



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Plant, Pobl Ifanc ac Addysg
The Children, Young People and Education
Committee**

**Dydd Mercher, 1 Hydref 2014
Wednesday, 1 October 2014**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal,
cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, a transcription of the simultaneous interpretation is included.

**Aelodau'r pwyllgor yn bresennol
Committee members in attendance**

Keith Davies

Llafur
Labour

Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
John Griffiths	Llafur Labour
Ann Jones	Llafur (Cadeirydd y Pwyllgor) Labour (Chair of the Committee)
Lynne Neagle	Llafur Labour
David Rees	Llafur Labour
Aled Roberts	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Lindsay Whittle	Plaid Cymru (yn dirprwyo ar ran Simon Thomas) The Party of Wales (substitute for Simon Thomas)

**Eraill yn bresennol
Others in attendance**

Jane Ellis	Pennaeth Polisi Ôl-16, Llywodraeth Cymru Head of Post-16 Policy, Welsh Government
Catherine Evans	Arweinydd Sector, Arolygiadau Ysgolion Uwchradd, Estyn Sector Lead for Secondary School Inspections, Estyn
Kevin Griffiths	Pennaeth Pynciau Craidd—Cwricwlwm, Llywodraeth Cymru Head of Core Subjects—Curriculum, Welsh Government
Lesley Griffiths	Aelod Cynulliad, Llafur (y Gweinidog Cymunedau a Threchu Tlodi) Assembly Member, Labour, (the Minister for Communities and Tackling Poverty)
Ann Keane	Prif Arolygydd Ei Mawrhydi dros Addysg a Hyfforddiant yng Nghymru, Estyn Her Majesty's Chief Inspector of Education and Training in Wales, Estyn
Lindsey Kearton	Swyddog Polisi, Cyngor ar Bopeth Cymru Policy Officer, Citizens Advice Cymru
Huw Lewis	Aelod Cynulliad, Llafur, (y Gweinidog Addysg a Sgiliau) Assembly Member, Labour, (the Minister for Education and Skills)
Eleanor Marks	Dirprwy Gyfarwyddwr Is-adran Cymunedau, Llywodraeth Cymru Deputy Director of Communities Division, Welsh Government
Lee Phillips	Rheolwr Cymru, Y Gwasanaeth Cyngori Ariannol Wales Manager, Money Advice Service
Ceri Planchant	Cyfreithiwr, Llywodraeth Cymru Lawyer, Welsh Government
Marcus Richards	Cyfreithiwr, Llywodraeth Cymru Lawyer, Welsh Government
Meilyr Rowlands	Cyfarwyddwr Strategol, Estyn Strategic Director, Estyn
Katie Wilson	Cyfreithwraig, Llywodraeth Cymru Lawyer, Welsh Government

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance**

Sarah Bartlett	Dirprwy Glerc Deputy Clerk
Steve Davies	Cynghorydd Cyfreithiol Legal Adviser
Marc Wyn Jones	Clerc Clerk
Jonathan Baxter	Y Gwasanaeth Ymchwil Research Service
Sian Hughes	Y Gwasanaeth Ymchwil Research Service

*Dechreuodd y cyfarfod am 09:30.
The meeting began at 09:30.*

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] **Ann Jones:** Good morning, everybody. Welcome to the Children, Young People and Education Committee. I will just do the usual housekeeping rules. We operate bilingually, so the headsets are here for translation from Welsh to English, on channel 1, or channel 0 provides amplification of the language being spoken on the floor, should you need it. We are not expecting a fire drill, so if we hear the alarm, we will take our instructions from the ushers, who will show us the way out or to the assembly points. I think that that is about it on the housekeeping.

[2] We have had the usual apologies from Bethan Jenkins, who is the Member taking the Bill through, so obviously Bethan is not on the committee for this part of the meeting. We have had apologies from Simon Thomas, so Lindsay Whittle is substituting for Simon. You are very welcome, Lindsay. Thanks for agreeing to step in. We have also had apologies from Suzy Davies, but we are covered by Paul for that, as a stand-in member. Are we, therefore, able to move straight to the questions? Yes, okay.

09:31

Y Bil Addysg a Chynhwysiant Ariannol (Cymru)—Sesiwn Dystiolaeth 7 The Financial Education and Inclusion (Wales) Bill—Evidence Session 7

[3] **Ann Jones:** This item is to continue our scrutiny of Bethan Jenkins's private Member's Bill, which is—let me get the full title for it—the Financial Education and Inclusion (Wales) Bill. We are coming to the end of our sessions, and we have two Ministers here today, as I think that they are jointly responsible. We are delighted to see the Minister for Education and Skills, who comes to this committee quite regularly, as you would imagine, and also the Minister for Communities and Tackling Poverty, Lesley Griffiths. I know that Lesley is new to her post. You are welcome. You have got your officials with you, so because this is for legislation, will you introduce yourselves and your officials, for the Record, and then we will go straight in to questions?

[4] **The Minister for Communities and Tackling Poverty (Lesley Griffiths):** I am Lesley Griffiths, Minister for Communities and Tackling Poverty. On my right is Eleanor Marks. What is your title?

[5] **Ms Marks:** I am deputy director of Communities Division.

[6] **Lesley Griffiths:** Katie is from Legal Services.

[7] **Ms Wilson:** I am Katie Wilson, from Legal Services.

[8] **The Minister for Education and Skills (Huw Lewis):** I am Huw Lewis, Minister for Education and Skills. On my left, I have Kevin Griffiths, who is head of core subjects—curriculum, and Ceri Planchant joins us as legal adviser.

[9] **Ann Jones:** Okay, thanks very much. I will start with the first question and then we will see how we go. Could both Ministers tell us whether they think that there is a need for this legislation? If there is, can you explain why? If there is not, can you explain why?

[10] **Huw Lewis:** In a word, ‘no’, Chair. I do not believe that there is a need for this legislation. First of all, let me state that this Government is fully committed to a successful and robust delivery of financial education within our schools. That is why we have embedded that—financial education, I mean—into the curriculum via the literacy and numeracy framework, on a cross-curricular basis, as well as its being there within the mathematics programme of study, which we are about to enhance. So, it is already there in the curriculum and, in that sense, I do not believe that there is a need for this legislation. Additionally, I would say that legislation, in itself, does not necessarily guarantee good delivery within a system. That is why I would see our national support programme for schools and teachers as a much more sensible way of delivering support at the sharp end, to ensure that this kind of work is delivered in the classroom, and delivered well.

[11] A final point that I would want to make is that, as colleagues will be aware, we are now going through the Donaldson review, which is a fundamental, holistic look at the curriculum as a whole, and I feel that, should this legislation be successful, we would, in effect, as a body and as an Assembly, be pre-empting the findings of that independent review, which is of historic importance in terms of how we deliver the curriculum as a whole and, within that, financial education.

[12] **Lesley Griffiths:** I fully support the aims of strengthening financial inclusion and literacy, but I do not think that the proposals in the Bill would add anything to what is currently being delivered. In fact, I think that it could place extra burdens and extra bureaucracy, particularly from local authorities, on front-line delivery. I do not think that there is evidence of what the outcomes would be. I do not think that they have been measured to show that what is being sought in bringing this Bill forward would actually be delivered. So, no, I do not think that there is any need for this legislation.

[13] **Ann Jones:** Okay, thank you. Lindsay, I think that you have a couple of questions on this.

[14] **Lindsay Whittle:** Thank you, Chair. Well, Ministers, your written evidence and your oral evidence say that you see no requirement for this Bill, and yet the literacy and numeracy framework and the new numeracy GCSEs are relatively new, given what the Bill proposes. Do you have any evidence that you can offer this committee that the subordinate legislation will deliver financially competent school leavers far more effectively than primary legislation would? For example, what checks and balances will you put in place to ensure that financial competency is actually improving? I think that the freedom of information data provided by Bethan Jenkins have told us that research among secondary schools has found that the provision is varying considerably, with evidence that children from deprived areas receive poorer levels of financial education. Again, do you have any evidence?

[15] **Huw Lewis:** I believe that the word that has been used by the Member responsible is ‘patchy’. I do accept that there are elements within the delivery and support that I have already spoken about that are relatively new, but I would follow that swiftly, of course, by

saying that making legislation does not necessarily make the delivery end of learning and teaching within schools any better, as some kind of panacea for all ills. Financial education has been in the school curriculum since 2008. It is there within the maths curriculum, it is there within the personal and social education curriculum, and it is there within the careers and world of work curriculum as well. There are detailed skills relating to managing money and financial education, as Lindsay Whittle has mentioned, within the literacy and numeracy framework, which has been statutory only since September 2013. However, that has signalled a fundamental shift in terms of how this sort of learning is delivered across the curriculum. From September 2015, the financial elements of the LNF will be embedded in the new maths area of learning and programme of study, and that will cover the curriculum from reception years up to year 9. So, they have a statutory underpinning that is due to click in in 2015. In addition to that, we will have the new maths GCSE in numeracy, which we will begin teaching from September 2015 as well. That includes financial literacy skills as part of the new GCSE make-up. So, there will be no dodging this. I mean, you asked for evidence, but in terms of the GCSE study, there will be no getting around the fact that a brand-new GCSE in numeracy will require that schools are delivering financial literacy skills.

[16] **Lindsay Whittle:** If I may follow that up, you say that the Welsh Government will draw on people with relevant expertise to develop the LNF and the programme of studies for maths, as you have said. I wonder whether you could expand any further on that, because you clearly would not be able to give us any examples. So, it is all assertion, is it not? It is all hope. It is jam tomorrow.

[17] **Huw Lewis:** Well, this is curriculum reform. This is a change in qualifications. This is an alteration in terms of the fundamentals of what schools deliver in the classroom. I do not see how a new GCSE with new requirements in terms of curriculum and delivery could be described as ‘jam tomorrow’. This is reform, and there will be an emphasis upon financial education within that. This has a statutory underpinning. So, in other words, the proposals within Bethan Jenkins’s Bill are to embed this sort of work in law, but it is already going to be embedded within law, and to some extent it already is. Could I bring Kevin in?

[18] **Ann Jones:** Yes.

[19] **Mr Griffiths:** You asked the question about where the expertise came from to develop the literacy and numeracy framework. The framework itself was developed in partnership with some maths specialist advisers from across Wales—so, the regional advisers at that time. It was open to consultation. There was a full consultation period. We had several consultation events with teachers, practitioners and experts. We involved experts from Oxford University— Professors Bryant and Nunes, who helped us to develop that. In terms of the financial education element and managing money within the LNF specifically, we had contributions from a charity called Credit Action, which helped us to develop that. So, we had quite a robust set of experts, and I would emphasise that this is the normal process for developing a curriculum such as the LNF or the maths programme of study, as the Minister was saying.

[20] **Ann Jones:** We have a set of questions. I know that you have both indicated that you do not feel that the Bill is necessary, but to enable the committee to write a full report and to give Bethan an opportunity to come back, we will go through them. However, I am sure that Members will recognise your stance. We have some issues on timing. I call on Keith.

[21] **Keith Davies:** Going back to the Donaldson review, will the Donaldson review have financial education as part of the curriculum? How will that fit in with what you are saying about the GCSE and the numeracy and literacy framework?

[22] **Huw Lewis:** Professor Graham Donaldson has been tasked with taking a

fundamental, holistic look at the curriculum. He is making a new curriculum for Wales, which, of course, we will all engage in a great deal of debate about when he reports back in the new year. However, Graham Donaldson is also aware of qualifications changes like that connected to the new numeracy GCSEs. He is also more than fully aware of the literacy and numeracy framework, and he has been asked to make sure that his proposals fit with the current reality of what is happening in Wales's schools. Although this is an independent review, I would not have asked someone of the calibre of Professor Donaldson if I had not been confident that he would more than competently get to grips with priorities such as financial education and the stated need that the Government has made clear about that having to be delivered within our school system.

[23] **Keith Davies:** Bethan Jenkins made a Freedom of Information Act 2000 request on financial literacy, and when you look at the memorandum, you will see that schools vary widely. In some schools, they get 200 hours of financial literacy in a particular year, and, in other schools, it is zero. How will we monitor the situation? It seems to me that there could be conflict, if we accept this Bill, in that we teach it separately. If you look at the Organisation for Economic Co-operation and Development report, you will see that, across the world, they have not decided yet whether financial literacy should be taught separately or whether it is a cross-curriculum issue. I think that we all feel that it ought to be done, and the question is: what is the best way of doing it and how do we monitor it?

[24] **Huw Lewis:** Bethan's findings, although I have not drilled down into the evidence behind the findings that she has presented to us, underline the point that I make about legislation not necessarily being a vehicle that delivers a changed experience for young people overnight. What matters as much as the legislation is what is going on in terms of support for teachers, awareness and what materials are made available and so on. In terms of monitoring, we have the Estyn annual report, which is our main vehicle for making sure that we understand what is going on in our schools, and that covers a sixth of Wales's schools every year. In addition to that, there is the option of my asking Estyn to take on a thematic report from time to time, and so that monitoring goes on in the normal way. In terms of support mechanisms, as the LNF is rolling out, we have the responsibilities of the local authorities and our regional consortia, which will be keeping an eye on how all this actually transpires. I will underscore that we are going through a transitional period and that that, in part, at least, may explain the findings that are coming back as reported by Bethan. The LNF is still quite young. The new qualifications regime around mathematics has not actually begun yet. However, we are moving towards a new regime for things like financial education, and I am fully supportive, as is the Welsh Government, of the intentions behind this piece of legislation. We simply cannot see how it adds to the greater good.

09:45

[25] **Keith Davies:** I accept that, and I think that what you are saying—as I was saying that what the OECD has found across the world is that it is taught cross-curriculum and as a separate subject—is that with the new maths and the literacy and numeracy framework, we would be doing both. I just wonder whether it is better for us to monitor what is happening now and see that financial education is improving with youngsters, and to delay the Bill.

[26] **Mr Griffiths:** I am quite happy to flesh that out. In terms of the monitoring arrangements, as the Minister said, we do have the Estyn annual report, but we also have specific numeracy remits, one of the elements of which, as you will know, in the literacy and numeracy framework, is financial education. So, they can look more closely at that within existing mechanisms. The Money Advice Service also noted in its written evidence, I understand, that time taken to teach something is not necessarily a good indicator of whether it is being taught well. I think that it is worth bearing that in mind also.

[27] Adding a discrete reporting element would take some consideration, because we could easily say that we need to measure the data skills, or we need to measure the numerical procedural skills, and that is quite a discrete element, and if we are not careful in how we do it, it could add quite a data burden on schools, Welsh Government and regional consortia. So, the Minister's point is that we have existing mechanisms, plus an additional remit that we could offer, plus the annual numeracy tests, plus the numeracy GCSEs, plus annual reporting to parents on the literacy and numeracy framework. There are existing mechanisms by which we can understand and appreciate how well financial education is doing.

