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Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education



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 Department for Work and Pensions, the sponsor department.
 - The Welsh Government (and the other Devolved Administrations) will continue to lead on our own Financial Inclusion Strategy, which includes the financial capability of children and young people. However, as happens now with the current UK Financial Capability Strategy, it is important to link both strategies to ensure that the particular challenges facing devolved administrations are fully recognised in the UK strategy, 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 SFGB. This function is currently undertaken by the Money Advice Service

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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.

(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 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 need to 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.
- iii. How the planned UK-wide strategy would fit with the development of the new Curriculum for Wales and in particular the Government's wish to avoid its piecemeal reform.
 - The Welsh Government asked Estyn to undertake a review on the quality and provision of financial education in schools and how teaching and learning in this area has developed. Estyn's review is one of the actions within the Welsh Government Financial Inclusion Delivery Plan, which sets out actions and success measures required to monitor progress in enhancing support for financial inclusion and financial education across Wales.
 - Estyn published their findings in July 2017. Their findings will inform future curriculum development, indicate areas of good practice, and provide a steer on potential areas for improvement. A copy of the report and the Government response can be found at:

<http://gov.wales/topics/educationandskills/schoolhome/raisingstandards/estynremit/estynreports/managing-money-financial-education-in-primary-and-secondary-schools/?lang=en>

- Welsh Government is working with our four Regional Education Consortia and the MAS to support schools in using interventions that help them to measure and understand changes in learners' financial skills. This includes resources which we are actively promoting to schools, designed to enhance teachers' skills, knowledge and understanding to drive the effectiveness of financial education. I do not envisage this changing in substance through the development of the SFGB, though we will keep the matter under review going forward.
- iv. What is known at this stage on how financial education will be provided under the new Curriculum for Wales.
- Estyn's review findings will be taken into account in the development of the new Areas of Learning and Experience (AoLEs). Work on the AoLEs commenced with Pioneer Schools in January 2017.
 - Through the reform arrangements we have put in place, it is for the network of Pioneer Schools to consider the scope of each of the curriculum AoLEs. In this context, this relates to both the Mathematics and Numeracy and Health and Well-being AoLEs. In so doing, Pioneer Schools will be working with key relevant organisations, including the Money Advice Service, Credit Unions and Estyn, to consider how financial education should feature. For example, the mathematics and numeracy Pioneer working group will meet these external experts to consider financial education in September, and I fully expect their input to be drawn on further as curriculum development work progresses.
 - I am also clear that our education reforms will also include significant support for our teaching professionals. That is why I launched the National Network for Excellence in Mathematics (NNEM) in July, as part of our national approach to professional learning. I have asked the NNEM to work with Pioneer and lead schools to support evidence-based pedagogical development in financial education, for improved classroom practice, ensuring that the teaching workforce has access to appropriate training, development and support linked to the new curriculum.

Yours sincerely



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