

Welsh Government Financial Inclusion Steering Group

Thursday 20 September 2018
Welsh Government Offices, Merthyr Tydfil

Minutes of the Meeting

Present:

Chair

Andrew Jacobs Welsh Government – Head of Financial Inclusion

Welsh Government Officials

Paul Neave	Financial Inclusion
Charlotte Anscombe	Financial Inclusion
Eryl Loring	Financial Inclusion
Connor Wigfall	Financial Inclusion
Catherine Lawton	WEFO / Financial Inclusion
Sally Hunt	Equalities & Prosperity

Members

Helene Hayes	Citizens Advice Cymru
Selina Moyo	Community Housing Cymru
Lee Phillips	Money Advice Service
Graham Roberts	Department for Work and Pensions
Jocelle Lovell	Wales Co-operative Centre
Jonathan Brenchley	Barclays Bank
Lisa Hayward	WLGA
George Jones	Older People's Commissioner's Office

Apologies:

Liz Emmons	Welsh Illegal Money Lending Unit
Leanne Herberg	Cardiff and Vale Credit Union
Carol James	Welsh Government Education Department

1. Welcome, Minutes of the Last Meeting and Action Log

- 1.1 Andrew Jacobs (AJ) welcomed everyone to the meeting and introduced two new members of the Welsh Government's Financial Inclusion Unit - Connor Wigfall, and Cath Lawton who is on a temporary training opportunity from WEFO. AJ also welcomed new Steering Group member George Jones from the Older People's Commissioner's Office, who replaces Iwan Williams.
- 1.2 AJ informed the meeting that a few members had stepped down from the Group, Farida Aslam from Monmouthshire Housing Association; Ian Albert who has retired from DWP and Iwan Williams who has moved on from his role at the Older People's Commissioner's Office.

- 1.3 The minutes of the last meeting held on 8 May 2018 were agreed as an accurate record.
- 1.4 Action Log - the majority of the actions from the last meeting have been completed, with the following updates received for actions that were ongoing:
- The Citizens Advice Money Talks evaluation and the Mental Health Advice trends are now available for circulation, links are provided in this meeting's Action Log at Annex A.
 - No response has been received from FCA on Citizens Advice's call to put a cap on interest in the rent to own market.
 - Dewis Cymru – discussions are ongoing, if there are any further queries from the Steering Group, Lisa Hayward (LH) WLGA, is happy to pass them on to Data Cymru who is responsible for the website.
 - Swansea University Digital Inclusion and UC Research – new contact now available, details in the Action Log.
 - Financial Capability Week – Talk Money Wales – ongoing, further details are provided in the Money Advice Service update below.

2. Money Advice Service Update

- 2.1 Lee Phillips (LP) provided an update on current MAS activity:
- 2.2 MAS in its current form is heading towards closure, with the new Single Finance Guidance Body (SFGB) launching in the New Year. The SFGB will have a new name going forward but there is no indication what that might be as yet. The new Chief Executive Officer - John Govett, and Chair - Sir Hector Sants, take up their roles on 1 October 2018. All current MAS staff will transfer over in January 2019.

Talk Money Week 12 – 18 November 2018

- 2.3 This year's financial capability week will take place between 12 – 18 November. Now known as 'Talk Money Week', which originated from Wales where it started as 'Talk Money Wales', the name has now been adopted across the rest of the UK.
- 2.4 There will be an event held at Cardiff Castle on the 15 November, similar to the one held at the Senedd last year. The format will be the same, with a series of speakers having a 5 minute slot to talk about their activity and why it is important.
- 2.5 There are a number of organisations that already have activities planned, including Youth Cymru, Public Health Wales, Principality Building Society and the Illegal Money Lending Unit. LP asked members to inform her if they are aware of any other activity taking place so it can be included in the Talk Money Event Map.
- 2.6 LP requested members to tweet the hashtag #talkmoneywales / #siaradariancymru as much as possible during this week, and to encourage their networks to do the same, even if it's just to highlight a service that is

active all year round but also happens to fall within this week. It's the perfect opportunity to highlight and celebrate the work that's being done across Wales to support financial capability.

- 2.7 Paul Neave (PN) queried whether there was an opportunity to engage Local Authorities in Talk Money Week. Lisa Hayward (LH) confirmed she would promote the opportunity to speak at the Cardiff Castle event through her WLGA networks.