[28] **Ann Jones:** Aled, you have a couple of questions, I know, and then we can move on to others.

[29] **Aled Roberts:** Rwy'n derbyn ein bod mewn cyfnod o newid, ond a oes gennych unrhyw sylw ar y feirniadaeth nad yw'r rhestr o adolygiadau blaenorol y gofynnwyd i'r Athro Donaldson eu hystyried yn cynnwys yr adolygiad ar addysg ariannol fel rhan o'r cwricwlwm? Mae beirniadaeth nad yw'r rhestr a roddwyd i'r Athro Donaldson yn cynnwys yr adolygiad hwnnw.

Aled Roberts: I accept that we are in a period of change, but do you have any comment on the criticism that the list of previous reviews that Professor Donaldson was asked to consider did not include a review of financial education? There has been some criticism that the list of issues provided to Professor Donaldson did not actually include financial education.

[30] **Huw Lewis:** Yes, I have picked up on this, and I am glad that you have too. There is a curious lack of understanding in some of the written material that I have read supporting the Bill as to what Professor Graham Donaldson is about. It is very important to understand—and I hope that the sponsor of the Bill will grasp this fully—that Graham Donaldson is not looking at the detail of content and delivery in terms of the curriculum. He is looking at the fundamentals: the holistic picture. We are essentially shifting away from the national curriculum as was and creating the first made-in-Wales curriculum. So, this will be a curriculum for Wales. It will be entirely new. So, there will be various strands of work—a great deal of work—that will emerge from Graham Donaldson's overarching recommendations in January, and of course issues such as content and delivery in mathematics and numeracy will flow from there. So, I think that the criticism is unfair. First of all, Graham Donaldson has not reported yet. Secondly, to expect that report to come up with nuts-and-bolts decisions about what year 9 does in the autumn term about financial literacy—well, it is not that kind of review. It is much more fundamental than that. However, I hope that what I have pointed out this morning is more than enough evidence to show that there is an emphasis in Government on making sure that financial education is got right and that, regardless of what Graham Donaldson comes up with, the Government will ensure that we are heading towards a better and better situation in terms of content and delivery, and the realisation of what teachers need to deliver, and the support that they need in order to deliver it.

[31] **Aled Roberts:** Rwyf eisiau symud ymlaen i'r pwnt a gododd Keith Davies. Dro ar ôl tro o fewn y byd addysg, rydym yn sôn am anghysondeb a'r ffaith bod disgwyl bod hyn a hyn yn cael ei wneud, ond pan rydych yn mynd i lawr i lefel yr ysgol unigol, mae gwahaniaeth o ran beth sy'n cael ei gyflwyno. O ystyried eich bod yn dweud bod newidiadau wedi cael eu cyflwyno yn gynharach—ac rwy'n derbyn hynny—a bod newidiadau pellach o ran TGAU, fel rydych yn ei ddweud, ac o ystyried bod rhai o'r

Aled Roberts: I want to move on to the point raised by Keith Davies. Time and time again in education we talk about inconsistency and the fact that there is an expectation that such and such is to be done, but when you go down to the individual school level, there is a difference in terms of what is actually presented. Given that you have said that changes have been introduced—which I accept—and that there are further changes in the pipeline in terms of GCSE, as you say, and given that some of these changes were

newidiadau hyn wedi cael eu cyflwyno yn 2008 a'n bod yn dal efo'r patrwm hwn o anghysondeb, sut allwch chi fod yn ffyddiog bod yr holl newidiadau hyn yn mynd i weld newid o ran beth sy'n cael ei gyflwyno mewn ysgolion? Pan aethom fel pwyllgor at yr OECD, fel y dywedodd Keith, roedd gwahaniaeth barn ynglŷn â'r ffordd orau i gyflwyno addysg ariannol. Roedd rhai ohonom wedi'n siomi nad yw Llywodraeth Cymru yn bwriadu bod yr OECD yn asesu addysg ariannol o fewn ysgolion, fel mae'n ei wneud mewn nifer fawr o wledydd eraill. Felly, rwy'n derbyn eich bod yn dweud hwyrach y bydd Estyn yn cael ei ofyn i wneud asesiad yn ei adroddiad neu o fewn thema, ond pam nad ydych yn ystyried gofyn i'r OECD, ddwy neu dair blynedd neu 18 mis i lawr y ffordd, i weld sut yn union mae'r newidiadau hyn yn cael eu cyflwyno o fewn ein hysgolion, a pherfformiad plant o ran ei gynnwys yn asesiad PISA?

introduced in 2008 and that we still have this pattern of inconsistency, how can you be confident that all of these changes are going to deliver change in terms of what is actually delivered within schools? When we as a committee went to the OECD, as Keith said, there was a difference of opinion as to what was the best method of presenting financial education. Some of us were disappointed that the Welsh Government does not intend for the OECD to assess financial education within schools, as it does in a number of other nations. So, I accept that you say that Estyn will be required to carry out an assessment in its report or within certain themes, but why are you not considering asking the OECD in two or three years' time, or 18 months down the line, to see exactly how these changes are being delivered within our schools, and pupil performance in terms of its inclusion within the PISA assessment?

[32] **Huw Lewis:** I think that we have to be clear here about what we are discussing: are we discussing a piece of legislation and the merits of whether it would succeed in its intended purpose, or are we talking about policy as regards curriculum and assessment? I realise that there is a slight overlap in terms of the discussion that we need to have, but we need to remember this: this proposed Bill that is before us wants provision—not a full subject—for financial education supported by a non-statutory framework that teachers will not have to follow. So, in terms of the questions that Aled has raised this morning, I do not see how such a proposal takes us forward one jot, because there is nothing within it that compels a school or a teacher to actually do anything differently to what they are doing now.

[33] However, the existing and forthcoming arrangements that are in the pipeline from the Government include a statutory curriculum subject—maths—from foundation phase to key stage 4, which will be revised later this month to be much more detailed, and I would encourage Members to take a look at the consultation version, and will also include a statutory cross-curriculum framework—the LNF—a statutory requirement to report to parents on numeracy, statutory annual numeracy tests, which would include financial education, and statutory new GCSEs that come on stream in September 2015.

[34] Aled, in an unspoken way, points to the frustrating element of all reform in terms of education: you are dealing with complex machinery, you are dealing with teachers that need support and good communication in order to shift the emphasis of what they deliver in the classroom, and those things take a little time. However, the passage of legislation as such does not necessarily contribute to that speed of delivery. I would contend that this Bill cuts across much of what is already happening in the statutory sense, and will not contribute to any greater alacrity in terms of making sure that schools are delivering on this issue.

[35] **Aled Roberts:** Felly, os ydych chi eisiau i ni ddod i'r farn nad oes angen y ddeddfwriaeth benodol hon, a bod yr holl newidiadau rydych chi'n eu cyflwyno yn ddigonol ar gyfer ateb y galw am addysg ariannol, pam nad ydych yn barod i dderbyn

Aled Roberts: So, if you want to convince us that we do not need this particular legislation, and that all the changes that you are introducing are adequate to meet the demand for financial education, why are you not willing to accept that there is a need, if there

bod angen, os oes anghysondeb o ran darpariaeth o fewn ein hysgolion—? Rydych chi wedi dweud eich bod yn barod i ystyried gofyn i Estyn edrych ar y sefyllfa yn y pen draw, ond a oes unrhyw reswm pan nad yw Cymru yn cymryd rhan mewn asesiadau PISA o ran addysg ariannol?

is this inconsistency in terms of provision within our schools—? You have said that you are willing to consider asking Estyn to look at the situation ultimately, but is there any reason why Wales does not participate in PISA assessments in terms of financial education?

[36] **Huw Lewis:** We could, but that is a policy decision; it is not a question for Bethan's piece of legislation, and Bethan's piece of legislation would not take us into those PISA tests. There would be practical implications if we want to talk about a policy decision around the financial literacy testing through PISA. It would add an extra two hours to what children are exposed to in terms of PISA testing, and there would be quite a cost associated with taking that on. It is not something that the other UK nations enter their children for, and I think that we have robust enough evidence to show that, if young people are doing well in reading, mathematics and science within the PISA system, which is what we are assessing currently, and the rest of the UK assesses upon as well in connection with PISA, then those children also assess well for financial education. So, I do not know that it would add a very great deal, except a considerably greater burden as regards what our young people are exposed to, and a great deal of extra expense. However, it is a policy decision. Bethan's Bill will not take us into financial testing in PISA.

[37] **Ann Jones:** Do you want to move on?

[38] **Aled Roberts:** Rwy'n derbyn eich pwynt chi ynglŷn â'r Ddeddf ei hun. Os ydym yn cefnogi'r ddeddfwriaeth, a oes gennych unrhyw sylw ar y ffaith bod y Ddeddf yn delio gyda phlant o gyfnod allweddol 2 ymlaen? Rydych wedi dweud bod y fframwaith ei hun yn dechrau cyn hynny. A oes gennych unrhyw sylw ar pa un ai cyfnod allweddol 2 yw'r amser gorau i ddechrau ar addysg ariannol o fewn ein hysgolion ni?

Aled Roberts: I accept your point on the Bill itself. If we do support the legislation, do you have any comment on the fact that this Bill deals with children from key stage 2 onwards? You have said that the framework itself starts prior to that. Do you have any comment on whether key stage 2 is the best time to start providing financial education within our schools?

[39] **Huw Lewis:** Yes; I do not think that it is early enough. In fact, our introduction of money skills in Wales begins in the foundation phase, where very young children are introduced to the idea of coins, value and those very basic ideas around money. So, we start with a very much earlier age group, and I think that that is more robust.

[40] **Ann Jones:** David is next and then Lindsay has a question as well.

[41] **David Rees:** Thank you, Chair. Good morning. Your response to the committee highlighted some points on teacher training and I will quote you slightly

[42] 'There will be work or implications on ITT and CPD and there is no spare capacity within ITT'

[43] You have highlighted this morning your belief that the system that you are currently proposing will deliver financial literacy skills throughout, as you have already just talked about, the foundation phase and everything else. What supports your argument that there is no spare capacity? If you are already putting those into place in initial teacher training to deliver what you want, what extra burden is this going to put upon ITT?

[44] **Huw Lewis:** Most ITT is, as you know, David, delivered through a one-year postgraduate certificate in education course, so there is a very limited window in terms of prescribing content within our PGCE. What every newly qualified teacher is required to do, of course, is to understand the national curriculum and to know and understand the related guidelines and policy frameworks that go along with it. However, ITT is not the beginning and the ending of the professional development of a teacher. In fact, I think that we should see it as merely the beginning of a lifelong commitment to professional development. Later on in the autumn, I will be making some really quite major announcements about the reform of ITT and CPD in terms of the quality of what is delivered to our professionals and, indeed, of what is expected of them in terms of keeping their skills up to date. Financial education for those teachers involved in the delivery of maths education will necessarily be a part of that, because of all of the statutory underpinnings that I mentioned earlier.

10:00

[45] **David Rees:** I appreciate that; I just wondered what the extra burden would be. It sounds as if you are going to be doing it anyway, so I just wondered what the extra burden would be, in relation to this Bill being implemented, regarding the delivery of ITT or the delivery of CPD. Literacy and numeracy is cross-curricular, so quite a few areas would cover that, not just the maths area.

[46] **Huw Lewis:** I will bring Kevin in on that.

[47] **Mr Griffiths:** I am happy to flesh that out. In some cases, the devil is in the detail there. For the existing curriculum and the imminent curriculum that the Minister has talked about—so, the literacy and numeracy framework and the maths programme of study—there is provision in ITT, and there are also separate support programmes, which I am happy to detail afterwards, to support those. However, we do not know what is potentially extra as a result of the non-statutory framework that is being proposed within this Bill. If there is additional work beyond what we have already outlined within the framework and the programme of study, it will require a change in the provision by the ITT and potentially a change in the CPD as well. So, that is an unquantifiable point, but it will clearly lead to some workload, as ITT institutions are required to change things.

[48] **David Rees:** So, it is a bit of the unknown at the moment.

[49] **Huw Lewis:** Yes.

[50] **David Rees:** In relation to the CPD aspects, do we have the expertise in our regional consortia? You mentioned earlier, Mr Griffiths, the fact that you called upon the regional consortia expertise to look at the curriculum development. Do we have the expertise within the consortia to deliver CPD programmes, or is there going to be a requirement to buy in that expertise?

[51] **Mr Griffiths:** The consortia are adequately funded to provide that expertise. They are currently funded and able to provide support for the literacy and numeracy framework and the maths programme of study, which contain substantial elements of financial education. As I say, what is beyond that I do not know, because we do not know yet. The answer to that question is that they are funded to do that, plus we have separate support programmes for literacy and numeracy that top up that support: a GCSE support programme in readiness for the new GCSE that the Minister has talked about, which tops up that support; plus, there will be support packages for the new programmes of study and whatever the curriculum review might give us as well. So, there are adequate sources of resources and hands-on support for those teachers for what we are planning for.

[52] **David Rees:** So, in essence, what I am hearing—. I welcome the Minister's comments about strengthening CPD and ITT, because that is critical. I agree that ITT is just the start of the process. It sounds as if there will be a lot of things in place to support the sentiment of the Bill through your procedures and programmes that are already lined up.

[53] **Huw Lewis:** Yes. I cannot overemphasise this: I do not have anything but sympathy, in terms of the intention that I believe lies behind the Bill. We need to move to a situation where competence, in terms of personal finances, in particular, being delivered to young people through our school system is something that is seen as a day-to-day necessity, in terms of the education that we deliver. Where the Government differs, I suppose, from Bethan is on the means of delivery of that. What I have attempted to do this morning, I suppose, is describe some of the changes that have taken place and that will take place, in order to make it clear to everyone that this backbench Bill does not necessarily add anything to the very vigorous agenda that is being pursued at the moment. As I say, in terms of ITT and CPD, there is a great deal more to come. I will be making announcements about both before Christmas that will introduce a much more supportive and more challenging regime around those that deliver ITT—our higher education institutions, in other words—and around professionals themselves: the teachers themselves.

[54] **David Rees:** I would just like to ask one more question.

[55] **Ann Jones:** Go on, then.

[56] **David Rees:** Regarding financial education only, because other aspects of the Bill will come up later, you say that it does not add anything, but does it hinder anything?

