

WELSH FINANCIAL INCLUSION STEERING GROUP

Meeting Note – 17 July 2017, Merthyr Tydfil

Present

Chair

Andrew Jacobs (AJ) Financial Inclusion Unit, Welsh Government

Welsh Government Officials

Charlotte Anscombe (CA) Financial Inclusion Unit

Paul Neave (PN) Financial Inclusion Unit

Sally Hunt (SH) Equality & Prosperity

Members / Deputising for Members

Farida Aslam (FA) Monmouth Housing Association

Jonathan Brenchley (JB) Corporate Relations Wales & West, Barclays Bank

Danielle Cope (DC) Action for Children

Charles Counsell (CC) Money Advice Service (MAS)

Elizabeth Emmons (EE) Wales Illegal Money Lending Unit

Leanne Herberg (LH) Cardiff and the Vale Credit Union

Helene Hayes (HH) Citizens Advice Cymru

Jocelle Lovell (JC) Financial Inclusion Champion, Wales Co-operative
Centre

Sean O'Neill (SO'N) Children in Wales

Lee Phillips (LP) Money Advice Service (MAS)

Graham Roberts (GR) DWP (Universal Credit Programme)

Jayne Simpson (JS) National Probation Service (representing Tony Kirk)

Geraint Willington (GW) Education Consortium

Secretariat

Jan Morgan (JM) Financial Inclusion Unit, Welsh Government

Apologies for non attendance

Will Atkinson (WA) Community Housing Cymru

Ian Albert (IA) Department of Work and Pensions

Rhys Evans (RE) Independent member

Lisa Hayward (LH) WLGA

Hannah Williams (HW) National Probation Service (representing interests of
National Offender Management Service in Wales)

John Mason (JM) Education (Curriculum Core Subjects)

Iwan Williams (IW) Older People's Commissioner's Office

Semele Mylona (SM) KAS, Welsh Government

Karl Thomas (KT) Housing Policy Division, Welsh Government

Pat McCarthy (PMc) Education (Curriculum Core Subjects)

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1. **Welcome, Minutes & Matters arising**

- 1.1 AJ welcomed members to the fourth meeting of the Financial Inclusion Steering Group (FISG) and thanked them for attending. AJ gave a special welcome to Charles Counsell, the new CEO Money Advice Service, Geraint Willington, who was attending his first meeting, and Helene Hayes who has returned to the group following a secondment opportunity.
- 1.2 The minutes from the 21 March 2017 meeting were accepted as a true record.
- 1.3 At the last FISG meeting, an initial discussion took place to assess the feasibility of having a Wales Financial Capability Week in November 2018. The first sub group meeting to discuss and plan the event was held on 13 June and a second meeting is expected to take place in September.
- 1.4 A Financial Education and Curriculum reform sub group has also been set up to help inform the Pioneer Schools network's work on the high level approaches to the individual Areas of Learning and Experience (AoLE), specifically how financial education will be represented in the new curriculum, under the mathematics and health and wellbeing AOLES.

2. **Update and discussion on draft Financial Inclusion Delivery Plan, Including key challenges to progress**

- 2.1 AJ gave an overview of the progress that has been made to date since the Financial Inclusion Delivery Plan (FIDP) was published in December. He said that a lot of work has already taken place which has been captured in the working draft FIDP and thanked members for their updates. However, he also acknowledged there was still a lot of good work being undertaken in the financial inclusion field which is not being fully reflected in the FIDP. This needs to be addressed and new avenues explored, for example, the CHC Advisory network to capture activities in across the social housing sector. AJ recognised some actions may prove more challenging to achieve and capture than others.
- 2.2 AJ mentioned that a number of reports relating to the Financial Inclusion agenda have been published recently. The National Survey for Wales 2016/17 was published on 28 June 2017. It included a couple of questions on ability to manage bills and access to debt advice services. 66% said they had no difficulties keeping up with bills while 32% have some difficulties. From a digital perspective more people are using the internet; non usage was down from 19% in 2015 to 15% in the latest survey. http://gov.wales/statistics-and-research/national-survey/?tab=el_home&topic=wellbeing_finances&lang=en