Actions:

- FISG members to tweet #talkmoneywales / #siaradariancymru during the week of 12 – 18 November.
- LP to provide a list of all other Twitter accounts that can be linked into the tweets e.g. Lee Phillips' own account; Welsh Government; FinCap Strategy, etc.
- LH to encourage Local Authorities to get involved.

Talk Learn Do (TLD) Parenting Project

- 2.8 The fieldwork for the TLD evaluation is now complete and the findings in the draft report are very positive. There is an official launch event taking place on the 1 October at the Wales Millennium Centre, delivered in partnership with Big Lottery who funded the evaluation.

- 2.9 Feedback from practitioners has also been positive, so much so that they are keen to continue delivering the programme as it is having such an impact. It has proved to be an inexpensive intervention that makes a big difference to those involved and MAS are now working to embed the programme across Wales. AJ agreed that if there is evidence to support its success, it should be embedded not only in Welsh Government programmes, but also promoted by other partners who deliver in the community, and would therefore encourage members to get involved.

Children & Young People Financial Capability Commissioning Plan

- 2.10 Later this year, MAS will be completing its first Children and Young People Financial Capability Commissioning Plan, setting out how resources can best be used to ensure all children and young people in Wales and the UK get a meaningful financial education. This plan will set the direction for future funding, influencing, and research activity on financial education.

- 2.11 A workshop is being held in Cardiff on the 10 October which all Group members are encouraged to attend. This will be an opportunity to help shape the commissioning recommendations and the direction of future work on financial education.

Action:

- LP to send invitations for all 3 events to Eryl Loring (EL) for circulation to Steering Group members.

What Works Fund

2.12 58 projects have been delivered across the UK to date, 7 of which were in Wales:

- Youth Cymru
- School of Hard Knocks
- Gingerbread
- Age Cymru
- Tenovus
- Citizens Advice – Money Talks
- Wales Co-op – Your Money Your Home

All of the final evaluation reports are now available on the online and can be found on the FinCap website's [Evidence Hub](#).

3. Welsh Government Update

3.1 The HMT and DWP indicate that debt advice will be devolved with effect from 01 January 2019, however money advice remains non-devolved. It is therefore important to look at how we can support its integration. If there are any examples of good practice, please pass to LP for co-ordination.

Action: LP to send relevant link to EL for circulation.

3.2 **SFGB** – Discussions are ongoing with HMT and DWP. It is likely that the current arrangements for existing debt advice services funded by the Financial Levy will be extended for a further year. Although the funding for these services will transfer to the Welsh Government with effect from 1 January 2019, conversations are needed around the contract management of these services and how there will be a better link into the delivery of advice services across Wales. Welsh Government officials are meeting with the SFGB CEO on the 8 October, along with the other devolved nations to seek further clarity around whether the SFGB's functions can be phased in. AJ confirmed that the Financial Guidance and Claims Bill commits the new body working closely with the devolved nations, so the early joint meeting is a positive step.

3.3 **Credit Unions** – Financial Transactions Capital funding has been secured to assist Credit Unions with their mandatory capital: asset ratio and help to push forward their growth plans. Two applications for funding have been approved to date and there is one further application under consideration. The additional funding has been welcomed by Credit Unions as well as the regulators. There are also a variety of revenue funded projects underway. The Credit Unions of Wales website has undergone a revamp and is now much easier to navigate – Group members are encouraged to take a look.

3.4 AJ reminded members about International Credit Union Day which is happening on the 18 October 2018 and encouraged members to continue to promote Credit Unions wherever possible, particularly products such as the Payroll Deduction scheme.

