

# Active Inclusion Newcastle

## Newcastle's Financial Inclusion Briefing: 2016-17 Q2

Promoting financial inclusion is an important part of Newcastle City Council and its partners' commitment to tackling inequality. Our approach to financial inclusion is based on working in partnership through our Financial Inclusion Group to provide information, advice and support to residents when they face difficulties, and promoting early intervention to prevent problems reaching crisis point. Whilst many of the causes of poverty are out of our control, by working together we can make the best use of the resources available to make the greatest difference for residents.

To support this cooperative approach we aim to share systems, priorities and challenges. To help facilitate this we produce a quarterly briefing note to create a common language, to highlight trends and to review our responses to the following five objectives in our Financial Inclusion Action Plan:

- 1. Maximise income and respond to the welfare reforms**
- 2. Support residents to manage their money, increase financial resilience, reduce harmful debt and prevent homelessness**
- 3. Help residents to train, gain and remain in employment**
- 4. Promote affordable credit options**
- 5. Reduce fuel poverty, increase financial resilience and promote access to bank accounts**

Our quarterly review process helps to create collective agreement about the issues residents face and the difference we are making to those who experience financial exclusion. We recognise that there are limitations in some of the data collected, as organisations invariably count their interventions differently. However, there is sufficient agreement for us to produce these briefing notes to demonstrate the work of the Financial Inclusion Group. Our main aim is to make a positive difference and reduce inequality by prioritising financial inclusion, not to produce a piece of pure academic research. However, we welcome partners to point out any errors or opportunities for improvement.

### Headlines:

- The 'full service' Universal Credit will be rolled out to the Newcastle East and West Jobcentres in February and March 2017. Further information about Universal Credit and the support arrangements for residents is available online at [www.newcastle.gov.uk/universalcredit](http://www.newcastle.gov.uk/universalcredit)
- Newcastle City Council, the Department for Work and Pensions and Your Homes Newcastle (YHN) are holding an information session on Wednesday 1 February to give multi-agency staff and volunteers an opportunity to find out more about the roll out of Universal Credit 'full service'. For more information email [active.inclusion@newcastle.gov.uk](mailto:active.inclusion@newcastle.gov.uk)
- The benefit cap was lowered on 7 November 2016 for those already affected by the original benefit cap. The number of capped households in Newcastle has increased from 57 on 30 November 2016 to 335 on 26 December 2016 when the cap was applied to families not previously affected. This number does not include those residents claiming Universal Credit who will be affected by the lower benefit cap, as the Department for Work and Pensions (DWP) are not providing local authorities with information about Universal Credit claimants. More information, including the support arrangements for residents, is available online [here](#)
- Newcastle City Council is one of three early adopters for the Homelessness Prevention Trailblazer
- Our next Financial Inclusion Group seminar will take place on 24 January 2017 and will focus on food poverty. For more information email [financial.inclusion@newcastle.gov.uk](mailto:financial.inclusion@newcastle.gov.uk) or visit the Council's [Financial Inclusion Group webpage](#)

# 1: Maximise income and respond to the welfare reforms (including digital inclusion)

Table 1.1: Annualised benefit gains and clients advised by the Newcastle Advice Compact

	2015-16	Q4 (15-16)	Q1 (16-17)	Q2 (16-17)	Q3 (16-17)	Q4 (16-17)
Benefit gains	£27,174,682	£7,399,960	£7,196,782	£7,469,086		
Clients advised	18,697	4,259	5,314	4,266		

## Trends:

Table 1.1 shows that between Q1 and Q2 of 2016-17 benefit gains have remained consistent, however the number of clients advised has reduced by 20%. Local advice services, including the Northumbria University Student Law Office, the Tyne and Wear Centre Against Unemployment (TWCAU) and the Council's Welfare Rights service report an increase in disability related benefit activity.

Welfare reforms continue to have an impact both locally and nationally. The recent 2016 Autumn Statement announced an improvement in the Universal Credit taper amount for earners from April 2017. The [Resolution Foundation](#) suggests this would save claimants up to £300, but previous cuts may have cost people more than £2,000. Work and Pensions minister, Damien Green, has said that there would be no more welfare cuts during the present Government. However, the existing welfare reforms will continue as planned, for example a four year freeze on working age benefits from 2016 and the two child cap for Child Tax Credit from April 2017. Further information about the welfare reforms is available [here](#)

### Case study from Newcastle City Council's Welfare Rights Service

Miss W attended a local advice session as she was moving house into a Universal Credit (UC) 'full service' area. Miss W is a lone parent in receipt of Statutory Maternity Pay (SMP) which was due to end. Miss W recently gave birth and her employer was keeping her job open until she was able to return to work, which was delayed because her newborn son required an operation.

