

# National Assembly for Wales

## Equality, Local Government and Communities Committee

### Report on the Legislative Consent Memorandum for the Financial Guidance and Claims Bill

#### Background

01. On 5 July 2017 the Cabinet Secretary for Communities and Children laid a Legislative Consent Memorandum <sup>1</sup>(‘the LCM’) for the Financial Guidance and Claims Bill<sup>2</sup> currently before the UK Parliament.
02. On 11 July, the Business Committee referred the LCM to the Children, Young People and Education Committee for consideration. On 19 July, because elements of the LCM fall within the Equality, Local Government and Communities Committee’s (‘the ELGC Committee’) remit, it was also referred to the ELGC Committee.
03. This report only deals with the elements of the Bill which fall within the ELGC Committee remit. For those provisions which are within the Children, Young People and Education Committee remit, please refer to their report.

#### Provisions for which consent is sought.

04. The LCM states that clauses 2–8, 12 and 14 require the Assembly’s consent. These provisions relate to the establishment and role of the Single Financial Guidance Body (‘the SFGB’) which will replace the Money Advice Service, Pensions Advisory Service and the Department for Work and Pensions ‘Pension Wise’ Service. The Bill also makes provision for the funding of debt advice to be devolved, however, the SFGB will have a UK remit to support and co-ordinate a national strategy around financial capability and education.

#### Legislative competence

05. The test for determining whether legislative is within the legislative competence of the Assembly is to assess:

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<sup>1</sup> [Legislative Consent Memorandum: Financial Guidance and Claims Bill](#)

<sup>2</sup> [Financial Guidance and Claims Bill](#)

- Whether the provision fairly and realistically relates to a devolved subject in Schedule 7 to the Government of Wales Act (2006); and
- Whether any of the exceptions in Schedule 7 apply.

06. The Welsh Government relies on the Assembly's legislative competence under subject 5 'Education and Training', subject 15, 'Social Welfare' and subject 4 'Economic development' in Schedule 7. It states that the provisions to which it refers do not fall within any of the exceptions specified in any Part of the Schedule.

### Committee consideration

07. We considered the LCM on 19 July and 27 September. After initial consideration we sought greater clarity from the Welsh Government as to the extent to which the provisions as they relate to the ELGC Committee's remit identified in the LCM were within the Assembly's legislative competence. The response did not provide much more detail than that in the LCM. The response is included as an Annex to this report.

### Committee conclusion

08. The ELGC Committee see no reason for the Assembly to reject the LCM. However, Members may wish to seek greater clarity from the Cabinet Secretary for Communities and Children as to the extent to which the provisions consent is being sought for relate to subject 4 Economic Development of Schedule 7 to the Government of Wales Act 2006.



Carl Sargeant AC/AM  
Ysgrifennydd y Cabinet dros Gymunedau a Phlant  
Cabinet Secretary for Communities and Children



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref MA/CS/0483/17

John Griffiths AM  
Chair of the Equality, Local Government and Communities Committee

23 August 2017

Dear John

Thank you for your letter of 28 July regarding the Legislative Consent Memorandum (LCM) on the UK Government's Financial Guidance and Claims Bill ('the Bill').

The UK Government has stated that legislation on this matter is needed in order to ensure that members of the public are able to access free and impartial money guidance, pension and debt advice. These are currently provided by three publicly funded services – the Money Advice Service, the Pensions Advisory Service, and Pension Wise. Following a series of consultations, the UK Government concluded that the best way of addressing the issue is to create a new statutory Single Financial Guidance Body ('SFGB') providing advice in one place, aiming to reduce duplication and deliver and commission specific services to ensure that as many people as possible receive high quality, impartial financial guidance.

A LCM is required as the provisions within Part 1 of the Bill fall within the National Assembly for Wales' legislative competence pursuant to subject 5 Education and Training, subject 15 Social Welfare and subject 4 Economic Development within Part 1 of Schedule 7 to the Government of Wales Act 2006, as the Bill establishes the SFGB which has functions of pensions guidance, debt advice, money guidance and strategic financial capability to enable people to access the advice and help they need to make informed financial decisions.

The Bill also proposes that funds for debt advice should be transferred to the Devolved Administrations enabling them to commission services locally to help individuals manage debt. The proposal to devolve the funding for debt advice service provision to the Devolved Administrations is to be welcomed as it will enable the Welsh Government to develop a strategic and integrated approach to the commissioning of debt advice services in Wales alongside other areas of social welfare advice services including housing, welfare benefits, employment and discrimination.

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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.

This approach is also aligned with the aims of the Welsh Government's Financial Inclusion Delivery Plan and the Information and Advice Action Plan, published in December 2016, which encourage the development of a funding model for social welfare advice that merges together problem solving interventions with activities that aim to help people become more resilient in preventing similar problems reoccurring.

With regard to money guidance, the Bill provides for money guidance to be provided by the SFGB on a UK wide basis, with a duty upon the SFGB to work closely with the Devolved Administrations to represent their interests and needs in relation to the delivery of money and pensions guidance, including the commissioning, designing and delivering of services.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Carl Sargeant'.

**Carl Sargeant AC/AM**

Ysgrifennydd y Cabinet dros Gymunedau a Phlant  
Cabinet Secretary for Communities and Children