[57] **Huw Lewis:** It could, yes. Regarding those aspects around the unknowns at this stage—what this legislation would entail around CPD and ITT, for instance—we do not know as yet exactly what Bethan's Bill would entail in terms of expenditure that would have to be undertaken. It is potentially disruptive in terms of the curriculum reform that I have mentioned already. It pre-empts an independent review of historic importance in Welsh education, and it second-guesses and presupposes that certain things should happen in that regard. There is the potential for conflict, I think, in terms of the curriculum reform in which we are engaged. So, yes, there are negative aspects to this Bill as well as it being, at best, neutral in my view, in terms of the value added for young people.

[58] **Ann Jones:** Lindsay is next and then Aled.

[59] **Lindsay Whittle:** Thank you, Chair. I am sure that it would assist my colleague, Bethan Jenkins—I appreciate that you might not be able to answer the question right here, right now—if you could outline the levels of funding that you have set aside already for initial teacher training and the professional development that takes into account the improved standards in the LNF and numeracy GCSEs.

[60] **Huw Lewis:** You are quite right, Lindsay; I will not be able to answer that question this morning. I would be very happy to write to the committee on it, if that is of assistance.

[61] **Lindsay Whittle:** I am sure that it will be.

[62] **Ann Jones:** Yes, that is fine.

[63] **Lindsay Whittle:** You say that there is not spare capacity within the initial teacher training. So, how are we delivering the LNF and numeracy GCSEs now then?

[64] **Huw Lewis:** Well, through the means by which we have already described. This is

not solely a question of what goes on in terms of initial teacher training, but in terms of continuing professional development, as my colleague Kevin Griffiths outlined just a little while ago.

[65] **Aled Roberts:** You just mentioned that you were making changes to the ITT arrangements in the autumn and HEIs in particular. I picked up in our evidence that it is the accredited ITT institutions that designed the content, structure and delivery of each of the courses, although, that is within the qualified teacher status standards.

[66] However, there was a point made that the Welsh Government currently does not specify the training levels, in particular, for subjects in ITT and that was a matter for each of the establishments. There is clear evidence that the content of courses within each of these ITT centres varied considerably. So, will your announcements in the autumn—without wanting you to tell us what you will be announcing in future—actually address some of those issues? [*Laughter.*]

[67] **Ann Jones:** It is 1 October so, technically, it is autumn. [*Laughter.*]

[68] **Huw Lewis:** Yes, but the announcements have not been made and I am waiting for a report, as Members will be aware, from John Furlong about his findings about what is currently going on out there in terms of our ITT system and how it could best be reformed in Wales's best interest in terms of it becoming a truly national system, which serves a school system that has a new curriculum, has distinct qualifications as part of it and so on. We have to have a system that actually serves our schools; as it is currently configured, it does not. I admire Aled's insatiable curiosity about what that might entail, but I will have to receive John Furlong's recommendations and take good account of those and there will be announcements to follow.

[69] However, I have been very clear that there will be considerable challenge for our higher education institutions, in particular, in terms of remodelling initial teacher training, because it is not where we need it to be.

[70] **Aled Roberts:** That is probably as much as I will get. [*Laughter.*]

[71] **Ann Jones:** Yes.

[72] **Aled Roberts:** I listened very carefully to Mr Griffiths's answer to David Rees. You said that consortia are given adequate resources to deliver, but you did not actually tell us what your view was of how they are doing as far as that delivery is concerned.

[73] **Ann Jones:** We ask the Minister that, and it is not for this Bill, really, is it? I know where you are coming from, but it is unfair to ask the civil servants; we have to ask the Minister for views on things like that and that is not—

[74] **Aled Roberts:** I was asking the Minister, I was just referring to Mr Griffiths's answer.

[75] **Ann Jones:** Okay; I will let you off on that one then. If it is part of this Bill and you feel that you want to answer it, Minister—

[76] **Huw Lewis:** Chair, I am happy to participate in a seminar on education policy at any point, but I fail to see what Bethan's Bill would contribute to it, one way or another.

[77] **Ann Jones:** We will move on to reporting. John is next.

[78] **John Griffiths:** Yes. We have already touched on reporting this morning to a considerable extent, but I just want to tease out a few additional matters that we have not yet dealt with. I would be interested in views on the LNF and its adequacy in terms of measuring the impact of financial education and in particular whether there is separate reporting on the managing money elements and whether the data that are produced would enable the Welsh Government to provide a progress report.

[79] **Huw Lewis:** I have mentioned the Estyn annual report, and John is quite right to point out that the LNF itself is to be monitored and evaluated as we go on. I will bring in Kevin in terms of the detail of how that element works.

[80] **Mr Griffiths:** In relation to the literacy and numeracy framework, Estyn is remitted to look specifically at numeracy annually—three times—as well as the baseline survey, I understand. We have had two reports from it, if my memory serves me well, and there will be a new one out imminently. So, it looks at the gamut of numeracy, which includes financial education, if it feels the need to report on that specifically. We have touched on the annual report separately. There is reporting on the literacy and numeracy framework to parents. We do not get that in the Welsh Government; that would be a rather cumbersome burden to try to do that. It would be almost too terrifying to comprehend, quite frankly. In addition, in terms of the LNF itself, we are evaluating the literacy and numeracy framework. It has been in place for only a year, so it is still very early, but we are evaluating that and that will give us some indication of the success of the LNF itself, its implementation by the Welsh Government and also the success of the delivery by teachers in schools. So, there will be a survey plus an evaluation technique to tell us how well the whole framework has been implemented. If it notices and if it discretely goes down to those elements, then it will tell us more about those distinct elements. The national support programme, in addition, has a methodology whereby there are survey scores for every single school for areas of strength and areas of development, and it focuses its support on those areas of development. So, we do have quite a few measures—not a single statistic that we can publish necessarily—that enable us to understand. It is intelligence, if you like, of how financial education and other parts of numeracy are doing.

[81] **John Griffiths:** In terms of the evaluation of the LNF, would it be too early at this stage for you to be able to share anything with the committee in terms of financial education?

[82] **Mr Griffiths:** It is still in its formative stages. We are surveying schools as we speak—teachers and leaders. I do not have the timetable for when we are due to output, but I can certainly deliver that. I am happy to share that.

[83] **John Griffiths:** I have one other matter to raise. The Money Advice Service suggests that local authorities and schools should evaluate and report on financial education interventions. Is there a Welsh Government view on that?

[84] **Huw Lewis:** Just to say that I would expect, I suppose, any kind of new intervention that has been trialled or tested at a local level to be accompanied by some kind of appraisal or evaluation of its impact if it is an intervention worth its salt, really. So, in that sense, I would agree with the Money Advice Service.

[85] **Ann Jones:** Do you want to go on to children, Lynne?

[86] **Lynne Neagle:** Thank you, Chair. The Bill places new duties on local authorities in relation to looked-after children. I ask both Ministers what their views are as to whether those provisions are necessary.

[87] **Lesley Griffiths:** Looked-after children actually fall under the Minister for Health

and Social Services, but the only observation I would make on that is that most looked-after children are in foster care, so the majority of them would probably be in mainstream schools. So, I do not see that there is any need to treat them differently to any other child.

[88] **Ann Jones:** Huw, I see that you agree with that.

[89] **Huw Lewis:** Yes.

[90] **Ann Jones:** Lynne, are you happy with that? Yes. We will move on to Paul on the financial inclusion strategy.

[91] **Paul Davies:** Thank you, Chair. The proposed Bill proposes to make it a statutory requirement for local authorities to produce a financial inclusion strategy. We have received evidence that this is quite patchy across Wales in terms of local authorities promoting and delivering financial education, despite, obviously, you as a Government having a financial inclusion strategy. Do you accept that there are current inconsistencies?

[92] **Lesley Griffiths:** Well, certainly, with my previous hat on, I would say that, yes, in the majority of services you are not going to have that consistency across Wales by all local authorities that we would want to see, hence the need for public service reform. Certainly, quality advice is critical, so, if you get patchy advice given to people, it is clearly a matter of concern.

10:15

[93] What we have are developments in place to co-ordinate work around this agenda. One of the things that we are bringing forward is a national advice network. I want to see that set up as soon as possible; I would like that in place for the next financial year. We are also doing some work regarding quality standards and, again, I want to bring that forward as quickly as possible. What that will do is identify where there is a need to have better joined-up services, where there is a need to have better advice being given out and what, if any, new services we would need to have in place. The absolute top outcome of this is that we have a better service for our citizens. Obviously, I am only in week 3 in post, but I have already made a written statement and an oral statement to Members regarding advice services, because this is a priority area for me, and I want to see much more consistency and quality of provision.

[94] **Paul Davies:** I think that, in your paper, you have suggested that requiring each local authority to have its own financial inclusion strategy would run the risk of placing financial inclusion in its own silo. Obviously, you have your own financial inclusion strategy, so why would that place it in a silo?

[95] **Lesley Griffiths:** What we will need to do for local authorities is to reduce bureaucracy. Local authorities must have strategies on domestic abuse services, on welfare reform and on community safety. The more you place separate duties on local authorities to have these multiple plans, if you are addressing singular issues, the more undesirable it is, and they go into their own silos. I think that it would be more effective to look at partnership working across all sectors. We have been looking at this in the wellbeing of future generations Bill that is coming forward, and the arrangements specified in Part 4 will place a duty to engage on integrated community planning, for instance. So, I think that that is an area where we could look at placing this particular issue around financial inclusion. When public service boards are assessing the needs of the local population, financial inclusion should be reflected in that assessment. I think that public service boards are best placed to do that.

[96] **Paul Davies:** To be clear, in terms of what you have just said and the work that is

ongoing from the Welsh Government's perspective, do you intend to issue guidance to local authorities to deal with financial inclusion at all?

[97] **Lesley Griffiths:** No, I do not intend to issue guidance, because I think that the work is already being done. I think that it would just be duplication.

[98] **Aled Roberts:** Felly, nid ydych o blaid gofyn i bob awdurdod i gael strategaeth ei hun. Pa mor gyflawn ydy eich dealltwriaeth chi o'r gwahaniaethau hyn ar draws Cymru, os ydych chi'n dweud bod angen edrych ar yr awdurdodau hynny sydd ddim yn gryf yn y sector hwn ar hyn o bryd, achos mae'r Bil hwn yn dweud mai'r unig ffordd i ddelio â'r broblem ydy rhoi'r goblygiadau hynny ar yr awdurdodau unigol trwy ofyn iddynt gael strategaeth eu hun?

Aled Roberts: You are not in favour, therefore, of asking each local authority to have its own strategy. How complete is your understanding of these differences across Wales, if you say that there is a need to look at those authorities that are not strong in this sector at the moment, because this Bill says that the only way of dealing with the problem is to pass those obligations on to the individual authorities by asking them to have their own strategies?

[99] **Lesley Griffiths:** As I said, I do not agree with that. I think that a great deal of work has already been undertaken; I do not want to see duplication. North Wales, in particular, has some really good examples of best practice. Flintshire, Conwy and Denbighshire have all got specific projects to tackle financial inclusion. They have done that, having based what is needed on the single integrated plans, and colleagues will be aware that, under the future generations Bill, SIPs will be replaced by local wellbeing plans, and I think that that is where financial inclusion could be taken into account, rather than having a separate strategy.

[100] **Ann Jones:** Are you happy with that? I see that you are; thanks. On advice about financial management, I call on John.

[101] **John Griffiths:** Section 12 of the Bill raises potential issues around duplication, I think. What you have already said makes it clear that duplication is an issue for the Welsh Government with regard to the Bill. So, to what extent do you see section 12 as effectively duplicating existing sources of advice, such as the Wales Co-operative Centre's website and the Money Advice Service?

[102] **Lesley Griffiths:** As a Government, we do fund the Wales Co-operative Centre. It has its financial inclusion champions, for instance. Work is already being undertaken across Wales by the centre. We have the Money Made Clear website, which is hosted by the Wales Co-operative Centre. It provides information on a range of advice providers, and there are links to other sites, such as the Money Advice Service. It provides free independent advice on both money management and debt. One thing we could make sure that all local authorities do is put a link to that website on their websites, because that is a very straightforward thing to do.

[103] **John Griffiths:** Okay. In terms of the need for a statutory basis for information and information about sources of advice, the Welsh Government's framework of standards for advice and information is relevant here as well I think. I would like to ask you whether you see a need for that statutory basis and how it relates to the standards. If you did see a need for a statutory basis, would the development of the standards have an impact on that and perhaps negate the need?

[104] **Lesley Griffiths:** I do not think that there is a need for a statutory footing because of the information and advice that is already available. As I said before, I think it would result in duplication of the work currently being undertaken by the Wales Co-operative Centre on its website. There is really good advice on that website and it is very widely available. I think

that that would then be underpinned by the national framework of standards in future. That is a piece of work that I want to take forward very quickly. I think that we have actually procured somebody to take this piece of work forward. I want to see it in place ready for the next financial year in April, and I think that that would help to underpin the information that is already provided, which we fund, as a Government, with the Wales Co-operative Centre. The general population would then be able to find information and advice around financial inclusion and money management and debt much more easily.

[105] **John Griffiths:** Finally, Chair, I have a question about competence, really. Does the Welsh Government see any competence issue with regard to the provisions in the Bill on advice about financial management?

[106] **Lesley Griffiths:** I think that it would need careful consideration. I noted that the term 'financial management' is defined as including

[107] 'using financial services and managing debt'.

[108] I think that there are also some potential competition issues, and I think that they require consideration. I did note in the regulatory impact assessment that no competition assessment was done, so I think that there is a piece of work that would need very, very careful consideration around that.

[109] **Ann Jones:** Is that okay, John?

[110] **John Griffiths:** That is okay, Chair.

[111] **Ann Jones:** We have questions on further and higher education students advice from David.

[112] **David Rees:** Thank you, Chair. The wellbeing of our students and our young people attending FE and HE institutions is critical. Financial wellbeing is an element of that now. In my previous employment, I used to see some of the difficulties students faced, and I would recognise that my institution was very helpful to students and had systems in place to look at the hardship they faced. However, is there not a real requirement for local authorities to be looking at how they can help those young people and ensure that there are systems in place within FE and HE institutions to ensure that financial education and hardship funds are there to help them?

[113] **Huw Lewis:** My thanks to David for that point; it is very important. We would all want to see, of course, all our further and higher education institutions extending some good-quality support to students in terms of their financial wellbeing. However, there does seem to be a fundamental flaw within this proposed legislation as regards the relationship of local authorities to FE and HE institutions. There seems to be an assumption within the proposed legislation that, somehow, local councils can control the actions of universities and colleges, and of course they cannot. There are no statutory functions in relation to universities and FE corporations that local authorities can use in order to make this stuff happen. These are autonomous institutions in terms of this work. Of course, I work with them in terms of making sure, through the Higher Education Funding Council for Wales in the case of universities, for instance, that there is good support and guidance for the student body available, including advice about financial management, as a condition of the money that flows to universities through HEFCW. However, what a local authority has to do in this nexus I really do not understand, and I cannot understand how this legislation would hang together in that regard at all.