A Welfare Rights Officer (WRO) assisted Miss W with her UC claim and, being aware of that new benefit's work related activity requirements, made sure her caring situation was taken into account helping to avoid problems with UC, such as sanctions. Also, being aware of the delay in receiving a UC payment, the WRO made her landlord aware of this to prevent any 'rent arrears' recovery action. The WRO also assisted with a Council Tax Reduction online claim, advised on short term advance payments and other support she could access if necessary.

Although the amount of monthly income is lower, having the UC status as a nominated carer has given Miss W the breathing space to look after her young child until she is able to return to work.

## What we are doing:

- The Council and Jobcentre Plus (JCP) continue to work together to help to reduce benefit sanctions by providing information and quarterly workshops. The next workshop is on 16 March 2017. For more information visit the Council's [information for professionals webpage](#)
- The [spectrum of advice for benefits](#) has been developed with the Newcastle Advice Compact so that residents and services understand what level of benefit information and advice services provide. As part of this approach:
  - 2,864 subscribers at tiers 2 and 3 receive bi-monthly benefit bulletins, a 12% increase on the previous quarter. To sign up to receive updates, email [activeinclusion@newcastle.gov.uk](mailto:activeinclusion@newcastle.gov.uk)
  - The 'Introduction to Benefits' e-learning module was completed by 28 people during Q2. Quarterly face to face 'Introduction to Benefits' training sessions continue to be provided, with 27 people attending in Q2. Details of the training programme is available online at [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals)
- During Q2 97 staff and volunteers used the Council's Welfare Rights Service consultancy line
- In Q2, there were 8,291 unique visits to the top ten most visited pages in the [welfare rights and money advice](#) section of Newcastle City Council's website. 2,424 visited the advice services contact page - a 29% increase on the previous quarter. A new [Universal Credit webpage](#) has been introduced to compliment the more detailed guide
- The Council continues to provide and update targeted benefit information for GPs and other health staff on their web portal 'GPTeamNet' to help them to support residents. We have also provided an Active Inclusion Newcastle presentation to NHS mental health services staff in Collingwood Court. These actions came from the Financial Inclusion Group seminar, held in October 2015, which focused on the links between health and financial exclusion
- The benefit cap was lowered on 7 November 2016 for those already affected by the original benefit cap. The number of capped households in Newcastle has increased from 57 on 30 November 2016 to 335 on 26 December 2016 when the cap was applied to families not previously affected. This number does not include those residents claiming Universal Credit who will be affected by the lower benefit cap, as the Department for Work and Pensions (DWP) are not providing local authorities with information about Universal Credit claimants. Further information on the support being provided to residents is detailed in section two of this report

## What next:

- The Council's Welfare Rights Service has offered to provide a three hour advice service for the heart transplant Social Work team. This service will begin in January 2017
- We will provide an update on the welfare reforms to February 2017's Council Business Cabinet
- We will be developing stage two of the 'Introduction to Benefits' and an e-learning Universal Credit module. This will be available by February 2017

## Digital inclusion

**Table 1.2: Initiatives to promote digital inclusion**

	2015-16	Q4 (15-16)	Q1 (16-17)	Q2 (16-17)	Q3 (16-17)	Q4 (16-17)
Techy Tea Parties				5 sessions 30 attended		
Online basics session				7 sessions 37attended		
Online job search session				1 session 3 attended		
Get online digital champion training				3 sessions 23attended		
Digital Champions' volunteer hours				225		

### Trends:

Table 1.2 summarises the activity which has taken place to support residents get online. From this quarter we have changed the information reported to better reflect and promote the range of work taking place to help residents become digitally included. For more information about the work taking place contact Lisa Dawson by email [lisa.dawson@yhn.org.uk](mailto:lisa.dawson@yhn.org.uk).

