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Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: RE/83/20

John Glen MP
Economic Secretary to Treasury
1 Horse Guards Road
London
SW1A

22 January 2020

Dear John,

As Child Trust Funds (CTF) will begin to mature for young people from September 2020, it is important that every young person in Wales is made aware of the savings support that was made available to them at birth by the then UK Government.

All children born from 1st September 2002 received an initial payment of at least £250 from the UK Government before the scheme was abolished by UK Ministers in 2011. While the scheme was in operation, children from low income families received an additional £250 payment from birth.

A further payment of £250 was made into the children's CTF accounts at age 7, with those in lower income families once again receiving an additional £250 payment.

The Welsh Government also established the Child Trust Fund Cymru scheme, launched in Autumn 2009. The scheme, which ran until January 2011, provided an additional top-up to the CTF for children in Wales as they began primary school. The CTF Cymru provided £50 to all children, with a payment of £100 to those children living in low income households. HMRC data, suggest that a total of 273,000 CTF accounts were opened in Wales. The total value of CTFs in Wales was assessed by HMRC to be around £200m in 2012, which equates to an average value per account of £733. In many cases, of course, the value of CTFs will have risen significantly since 2012.

The Welsh Government opposed the UK Government's decision to abolish the scheme which deprived children of a guaranteed savings pot, with those in the poorest households losing out disproportionately. The UK Government has also undermined access to CTFs by failing to promote the schemes to ensure that families are in touch with their accounts.

The funds committed by both previous UK and Welsh Governments represented an investment in our children's future. Whether young people opt to re-invest and save for the future or to cover immediate costs to help with their next steps at this pivotal age, they should face no barrier to accessing their savings.

^[1] *Child Trust Funds Statistics, Detailed Distributional Analysis*, HMRC, Feb 2013.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/255881/dda.pdf

Given that Welsh Government money has been committed to these funds, I would be grateful for full details on the action the UK Government is taking to ensure that every eligible young person in Wales is made aware of the savings that have been set aside for their future.

As those young people make plans for their future, it is crucial that they are contacted in advance of the CTFs maturing this September. Advice and support should also be provided so that young people are protected from any predatory actors that target their savings.

We are copying this letter to the Chair of the Children, Young People and Education Committee.

Yours sincerely,



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Minister for Finance and Trefnydd

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.