this strand there is an element called 'Manage money'. By the end of Year 9, pupils are expected to understand the risks involved in different ways of saving and investing as well as the importance of insurance.

The Welsh Government plans to introduce a **new, second, mathematics GCSE in 'numeracy'** in Wales from September 2015. This is part of work, following Huw Evans' [Review of Qualifications for 14 to 19 year olds in Wales](#), to also reform the existing mathematics GCSE into one covering 'mathematical techniques'. Similar changes are being made to English and Welsh first language GCSEs to introduce a greater focus on literacy. The numeracy GCSE will be designed to build on the levels of numeracy expected under the LNF and the Welsh Government has also said that it will include financial literacy.

The [non-statutory PSE Framework for seven to 19 year olds](#) sets out specific opportunities which pupils should be given are set out at each Key Stage and at post-16. In general, it states that, in preparing for lifelong learning:

Learners also need to develop an understanding of the role and importance of money. They need help to understand their role and responsibilities as consumers and to cultivate a financial capability which enables them to make effective economic judgements and decisions.



In its 2010 report into [Financial Inclusion and the impact of Financial Education](#), the National Assembly's Communities and Culture Committee recommended

that the Welsh Government ensures that the provision of financial education is a compulsory element of the PSE framework, and reviews the emphasis placed on financial education on a regular basis.

Accepting the recommendation in principle, the Welsh Government pointed to the existing statutory responsibility to deliver PSE and the coverage of financial education within the PSE framework, although this guidance is not a legal requirement for schools to follow and is therefore at their discretion. The Welsh Government added that PSE, as with all aspects of the school curriculum was subject to regular review.

The Welsh Government is currently undertaking a **curriculum and assessment review** in two phases. The proposals in phase 1, which were [consulted](#) on in late 2013, cover how curriculum and assessment arrangements should be updated to align with the new LNF, including revising the programmes of study for mathematics at each of the Key Stages. It is anticipated these changes will be introduced on a non-statutory basis from September 2014 and then become statutory from academic year 2015/16. Phase 2 will concentrate more on curriculum design and the development of a distinctly Welsh curriculum. It is also proposed that a statutory 'wider skills' framework be established, replacing the non-statutory skills framework, although it is unclear how, if at all, financial literacy might feature within this.

The Welsh Government has said that the place of financial literacy within the curriculum will be considered as part of the on-going curriculum and assessment review, although no details have yet emerged of how this may be included.

Information on opportunities for teaching financial education within the curriculum are brought together in the Welsh Government's guidance document for schools and colleges, [Financial education for 7 to 19 year olds in Wales](#). Published in 2011, the guidance is aimed at governing bodies, senior management teams and practitioners / teachers to help them plan and deliver financial education.

Until recently, there has been dedicated support for the delivery of financial education from the **Welsh Financial Education Unit (WFEU)**, which was established in 2008 within the Welsh Government. The WFEU worked with practitioners in schools and local authorities and in partnership with further education and the financial services and third sector.



The WFEU was brought to an end in August 2013 and the Welsh Government said it was always intended to be a time-limited programme. However, the resources and materials used by the unit staff are available to schools in Wales and, through the inclusion of financial education in the LNF, the Welsh Government believes there is an ‘extremely strong’ mechanism to embed such skills into the core curriculum.¹

Nevertheless, I believe that the current arrangements for financial education in school fall short and need to be strengthened. This was highlighted in [Money Matters](#), a 2011 report by Estyn on the provision of financial education for 7 to 19-year-olds in primary and secondary schools in Wales. Amongst Estyn’s findings were that ‘most schools have made adjustments to their programmes of work to include financial education but in many secondary schools financial education is delivered through PSE’ and that ‘these lessons are not enough on their own to make sure that learners have a good knowledge and understanding of financial matters or the skills to make sound financial decisions when they are older’.

In [response](#) to [Money Matters](#), the Welsh Government recognised that there was still more to be done to embed financial education across the curriculum and that it would consider Estyn’s findings and recommendations on developing plans for further work to support financial education in schools. However, it is yet to report further on this.

The need for increased further education also arises from Wales’ poor PISA² results for 2012. PISA tests 15 year old pupils in many countries on their ability to apply their knowledge and skills to address real life challenges, as set out in tests. Financial literacy is an obvious example of a skill required to deal with the real life challenge of making difficult financial choices. Given that the next PISA survey (2015) will include a financial education test, my proposals are even more relevant and would complement the Welsh Government’s agenda to improve Wales’ PISA scores and ranking.

