

ACCOMPANYING DOCUMENTS

Explanatory Notes and an Explanatory Memorandum are printed separately.

Financial Education and Inclusion (Wales) Bill

[AS INTRODUCED]

CONTENTS

Introductory

- 1 Overview
- 2 Interpretation: “financial education” etc.
- 3 Interpretation: “local authority”

Financial education

- 4 Financial education to be provided in maintained schools
- 5 Establishing financial education component of National Curriculum
- 6 Annual Report
- 7 Children looked after by local authority

Financial inclusion strategies

- 8 Local authority duty to publish strategy
- 9 Content of strategy
- 10 Guidance

Advice about financial management

- 11 Advice for children looked after by local authorities
- 12 Information about sources of advice
- 13 Advice for students

Final provisions

- 14 Commencement
- 15 Short title

Financial Education and Inclusion (Wales) Bill

[AS INTRODUCED]

An Act of the National Assembly for Wales to promote the financial education and inclusion of people in Wales.

Having been passed by the National Assembly for Wales and having received the assent of Her Majesty, it is enacted as follows:

5

Introductory

1 Overview

This Act—

- (a) requires financial education to be taught in maintained schools and to children looked after by local authorities;
- 10 (b) requires local authorities to maintain a financial inclusion strategy; and
- (c) places duties on local authorities in relation to advice about financial services and management.

2 Interpretation: “financial education” etc.

In this Act—

- 15 “financial education” means education about financial services and financial management;
- “financial inclusion” means access to financial services and financial education at a reasonable cost;
- “financial management” includes using financial services and managing debt;
- 20 “financial services” includes, in particular, savings, credit, mortgages, insurance and money-transfer services.

3 Interpretation: “local authority”

In this Act “local authority” means the council of a Welsh county or county borough.

Financial education

4 Financial education to be provided in maintained schools

25 After section 101(1)(bb) of the Education Act 2002 (basic curriculum for every maintained school in Wales) insert—

“(bc) provision for education about financial services and financial management (within the meaning of section 2 of the Financial Education and Inclusion (Wales) Act 2014) for all registered pupils at the school during the second, third and fourth key stages,”

5 Establishing financial education component of National Curriculum

At the end of section 108 of the Education Act 2002 (establishment of the National Curriculum for Wales by order) add –

“(12) Before making an order under subsection (3) in respect of education about financial services and financial management the Welsh Ministers must consult persons who appear to them to have relevant expertise.”

6 Annual Report

- (1) The Welsh Ministers must in each financial year lay before the National Assembly for Wales a report on the progress of financial education in maintained schools in Wales in the previous financial year.
- (2) The Welsh Ministers may direct Her Majesty’s Chief Inspector of Education and Training in Wales to prepare the report.
- (3) A direction must be given at least three months before the report is required.

7 Children looked after by local authority

After section 78(2)(a) of the Social Services and Well-being (Wales) Act 2014 (principal duty of a local authority in relation to looked after children) insert –

“(aa) a duty to ensure that the child receives appropriate financial education (within the meaning of section 2 of the Financial Education and Inclusion (Wales) Act 2014) from the age of seven.”

Financial inclusion strategies

8 Local authority duty to publish strategy

- (1) A local authority must prepare and publish a financial inclusion strategy.
- (2) Before publishing a financial inclusion strategy a local authority must consult such persons as it thinks appropriate (including organisations that appear to exist wholly or mainly to provide benefits for society or the environment (“third sector” organisations)).
- (3) A local authority must revise its financial inclusion strategy at least once in every five year period.
- (4) A local authority must publish a report in each financial year setting out how it implemented its financial inclusion strategy in the previous financial year.

9 Content of strategy

- (1) A local authority's financial inclusion strategy must set out how the authority will use its powers to—
- (a) promote the financial inclusion of individuals who live in its area;
 - 5 (b) encourage individuals who live in its area to gain skills in financial literacy (including understanding the implications and effects of street-trading, gambling and cold-calling);
 - 10 (c) encourage individuals who live in its area to gain appropriate skills in financial management (including, in particular, an understanding of the services of credit unions);
 - (d) facilitate free access to on-line financial education and management services (whether through libraries or otherwise);
 - (e) collaborate with organisations in its area which promote financial inclusion.
- (2) The Welsh Ministers may amend subsection (1) by order made by statutory instrument.
- 15 (3) No order may be made under subsection (2) unless—
- (a) the Welsh Ministers have consulted local authorities; and
 - (b) a draft of the order has been laid before, and approved by a resolution of, the National Assembly for Wales.

10 Guidance

- 20 (1) The Welsh Ministers may issue guidance about financial inclusion strategies.
- (2) A local authority must have regard to any guidance issued.

Advice about financial management

11 Advice for children looked after by local authorities

25 A responsible local authority for a category 1, 2 or 3 young person (within the meaning of the Social Services and Well-being (Wales) Act 2014) must arrange for that young person to receive appropriate advice about financial services and financial management.

12 Information about sources of advice

- (1) A local authority must—
- 30 (a) include on its website information about where to obtain advice about financial management; and
 - (b) provide that information on request.
- (2) A local authority may provide advice about financial management where it thinks the advice is not reasonably available otherwise.

13 Advice for students

A local authority must take reasonable steps to ensure that universities and further education corporations in its area provide advice about financial management to students.

5

Final provisions

14 Commencement

- (1) The preceding provisions of this Act come into force on such day as the Welsh Ministers may appoint by order made by statutory instrument (subject to subsection (4)).
- (2) An order under subsection (1) may –
 - (a) appoint different days for different purposes; and
 - (b) include incidental, consequential, or transitional provisions.
- (3) A statutory instrument containing an order under section 14(2)(b) is subject to annulment in pursuance of a resolution of the National Assembly for Wales.
- (4) Any provision of this Act that has not been brought into force by 1 January 2018 comes into force on that date.

10

15

15 Short title

The short title of this Act is the Financial Education and Inclusion (Wales) Act 2014.