- 3.5 **Discretionary Assistance Fund (DAF)** – Demand continues to increase with the number of DAF applications up to an average of 8,000 a month compared to 6,000 a month last year, and an average of £250,000 is currently being awarded in Emergency Assistance Payments per month. Ever increasing pressures on living costs and the changes to welfare reform has undoubtedly had an effect. In response to this increased demand, some of DAF's application criteria has been changed, making it easier to award those applications that are supported by partners. Work is ongoing to link in with the prevention agenda, with the introduction of the Resolution and Resilience project, which is currently operational in Rhondda Cynon Taf and Carmarthenshire. This project aims to encourage households to remain actively engaged with advice services (after their problem has been resolved) to tackle underlying issues that contribute to their need to approach the DAF, which should, in turn, reduce the number of repeat applications to the DAF.
- 3.6 **Advice Services** – Paul Neave (PN) provided an update on the Information and Advice Quality Framework (IAQF). There has been some positive engagement with standard owners who now seem to be more receptive to the work Welsh Government is doing to implement the Framework. The Minister for Housing and Regeneration has agreed to slight amendments to the criteria, so we now have developmental criteria as well as the essential criteria. This means that if a required IAQF quality audit process is not in place at the date of application, a standard owner can still become an IAQF Accredited Body and have the opportunity to develop their process for it to be put in place within 6-12 months. The first draft application from a standard owner is about to go through an initial independent assessment.
- 3.7 There are also four standard owners being supported to examine how their current quality audit processes align to the IAQF. A number of pathfinder providers are also being supported to develop their quality assurance policies and processes. It is the intention to enrol more pathfinder providers in 2019.
- 3.8 An IAQF logo has now been designed and will be used as an indicator for standard owners and providers to demonstrate they are compliant with the IAQF standards.
- 3.9 PN provided an update on item 4.3 of the minutes of the previous meeting. There are now over 120 organisations registered on the Dewis Cymru website. The National Advice Network (NAN) will be looking at local engagement to encourage more providers to enter their service details on the website. However, it's important to avoid duplicating other information websites.
- 3.10 **Single Advice Fund** – The introduction of the Single Advice Fund in 2019 will see the need for providers to demonstrate how they can deliver services in accordance with Welsh Government expectations and aspirations for the advice service it funds. The expectation is for a co-ordinated service delivery which will continue to develop through the life of the grant. There will be a requirement for outputs for monitoring purposes but also a need for longer term outcomes. The Welsh Government Research and Stakeholder teams

have developed a survey on outcomes for providers to complete ahead of a workshop for members of the National Advice Network taking place in mid October to discuss the results. This work will be ongoing and include engagement with more stakeholders as it progresses. Jo Lovell (JL) asked whether this will link to the Financial Capability Outcomes Framework. PN confirmed that if there are obvious links then yes it will, but the focus will be on looking at the longer term effects. LP agreed that whilst the Single Advice Fund will have a wider remit, there will undoubtedly be some links with the Framework.

- 3.11 **Resolution and Resilience Project** – As mentioned earlier in the meeting, Carmarthenshire and Rhondda Cynon Taf are currently working with the DAF to address underlying issues that contribute to repeat applications. Advisors have a slightly different script in these areas, notifying applicants of the additional help available. As well as processing their award, they also make a referral on for further help. The aim is to look at how the first engagement is obtained and how that engagement can be sustained. A progress meeting is scheduled for the 2 October.
- 3.12 Graham Roberts (GR) expressed his interest in this project which has similarities to the DWP's Personal Budgeting Support offer and agreed that once the initial crisis has been resolved, it is very difficult to sustain engagement. In his experience, co-location of services has proved to be the most successful approach to overcoming numerous referrals.
- 3.13 Helene Hayes (HH) queried whether there were any GDPR issues e.g. sharing information when making referrals, as she had received feedback that there were concerns around this. PN confirmed that the bare minimum of personal details are captured – just the client's name and consent to be contacted. HH also pointed out the link to life events and there is evidence to suggest that this is the time when interventions such as the R&R project works best. PN thanked HH and as this is a test and learn project, welcomed any further feedback members may have.
- 3.14 AJ referred back to HH's point about GDPR and asked members if they had experienced any difficulties since its introduction earlier this year. LH commented that the feedback from Local Authorities had been positive, it is an opportunity to revisit the rules and in some cases discovered there is now more flexibility to sharing information than before its introduction. LP commented that she had experienced some issues, mostly with the circulation of e-mails, but a better understanding of the rules will make things easier. Jonathan Brenchley (JB) agreed that there are issues with the low-level activity like e-mail circulation but the higher level information sharing is less problematic.
- 3.15 JL made reference to the Wales Accord on the Sharing of Person Information (WASPI) which could assist in overcoming any GDPR issues. AJ agreed that if there is established protocol in existence, this could be helpful.

Action: EL to circulate further information on WASPI.

4. **Financial Inclusion Delivery Plan**

- 4.1 GR suggested that Action 1.1 could now be closed as this has been overtaken by developments and is now covered by Action 2.1. AJ agreed that we have now moved away from this action and it can be closed, as can any other actions that are no longer relevant.

Action: EL to close Action 1.1 of the Delivery Plan.

- 4.2 HH suggested that there are some Citizens Advice contributions that can be moved from Theme 1 to Theme 3. There are also updated Universal Credit figures now available for inclusion in the Delivery Plan.

Action: HH to provide EL with updated information.

- 4.3 LP reiterated the importance of recognising the links between the Financial Capability Strategy for Wales and the Welsh Government's Financial Inclusion Strategy, and suggested looking at how we can best capture progress against the actions without duplication.