It is noteworthy that a number of countries have made personal finance education part of their statutory curriculum, including the Czech Republic, Hungary, India (two states), Japan, Korea, Malaysia, New Zealand, Poland, Spain and some states of the US. At Westminster,

¹ National Assembly for Wales, Children and Young People Committee, [Record of Proceedings \[para 184\]](#), 16 October 2013

² The Programme for International Student Assessment (PISA) is a programme run by the Organisation for Economic Co-operation and Development (OECD) providing comparative information between countries on pupils’ abilities in reading, mathematics and science. For more information on Wales’ 2012 results, see the Assembly Research Service publication [PISA 2012](#), December 2013.



the [All Party Parliamentary Group on Financial Education for Young People](#) reported in 2013:

The evidence we have collected during this inquiry suggests that if personal finance education is not mandated, examined or inspected, schools will not teach it due to constraints on space and time in the curriculum. Accordingly, there was a general consensus that compulsion is the only way to ensure that schools find the time to teach personal finance education. If the UK is to compete internationally both in terms of educational standards and economic growth, our curriculum must develop the way it provides financial education so that the next generation does not fall behind.

I agree with this finding and believe that whilst current arrangements for financial education rest within existing ministerial powers, these now need to be given a foundation in Wales within primary legislation. This would put beyond doubt the status of financial education within the curriculum in Wales and ensure that it does happen.

I also suggest that my Bill could make provisions relating to the financial education of looked-after children and to the way in which universities and further education corporations signpost individuals to information about financial management.

My proposals

To require that financial education becomes a compulsory part of the curriculum from Key Stage 2 onwards, by amending section 101 of the Education Act 2002 and placing financial education on a similar footing to personal and social education (PSE) or work-related education. Therefore, financial education would be legally required as part of the basic school curriculum but subject to non-statutory guidance on how schools deliver it.

This would address the current shortcomings that exist where aspects of financial education may be provided in schools in Wales although delivery is patchy and not guaranteed. By adding financial education to the list of requirements set out in legislation, this would ensure that children and young people in Wales actually get the opportunities they need to learn how to be financially literate in the outside world.

There is a case for arguing that some degree of financial education is already required in one form or another, for example through the Literacy and Numeracy Framework. However, making this change to section 101 would formalise this and make it absolutely clear that schools and local authorities must deliver financial education to pupils.



It should also provide for a coherent and consistent framework for this to be delivered. By placing financial education on a similar legal footing as PSE or work-related education (known in practice as 'Careers and the world of work'), the Welsh Government may decide to produce a non-statutory framework giving guidance on how it should be delivered in schools. This should also lead to a stronger and deeper level of coverage of financial skills in the education children and young people receive at school.

Consultation questions

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

To impose a duty upon the Welsh Government and local education authorities that financial education remains a continual part of educational development and activity for pupils and students throughout compulsory education from Key Stage 2 onwards.

This duty follows the envisaged change in the curriculum and would make the Welsh Government responsible for ensuring that the addition of financial education is implemented on the ground. It is expected that the Welsh Government would do this by similar means to existing statutory parts of the basic curriculum such as PSE, work-related education and sex-education, and the national curriculum. For example, there may be a relevant role for the inspectorate, Estyn.



Consultation questions

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?

To impose a duty on Welsh Ministers to ensure that financial education is taught on a cross-curricular basis in primary and secondary schools from Key Stage 2 onwards, which they must have regard to when curriculum reviews occur.

This would mean that rather than financial education being regarded as a ‘bolt-on’ or a ‘tick box’ exercise, where just a few hours were set aside for learning about money, aspects would be included in a number of lessons. For example, an English class could learn how to write a letter of complaint to a utility company, while mathematics lessons could teach how to get the best deal on a mobile phone contract and how to ensure that contract is paid for.

It is important that financial education is considered when the curricula for individual subjects are reviewed and revised. The Welsh Government has said that the on-going curriculum and assessment review is taking into account the place of financial literacy. This would ensure such practice is provided for in legislation.

Consultation questions

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?

To impose a duty on Welsh Ministers to formally consult with relevant stakeholders and experts when developing curriculum content on financial education.

This would aim to make curriculum content as relevant as possible to real life money and finance experiences, updating it to take account of developments in the finance industry such as mis-selling cases and new lending practices. It would be logical for the Welsh Government to involve the relevant expertise available in these areas when developing and reviewing curriculum content. It is therefore considered beneficial for it be included in the legislation.



