

Gwybodaeth Ychwanegol at Atebion Gweinidogion Information Further to Ministerial Answers

Cyhoeddir ymatebion gan Weiniidogion yn yr iaith y'u darparwyd, gyda chyfiethiad Saesneg o ymatebion yn y Gymraeg.

Ministerial responses are published in the language in which they are provided, with a translation into English of responses provided in Welsh.

Gwybodaeth ychwageol at OAQ(3)1543(SJL) a gyhoeddwyd gan Carl Sargeant, y Gweinidog dros Gyfiawnder Cymdeithasol a Llywodraeth Leol, ar 17 Mawrth 2011

Information further to OAQ(3)1543(SJL) issued by Carl Sargeant, the Minister for Social Justice and Local Government, on 17 March 2011

At/To Bethan Jenkins:

During Oral Assembly Questions on 2 March I agreed to write to you to provide an update on the progress on charges for the use of ATMs.

Although a matter for the banks and building societies responsible for operating and managing their individual ATM networks, the Assembly Government has a keen interest in the expansion of the free-to-use ATM network, given its relevance to the financial inclusion agenda. Ensuring people have ready access to their finances by way of free-to-use ATMs is an important aspect of financial inclusion, particularly in deprived and rural areas.

However it is important that we are clear about the scale of the problem. About 37,500 fee-free ATMs currently account for 96% of cash withdrawals, with only the remaining 4% of withdrawals made at some 27,000 charging machines across the UK. HMRC have also ensured that where cash machines charge for withdrawals, this must be clearly indicated both in signage around the ATM and onscreen (while the machine is idle), and customers must be warned that they will be charged for a withdrawal before any cash is dispensed, and be given the opportunity to cancel the transaction.

The LINK roll-out has seen 145 free-to-use ATMs installed across Wales, with another 5 under contract—that is, are scheduled for installation but still subject to certain permissions—48 areas are outstanding. My officials will continue to monitor developments and to liaise with their counterparts in LINK, HM Treasury and Post Office Ltd. Our aim should be to ensure comprehensive coverage in these identified areas across Wales and, as you know, I wrote last year to AMs, MPs and community groups to encourage their involvement in achieving this.

It is also clear that many financially excluded people do not have access to a mainstream bank account, including cash or debit card facilities. Whilst the Assembly Government very much supports the work of LINK, Post Office Ltd and Bank of Ireland in rolling out free-to-use ATMs this alone will not achieve financial inclusion. The Assembly Government will therefore continue to support affordable credit alternatives such as credit unions.

As you know last Autumn I announced £3.4 million of funding to support credit unions development and deliver on One Wales commitments until 2013. The Wales European Funding Office have provided £1.8 million which will add to the Welsh Assembly's £1.6 million to ensure that credit unions in Wales are supported to continue providing essential financial services for people on lower incomes for the next 3 years. This adds to the £2.75 million which has been invested in the movement since 2001.

In addition both the Assembly Government and DWP supported the then Llandudno and District Credit Union to introduce the Credit Union Current Account (CUCA) to its members from 2008. The CUCA allows account holders to withdraw money from ATMs, access Visa debit facilities and make

standing order and direct debit payments. In addition, account holders can have their benefits or salary paid directly into their account.

Since it was launched in January 2009, more than 470 such accounts have been opened with the credit union, holding deposits in excess of £80,000. Of these accounts over 250 offer a full debit card facility, with the remaining 191 being restricted to simply allow access to funds through ATMs. Of the 470 accounts opened to date 190 account holders were previously unbanked; 181 had basic bank accounts only with the remaining 99 already having a fully functioning bank account.

With the merger with four more credit unions in north Wales proceeding to form the new North Wales Credit Union, the CUCA will now be available to a total population of around 695,000 people.

Gwybodaeth ychwanegol at OAQ(3)1519(SJL) a gyhoeddwyd gan Carl Sargeant, y Gweinidog dros Gyfiawnder Cymdeithasol a Llywodraeth Leol, ar 22 Mawrth 2011
Information further to OAQ(3)1519(SJL) issued by Carl Sargeant, the Minister for Social Justice and Local Government, on 22 March 2011

At/To Jonathan Morgan:

During Assembly questions on 2nd March I agreed to write to you in clarification the use of the term “effective” in terms of legislation relating to local government.

The term “effective” has long been used in legislation relating to local government, for example:

- Part IV of the Local Government Act 1972 provides for the Local Government Boundary Commission for Wales to make recommendations for changes to local government areas (which could include the amalgamation) in the “interests of effective and convenient local government”.
- Under Part 1 of the Local Government and Public Involvement in Health Act 2007, the Boundary Committee [for England] may review local government areas in England with a view to recommending to the Secretary of State the constitution of a new local government area. In doing so the Boundary Committee must have regard to “the need to secure effective and convenient local government”.
- The Local Government Wales Measure 2009 provides that local authorities must secure continuous improvement in the exercise of their functions and this includes their “strategic effectiveness”.
- The term is also used in section 92(5)(b) of the Transport Act 2008, whereby the Secretary of State, when making an order about the constitutional arrangements of an Integrated Transport Authority, must consider that making an order is likely to improve [amongst other things] “the effectiveness and efficiency of transport” within the areas concerned.

“Effective” is a term that has not been specifically defined in any of the legislation in which that term is used. It would be neither prudent nor practical for there to be a specific definition in the context of the proposed Measure. The term is used in relation to local authorities; the circumstances of each authority are very different and it would be impractical and possibly restrictive to introduce a definition which would then have to be applied mechanically to the range of local authorities in Wales. The risk would be that a definition might not capture all the circumstances that would be pertinent for the making of an amalgamation order.

The test for Welsh Ministers, in reaching a conclusion that an amalgamation order is necessary, is laid down clearly in subsection (2) of section 164A. The Welsh Ministers must consider whether effective

local government could be achieved in the local authorities concerned by the exercise of the powers already conferred on those authorities and on the Welsh Ministers under the provisions in the 2009 Measure which are specified in subsection (2).

The Welsh Ministers will have to demonstrate that they are satisfied that the exercise of the powers in the 2009 Measure is unlikely to achieve effective local government, and that an amalgamation would be likely to do so. It is only then that the Welsh Ministers may, if they are satisfied that it is necessary to achieve effective local government, make an amalgamation order.

There is a judgement to be made on the basis of the evidence of the effect of applying the 2009 powers. It will be for Welsh Ministers to make the judgment and they will be democratically accountable to the Assembly for the judgement they come to. The Welsh Ministers will have to explain a proposal for amalgamation in the documentation required under section 164H of the proposed Measure and the explanation will have to demonstrate how the Welsh Ministers reached their conclusion that amalgamation was needed. Draft orders will be subject to consultation and scrutiny by the Assembly.