

## **INTRODUCTION**

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, the three national park authorities and the three fire and rescue authorities.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
3. The WLGA is guided by a number of key principles which underpin the work of the Association and have helped to shape this response to the Financial Education and Inclusion (Wales) Bill. The WLGA believes that decisions about services should be taken as close point of delivery as possible and that the people and communities using those services should be as engaged as possible in their delivery. It is also our belief that local services should be provided within a democratic framework of local accountability.
4. The WLGA recognises that it is the role of the Welsh Government to set the strategic framework and policy direction for services at a national level and that it is the role of local government to deliver those services taking account of the local circumstances and pressures. It is also recognised that services must be provided within a proportionate but effective regulatory framework to ensure that public resources are used appropriately and that services are delivered effectively and efficiently.
5. The WLGA has consistently argued for an un-hypothecated revenue support grant (RSG) as the best way of funding local government and any new responsibilities or additional burdens placed on local government should be fully costed and appropriately funded.
6. The WLGA recognises that some policy initiatives or strategies need to have funding attached to them for specific periods of time to make sure that they

become embedded and are delivered as intended. For this reason, the WLGA, by exception, supports the use of specific grants or the ring fencing of revenue funding for specified purposes on the understanding that funding will eventually return to the RSG.

7. The WLGA welcome the opportunity to comment on the Financial Education and Inclusion (Wales) Bill and agrees with the principle that communities should be supported to improve their understanding of financial literacy and that children and young people should have access to a broad curriculum that includes financial literacy. According to the Citizens Advice Bureau personal debt in the UK currently stands at £1.46 trillion, with 9% of the population struggling to manage household debt. Local authorities and schools do have a part to play in supporting and educating communities, not only about debt management but wider financial literacy.
8. It is the view of the WLGA, however, that primary legislation is not the most appropriate way to ensure that communities are supported and that children and young people receive financial literacy education. Local authorities currently undertake a substantial amount of work to support communities with financial issues and schools deliver a broad range of education programmes which target financial literacy. It is the view of the WLGA that legislation is not needed to meet the principles outlined in the Bill and that having to do so will further stretch budgets within local authorities and schools.
9. All local authorities in Wales are required to produce a Local Authority Single Integrated Plan (SIP). The WLGA view is that local authorities could outline their work to address financial literacy through this plan which is monitored and reviewed regularly. This would also link into the work of the Local Service Boards, who maintain an overarching view of strategic issues. Utilising existing mechanisms would be preferable to creating a new legislative framework which would then require additional monitoring.
10. Local authorities could demonstrate through the SIP the work that is already underway in the area of financial literacy including prioritising those communities which are most vulnerable. One area in particular that local authorities are focusing on is support for those who are facing hardship following welfare reform. Local authorities across Wales have Welfare Reform Task and Finish Groups which focus on financial and digital provision, working to provide as much support to residents and customers whilst dealing with, or in preparation for the reforms. Many of these have been opened up to external partner organisations and are

working closely together to work more collaboratively to support the customer needs. These Task and Finish Groups and local authorities more generally are focusing on linking digital and financial capability, as they are now regarded as intrinsically linked.

11. Many of the most vulnerable members of our communities do not have access to IT or do not have the capability to use it. This means that the provision available to them is much more restricted than if they were digitally literate, for example through the use of online tools, better access to lower cost products, loans etc. Local authorities are working, with limited resources, to support this section of the community. In order to target support local authorities have developed tools which map the financial and digital provision available across an authority area. The majority of this work has been undertaken with partner organisations including the Department for Work and Pensions, third sector and voluntary sector organisations and housing providers.
12. Local authorities are working with a full range of partners in order to support communities with financial literacy. Much of this work is focused on those who are most in need of support for example linking in with their Anti-Poverty Champions and Anti-Poverty Officers and other departments within local authorities, such as housing and Communities First. Authorities are also working with housing associations, credit unions and high street banks, such as Barclays, to provide support on bank accounts and savings etc. Much of this collaboration is conducted through Financial Inclusion Forums which bring providers together to try to deliver a holistic approach to financial inclusion. Local authorities are also working closely with the Job Centre Plus (JCP) in order to make interventions targeted and also to link with training and work opportunities. There are also ongoing discussions with JCP to utilise resource from the Flexible Support Fund to fund financial and digital support activity linked to a work focused outcome.
13. Local authorities are also working collaboratively across councils in order to ensure an efficient and effective service. An example of this is the Gwent Financial Inclusion/Money Advice Coordinator which has been introduced to work across five local authority areas to coordinate their financial inclusion provision and to develop a Gwent wide approach to providing this provision. The Financial Inclusion Together project also funds a collaborative approach in North Wales with over 1000 staff training in providing financial support. This project is funded through the European Social Fund as part of the work of the LSB.

14. In addition local authorities are looking across services to support financial literacy and linking with Tenancy Support Officers who work with tenants in the home to help secure and maintain their tenancy. This type of support includes providing personal budgeting advice, looking specifically at budgets, income and expenditure accounts, debt issues and where appropriate making the relevant referrals to support organisations such as the Citizens Advice Bureau or the Money Advice Service. Many local authorities are also delivering direct budgeting support and their staff are trained to carry out income and expenditure calculations.
15. It can be seen that local authorities provide a range of services for communities aimed at financial literacy and support. Much of this support is provided in collaboration with other partners from within the public sector, voluntary sector and private sector. The WLGA therefore have the view that it would not improve provision to have further legislation in this area.
16. It is also the view of the WLGA that it is unnecessary to legislate for the inclusion of financial education within the school curriculum in Wales. The WLGA supports the principle of teaching financial literacy and local government believes that this is an essential skill for children and young people. Again however, it is the view of the Association that primary legislation is not required in order for this aim to be realised. Schools and local authorities already provide access to, and support for, the teaching of financial literacy in schools at all key stages. In addition Professor Graham Donaldson is undertaking a curriculum review on behalf of Welsh Government and it would be favourable to wait for the outcome of that Review before creating a statutory requirement for financial literacy to be taught in schools.
17. Welsh Government recently commissioned a report by the Organisation for Economic Co-operation and Development (OECD), to give a view on the state of the education system in Wales. One of the key themes outlined in the findings from this report, was that Wales needed a clear vision for education in Wales. It is the opinion of the Association that additional legislation regarding the curriculum would add complexity the system at a time when there is considerable and widespread support for increased flexibility and clarity.
18. Children and young people in Wales currently receive financial education through the Personal and Social Education (PSE) element of the curriculum and in addition through the teaching of mathematics. This has been supplemented in recent years through the implementation of the National Literacy and Numeracy

Framework (LNF) which further emphasised the teaching of financial literacy through the framework module called Manage Money. The LNF provides a variety of support packages and training for teachers specifically aimed at the delivery of Manage Money. The new GCSE programmes for English, Welsh and mathematics are due to become statutory in 2015 and these also have a focus on financial literacy skills. The new numeracy GCSE in particular will require learners to have a range of skills specifically in the area of financial literacy. This will ensure that financial literacy is addressed across the foundation phase and at all key stages.

19. In conclusion, the WLGA supports the principle of local authorities providing a level of support for communities with regards to financial literacy and fully support the teaching of financial literacy in maintained schools and within other educational settings. This evidence has outlined some of the work that is currently taking place in schools and local authorities in order to promote financial literacy as part of the overall well-being agenda and is the firm opinion of WLGA that it is not necessary to create a statutory requirement within the area of financial education and inclusion.

---

**For further information please contact:**

Dr Chris Llewelyn  
Welsh Local Government Association