Consultation questions

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?
8. Which persons and organisations should be consulted?

To impose a duty on Welsh Ministers to review the progress of financial education in maintained schools.

To require Welsh Ministers to provide an annual report to the Assembly on the state of financial education in Welsh schools.

I believe it is important that as financial education in schools in Wales develops and progresses that the Welsh Government keeps this under review. For example, the Literacy and Numeracy Framework, which consists of several relevant aspects under its 'Manage money' element, started in academic year 2013/14 and a new numeracy GCSE will be taught from September 2015. My proposals will complement these developments and it will be necessary to monitor and review how effective these all are. This could potentially include the performance in relevant qualifications such as the new numeracy GCSE.

This monitoring and reviewing role could in practice either be undertaken by Welsh Ministers or by the inspectorate, Estyn, as part of its cycle of inspections of schools and local authority education services. Alternatively the Welsh Government may opt to remit Estyn to report specifically on financial education, as with 'Money Matters' in 2011, or on an annual basis in either the Chief Inspector's annual report or a separate report.

Consultation questions

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?



To require universities and further education corporations in Wales to provide information setting out where students may obtain advice about financial management. This duty will specifically need to be exercised when students are seeking assistance from the establishment about debt or financial management.

This reflects the care and welfare obligations which higher and further education institutions have to their students. Students in higher and further education are often financially stretched and face difficult choices about budgeting and handling money. Young students living away from home for the first time, for example, are arguably particularly susceptible and would benefit from such advice and support. In making this provision, the Bill would need to be mindful of recent legislation³ loosening Welsh Ministers' governance controls over further education institutions with the intention of achieving a re-classification of the sector by the Office for National Statistics.

Consultation questions

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

³ *Further and Higher Education (Governance and Information) (Wales) Act 2014*



Proposals relating to the role of local authorities

Background

Although local authorities (here meaning county and county borough councils) in Wales do have the power to do things that may promote or improve the general economic well-being of their area, there is no specific duty upon them to promote financial inclusion. I believe that imposing such a duty on them – by requiring each authority to adopt its own financial inclusion strategy – could help them to improve the overall wellbeing of their residents and areas in this regard.

In the Welsh Government's 2009 [Financial Inclusion Strategy for Wales](#), there was reference to the important role that local authorities had to play within the financial inclusion agenda. However, the strategy also acknowledged that provision in this respect varied between areas:

Local authorities have the potential to play a huge role in promoting financial inclusion in Wales. Most will already have some policies addressing the various aspects of financial exclusion, such as supporting the development of local credit unions, anti-loan shark activity and providing debt and welfare benefits advice. However, the provision of these services varies throughout Wales and is inconsistent, meaning that some areas benefit more than others.

This subject was looked at in some detail by the National Assembly's Communities and Culture Committee in 2010, which undertook an inquiry into [Financial Inclusion and the impact of Financial Education](#). With regard to local authorities, the main points raised in evidence during the course of the inquiry were:

- There was a lack of coordination of services (such as financial and debt advice services) at a local level, and lack of joined-up work;
- Many witnesses suggested that local authorities, rather than central government, should have the lead responsibility for coordinating the provision of financial education in their local areas;
- There was a lot of evidence on the positive work local authorities were already doing to promote financial inclusion, including their own local strategies;
- Other witnesses were concerned that local authorities were not consistently engaged in the provision of financial education and financial inclusion, because it was not a statutory responsibility;



- Witnesses said the Welsh Government's Financial Inclusion Strategy made recommendations for local authorities, but that it was unclear what action they must take, and therefore there was scope for more strategic guidance or direction;
- Others said that the Welsh Government's Financial Inclusion Strategy was timely but not statutory and so depended on goodwill and persuasion through the Welsh Government;
- Witnesses said that due to there being no statutory responsibility in respect of financial inclusion, authorities were trying to 'piggyback' those concepts onto other areas where there is responsibility (e.g. child poverty agenda, homelessness agenda etc).

The Committee's report stated that it did consider recommending that the Welsh Government should place a new statutory duty on local authorities to address financial inclusion and financial education. However, in the end, the Committee believed that the best way to address these issues was through some of the existing statutory responsibilities on local authorities relating to, for example, child poverty, health, social care and wellbeing. The Committee therefore called on the Welsh Government to engage with local authorities to highlight the crosscutting value of addressing financial inclusion and financial education as part of their existing statutory responsibilities.

