

SP 42

Blaenoriaethau ar gyfer y Pwyllgor Cydraddoldeb,
Llywodraeth Leol a Chymunedau

Priorities for the Equality,

Local Government and Communities Committee

Ymateb gan: Association of British Credit Unions Ltd. (ABCUL)

Response from: Association of British Credit Unions Ltd. (ABCUL)

Association of British Credit Unions Ltd.
Cardiff and Vale Credit Union
City Hall
Gorsedd Gardens Rd
Cardiff
CF10 3ND

2nd September 2016

Dear Sir/Madam,

Priorities for the Equality, Local Government and Communities Committee

1. In response to the consultation on the priorities for the Equality, Local Government and Communities Committee, please find below an outline of the case for the Committee looking at the role of the Government's Financial Inclusion Strategies. In short, we believe that there has been insufficient examination of the impact of the previous (2009) strategy and that the successor 2016 strategy does not set out how future impacts will be evaluated. The Committee could look at the extent to which the Government has delivered on its actions in this area and help set out a clearer framework for on-going assessment.

About the Association of British Credit Unions Ltd. (ABCUL)

2. ABCUL is the leading trade body for credit unions in the UK. Wales currently has 20 credit unions serving 76,000 individual credit union members across the country. ABCUL represents 11 of those credit unions and approximately 75% of all Welsh credit union members.

Proposal – Review of the Welsh Government's Financial Inclusion Strategies

3. ABCUL has welcomed the development and publication of a revised and refreshed Financial Inclusion Strategy. We were pleased to see that supporting the work that credit unions do in Wales to tackle financial exclusion has been made central to the new strategy – as it was to the original 2009 strategy.¹ Such an approach is supported by the positive conclusions of the three-year evaluation of credit unions' capabilities to provide access to financial services.²
4. Our aim is to help the Welsh Government to meet its financial inclusion goals. However, in order for the new Financial Inclusion Strategy to be as effective as possible we believe that it is necessary that *all* aspects of the strategy be subject to the same level of evaluation and scrutiny as credit unions have been.

¹ ABCUL's full response to the consultation can be found here: <http://www.abc.ul.coop/media-and->

² Old Bell 3, An Evaluation of the Access to Financial Services through Credit Unions Project - Final report, 2014 <http://gov.wales/docs/caecd/research/2014/140529-evaluation-access-financial-products-through-creditunions-final-report-en.pdf>

5. We have two potential concerns relating to the evidence base for the new strategy: first, it does not appear to be based on a thorough examination of the successes and failures of the strategy it is refreshing, and, second, it does not set out a framework for review and evaluation for the new proposals.

6. The 2009 Financial Inclusion Strategy contained an outline of how the strategy would be monitored and evaluated as it was implemented. The proposed framework included the development of high-level and statistical indicators, bespoke research on specific actions, and an independent evaluation of the overall strategy. It is not clear from publicly available documents which evaluative actions were subsequently carried out and what the results were. Without a comprehensive evaluation it is difficult to accurately gauge the efficacy of the measures introduced and learn from experience.

7. Unlike the 2009 strategy, the new Financial Inclusion Strategy does not include a detailed proposal of how outcomes will be measured. Again, without an appropriate framework for evaluation it will be difficult to ensure that the policies pursued are as effective as they could be.

8. We believe that an inquiry into the Government's Financial Inclusion Strategies by the Equality, Local Government and Communities Committee could help to bring a sharper focus on what approaches are effective and ensure that there is a strong framework in place for future evaluation.

9. If you require any more information on our proposal, please contact Joseph Allen (ABCUL Policy Officer for Wales):

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Yours faithfully,



Joseph Allen