[114] **David Rees:** In that sense, two questions come from that. Obviously, you have

already raised the issue of autonomy, and we have had Bills coming through this committee talking about FE and HE governance and the autonomy of institutions. Have you had legal advice on the impact it would have on their autonomy if we tried to put that element into the Bill? Secondly, you have talked about your position. Is your position, and the advice you give, actually statutory, or is it an option that you decided to follow?

[115] **Huw Lewis:** In what regard, sorry?

[116] **David Rees:** Well, you said that you have put it in as part of your review of the advice, so—

[117] **Huw Lewis:** Oh, I see.

[118] **David Rees:** Is it something that you are doing because you feel it is the right thing to do, or is it something that needs to be done to strengthen you and any future Minister to ensure that that is part of HEFCW's remit letter?

[119] **Huw Lewis:** Well, in terms of HEFCW, it is guidance that we are talking about there, and it is guidance and expectation of student unions, for instance, to promote this, as part of their promotion of the interests and welfare of students in partnership with the institution—that that stuff is done in that way. In terms of FE, we already have some financial literacy projects that FE participates in. One is in partnership with Lloyds bank, and the other with Barclays bank, and so on, FE being slightly different, of course, in terms of student representation—at present at least. However, in terms of legal advice, I will turn to you, Marcus.

[120] **Mr Richards:** In terms of legal advice, no specific legal advice has been given. I think that one of the difficulties is that the purpose and effect of section 13 is far from clear. As the Minister has indicated, it is unclear how local authorities could seek to enforce or influence institutions in this respect. However, if the true purpose of section 13 is to impose some form of duty on institutions, then it may be that institutions' autonomy may be affected, but, because it is so unclear, it is very difficult to tell at this stage.

[121] **David Rees:** When you say 'unclear', is it your view, therefore, that local authorities can influence it at some point, or have local authorities no responsibility and no effect upon the autonomy of FE or HE institutions whatsoever?

[122] **Mr Richards:** Well, local authorities do not have any statutory functions in respect of FE institutions and HE institutions. So, looking at section 13 as it is, there is a question as to whether it has any practical effect, but we assume that, in passing any piece of legislation, the Assembly would expect it to have some purpose, and, ultimately, the courts might have to determine what purpose and effect section 13 would lead to, and, in so doing, the courts would start from the premise that there must be some purpose to it. That purpose might be that institutions have to respond in some way to the statutory duty placed on local authorities.

[123] **David Rees:** So, as this is worded at the moment, as is drafted at the moment, it really is ineffective to achieve the purpose. It states 'take reasonable steps', but, if you want to try to ensure that FE and HE institutions put into place financial education, in one sense, it does not appear able to achieve that, because they do not have the power to do that.

[124] **Mr Richards:** It is far from clear from the face of section 13 what, in effect, it is going to achieve.

[125] **David Rees:** Okay. May I ask the Minister this, therefore? An issue has been raised—and I think it is a very valid point—about guidance given to students as they apply to

go to university, or perhaps even as they apply to go to FE colleges to follow particular programmes. What discussions are you as the Welsh Government having with the Student Loans Company to look at this—because you have mentioned in your response that everything has been transferred to the Student Loans Company—to ensure that it provides the guidance to students as students apply to UCAS, as was done previously, for money to go to college?

[126] **Huw Lewis:** I am aware of Bethan Jenkins's view that the Welsh Government should discuss with the Student Loans Company ways of providing this sort of support and guidance. Now, the Student Loans Company does not offer financial management advice; that is not its function and it never has been. As a Government, we do not have any plans to require or commission from the Student Loans Company that kind of work. It would be financially prohibitive in any case.

10:30

[127] **David Rees:** Regarding your access on fee plans, which you are talking about, for HE, and about the same principle, will you be looking at part of that plan coming in to look at financial education?

[128] **Huw Lewis:** Yes. The financial wellbeing of students would necessarily have to be a part of what we would require from institutions. Let us remember, in terms of higher education institutions, in particular, it is very important to understand that we are in a very different world now and we need to understand where the finance actually lies, and it is with the institution. The days when HEFCW was a funded organisation—. I know that it has the word 'funding' in the title, but it is less and less a funding organisation. The finance now flows through the students as individual financing as they walk through the door of the institution. So, we need to require more of institutions in terms of a whole gamut of pastoral and welfare issues. As we go through this change, and the Higher Education (Wales) Bill will be a part of this, we will need to require through regulation that certain things are done by our higher education partners in return for registration, if you like. Yes, there is a conversation to be had there. However, this Bill does not take us forward at all, to my mind, in that regard.

[129] **Ann Jones:** Lindsay, do you have any other questions on costs?

[130] **Lindsay Whittle:** No.

[131] **Ann Jones:** You are fine. That is it. We have come to the end of questions. Thank you both very much. You offered to provide a note, Minister, on finances and financial implications for teacher training, which, if we could have fairly soon, would help us.

[132] **Huw Lewis:** Of course.

[133] **Ann Jones:** As you know, we will send you a copy of the transcript to check for accuracy before it goes as part of our report. Thank you both very much for that. If the committee is happy, we will have an eight-minute break.

*Gohiriwyd y cyfarfod rhwng 10:32 a 10:41.
The meeting adjourned between 10:32 and 10:41.*

Y Bil Addysg a Chynhwysiant Ariannol (Cymru)—Sesiwn Dystiolaeth 8 The Financial Education and Inclusion (Wales) Bill—Evidence Session 8

[134] **Ann Jones:** We will carry on with our scrutiny session on the Financial Education and Inclusion (Wales) Bill. We are delighted to have with us Lindsey Kearton, who is a

policy officer for Citizens Advice Cymru, and Lee Phillips, who is the Wales manager for the Money Advice Service. That is right, is it not?

[135] **Ms Phillips:** That is correct. Good morning.

[136] **Ann Jones:** Thank you very much for your papers. We have a set of questions to try to assist us to write a report, which is required when we are taking legislation through. If that is okay with you, we will go straight into questions. Lindsay, you have the first ones.

[137] **Lindsay Whittle:** Good morning and thank you for coming to give evidence. I am new to this committee as well, so we are all new together. I do like your name, Lindsey—that is a very good name indeed. My colleague, Bethan Jenkins, is introducing this Bill to ensure that young people attain financial education as early as possible. Hopefully, that will have a long-term effect on the services that you provide to the citizens of Wales, because I am aware that you suffer from austerity as much as anyone and you probably have increasing numbers of people coming through the door. What impact would this Bill have, do you think, on the services that you provide? Would you tell us—if you have any evidence—how many people are coming through your doors with financial difficulties, and do you think that training and gaining skills at a very early age would have helped, perhaps?

[138] **Ms Kearton:** Shall I start? We support the broad principles behind this Bill. I think that the need for people to be better educated on financial matters is probably greater than ever. We see clients coming through bureaux, many of whom, as I am sure many people will know, are struggling financially. Debt-related issues are the second-biggest problem area that Citizens Advice bureaux see. Also, what we are increasingly seeing is people coming to us with difficulties around changes to the benefits system and welfare reform. Obviously, a key part of that is also ensuring that people living on a low income are able to manage on a limited budget. So, in terms of the need for improved financial education and improving people's financial capability, it has probably never been greater than it is in the current situation.

[139] **Lindsay Whittle:** Do you think that Bethan should consider broadening her Bill to look at some of the issues that you mentioned?

[140] **Ms Kearton:** In answer to your previous question in terms of the demand on the Citizens Advice service, I think perhaps we would be concerned that the Bill will result in an increase in demand for our services. If financial education is made more of a statutory part of the curriculum, that could put more pressure on bureaux in terms of being asked to help with that in terms of going into schools and working with pupils on financial education.

10:45

[141] While that would be very welcome, we have to reflect the fact that the situation is very different across Wales, in terms of the resources and capacity of individual bureaux to be able to manage that. They are already seeing increasing demand on their services, as I said, through the economic climate that we are currently in and aspects of welfare reform. So, it could potentially have a knock-on effect of increasing demand for bureaux' services at a time when they are already struggling financially in many respects, in terms of funding cuts and various other aspects. However, it does not mean that they do not see—. Financial education is becoming an increasingly important part of the work of the Citizens Advice service. It is now an integral part of the work that we do. So, this is around recognising the importance of that and the extra demand that it may put on services. If there are resources and funding to support that, that would be very welcome.

[142] **Lindsay Whittle:** That is the key issue, is it not? Thank you very much for your

reply.

[143] **Ann Jones:** Lee, do you have anything to add?

[144] **Ms Phillips:** Yes, if possible. The Money Advice Service was set up to help people to manage their money. We are one funder of Citizens Advice. Last year, together, we did just over 6,000 face-to-face sessions on preventative money advice work, so, for example, providing information about budgeting, benefits, tax credits, pensions, mortgages, and things like that. Interestingly, the top issue that Citizens Advice came across was budgeting and money management: over 40% of the people that it saw face-to-face needed that support. However, it is not just face-to-face services that we provide, as we also have telephone and online support. So, if people are getting more financial education and more support in their money management, I would like to see an increase in access to our services, especially our telephone services, because our call centre for the UK is actually based in Nantgarw. We would encourage people to access our online tools and resources, and to share those through the people who are working—so, the schools as well. With regard to our debt funding in Wales, we are going to increase that slightly from October. Last year, we saw over 11,000 specialist debt issues dealt with face-to-face in Wales, which we specifically funded. What we would hope in the long term is that, if people's money management is improved, that will, hopefully, cause debt issues at crisis point to reduce because not so many people will get there. One of the things that we are looking at at the moment is how we get people who are going through crisis debt back into the financial education part of money management, so that they do not end up getting back into crisis debt again. So, on the one hand, yes, it would be great to see services improve, because people would be accessing telephone and online tools, and not necessarily face-to-face services, because they are expensive to provide, as you can imagine. In terms of decreasing debt in the long term, we feel that it would be helpful if financial education were taught, so we broadly support the recommendations of the Bill and, indeed, the aspirations within it, in order to bring back people's money management and reduce crisis.

[145] **Lindsay Whittle:** Thank you for that. That is very kind.

[146] **Keith Davies:** Good morning. What are your views, then, really, on having legislation to try to embed financial education in the curriculum, and is the timing right, when we have not really evaluated the LNF and there is a big review of the curriculum, particularly of GCSE mathematics?

[147] **Ms Phillips:** You do have the LNF, which I understand was only introduced in 2013. So, in terms of any kind of input or consistency, or how it is actually working across schools, there has been no evaluation of that. So, we do not know what is working and what is working well. We have some new things coming as well, to do with maths, and we also have the curriculum review coming, which I would hope would look holistically at what is being provided. As the LNF is a cross-curricular thing, you would think that that would get picked up in that and in how that would work. So, it feels as though the timing is not quite right, inasmuch as you want to know what is working, what is working well, what is not working so well and where the gaps are, in order to be able to understand what we need to do. Until you know what you have got and what is working, and until you have that evaluation right and you know what is already out there, it feels maybe that the timing for legislation is wrong.

[148] **Ms Kearton:** I agree with Lee on that. We have always been a strong advocate of improving financial education through schools and of how important that is. We would agree that it is more important at this time to focus on ensuring that the current requirements are effectively monitored and evaluated and that lessons are learned from that than, perhaps, to introduce additional legislation. It is important to get that feel of how it is working now before adding information. In terms of that evaluation and how that looks, it is important that it looks

at behavioural change and at measureable outcomes in terms of the skills that pupils are gaining through the work that they are doing in schools. We think that it is very important that it is done on a cross-curricular basis and is put in the context of real-life situations, because that is what children can relate to. It is important to monitor and evaluate that. Currently, there is a lack of knowledge about what interventions work best around financial capability, and that is not just necessarily in schools but within the wider community as well. That is one of the reasons why we have welcomed the Money Advice Service's proposal for a common evaluation framework in its financial capability strategy, which is currently out for consultation. We would support that in terms of being able to have consistent measuring of outcomes, so that we can compare interventions and how they are working across the board.

[149] **Ms Phillips:** I would like to add to that. At the moment, there is a lot of emphasis on knowledge and skills, but what we need to see is a much bigger increase in attitudes and motivators. Just because you have the knowledge and the skills to do something, it does not necessarily mean that you are going to do it. What we need to do is try to look at how we can embed more of that attitudinal, motivational stuff into the learning, and to monitor that to see what works and what does not. Lindsey's right: there is not a great deal of evidence, which is why we are looking at bringing in the toolkit to try to understand what does work and what does not. However, we know that attitudes are hugely important in that. For example, everybody in the room might well know that they need to get their car insurance, and everybody in the room probably knows how to check their car insurance to make sure that they are getting the best value deal, but I would suggest that there are probably one or two people in the room who have not done it. It is not because they do not know how to; it is just the time, energy, motivation or attitude that goes behind that. That is the same with children and young people. It is exactly the same. It is the attitudes and the motivations that we need to embed more.

[150] **Keith Davies:** In the previous question time that we had, we were told that these mathematical specialists were involved in the LNF and with the new GCSE. Have your organisations been involved in these, because you have practical experience of why financial education is so important?

[151] **Ms Kearton:** To my knowledge, we have not been involved in those developments. As I was relating to in the previous question, Citizens Advice is ideally placed to provide that real-life context in terms of money situations, which is why it wants to work with schools. However, last year, out of the 20 bureaux that we have across Wales, far fewer did financial literacy work in schools than in the wider community. The wider community work is by far the greater area of our work. That is largely linked with funding again, in terms of where that funding is directed. Often, it is targeted at particular groups. It can be a little bit short term and sporadic, in that it is not necessarily continuous. We would happily work with the Welsh Government in developing those areas and in looking at the evaluation of the framework and how we see it should work. We do consistently evaluate our own financial capability work.

[152] **Ms Phillips:** The Money Advice Service has evolved. We were with the financial capability division of the Financial Services Authority a long time ago. When we were with the Financial Services Authority, we jointly funded with the Welsh Government the Welsh financial education unit. A lot of the learning through maths and things in Wales came from that unit. We have not been approached, as far as I am aware, to support that, but I would make the assumption that the people who worked in the financial education unit had some influence over the maths. So, although not directly approached, I suspect that the people from the Welsh financial education unit at that time may have had some influence on it—but I do not know.

[153] **Keith Davies:** Let us hope so. Thank you.

[154] **Ann Jones:** Aled, do you want to come to your questions?