In my view, this does not go far enough, while we must bear in mind that circumstances have changed considerably since 2010. Welfare reform, proposals for monthly payments under universal credit, and the growth of payday lenders have all contributed to changing the financial landscape in which people live. That is why I believe each local authority should now be required by law to promote financial inclusion by producing and adopting a financial inclusion strategy. This strategy would outline what specific steps the authority intends to take to promote financial inclusion and the financial literacy of those living in its area. To ensure consistency between authorities, I suggest that the Bill could make it necessary for the strategy to show how the authority will give regard to financial inclusion in certain, specified areas of activity. For instance, the strategy could include reference to regulating street trading; to prohibiting cold calling; to engaging with credit unions; and to buying goods and services. However, I would welcome views on the appropriateness of this approach.



Finally, with regard to the role of local authorities, I suggest that my Bill could make provisions relating to prohibiting charging for internet access in public libraries and to the way in which local authorities signpost individuals (including formerly looked-after children) to information about financial management.

My proposals

To require local authorities (county and county borough councils) to promote financial inclusion by producing and adopting a financial inclusion strategy.

The strategy's overall aim would be to outline the steps the local authority intends to take to promote financial inclusion and financial literacy amongst those living in its area. The strategy would also provide a basis on which local authorities would consider issues around financial inclusion and financial literacy when making wider policy decisions.

Consultation questions

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?

For each local authority's financial inclusion strategy to refer to the steps the authority intends to take within specific areas of activity to promote financial inclusion. For instance, the Bill could require the strategy to show how authorities will:

- **ensure that street trading is effectively regulated under the powers already available to them to do this;**
- **take steps to prohibit 'cold calling' in their area to the extent to which the law allows them to do this;**
- **engage with credit unions in their area to encourage residents to use their services;**
- **promote the financial inclusion of residents in their area when buying goods and services.**

The intention of including a specified list on the face of the Bill of what each financial inclusion strategy should contain is to ensure that each local authority is taking consistent action in the most pressing areas where issues around financial inclusion need to be addressed.

For instance, local authorities at present have options under Schedule 4 to the *Local Government (Miscellaneous Provisions) Act 1982* to adopt powers to regulate street



trading. There has also been a [recent consultation](#) by the UK Government to amend street trading legislation for England and Wales to ensure that it complies with European Directives. The Bill could make it necessary for the financial inclusion strategy to outline how exactly authorities intend to proactively exercise the powers that they have in this area in a way that would improve the financial wellbeing of residents.

Similarly, as regards the practice commonly referred to as 'cold calling', [guidance from the Office of Fair Trading](#) suggests that there appears to be no prohibition, restriction or limitation preventing local authorities from establishing 'No Cold Calling Zones'. These are designated areas where the resident community declare they no longer wish to accept traders calling at their homes without an appointment. These can be actively supported by local authority trading standards services, and I believe that there could be a role for the financial inclusion strategy of each local authority to outline what proactive steps the authority could take to work with residents to establish more of these zones.

With regard to credit unions, I believe more could be done to promote awareness of their services amongst the population. While I am conscious that some unions are more successful than others, the strategy could make it necessary for all local authorities to outline how they intend to engage with credit unions in their area for the benefit of their residents.

When local authorities are procuring goods or services, the financial Inclusion strategy could outline how they would consider the opportunities to promote financial inclusion and literacy as part of that process, within the boundaries of existing procurement laws.

Consultation questions

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?

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



To require local authorities to publish an annual report setting out what steps they have taken to implement the strategy and promote the financial inclusion of their residents.

Local authorities will be required to publish an annual report on the steps they have taken to implement their financial inclusion strategy. The purpose of this will be to ensure that actions in the strategy are being implemented and to keep residents and stakeholders informed of what each local authority has done during the year in relation to its strategy.

Consultation questions

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

To enable the Welsh Ministers to issue guidance to local authorities in Wales about how they need to comply with provisions in the Bill, including the production and implementation of their financial inclusion strategy.

Consultation questions

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)?

To prohibit local authorities from charging for internet access in libraries.

Under the *Public Libraries and Museums Act 1964*, local authorities are unable to charge for the use of library facilities unless specific regulations have been made to allow that. Regulations were made in 1991 that allow local authorities to charge for specific services, and these do not appear to cover anything which would relate specifically to internet access. However, in order to put this matter beyond doubt, I propose that the Bill will impose a specific and clear restriction preventing local authorities in Wales from charging for internet access in their libraries.