5. **Financial Inclusion Annual Report and Forward Look**

- 5.1 AJ invited members to provide feedback and/or comment on the draft Annual Report which was circulated prior to the meeting. LH requested some time to consider the report in further detail and suggested providing feedback within one week of the meeting. AJ confirmed this was acceptable and welcomed written comments from all members.

Action: Steering Group members to provide feedback to EL via e-mail.

6. **Future of the Financial Inclusion Steering Group**

- 6.1 With many of the Steering Group members sitting on a number of other related groups, AJ invited members' views to consider the potential for merging some of those groups, particularly the Welsh Government's Financial Inclusion Steering Group (FISG) and the MAS Wales Forum.

- 6.2 LH suggested a possible merger between the two Welsh Government Steering Groups – Financial Inclusion and Digital Inclusion as a number of the same people sit on both groups. AJ agreed that whilst there are synergies between these two groups, there is a more consistent membership between the FISG and the MAS Forum.

- 6.3 LP agreed there would be merit in this proposal but care would need to be taken to ensure individual priorities are not lost. LP confirmed she would be happy for the two groups to merge and given the timing, there is an opportunity to make that recommendation to the new SFGB.

- 6.4 The general consensus was that members were, in principle, in favour of combining the groups and agreed it would be a better use of time and avoid duplication. However, it was accepted that any merger would require careful management not to lose any significant content from each of the existing groups.
- 6.5 AJ reminded members that as the FISG is a Ministerial Group, advice will need to be sought before any changes are implemented. Should the merger go ahead, it would not be before the New Year.
7. **Any Other Business**
- 7.1 **Child Trust Fund (CTF)** - AJ brought to members attention the fact that the CTF that was launched in January 2005 and eligible for children born on or after 1 September 2002 has reached the stage where recipients can take control of their account. Although the money cannot be withdrawn until the child reaches the age of 18, they can take control of the account once they reach the age of 16.
- 7.2 The UK Government introduced the CTF with the aim of ensuring every child had savings at the age of 18, helping children get into the habit of saving whilst teaching them the benefits of saving and helping them understand personal finance. In Wales, Welsh Government provided a top up for all eligible children.
- 7.3 AJ confirmed the issue is on Ministers' radar and there is an opportunity to link in with Welsh Government's and MAS financial capability work. With approximately 273,000 children with CTF accounts in Wales, it is important for us to explore how we can support them at an early stage.
- 7.4 JB agreed there is a need to ensure people with these accounts are made aware they exist. There will be incidents of people changing address and in some cases, the original providers may no longer exist (Northern Rock, Bradford and Bingley etc) so many people will be unaware that they have this fund.
- 7.5 LP confirmed that this is something that her MAS colleagues in London are aware of and will be looking into further. LP also suggested this is something that could be promoted during Talk Money Week and will ask Youth Cymru to highlight the issue.
- 7.6 AJ concluded that whilst there is another 2 years in which to raise awareness, it is important that we begin addressing it now.
- 7.7 **Scams** – Although a cross-cutting policy area, the Financial Inclusion team has been leading on some of the recent activity. There is a Scams Summit scheduled to take place at the Liberty Stadium in Swansea on the 28 September where the Cabinet Secretary for Local Government and Public Services will be speaking.

7.8 JB commented that whilst the current focus seems to be on doorstep and postal fraud, there is a significant increase in digital fraud also. George Jones (GJ) agreed that the focus tends to be on Older People but everyone is at risk. Indeed, this could link in with the Child Trust Fund that was discussed earlier, as there is a possibility that young people could be targeted when they begin to have access to their funds in 2 years time.

7.9 Similarly, JB pointed out there is an increasing number of people opting out of occupational pension schemes who could be vulnerable to pension scams. Although Pension Wise offers advice for the over 55's, there are people who are transferring their pensions before this age with little or no access to appropriate advice.

Update: Since the meeting HH has advised that anyone over 50 can access Pension Wise guidance. HH has also informed JB that if he is aware of any additional channels Citizens Advice could use in Wales to advertise the scope of Pension Wise to those people who might be considering opting out of occupational pension schemes, to let her know.

7.10 **Breathing Space Consultation** – PN reminded members that the Breathing Space Consultation will be launching in the autumn and urged everyone to respond.

8. **Date of Next Meeting**

8.1 It was agreed the next FISG meeting will be held early in the New Year.

**Financial Inclusion Unit
October 2018**