[155] **Aled Roberts:** Hoffwn ofyn fy nghwestiwn yn Gymraeg. Mae wedi bod yn ddiddorol clywed eich barn chi am yr amseru a'r ffaith nad yw'r amseru, hwyrach, yn grêt. Hoffwn eich symud chi ymlaen a chreu sefyllfa lle rydym wedi penderfynu bwrw ymlaen â'r ddeddfwriaeth. Roedd yn ddiddorol darllen papur y Gwasanaeth Cyngori Ariannol, '*Habit Formation and Learning in Young Children*', o fis Mai 2013. Mae'r papur yn awgrymu bod llawer o arferion ariannol plant wedi datblygu'n llwyr erbyn iddynt gyrraedd saith oed. Mae'n dweud bod angen, felly, ymyrryd pan fydd plant yn iau. Beth yw eich barn chi? Mae'r ddeddfwriaeth yn dweud mai ond o gyfnod allweddol 2 ymlaen y byddai'r gofyniad hwn ar ysgolion i ddarparu ar gyfer plant. A ydych chi'n teimlo bod y ddeddfwriaeth yn ddiffygiol o ran hynny?

Aled Roberts: I would like to ask my question in Welsh. It has been very interesting to hear your views on timing and that the timing, perhaps, is not great. I would like to move you forward in time and imagine a situation in which we have decided to go ahead with this legislation. It was interesting to read the Money Advice Service's paper on 'Habit Formation and Learning in Young Children', from May 2013. The paper suggests that many of the financial habits of children have fully developed by the time they are aged seven. It says that there is a need, therefore, to intervene when children are younger. What is your view? The legislation says that it is only from key stage 2 that there would be this requirement on schools to provide for children. Do you feel that this Bill is deficient in that respect?

[156] **Ms Phillips:** Yes, what we at the Money Advice Service would say is that we would base it all on our research, and there is that piece of research that was done through the University of Cambridge, and we have also been working with an educational psychologist who is looking at brain development. I can send you that research if you are particularly interested in that. It looks at synapses of the brain and how the brain develops. Basically, what we are saying is that, by the time a child is seven years old, the synapses in the brain are already there and the attitudes are already there, although they may well be dormant until the ages of 15, 16 or 25, or whenever it is that you start your money management. However, they are in place and they are there. What happens is that, basically—and I failed miserably at biology, so if I explain this to you badly, I apologise and I will get you the paper—by the time a child is three years old, the brain is almost at 90% of the adult brain, and all those synapses are firing and it is a fantastic time for learning and developing. While these neurons and pathways are being built, that is the time to start getting attitudes in. By the time a child is seven, those synapses are already being pruned and cut off, and the ones that have not already been used well, or are overdeveloped, are cut away. What you get at seven is what you get by the time you are an adult. So, if it is not in place by seven, it is not there.

[157] So, it is very much more about attitudinal stuff. The LNF starts at reception age, looking at handling money and things like that. Some of our research talks about money not being a toy and looking at the value of it and other things as well, but how to manage money and understand its value are there. Up to between five and seven, I guess, that is the time when school messages become not more important than, but just as important as, family messages. So, it is about what the child is listening to at school, and there is a consistent message that we need to be giving to small children up to about the age of seven, and that consistent message and those behaviours and attitudes, and that ability to make it relevant have to be in place by seven.

[158] **Aled Roberts:** Thank you. That is very clear.

[159] **Ann Jones:** Do you have anything to add to that?

[160] **Ms Kearton:** No, I do not have anything to add to that, but I was just going to say

one more thing. In relation to that, we would stress the importance of working with the wider family as well. In terms of building on the work that is happening in schools, there is a need to work with parents and carers. One particular example is that one of our bureaux, the Caerphilly bureau, is currently working with the Families First team in the area, and that work is showing some real results in terms of the value of providing that support for the whole family. It involves home visits, so it is a lot more intensive than your usual kind of advice intervention. During those home visits, there is the integration of debt advice, financial education and money advice, working with the whole family over a period of time—between three and six months. What the bureau is seeing is that it is having real benefits in keeping people engaged, in particular, families who, perhaps, have come into the bureau in the past with particular issues, but then for whatever reason, have disengaged.

11:00

[161] This piece of work shows that it is making a real difference, and the bureaux have said that they feel that they are actually making a real difference to those families because of that intensive support. So, we would like to stress the value of looking beyond just educating pupils in school settings to working with families in the community as well.

[162] **Ann Jones:** So, if this Bill were to go ahead in the way that it is written and with what it is legislating for, are you saying that it would not have any effect unless you could complement it, working with the family? So, the child would be in school receiving financial education and you would have to complement that with the family. Or, are you saying that it is not worth doing for one child and that you would much prefer to see resources allocated to allow families to have it?

[163] **Ms Kearton:** In terms of supporting the work that is going on in schools, whether that is through legislation, through this Bill, or with the existing requirements that are happening now around financial education, it is vital that we educate our young people in terms of being able to manage their money, but that should be supported by family intervention work. What we are seeing in terms of the work that is going on with Families First and other programmes that are currently happening is that it helps to embed it within the family setting.

[164] **Ms Phillips:** If I could add to that, the family plays an important role in this, on many levels. When reading the Bill, we felt that there was a gap with regard to family and that there needs to be much more work with the family. There are many reasons behind that. One of the things is that we are asking parents to role model good money management attitudes, yet a lot of the parents do not have good money management attitudes, particularly. So, it is a great way, family learning or parenting interventions; it is also a great way of getting to the parents, as well as the children, to support the parents in their own money management, and we would say that that was particularly important.

[165] We want families to role model particular behaviours and education begins at home, we know. That is a particular role of the Welsh Government at the moment and we absolutely agree with that. There is some research that has been happening—there has been work done by Quakers in east London with families—and a call came from that to say that we need to do more work. What we need is people talking about money management. People do not talk about money very much in the family environment, and we feel that we need to protect our children from money issues in the home. Because of that, children and young people are growing up without actually understanding money issues or the responsibility of money. We did send some research—hopefully, you received it—that we did on money regrets with young people. When you actually look at some of the research that we have done behind that, again, they were saying, ‘We didn’t get those conversations about money; we did not understand that’. So, it is very much a family way into it.

[166] Last week, I was in Wrexham, where we were doing a money management day for Families First, and there were about 50 different people in the room, from Families First, Flying Start, family information services, Communities First and support workers. I told them that I was coming here today, and the resounding message from them was for me to say that it has to work in families as well; they need to be able to work with the families.

[167] **Ann Jones:** Okay. Thanks very much. David, shall we come to you?

[168] **David Rees:** Thank you, Chair. You have stressed the importance of financial education, and I think that we all believe and recognise that it is important to make sure that we address those issues. However, in your view, do you believe that the expertise is currently within schools to actually deliver financial education at all levels? Do you have any evidence to support that, or is it just what you have seen as an outcome more than anything else?

[169] **Ms Kearton:** It is very important that teachers do have the right support to enable them to provide financial education in schools and embed it as it is embedded within the curriculum. As Lee mentioned, we no longer have the Welsh financial education unit, but we believe that many of the functions that that unit did in terms of supporting teachers, identifying good practice and looking at the teaching materials that are available, and that kind of thing, are very much still needed. We cannot assume that everybody who is currently teaching, or coming through the teaching profession even, in terms of learning and teacher training, is going to be financially capable themselves. So, it is important that there are ongoing training needs for teachers and that they are recognised. Equally, it is important to ensure—. I know that a lot of the materials and learning have been passed through from the Welsh financial education unit, but it is critical that those materials are regularly reviewed and checked for relevance, because it is an ever-evolving landscape in terms of financial products and services and what is out there. Expectations on people are continually changing. So, it is important that any materials that are available are regularly reviewed to check their relevance and quality.

[170] **Ms Phillips:** I am not aware at the moment of any financial education training going on in teacher training or anything like that. I am aware that, in England, there is a call for that. I do not know how far that has gone or what is happening with regard to that. I guess that it is important to look at it in a couple of ways. One way to think about this is to see teachers as facilitators as well. They understand what their subjects are and how this could be taught within that. Maybe some of that could be about facilitating people to come in to support them in doing that. In a past life, I worked for PFEG, the Personal Finance Education Group. We were working with teachers across the south-west, helping them to develop their understanding of financial capability, because, actually, it was confidence in their own ability that was more of the issue than their actual competence in teaching it. There is a confidence issue. Yes, the Welsh financial education unit has got all of those resources online. They are all there and I would completely echo Lindsey's point that it needs to be updated to make sure that it is relevant. On how you get teachers to a position where they feel comfortable in being able to embed that into their subjects, I am not an educationalist so I do not know. However, there is something here about confidence as well as capability.

[171] **David Rees:** Online provision is wonderful, but you need face-to-face contact to make sure that the online provision is understood and delivered properly. Have you or your organisations been involved in developing programmes for continuing professional development for teachers, or even the initial teacher training elements of teacher development?

[172] **Ms Kearton:** As far as I am aware, we have not been involved in terms of developing training materials for teachers. However, a lot of the financial capability work that bureaux do

is training front-line workers. So, perhaps that is going outside schools and is therefore slightly beyond your question, but we do a lot of work with front-line workers who work in different agencies and with different client groups. That has a cascade effect in terms of being able to reach a wider range of people. So, we have got materials developed for those sorts of purposes, but I do not think that we have anything specifically directed at teachers, to my knowledge. I am not sure.

[173] **Ms Phillips:** No, there is nothing recent. The Money Advice Service, as part of the Financial Services Authority, funded the Welsh financial education unit. At the same time, in England, it was funding PFEG to deliver Learning Money Matters. PFEG still continues. It still has its resources for teachers and support for teachers. It is focused mainly on England, but I am aware that it covers curriculum areas from outside England—so, Scotland, Northern Ireland and Wales as well. However, as far as I am aware, no, we have not had any recent input to any of the new stuff.

[174] **Ann Jones:** John has questions on reporting.

[175] **John Griffiths:** Thanks, Chair. I am interested in your views on reporting requirements—requirements of the Welsh Government to report on progress on financial inclusion education—and particularly whether you feel that those reporting requirements would allow for adequate assessment of behavioural change, outcomes in terms of behavioural change.

[176] **Ms Kearton:** I think that it is critical that, as I sort of said previously, we ensure that the right mechanisms are in place to regularly review, evaluate and monitor what is currently happening in terms of the current requirements within the curriculum. I think that we would like to see that prescribed a bit more clearly in terms of the Bill. I do not think that it went far enough in terms of prescribing what would be required in terms of an annual report or what type of things would be looked at. I think that we would agree that measuring behaviour or skills that pupils have developed should be a critical factor in that. Skills can quickly be lost as well, so it is important that that work is continuous to ensure that children do not lose any learning that they may have gained previously. I think that research shows that if those skills are not used within a couple of years, they are lost, so when we are monitoring the effectiveness of existing requirements and programmes, it is critical that we take account of those aspects.

[177] So, we would like to see more detail in those reporting mechanisms of things like measuring skills and behaviour, as well as to what extent it is being incorporated across the curriculum, and not just in particular areas. However, I think that we need to go beyond looking at the hours that are taught to the quality of that education and what impact it is having on the young people themselves.

[178] **Lynne Neagle:** The Bill places new duties on local authorities to provide financial education to looked-after children. I would like your comments on that. In particular, I want to ask Citizens Advice about my reading of your written evidence, which is that you think that that would be better dealt with through the Social Services and Well-being (Wales) Act 2014; is that right?

[179] **Ms Kearton:** Yes, this is an area that we think is particularly important. We talked before about the role of the family in terms of children's financial education and their background in terms of money, but as everybody is aware, looked-after children and people who have left care often do not have that family support, so they are at a particular disadvantage. In my previous role, I worked on the Consumer Focus Wales research—I led that project—that looked at financial exclusion among young care leavers in Wales. That showed that there was a real inconsistency in the delivery of financial education by local

authorities as the corporate parent. There is an inconsistency across Wales around how much that was provided for. However, there is a real need. They are a particularly vulnerable group who often have to live independently far earlier than many of their peers, and the research showed the consequences that that can have on their lives, if they are not fully equipped to manage that. So, we would like to see it as an integral part of their care and pathway plans. I think that within the current social services and wellbeing Act, there is provision to dictate what those plans should contain, but it could be more specific on the face of it. We would support an amendment to that Act that would place a more specific requirement to build financial education into those care and pathway plans.

[180] **Lynne Neagle:** However, we cannot amend the Act now, because it is done, really; I think that it would be fair to say that. We spent a lot of time on that piece of legislation, so the only scope that we have on that piece of legislation is through the secondary legislation that will be developed. Do you think that we can do it through that, and do you think that this provision in Bethan's Bill is necessary?

[181] **Ms Kearton:** I think that it could be done through the secondary legislation. While we support that aspect of the proposed financial education Bill, we think that there may be mechanisms with the ability to prescribe that through secondary legislation. However, we would like to see it more specifically prescribed, rather than it being a general advice and support requirement. We would like to see financial education be more specifically prescribed within those pathway plans.

[182] **Lynne Neagle:** Okay. So, you would be satisfied with it being done through secondary legislation, because, obviously, it is not going to be on the face of the social services Act.

[183] **Ms Kearton:** I recognise that.

[184] **Lynne Neagle:** So, if you want it on the face of a Bill, I suppose that it would have to be this Bill, would it not? However, you are not saying that then.

[185] **Ms Kearton:** I think that we said that if it could be incorporated into secondary legislation, we would be happy with that.

[186] **Ann Jones:** Aled, you have a point.

[187] **Aled Roberts:** Yes, some of the regulations for that Act will be published from December onwards. Has either of your organisations been involved in any of the advisory groups that have been tasked with developing the regulations, in order that the points that Lynne has raised could be incorporated within any of the guidance issued?

[188] **Ms Kearton:** We have not been involved in those, no, but we would happily be involved, and that is something that I will follow up, to see if we can be involved, because, as I say, it is part of the work that was previously done by Consumer Focus Wales, which Citizens Advice has taken on. So, I will follow that up to ensure that that is the case.

11:15

[189] **Ann Jones:** Paul, shall we come to your questions?

[190] **Paul Davies:** Thanks, Chair. The Bill proposes to make it a statutory requirement for local authorities to produce a financial inclusion strategy, and I think that I am right in saying, from the evidence that you have given us, that you are very sceptical of requiring local authorities to do that. Do you have any experience of working in areas that have a local

financial inclusion strategy?