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- 2.3 The first Annual Review of the Welsh Government's Information and Advice Action Plan was recently undertaken by the National Advice Network Wales (NAN), with recommendations for Welsh Government. The review notes the progress that has been made since the plan was published in December 2016.
<http://gov.wales/topics/people-and-communities/communities/advice-services/information-and-advice-action-plan/?lang=en>
- 2.4 The Estyn report - Managing money: Financial education in primary and secondary schools was published on 11 July.
<https://www.estyn.gov.wales/thematic-reports/managing-money-financial-education-primary-and-secondary-schools-wales>
- 2.5 The Wavehill report on modelling the need for advice on social welfare topics was published on 27 June. The findings indicated that the greatest need was prevalent in densely populated areas for example in Swansea and RCT.
<http://gov.wales/docs/caecd/research/2017/170627-modelling-need-advice-social-welfare-topics-en.pdf>
- 2.6 AJ mentioned the recent Joseph Rowntree Foundation (JRF) '*Does money affect children's outcomes? An update*' report which confirms that money itself matters and needs to be taken into account if we want to improve children's outcomes. LP provided the background to the report which builds on a 2013 review with data from 27 studies published over the past five years. It confirmed that children in low-income households do less well than their better-off peers on many outcomes in life, such as education or health, simply because they are poorer. It found that, significantly, the measurable impact of increasing a family's income is similar in size to the measurable impact of investment in education.
- 2.7 AJ opened up discussion on the FIDP and invited comments from the group on the three main themes.
- 2.8 *Theme 1 - Access to affordable credit and financial services*
AJ gave an update on the LINK Financial Inclusion Programme and explained that since the last meeting 5 areas had been resolved, taking the number of unresolved areas from 190 to 185. An exercise is currently being undertaken to identify the most suitable Output Areas to locate free to use cash machines in clusters that are lacking provision. A map is being produced by WG Cartographics to get maximum impact within a cluster area.
- 2.9 LH explained that a Credit Union branded version of the Change Account, which will have a budgeting 'wallet' within it will soon be available though CUs to offer services for the unbanked. It will have more features than the current prepaid card offer, without the problems that some members experience with bank accounts. The product may have the potential to help members who struggle with budgeting. FA said that she knew of some CUs using them but there was a general lack of awareness of prepaid cards and RSLs were reluctant to use them because of the fees element.

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CA gave an update on the credit union funding which was awarded in March 2017 and explained that data is starting to come through from the credit unions on their projects as they get underway. LH said that some CUs have been having difficulty filling their new posts.

There was a general discussion about fee free bank accounts and what this term actually meant. It was apparent there was some confusion about whether this meant no charges would be applied or whether it also meant no monthly cost for having the account. LP said the new fee free accounts which came in last year do not charge, however the terminology can be confusing and not everyone would be allowed to have this type of account. JB said free banking is available in the UK but if you apply for a free account some of these do charge a fee, for example Lloyds charge for card protection. **AP** JB to check with colleagues about their understanding of the definition of free banking. FA said there was evidence of cases where some people had been turned down for accounts/loans with some CUs if they were considered to be high risk. LH explained that every CU was run differently and they had to employ responsible lending to protect member assets. HH said there was evidence from DAF reports to suggest that there were patterns of repeat applications for cash via EAPs.

2.10 *Theme 2- Access to financial information including debt advice*

AJ explained that the Financial Guidance and Claims Bill was introduced to the House of Lords on 22 June which covers the potential for devolving debt advice funding. He said discussions between DWP/Treasury and the devolved nations will continue to ensure Wales receives a fair funding agreement based on need. Further updates on this would be provided at the next meeting. CC explained that MAS welcomed the introduction of the Bill and set out what it contained. The Bill intends to make the customer journey across all aspects of financial guidance easier and more efficient. The new body will have a strategic role in financial capability and debt. He noted that the DWP was leading on the Bill and would be the sponsoring department for the new body when it comes into existence.