In terms of financial inclusion and literacy, there are some compelling reasons for wishing to do this. For instance, the introduction of Universal Credit and Universal Job Match by the UK Government requires claimants to access information online. In England, some libraries



have appeared to start to charge for internet access. Free internet access in all Welsh libraries provides a vital service for vulnerable people and job-seekers, and I am eager to ensure that this is protected in the future.

Consultation questions

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?
20. Do you envisage any problems that could arise by prohibiting libraries from charging for internet access?
21. Do you believe there are occasions when the public should be charged for using computers in libraries?

To impose a duty on each local authority to provide advice about financial management, debt and financial services to 16, 17 and 18 year olds in their area who were formerly looked-after children.

This requirement would reflect local authorities' role as a corporate parent to children they look after. It seems logical and reasonable that local authorities should continue to take an interest in the wellbeing of individuals they formerly looked after. It would also be reasonable that providing financial guidance at a time when these individuals are becoming adults and making their own financial choices should also form part of the role of local authorities.

Consultation questions

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?



To require local authorities to provide information setting out where individuals may obtain advice about financial management.

Often, people seeking advice from local authorities on issues such as housing, homelessness or debt will also be those most in need of assistance with financial literacy and financial management. The intention therefore is that when individuals are seeking assistance from a local authority about housing, homelessness or debt, the local authority would be under a duty to signpost those individuals to where information about financial management can be found. It could also be required for local authorities to publicise this information on their websites.

Consultation questions

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?

Financial implications and further comments

I would finally welcome your views on any financial implications that may derive from my proposals, as well as any other comments you have on matters not directly raised by the consultation questions themselves.

Consultation questions

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?

25. Are there any other comments that you would wish to make on my proposals, which are not addressed in any of the previous answers?



How to respond

The full list of questions asked in this consultation can be seen at the end of this document. Please feel free to respond to as few or as many questions as you wish, and you are welcome to add any other comments that you consider appropriate.

Responses should be submitted by **28 April 2014** and sent to legislation@wales.gov.uk.

Alternatively they can be sent by mail to:

Gareth Williams

National Assembly for Wales

Cardiff Bay

Cardiff

CF99 1NA

Tel: 029 2089 8008

To help inform debate on the matters covered by this consultation and in the interests of openness, please be aware that the normal practice is to make responses public – by publishing them on the National Assembly for Wales website.

Therefore, if you wish your response or any part of it to be treated as anonymous or confidential, please state this clearly along with the reasons for this.

There are circumstances where the National Assembly may be required to disclose information submitted to it in accordance with the *Freedom of Information Act 2000*. If your response is accepted as anonymous or confidential, it is your responsibility to ensure that the content does not allow you to be identified.

If you consider that your response may raise any issues concerning the data protection or freedom of information and wish to discuss this, please contact Gareth Williams, Legislation Clerk, before you submit your response, on 029 2089 8008.

What happens next

Following my consideration of what people have told me during this consultation process, this will inform the final content of the Bill that I will be introducing into the Assembly by 15 July 2014. Accompanying the Bill will be an Explanatory Memorandum and Regulatory Impact Appraisal that will give more information on what changes the Bill will make should it become law.



Once my Bill has been introduced, there will be a process by which it will be subject to thorough scrutiny by the Assembly, with an opportunity for all interested parties to submit further views on the Bill's contents.

This scrutiny process consists of four stages, during which the Bill will be scrutinised by the relevant Committee(s) and subject to amendment within Committee and Plenary (full Assembly). I hope that some time next year (2015) my proposals will become law and there will be greater support in place for people in Wales to be financially literate and make the best financial choices for themselves and their communities.

A full list of the consultation questions

Please note that you are welcome to respond to as few or as many of the consultation questions that are relevant to you or your organisation.

Consultation questions

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



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?
8. Which persons and organisations should be consulted?
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?
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?
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?
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?
15. Are there any other things that the strategy should contain in terms of how local authorities promote financial literacy and inclusion?
16. What are your views on requiring local authorities to publish an annual report on how they have implemented their financial inclusion strategy?
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?



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)?
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?
20. Do you envisage any problems that could arise by prohibiting libraries from charging for internet access?
21. Do you believe there are occasions when the public should be charged for using computers in libraries?
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?
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?
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?
25. Are there any other comments that you would wish to make on my proposals, which are not addressed in any of the previous answers?