[191] **Ms Phillips:** There is not a list of local authorities that have a financial inclusion strategy, so, when we are working with local authorities—and we work with quite a few—it is not necessarily through that. We have some great examples, but they are not necessarily linked to a financial inclusion strategy. I do not know whether that helps you or not. For example, in Carmarthenshire, they have a local network of advice providers, and they are looking at financial inclusion and financial education and working together as part of that group. We have added a lot of input with Carmarthenshire with regard to the cross-cutting work that we do across the communities. I know that, in Swansea, there is a financial inclusion steering group. That did have a financial inclusion action plan, but it is reviewing that the moment and how it looks. I know that in Conwy and Denbighshire, for example, they have a ‘financial inclusion together’ kit, and we provided information for their e-learning tools. Of course, I mentioned the Wrexham Families First work that we have done. If I have to be completely honest with you, the most work that we have done with local authorities over the last year to 18 months has been very much to do with the welfare reform work that they have been doing with regard to universal credit and the local support services framework. With the support of the Welsh Local Government Association, we have managed to talk to all 22 local authorities about our work and providing personal budgeting support for people who will be coming through universal credit. It is interesting that, yesterday, there was that announcement from the Department for Work and Pensions about universal credit coming earlier, and that they are going to have work coaches assessing people for financial education and looking at their personal budgeting support needs. So, a financial inclusion strategy on its own may miss out on some of that stuff that is coming. For example, most local authorities in Wales are very much looking at financial inclusion as part of welfare reform, because, with universal credit, they have to. That is how we have really engaged with local authorities in particular. So, the financial inclusion strategies, whether they have one or not, have not had as much purchase for us as welfare reform.

[192] **Ms Kearton:** Obviously, many bureaux across Wales work very closely with their local authority and, quite often, that includes having service level agreements in place for referrals for debt advice, for example, as well as wider work. The picture does vary across Wales, really, but that relationship does exist in many areas between the local authority and the local Citizens Advice bureau. I think that we actually saw a slight increase in funding from local authorities over the last financial year, not so much in terms of core funding, but in terms of money for specific projects around particular areas. There was a slight increase in funding from local authorities to Citizens Advice to support additional work. As Lee said, one of the critical areas is around supporting people, to prepare them for that switch to universal credit. We did some work with many clients who will be what we call ‘universal credit-relevant clients’—that is, clients who are currently on a benefit that will go into universal credit—to assess their capability on a number of fronts. One of those fronts included many aspects of financial capability in terms of budgeting, managing a bank account and that kind of thing. It showed the real gap in people’s knowledge and their capacity to manage that. I think that nine out of 10 of the people we spoke to would have some additional support needs around one of those particular areas—like budgeting, managing things online and managing a bank account. So, the roll-out of universal credit will put increasing pressure on a lot of front-line advice services in terms of people needing that direct personal budgeting support to help them to adapt to receiving their benefits in that way. Bureaux across Wales are working with local authorities and other partners in their area to ensure that those partnerships are in place.

[193] **Paul Davies:** However, I think that you will both recognise that there are inconsistencies in terms of promoting financial inclusion matters across Wales. You do not believe, therefore, that requiring local authorities to produce a financial inclusion strategy would provide that consistency. You mentioned earlier that different authorities are doing different things; do you not think that a strategy would pull all of that together and make sure

that there is consistency across Wales?

[194] **Ms Phillips:** I have been working in the field of financial capability in Wales for a few years. I have given evidence a couple of times, and both times I have said ‘Yes, we want a financial inclusion strategy’, but this time I am saying ‘No, we don’t’. [*Laughter.*] What is really helpful for us is to have a named person, a financial inclusion person who is responsible for actions so that we have a named person we can get to, we know what they are trying to achieve, and we have the hooks and the support available for all of those people. What bothers me at the moment is that there is so much change coming—we have the Well-being of Future Generations (Wales) Bill, which hopefully will include financial education and financial management, and part of that is good economic safer communities; we have the local support services framework, whereby local authorities have to assess what financial education and personal budgeting support they have in their areas; we have support workers working under Supporting People; there are people who are working with the National Offender Management Service and looking at offender management and money issues for offenders; there is domestic violence work and work on financial abuse; there are tackling poverty strategies; there are digital inclusion issues. What we do covers all of that. All of that stuff has money management as part of it. If we can improve people’s money management or support, or help when they enter crisis, through all of that, we can make all of that better.

[195] If you are looking at having a financial inclusion strategy that sits outside all of that, the danger is that you might miss some of that. If you imagine a utopia where everybody is sitting around a table talking about local authority strategies and plans, where somebody on one side is talking about offenders and money issues and somebody on the other side is talking about financial inclusion while somebody else is talking about digital inclusion, if you have somebody at the table who is talking about financial inclusion, they will see all of those links. If you guys all have an action plan that links to all your work that includes financial inclusion, then the chances are that those outcomes will be better because you have seen that bigger picture. The danger of having one strategy with all of this happening is that it gets lost, the connections are not made and, with the best will in the world, you cannot make all of the connections when you are doing one strategy; you have to be able to see the bigger picture in order for those to jump up and down and start shouting at you in order for you to see that there is an issue. So, on this occasion, I am saying that there should not be an inclusion strategy.

[196] However, once again, there is something here about timing. If you are looking at the future generations Bill, although I do not know how it will look going forward, if we have financial inclusion within that, looking at the wellbeing of the whole community, and you then have a set of actions and outcomes annexed to that, which you then evaluate—which goes back to your question earlier, John, on how we evaluate and whether we do reporting—you can then share that across other local authorities. Not only then are you able to make sure that financial inclusion is a cross-cutting issue, but you can look at what is working well, and you can share that with other local authorities. When you are looking at your reporting mechanisms, while it is important to report what you are doing, you need to be able to do that in a consistent way so that it means something to other people. Saying, ‘We had 25 people come to this training day and look at financial education’ does not tell us much; we need to understand more about that and we need to understand financial attitudes. So, yes, we need to report—to go back to that point—but it is about being careful what it is you are looking at reporting, what it is that you are evaluating and making sure, across Wales, that all decision makers, all funders and all delivery people have signed up to a common framework so that we can see between us what is working well, that we have a consistent approach and a consistent benchmark across Wales.

[197] **Ann Jones:** Advice about financial management, John.

[198] **John Griffiths:** In terms of quality independent advice on financial management and the sections in the Bill that deal with that, I would be interested in your view as to the need for that and how it is affected by the national standard for advice service that the Welsh Government proposes. Could you deal with those two things together?

[199] **Ms Phillips:** On financial management, I know that there is some clarification in the Bill about what that means, but there is a danger that that encompasses all things. Does it suggest that a local authority would know which independent financial advisers are in their area, or would it look at banks or things like that? Maybe we should not hang on to that now, but if the Bill goes forward that may need to be looked at, to understand what that really means.

[200] If we are looking at a local authority providing its own advice services, the question is: what advice services are we talking about? For example, some local authorities, such as Swansea and Wrexham, have their own welfare rights units. Some of those are already being looked at. I do not know about Swansea and Wrexham, but I know that, across Wales, some local authorities are looking to see whether or not they still want their welfare rights units. Most local authorities fund some kind of advice provision through their bureaux or independent advice providers; in Cardiff, you have Cardiff Law Centre, and others.

[201] So, it is about clarification of what that means. However, if you are looking at local authorities sitting down and providing debt advice, they do fund some debt advice—the Money Advice Service funds debt advice. I think that there is something here about making sure that there is signposting to what is out there and bringing all that together. That is where the local advice services review comes in and those local networks. It is about being clear about what is there. The local support services framework will have to link into those local networks in order to understand what provision is already available in those areas, and identify where the gaps are. So, I think that there is a role there.

[202] It is about making sure that you are signposting appropriately to what already exists. For example, Money Made Clear Wales, which is funded through the Welsh Government, is a website that provides that advice. It is also about making sure that you signpost to an impartial organisation such as—dare I say it?—the Money Advice Service, where you can get people face to face, online and on the telephone. We are an impartial organisation that would not necessarily be supportive of a particular independent financial adviser, a particular bank or a particular product, but would be able to provide that more holistic approach to what it is that those people need.

[203] I do not know if that helps. Some local authorities have already embedded some of our tools and resources on their own sites, so they are already providing it in that way; actually, they are providing the resource that we provide for free to them, so that they keep people at their points. If that is what you are talking about, yes, absolutely, we would recommend you being able to use what is already out there and share that, or signpost to what is appropriate in your local area, ensuring that there is consistency in how that is done and linking that with the other work that is going on through the local support services framework and stuff.

[204] So, it is about clarity around what it means. It certainly links to the local support services framework. When you talk about the quality advice side of it, I understand that some work is being done at the moment to look at what quality standards are currently available. At the moment, it mainly works around information, generalist and specialist advice, but I understand that this piece of research will also look at what financial capability standards there are. Once that has been done, whatever the local authority chooses to do—whether that is providing in-house services, using the services that they already fund and bringing all of those funders together, or whether it is signposting to external providers—if there is a Wales

quality mark, the link there is that we would hope that they would refer to those people who have met that quality standard. We are sharing all of our research at the moment with Welsh Government.

[205] **John Griffiths:** Just on one other matter, namely the focus of provisions in terms of students and looked-after children, would you see a need to focus on any other groups in addition to those?

[206] **Ms Kearton:** As I have said previously, with regard to a lot of the work that Citizens Advice does within the community, around 80% of bureaux across Wales work with different agencies as well as directly with people who are facing particular disadvantage. I think that it is important not to just focus on children and young people, no matter how important that is. There are much wider needs among the population for people to be more trained in financial skills, money management and awareness of the whole range of things around financial products. So, we would like to see more focus around a broader range of groups, particularly focusing on groups that are perhaps lacking in provision at the moment.

11:30

[207] One of the areas where we have identified a gap is around the work to help ex-offenders with any particular financial capability needs they may have. We think that it is important, again going back to families and so on, to bring that on earlier in the whole process. So, if someone is sent to prison, perhaps earlier intervention work should be done with their family to ensure that the family is able to manage financially in that particular situation. So, there are various gaps, I think, where financial capability work could be directed. As I say, we think that the Bill as it stands perhaps lacks some detail on how opportunities for developing financial literacy within the wider community are going to be strengthened.

[208] **Ms Phillips:** If I may add to that, I think that, for children and young people specifically, we are looking at youth work environments and informal education. Again, it is that consistent message we are talking about right through from parents, to school, to informal education environments, such as youth services and things like that. I absolutely echo Lindsey's point that when you are looking at the wider community there are issues with more vulnerable people, people with mental health issues and others as well. When you are looking at the wider community, there are particular vulnerable groups that would need that support as well, again linking back to that wider strategy need.

[209] **Ann Jones:** David, do you have anything?

[210] **David Rees:** Yes, just a quick one. In relation to FE and HE institutions, do you offer advice? Do you support the delivery of advice or do you support students who seek advice through the HE or FE institutions at this point in time? Do you work collaboratively with those institutions on these areas?

[211] **Ms Phillips:** With regard to financial capability teaching—

[212] **David Rees:** No, I am thinking of students.

[213] **Ms Phillips:** For students, no. Between 2006 and 2011, we did a piece of work on strategies with Money Doctors, which was funding universities to look at financial capability work. However, at the moment, we are working with the National Association of Student Money Advisers, which is the HE work that looks at providing advice. We support it with some of our tools and resources, but they are the people in HE, specifically, who provide advice.

[214] **Ms Kearton:** Likewise, I know that there is a variety of groups that bureaux currently work with. I think that the focus generally tends to be on young people not in education or training as opposed to students, but I may be wrong. There is a wide range of groups, including people affected by homelessness, people who are vulnerably housed, people fleeing domestic abuse. There are lots of different groups and agencies that bureaux work directly with in terms of training their front-line workers to enable them to pass on the skills to their clients. I am not sure whether higher education students and further education students are one of those groups, I am afraid, off the top of my head. However, I know that they do a lot of work with young people who are outside the education system to ensure that they have the right skills, as opposed to within the education system.

[215] **David Rees:** The Money Advice Service has already answered this question effectively, but are you aware of any organisations that provide that support to students in FE or HE?

[216] **Ms Kearton:** I am afraid that I am not aware of that.

[217] **Ann Jones:** We have run out of time, but thanks very much for coming in and sharing your thoughts with us on this. We will send you a copy of the transcript to check for accuracy before it is published. Thank you both very much. We will move straight to our next set of witnesses if we can. We will just wait while the name plates are changed.

11:34

Y Bil Addysg a Chynhwysiant Ariannol (Cymru)—Sesiwn Dystiolaeth 9 The Financial Education and Inclusion (Wales) Bill—Evidence Session 9

[218] **Ann Jones:** Okay. We are delighted to have Estyn with us. Ann, I wonder whether you would introduce yourself and your team for the record, because this is legislation, and then we will move straight into questions, if that is okay.

[219] **Ms Keane:** Yes, that is fine. This is Meilyr Rowlands, a strategic director at Estyn, and this is Catherine Evans, the sector lead for secondary school inspections.

[220] **Ann Jones:** Thanks very much, and thanks very much for your written paper. Lindsay, we will go to you for the first set of questions, on the need for legislation.

[221] **Lindsay Whittle:** Thank you, Chair—that is quicker than I had thought. Good morning and welcome. I am new to this committee, and I am substituting. I just want to find out fully your response to Bethan Jenkins's view that the Bill supports the Government's current agenda and will underpin, rather than perhaps undermine, the range of existing provisions for financial literacy. I am looking at your evidence and, from the first part of your evidence, I think that you seem to suggest that it would underpin it. I am not quite sure, towards the end, whether you think that it would undermine it. I wonder whether you could give me greater clarification on that.

[222] **Ms Keane:** I am not sure that I would use either of those words exactly, but we certainly do not see the legislation as necessary in terms of financial education simply because of the statutory requirements of the literacy and numeracy framework, which has been statutory since last September and means that we are in a different position now from the position that we were in when we produced our remit report in 2011. Not only that, but the Government is also initiating a new GCSE course in mathematics numeracy, which also has a strong strand of financial education in it. So, Estyn's view is that further legislation is

unnecessary. I am not convinced, personally, that to have something twice in statute necessarily means that it will be delivered. If something is statutory it should be delivered, and if there is an issue with that it is an issue more with the support for the delivery of it rather than whether or not it is statutory or whether it needs further statutory strengthening. I do not know whether that is clear.

[223] **Lindsay Whittle:** Yes, it is, a bit. You mentioned the LNF, and the numeracy GCSEs, which are relatively new, and you are seemingly happy with that, but what checks and balances have you undertaken to ensure that financial competency is improving in our schools? I appreciate that it is new, but have you done any inspections at all in this matter?