2.11

AJ welcomed PN to the meeting and explained that he had been in post for 2 months. PN said the NAN had completed its first annual review which was currently being translated and would be available on the website shortly. He explained that the work on IAQF was underway and a tender specification would be developed to appoint a contractor to commence the phased implementation of the IAQF by working with existing Standard Holders to explore the processes that have to be done for their standards to be accredited across to the IAQF. He said he was keen to get LAs engaged in the process to inform future advice and information provision given that Supporting People Programme services are commissioned by local authorities. Front line staff have access to welfare rights courses and some housing associations have dedicated Financial Inclusion teams and provide household budgeting and prioritisation advice. PN explained that the mapping of providers exercise had stalled somewhat, but WG and NAN were currently engaged in discussions with DEWIS Cymru to identify and implement short

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term solutions to concerns over verifying provider information on services provided and partial mapping with the provider map being live in September 2017. JL said that there was very good quality data available if an exercise could be done to overlay a variety of data sources to get a more complete picture of provision.

- 2.12 AJ said the emerging Employability Plan recognises that financial inclusion is important to sustain employment and increase household income and address the 'poverty premium'. Colleagues in Communities for Work have been signposting providers to promote financial skills to help them be ready to commence and sustain employment. AJ explained that Amelia John is one of 3 senior civil servants who are involved in a number of Pathfinder projects which are supporting the work of the Ministerial Valleys Taskforce (MTV). Financial inclusion and digital inclusion are issues which are coming up as part of the engagement with communities through the work of the MVTF. SH said that the delivery plan for MTV is being published later in the week.
- 2.13 *Theme 3 - Building financial understanding and capability*
AJ noted Commitment 15 within the FIDP aligns with the delivery of MAS Financial Capability Strategy which contains 77 actions relating to 5 specific groups, including Children/Young People and Older People. LP explained that every quarter the MAS actions are updated and are embedded in FIDP. She said the What Works Panel 1st stream process has allocated £1.7m to Wales's specific projects. LP said there was much work being done in the Financial Capability forums which are capturing what is happening in Wales. A case study capture document is coming out shortly which will help to identify and share good activities.
- 2.14 AJ gave an update in respect of Digital Inclusion and explained that the Digital Inclusion Strategic framework and Delivery Plan which was published in March 2016 is currently being updated. GW said 62 grants had been given for the Pioneer Schools work and he would be working with PMc on this agenda and a further update will be given at the next meeting. The Digital competence framework would also be essential in taking forward the financial inclusion agenda.
- 2.15 GR gave an update on the roll out of Universal Credit in Wales and the importance of providing budgeting support in preparation for this. He said a full roll out is expected to finish GB wide by 2018. UC is now live in Torfaen. Roll out across GB will continue at five Jobcentres each month until July when scaling up will commence and 30 Jobcentres will transition. Jobcentres will be developing a plan to identify clients who need support i.e. complex need claims. In Flintshire, the first local authority in Wales to have jobcentres delivering Universal Credit Full Service, there have been 70 referrals for Personal Budgeting Support (PBS) in the period April 2017 to June 2017. This is a significant increase on the referrals that were received in the Universal Credit Live Service where only 39 were made during the period April 2016 to March 2017. Many of those referred for PBS have underlying debt problems. FA said DWP staff are identifying people who need PBS and RSLs are starting to identify people who need support e.g. debt advice. GR said that

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there are options for alternative payment arrangements for people who are struggling to manage their Universal Credit payment. HH said that evidence from a CA report on UC indicated that, across the UK, their service had supported 30,000 people with UC issues and many needed a higher level of support due to significant financial challenges they were facing mainly caused by the 6 week wait for UC benefits.

3. *Future events including Financial Capability Week and Tackling Poverty in Wales event*

- 3.1 AJ opened the discussion and asked for any views concerning Financial Capability Week in Wales in November 2017. LP said she has arranged for an event to be held in the Senedd which will take place at lunchtime before Plenary to enable a variety of activities to take place and encourage a wider audience to attend. It is being sponsored by Bethan Jenkins AM. FA said she was happy to work with the sub group and to input information on behalf of CHC. **AP** LP to forward the bilingual information on fincap week for FISG members to JM to send out through their networks (actioned).
- 3.2 It was agreed at the meeting that SH or one of her colleagues will attend the Tackling Poverty in Wales Policy Forum event and feedback to the group in due course.

4. *Next steps and any other business*

- 4.1 AJ thanked FISG members for their input and constructive comments. Date for the next meeting is likely to be in mid November.

Jan Morgan

July 2017