[224] **Ms Keane:** We inspect numeracy, and we have inspected numeracy in more detail since last September, but we would not inspect financial education in enormous detail in every inspection. What we do is sample the provision across the piece and then we take lines of inquiry, which means that sometimes we might look more closely at financial literacy and education in a school, but sometimes not. However, when we look at numeracy, we do report, and we are about to publish an interim report on numeracy in key stages 2 and 3, which is due for publication in November—and I hope that the Minister will not mind my quoting from it before its publication—where we comment on aspects of financial education as part of the new numeracy strand of the LNF in schools. What we are saying is that literacy and numeracy are still at a relatively early stage of being embedded in schools, but there is even, here, a good-practice case study that is actually based on financial literacy. It is a good-practice case study about Mountain Lane Primary School in Buckley in Flintshire. It is part of a project on South Africa, where pupils were asked to use the exchange rate to calculate whether articles for sale in a supermarket in Wales are more or less expensive than similar articles in South Africa. So, it is basically a mathematical kind of problem to solve, but, at the end, they had a plenary session where many pupils explained articulately how they would be able to use these skills in their own lives, for instance, when on holiday abroad. The evidence that we gathered for this numeracy survey indicates to me that we are seeing some of the impact of the literacy and numeracy framework in our schools.

[225] **Lindsay Whittle:** Thank you for that. With respect, that is great news for Buckley in Flintshire, but I think that the information that Bethan Jenkins is providing, particularly on research among secondary schools, has found widely variable provision, with some evidence that children from deprived areas are receiving far poorer levels of financial education. Do you have any views on that? That is more important than best practice. Best practice is super, but it does not actually ensure that legislation gets to everyone.

[226] **Ms Keane:** We are saying in the text of the report that, in the majority of the primary and secondary schools visited, pupils use their mathematics skills well to support their learning across the curriculum. I would just like to mention here that Andreas Schleicher, when he came over to talk at a conference recently, said that the countries that are best at financial literacy are those that are best in mathematical literacy, and I would support that very strongly. I would see financial education in terms of the mainstream curriculum as having a home within numeracy itself. I would not deny that there is variability in standards across the piece and, certainly, we would hope to pick up some of that in our inspections, but, having said that, that is more an issue of process of delivery than whether or not there should be duplication of the statutory requirement.

[227] **Lindsay Whittle:** Finally, very quickly, my colleague, Bethan Jenkins, would say that her Bill, hopefully, would underpin the existing legislation, but do you have any views on whether financial education is better delivered through a stand-alone subject, or just across the curriculum?

[228] **Ms Keane:** Personally, I think that we need to look at the curriculum holistically. I do

not think that there would be benefit in making it a stand-alone strand, per se. It exists as a stand-alone strand within the LNF itself, and it starts in reception and goes right through to year 9, and then, of course, it will be picked up in the new GCSE after that. However, I think it is best taught in an integrated way within the curriculum and I believe that schools benefit from having the flexibility to respond to the needs of the children in terms of how and when they introduce various aspects of it in the curriculum.

[229] **Lindsay Whittle:** Okay, thank you for that.

[230] **Ann Jones:** Okay. On timing, Keith is next.

[231] **Keith Davies:** Diolch, Gadeirydd. Bore da. Buom yn trafod gydag Andreas mas ym Mharis boiti pythefnos yn ôl, ac roedd yn ddi-ddorol iawn, achos mae PISA wedi gwneud ymchwil, ac, wrth gwrs, yr hyn y maent wedi'i weld dros y byd i gyd yw bod gwledydd yn wahanol—mae rhai yn ei roi fel pwnc ac mae rhai yn ei roi ar draws y cwricwlwm.

Keith Davies: Thank you, Chair. Good morning. We had a discussion with Andreas out in Paris about a fortnight ago, and it was very interesting, because PISA has undertaken research, and, of course, what has been seen worldwide is that countries are different—some set it as a subject and others put it across the curriculum.

[232] Fodd bynnag, yr hyn a ddywedodd hefyd, ac yr oeddwn i'n credu bod hyn yn bwysig, oedd, gyda'r fframwaith newydd sy'n dod a TGAU mathemateg, fod un ohonynt, sef y mathemateg—os gallwn ei alw'n hynny—yn paratoi pobl ar gyfer addysg bellach, boed hynny mewn coleg neu brifysgol ac yn y blaen. Wedyn, roedd e'n gweld yr ail TGAU fel un a oedd yn mynd i helpu pobl â sgiliau bywyd a taw hwnnw fyddai'n dod i mewn â'r fframwaith hwn. Nid yw'r rheini wedi dod eto, ond, o'r hyn rydych chi wedi'i ddweud yn barod y bore yma, gyda'r fframwaith llythrennedd a rhifedd, mae dylanwad yno'n barod ar addysg ariannol. Dyna'r hyn a ddywedoch chi yn awr. A ydych chi'n meddwl bod amseru'r deddfwriaeth newydd hon yn iawn, neu a ddylem fod yn aros nes ein bod yn gweld mwy gyda'r TGAU mathemateg newydd a mwy o'r fframwaith, ac wedyn yn penderfynu a oes eisiau deddfwriaeth yn y pen draw?

However, what he also said, which I thought was important, was, with this new framework that is coming and GCSE mathematics, one of them, namely the mathematics—if we could call it that—prepares people for further education, whether that is in college or university and so forth. Therefore, he saw the second GCSE as one that was going to help people with their life skills and that that would bring this framework in. These have not been introduced yet, but, from what you have said already this morning, with the literacy and numeracy framework, the influence is there already in financial education. That is what you have just said. Do you think that the timing of this proposed legislation is correct, or should we be waiting, perhaps, until we see more in relation to the new GCSE mathematics and the framework, and then decide whether there is a need for legislation?

[233] **Ms Keane:** Nid wyf yn credu mai deddfwriaeth newydd yw'r ateb i'r broblem, hyd yn oed pe na fyddai addysg ariannol yn cael ei chyflwyno fel y dylai. Os nad yw'r deddfwriaeth, hynny yw, y disgwyliadau statudol yn gweithio fel ag y maent ar hyn o bryd—. Rydym yn credu, ar bapur, fod y disgwyliadau ar hyn o bryd yn edrych yn ddigonol. Os oes problemau gyda'r ffordd y mae'r rheini'n cael eu gweithredu yn yr

Ms Keane: I do not think that new legislation is the solution to the problem even if financial education were not being delivered as it should be delivered. Unless the statutory requirements are working as they currently stand—. We believe that, on paper, the expectations at present seem adequate. If there are problems with the way in which those are implemented at the schools level, then we do need to look at how that can be

ysgolion, yna mae angen edrych ar sut i wella hynny. Nid wyf, o reidrwydd, yn credu mai ychwaneg o ddeddfwriaeth fyddai'n ateb y broblem. Rwy'n credu y byddai angen edrych ar sut rydym ni'n darparu ac yn paratoi ysgolion ar gyfer darparu a sut mae athrawon yn ymateb i'r disgwyliadau statudol. Un ffordd o wneud hynny hefyd yw monitro trwy gyfrwng yr hyn y mae Estyn yn ei wneud.

[234] Rydw i o'r farn y dylai Estyn, o ran bod y Gweinidog yn gofyn am gyngor ar hyn, fod yn gwneud arolwg o bryd i'w gilydd—efallai pob tair neu bum mlynedd—o sut mae'r gwaith hwn yn mynd yn ei flaen. Fe allem, er enghraifft, edrych ar faint o dystiolaeth rydym yn ei chael o'r arolygiadau rydym yn eu gwneud fel *routine* i weld sut mae'r disgwyliadau statudol yn cael eu cyflwyno. Os oes angen edrych yn fwy manwl ar y gwendidau arbennig sy'n perthyn i'r ffordd y mae'r disgwyliadau'n cael eu cyflwyno, gallwn wneud arolwg. Ond, rwy'n credu mai'r hyn y byddwn i am ddadlau drosto yw bod Estyn yn cael hyblygrwydd i weithio gyda'r Gweinidog a'r sector i weld pryd sydd orau i ni edrych ar hyn a dod i gasgliadau ar effeithiolrwydd y disgwyliadau statudol sydd yn bodoli'n barod.

11:45

[235] **Keith Davies:** Fodd bynnag, mae'n amlwg o'r ffordd y mae pethau'n newid yn y byd fod angen i ni sicrhau bod pobl ifanc yn cael addysg ariannol.

[236] **Ms Keane:** Oes, yn bendant. Rydym ni'n bendant o blaid addysg ariannol am y rhesymau y mae Bethan Jenkins wedi'u dangos yn y nodiadau sydd yn gysylltiedig â'r Bil. Felly, rydym ni o blaid addysg ariannol. Bydd o fudd i blant i gael mwy ohoni, ond rydym ni hefyd o'r farn bod y sefyllfa fel y mae hi ar hyn o bryd yn wahanol i'r hyn yr oedd hi pan wnaethom ni'r arolwg yn 2011.

[237] **Keith Davies:** Diolch yn fawr.

[238] **Aled Roberts:** Cyn imi symud ymlaen at y cynigion o fewn y Bil, rydych chi wedi sôn am yr adroddiad hwn yn 2011 ac mae'r fframwaith wedi cael ei gyflwyno ers

improved. I do not necessarily mean that further legislation is the solution to that problem. I think that we would need to look at how we provide and prepare schools for making that provision and how teachers respond to the statutory requirements placed upon them. One way of doing that is by monitoring through Estyn's activities.

I am of the opinion that Estyn, in terms of the Minister requesting advice on this, should carry out studies from time to time—perhaps every three or five years—on how this work is progressing. We could, for example, look at how much evidence we receive from the inspections that we carry out routinely in order to see how the statutory requirements are being introduced. If we need to look in more detail at any particular weaknesses in relation to those, then we could carry out an inspection. However, what I would argue for is that Estyn should have flexibility to work with the Minister and with the sector in order to see when we could best look at this and come to conclusions on the effectiveness of the statutory requirements already in place.

Keith Davies: However, it is clear from the way that things are changing in the world that we need to ensure that young people receive financial education.

Ms Keane: Without doubt. We are firmly in favour of financial education for the reasons that Bethan Jenkins has set out in the explanatory memorandum to the Bill. Therefore, we are in favour of financial education. It would benefit children to have more financial education, but we are also of the opinion that the situation as it currently stands is different from what it was when we carried out the study in 2011.

Keith Davies: Thank you very much.

Aled Roberts: Before I move on to the proposals within the Bill, you have mentioned this report in 2011, and the framework has been introduced since then, of

hynny, wrth gwrs, ond roedd yr adroddiad yn dweud bod diffyg adnoddau yn yr iaith Gymraeg o ran addysg ariannol. Wrth feddwl bod yr holl ysgolion hyn rŵan fod i ddarparu'r fframwaith, a ydych chi'n fodlon efo'r adnoddau sydd ar gael yn yr iaith Gymraeg ar hyn o bryd?

[239] **Ms Keane:** Fe wnaf i ofyn i Cath. Hi oedd yn gyfrifol am yr adroddiad hwnnw, ac fe all hi ddweud rhywbeth am yr hyn a oedd yn yr adroddiad gwreiddiol ynglŷn ag adnoddau yn Gymraeg.

[240] **Ms Evans:** Yn yr adroddiad gwreiddiol, dywedasom ni, fel y dywedasoch chi, fod diffyg adnoddau trwy gyfrwng y Gymraeg. Roedd mwy o adnoddau ar-lein a mwy o adnoddau *interactive* i ddisgyblion yn y Saesneg na'r Gymraeg. Fodd bynnag, ers yr adroddiad, roedd yr uned a oedd yn gyfrifol, y *Wales financial education unit*, wedi parhau am dros flwyddyn ar ôl cyhoeddi'r adroddiad ac wedi gwneud tipyn o waith ar yr adnoddau hyn. Mae nifer o'r adnoddau ar gael ar wefan Learning Wales yn awr. Felly, mae'r darlun wedi newid rhywfaint ers cyhoeddi'r adroddiad yn 2011.

[241] **Aled Roberts:** Os ydy'r darlun wedi newid rhywfaint, a ydy'r sefyllfa ar hyn o bryd yn foddhaol?

[242] **Ms Keane:** Ni fyddwn i'n dweud bod y sefyllfa'n hollol foddhaol. Byddwn i'n derbyn bod, o safbwynt y fframwaith llythrennedd a rhifedd yn gyfan gwbl, ffordd i fynd. Mae'n rhaid cofio bod ysgolion yn addasu eu cwricwlwm i gwrdd â'r disgwyliadau statudol ers mis Medi diwethaf. Felly, nid wyf yn amau nad oes ffordd i fynd. Nid wyf yn amau ychwaith na fyddai'n fuddiol i Estyn, mewn arolwg, ymhen, dywedwch, blwyddyn neu ddwy, i edrych yn fwy manwl ar sut mae disgwyliadau a goblygiadau'r fframwaith yn cael eu gweithredu mewn ysgolion. Byddem yn gallu dod â thystiolaeth fwy pendant wedyn ynglŷn ag effeithiolrwydd y peth. Fel rwyf yn dweud, rydym wedi pigo rhywfaint i fyny yn yr adroddiad hwn ar rifedd, ond mae'n gynnar eto i ddisgwyl bod ysgolion wedi llwyr feistrolï'r ddarpariaeth y mae ar blant ei hangen.

course, but the report stated that there was a lack of resources through the medium of Welsh in terms of financial education. Given that all these schools are now supposed to be delivering the framework, are you satisfied with the resources that are available in the Welsh language at the moment?

Ms Keane: I will ask Cath to respond to this. She was responsible for that report, and she can say something about what was contained within the original report about Welsh-medium resources.

Ms Evans: In the original report, we said, as you said, that there was a lack of Welsh-medium resources. There were more resources online and more interactive resources for pupils through the medium of English than Welsh. However, since the report was published, the unit that was responsible, the Wales financial education unit, continued for a year after the publication of the report, and undertook a lot of work on these resources. A number of resources are now available on the Learning Wales website. Therefore, the picture has changed somewhat since the publication of the report in 2011.

Aled Roberts: If the picture has changed somewhat, is the situation adequate as it is at present?

Ms Keane: I would not say that the situation is completely satisfactory. I would accept that, in terms of the LNF as a whole, there is a way to go. It must be remembered that schools are adapting their curriculum to meet what have been statutory expectations since last September. So, I have no doubt that there is a way to go. I also have no doubt that it would be beneficial for Estyn, in an inspection, in, say, a year or two to look in more detail at how the expectations and obligations of the framework are being implemented in schools. We could bring forward more certain evidence in terms of its efficiency. As I have said, we have picked some of that up in this report on numeracy, but it is early days to expect that schools have completely mastered the provision that is needed by pupils.

[243] **Mr Rowlands:** Mae yna nifer fawr o adnoddau cyfrwng Cymraeg a Saesneg ar y we ar lythrennedd a rhifedd yn gyffredinol ac ar addysg ariannol. Un o'r pwyntiau cyffredinol rydym ni wedi eu gwneud, a dweud y gwir, yw ei bod yn anodd i ysgolion gael gafael ar yr holl adnoddau. Mae cymaint o adnoddau fel ei bod hi dipyn bach yn anodd mynd drwy'r wefan. Rydym ni'n gobeithio y bydd modd i wella'r wefan i gael gafael ar yr union adnodd y mae arnoch ei angen yn llawer haws. Felly, y feirniadaeth gyffredinol rydym ni wedi ei gwneud am yr adnoddau ar gyfer rhifedd ar hyn o bryd yw bod bron ormod ohonynt a'i fod yn anodd cael gafael arnynt. Fel mae Ann wedi dweud, mae'n gymharol newydd ac mae athrawon ddim ond yn dechrau dod i arfer â'r adnoddau newydd.

Mr Rowlands: There are many Welsh and English-medium resources available online in terms of literacy and numeracy more generally and financial education. One of the general points that we have made, to be honest, is that it is difficult for schools to access all of the resources. There is so much material available, it is a little difficult to work your way through the website. We hope that the website can be improved so that you can get hold of the exact resource that you need far more easily. So, the general criticism that we have made about the resources for numeracy at present is that there is almost too much material available and that it is difficult to access. As Ann has said, it is relatively new, and teachers are only now getting used to these new resources.

[244] **Aled Roberts:** Rwyf am holi am eich barn rŵan ar adrannau o fewn y Bil. Rydym wedi derbyn tystiolaeth gan y Gwasanaeth Cynghori Ariannol, a gyhoeddodd adroddiad ei hun yn 2013 sydd yn sôn am ei farn ynglŷn â phryd mae plant yn ffurfio a datblygu. Mae'n bendant o'r farn ein bod yn sôn am blant o dair neu bump oed ymlaen yn datblygu sgiliau o ran sut i drin arian a phethau felly. Er hynny, mae'r Bil yn sôn am dod â goblygiadau i fewn o gyfnod allweddol 2 ymlaen. A oes gennych farn fel corff ynglŷn ag ai'r ddarpariaeth bresennol o dan y fframwaith sy'n gywir, neu a ddylid gohirio addysg ariannol ffurfiol tan gyfnod allweddol 2?

Aled Roberts: I want to ask for your views now on sections within the Bill. We have received evidence from the Money Advice Service, which published its own report in 2013 that discusses its view about when children form and develop. It is definitely of the opinion that we are talking about children from three or five years of age developing skills in terms of how to deal with money and so forth. However, the Bill talks about introducing obligations from key stage 2 onwards. Do you have a view as a body with regard to whether the current provision under the LNF is correct, or should formal financial education be left until key stage 2?

[245] **Ms Keane:** Mae'n dibynnu ar sut rydych yn deall y gair 'ffurfiol'. Mae wedi bod yn gymharol gyffredin mewn ysgolion sy'n cyflwyno'r cyfnod sylfaen, a chyn hynny gyda'r cwriwcwlwm cenedlaethol, i ddod â phlant yn gynnar iawn i arfer gyda thrin arian yn y dosbarth. Mae pawb sydd wedi mynd i ysgol fach yn gwybod bod caffi a siop yno, a bod y plant yn chwarae gydag arian ac yn defnyddio arian, a bod hynny wedyn yn arwain at ennill y sgiliau a'r hyfedredd o ran deall gwerth arian, ac yn y blaen. Felly, rydym o'r farn fod y fframwaith yn iawn o ran y dylid yn y dosbarth derbyn, lle mae'n cychwyn ar hyn o bryd, mewn ffyrdd anffurfiol—. Hynny yw, rydym yn sôn am blant yn ymarfer yn y dosbarth gydag arian er mwyn dod i ddeall y sefyllfaedd lle

Ms Keane: It depends on how you define the word 'formal'. It has been relatively common in schools that are working to the foundation phase, and prior to that with the national curriculum, to introduce children at a very early stage to dealing with money in the classroom. Everyone who has been to a primary school knows that there is a café and shop in the classroom, and that children play with and use money, and that that develops those skills and literacy in terms of understanding the value of money, and so on. Therefore, we are of the opinion that the framework is correct in that in reception class, where it currently starts, one should in informal ways—. That is, we are talking about children practising skills in the classroom and using money in order to come

mae deall gwerth arian yn bwysig iddyn nhw. Rwy'n credu bod hynny'n allweddol bwysig fel rhan o'r chwarae strwythuredig yn y cyfnod sylfaen. to understand situations where understanding the value of money is important to them. I think that that is crucially important as part of the structured play that is so important in the foundation phase.

[246] **Ann Jones:** David, you have questions on teacher training.

[247] **David Rees:** I just have a couple of points. Clearly, you inspect teacher training as well. In your evidence of the inspections, have you seen whether they are addressing the issue of financial literacy in their teacher training qualification period? Also, do you see that in practice in the workplace? What skills do teachers have at the moment in delivering financial literacy?

[248] **Ms Keane:** Let me start with that we think that it is a very good thing that the entry requirement for teacher training has now gone from grade 'C' in GCSE English or Welsh and mathematics to grade 'B'. We believe that that will strengthen the numeracy of the individual trainees. Obviously, the influence of the literacy and numeracy framework is being felt as part of teacher training. In our inspections of teacher training, we have expressed some caveats about standards of literacy and numeracy and the pedagogy involved. However, I can say that the LNF is having an impact on teacher training. I do not have evidence to prove that they are up to speed on financial education as such, but, in the context of literacy and numeracy, they are certainly taking that on board.

[249] **Mr Rowlands:** I think that I have an advantage on everyone this morning. I have just come from a meeting on the national support programme in Cathays Park 2.

[250] **Ms Keane:** This is the national support programme for the LNF.

[251] **Mr Rowlands:** For the literacy and numeracy framework, there is a specific national support programme. One of the issues was training the trainers. There is a wide programme to make sure that consortia, challenge advisers and those sorts of people are trained and are up to speed with the LNF. However, it was a concern as to whether teacher trainers were a part of that training the trainer programme. We were glad to hear this morning that the most recent training the trainer programme had included teacher trainers, because there has been a danger in the past, I think, that teacher trainers have been left out of various national developments. So, that bodes well for this particular issue.

[252] More widely in our inspections of teacher training, we have been focusing for several years now particularly on literacy and numeracy, not specifically on financial literacy, but on numeracy in general.

[253] **David Rees:** So, we are probably seeing a move towards a curriculum change in ITT to include financial literacy as part of the developmental programmes that the unqualified teacher would go through.

[254] **Ms Keane:** I think so, because the LNF requires it. You have to remember as well that, when we introduced our new inspection cycle in 2010, we said that we were going to focus on literacy and numeracy. So, we have quite a lot of information about literacy and numeracy. Numeracy and mathematics are a prerequisite of financial education. If you do not understand mathematics, you are not going to be financially literate. So, it is embedded in the context of numeracy itself.

[255] **David Rees:** I was interested to hear your comments when you were talking about training the trainers in the consortia. Is it their belief that there is not enough expertise out

there at the moment?

[256] **Mr Rowlands:** I think that, whenever there is a new initiative, there is a need to train the trainers. It is not that teacher trainers or challenge advisers are incapable of teaching financial education or anything like that. It is that something like the LNF is very structured, and you need to be absolutely au fait with the details of it, as the teacher trainer, in order to train the trainees to go out to schools. Schools expect the trainees to be familiar with the detail—not only the broad principles but the very detailed background. When we talk about resources for financial education, for example, there are 10 very detailed modules on Learning Wales. Each module has a long list of different resources, handouts, teacher materials and whatever. So, it is important that teacher trainers are totally up to speed with that kind of detail.

[257] **David Rees:** So, it is a question of delivery, rather than one of statutory requirements.

[258] **Ms Keane:** Well, it is a statutory requirement. So, it is a question of how quickly the whole system gears itself up to meet those existing statutory requirements fully.

[259] **Aled Roberts:** Dywedodd y Gweinidog wrthym y bore yma ei fod yn bwriadu gwneud cyhoeddiad ym mis Tachwedd ynglŷn â hyfforddi athrawon. Nid oedd yn barod i ddweud wrthym y bore yma beth yr oedd yn bwriadu ei wneud. Roedd rhai ohonom yn synnu bod y Llywodraeth yn pennu'r safonau ynglŷn â'r QTS, ond bod cynnwys a strwythur y cyrsiau ym mhob un o'r canolfannau hyfforddi yn wahanol. O ran yr hyn yr ydych yn ei wneud ar hyn o bryd, a yw'r broses o hyfforddi'r hyfforddwr yn gyson ym mhob man, neu a ydych yn sôn am un ganolfan hyfforddi? Hefyd, gan eich bod newydd ddweud bod y gofynion ynglŷn â chyrraedd o fewn pynciau penodol, sef mathemateg a iaith, wedi codi i athrawon, a ydych yn monitro'r myfyrwyr sy'n mynd i mewn i'r canolfannau hyfforddi hyn er mwyn sicrhau bod y canolfannau'n mabwysiadu'r safonau uwch hyn?

Aled Roberts: The Minister told us this morning that he intends to make an announcement in November regarding teacher training. He was not prepared to tell us this morning what he is intending to do. Some of us were surprised that the Government was setting the standards regarding the QTS, but that the content and the structure of the courses in each of the training centres is different. Regarding what you are doing now, is the process of training the trainers consistent everywhere, or were you just discussing one training centre? Also, as you mentioned that the requirements in terms of attainment in certain subjects, namely mathematics and language, has risen for teachers, do you monitor the students who go to these training centres to ensure that the centres are adopting these higher standards?

[260] **Ms Keane:** Ydym. Fel rhan o'n gwaith arolygu, rydym yn monitro'r safonau. Gwelwch, wrth ichi ddarllen yr adran honno yn ein hadroddiad blynyddol y llynedd, ein bod ni wedi bod yn feirniadol ynghylch rhai o lefelau cyrraedd y myfyrwyr wrth iddynt ddod i mewn. Dyna pam yr wyf yn falch iawn o weld bod angen gradd 'B' yn awr mewn mathemateg ac iaith cyn dod i mewn i'r canolfannau hyfforddi. Gan fynd yn ôl at ddarn cyntaf eich cwestiwn, byddwn yn dweud bod yna anghysondeb o ran yr hyn sy'n cael ei ddarparu ar hyn o bryd yn y canolfannau, a hefyd bod yna anghysondeb, i raddau, o ran y modd nad yw aelodau unigol

Ms Keane: Yes. As part of our inspection work, we monitor the standards. You will see, from reading that particular section of last year's annual report, that we had been critical of some of the attainment levels of students when they came in to the courses. That is why I am pleased to see that you need a grade 'B' in maths and language before you come into those training centres. Returning to the first part of your question, I would say that there is inconsistency in the provision currently made in the centres and, to a certain extent, there is inconsistency in the way in which the individual members of those centres who have come together to create

y canolfannau sydd wedi dod at ei gilydd i uno a chreu'r canolfannau bob tro yn gyson â'i gilydd, efallai. Mae hyn i'w weld yn yr adroddiadau yr ydym wedi'u cyhoeddi eisoes ar ddwy ganolfan. Fodd bynnag, rydym yn monitro yn agos iawn y newidiadau sy'n digwydd o ran hyfforddiant athrawon, ac rydym yn ymwybodol bod y Gweinidog yn mynd i roi datganiad, beth bynnag.

those centres are not always consistent with each other either, perhaps. This is highlighted in the reports that we have already published on two centres. However, we monitor very keenly the changes taking place in teacher training, and we are aware that the Minister is going to make a statement, in any case.

[261] **Ann Jones:** Okay, thank you. We are going to move on to reporting. John is next.

12:00

[262] **John Griffiths:** I would be interested in your views in general on the principle of an annual report on progress. Also, in terms of your own reporting arrangements on numeracy and mathematics, I would be interested in whether you would see duplication there in terms of what the Bill would require and what already happens. Would there be added value from what is proposed in the Bill in terms of what you do on that?

[263] **Ms Keane:** I do not think that there would be added value by expecting Estyn to do what is outlined in the Bill. I think that, actually, it is moving towards a prescriptive approach to what should be reported on, which actually limits and constrains the independence of not only Estyn, but Welsh Ministers, who already have the power to ask us for advice on any aspect of education and training. So, I do not see that it adds anything to that. If there were a requirement for us to inspect financial education in great depth in every inspection, that would be expensive. We are in a time of austerity. If that budget increase did not come, but there was still the statutory requirement for us to do that, it would have an impact on our ability to implement our follow-up monitoring arrangements in schools, which are not statutory but, in my opinion, do a lot of good. In other words, these are the arrangements whereby, if a school is underperforming in any way, Estyn will go back. We will go back every term if it is in special measures; we will go back in around a year, if it is in Estyn monitoring or in need of significant improvement. The follow-up inspections for the schools in this category are statutory. It is a requirement that we monitor those. However, for the rest—and remember that we monitor around two thirds of schools—we do not just inspect and walk away; we go back to check that the things that we have recommended have been done. I believe that that is one of the most valuable features of our current inspection arrangements. However, the rest is non-statutory.

[264] So, if additional bureaucratic requirements that, in my view, do not add sufficient value were to undermine that, it would mean that the schools of Wales would suffer as a result rather than benefit. However, I think that the Minister has existing powers to ask Estyn to advise on financial education and the standards of financial education at present. I think that the situation as it exists now is a situation that gives flexibility to the Minister and flexibility to Estyn. In that negotiation over Estyn's annual remit, we bring to the table, to the Department for Education and Skills, some suggestions on things that we think need to be surveyed and need a light shone upon them. That would constrain that flexibility that we have and it would, piecemeal, undermine our independence of action.

[265] **Ann Jones:** Lynne has a question on looked-after children.

[266] **Lynne Neagle:** May I just ask whether you have any specific views on the provisions in the Bill relating to looked-after children?

[267] **Ms Keane:** Most looked-after children attend mainstream education, and they would

get the same provision of financial education that everybody else would get. There is another category of schooling that looked-after children can get, and this is the category of schooling that is delivered through the independent school system. They do not, by statute, have to deliver the national curriculum.

[268] **Lynne Neagle:** So, you are saying that looked-after children, as far as Estyn is concerned, are covered by existing arrangements.

[269] **Ms Keane:** Most of them are covered by existing arrangements, yes.

[270] **Lynne Neagle:** Thank you.

[271] **Ann Jones:** Okay. Is everybody happy? Thank you very much. That was very good. Thanks very much for the written paper and for your evidence. As you know, we send you a copy of the transcript to check for accuracy before it is published. So, thanks very much. Thank you for your time today.

12:04

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r
Cyfarfod
Motion under Standing Order 17.42 to Resolve to Exclude the Public from the
Meeting**

[272] **Ann Jones:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order 17.42.

[273] I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 12:04.
The public part of the meeting ended at 12:04.*