### What we are doing:

- There are 610 free or low cost digital access points and 72 organisations offering IT training in Newcastle. For more information visit [www.getonlinenewcastle.co.uk](http://www.getonlinenewcastle.co.uk).
- Free Wi-Fi is available in 69 public buildings and city centre streets, helping to increase opportunities for people to get online. For more information visit [www.godigitalnewcastle.co.uk](http://www.godigitalnewcastle.co.uk)
- The Newcastle Libraries Service has removed the 14 hours per week time limit from public access computers
- Techy Tea Parties take place on the last Thursday of the month at City Library. For more information, or to book a place, visit [Newcastle Libraries' event webpage](#)
- City Library has opened one of its computer rooms specifically for jobseekers. For more information, phone the Libraries Service Enquiry Centre on 0191 277 4100
- A Digital Inclusion Network has been established to bring together voluntary organisations, training providers, public bodies and charities to look at digital inclusion in the city
- A 'Digital Champions' training course has been set up to support volunteers and staff of organisations who are interested in offering digital support to the residents they work with. For more information, phone the Libraries Service Enquiry Centre on 0191 277 4100

### What next:

- The Newcastle Libraries Service is developing a Work Club that provides jobseekers with basic digital skills, advice and support about how to search and apply for jobs online along with interview advice and skills
- The Newcastle Libraries Service is designing two 'Code Clubs' for nine to eleven year olds to develop their coding skills

## 2: Support residents to manage their money, increase financial resilience, reduce harmful debt and prevent homelessness

**Table 2.1: Debt advice and homelessness prevention through debt advice by Newcastle Advice Compact**

	2015-16	Q4 (15-16)	Q1 (16-17)	Q2 (16-17)	Q3(16-17)	Q4 (16-17)
Debts written off	£3,625,005	£1,120,810	£810,325	£1,210,594		
Clients advised	4,269	1,071	1,058	944		
Homelessness prevention	542	81	54	55		

### Trends:

Between Q1 and Q2 of 2016-17 the number of clients advised by the Newcastle Advice Compact decreased by 11%, but the number of homelessness preventions has remained consistent. The decrease in the numbers of clients advised is due to staffing shortages at Citizens Advice Newcastle. Four new debt advisers have been recruited and trained during Q2, so it is expected that their numbers will increase next quarter. In Q2 the amount of debts written off has increased by 49%. However, this measure depends on the amount of debt that individuals have so it varies from quarter to quarter.

Money Matters continue to see a large number of residents who don't have enough money to live on. To assess the extent of the problem and to help find solutions for those households the team have started to analyse budget plans. In the first six months of 2016-17, out of 268 households:

- **52% had sustainable budgets**
- **23% could only sustain their budgets with additional financial support.** These households only manage to pay for their day to day living costs because of the additional financial support that the Council has provided them via Discretionary Housing Payments (DHPs) to help pay their rent and the Supporting Independence Scheme (SIS) which can provide essential household furniture to replace goods bought on hire purchase from high cost providers
- **25% had deficit budgets where there was no additional financial support available that could help them to sustain their living costs.** These households could go further into debt

### What we are doing:

- We have developed a coordinated citywide approach to support households affected by the lower benefit cap. The latest data from the DWP suggests that 335 households in Newcastle will have their benefits capped to the lower benefit cap level. As part of the support offered:
  - YHN is continuing to contact their tenants to offer advice and have updated their [website](#) with information about the benefit cap and the support that they can provide
  - Money Matters will be targeting the most vulnerable households with individual support from Q4 of 2016-17. The team will be applying a holistic approach to helping these households, learning from the work that they did for the households affected by the 'original' benefit cap: assessing for possible benefit cap exemptions, offering budgeting support and making referrals for any additional support needed, such as employment support, Discretionary Housing Payments (DHPs) and housing advice. We have included an example case study below

- The Council's Active Inclusion Service is coordinating support for the non-YHN households and working with Registered Social Landlords (RSLs) on a joined up approach to share resources
- Active Inclusion Newcastle wrote to all of the affected private rented and RSL households who were not currently not receiving support and invited them to an event on 6 December 2016 to access advice about opportunities to improve their financial situation. YHN also invited their tenants to attend this session
- YHN and Money Matters continue to provide Personal Budgeting Support to residents who need help managing their money as a result of claiming Universal Credit. 85 referrals were made for this support during Q2; an increase of 77% from 48 referrals in the previous quarter
- We continue to roll out the Active Inclusion Newcastle (AIN) training and support available to partners as part of our [spectrum of advice for money management \(budgeting and debt\)](#). The 'Debt Awareness' Level 1 e-learning module has been completed by 368 professionals and volunteers since it was developed in 2015-16. Face to face 'Introduction to Budgeting' sessions continue to be popular, with 75 people attending this training in the first six months of 2016-17
- Money Matters supported three vulnerable residents to obtain a Debt Relief Order (DRO) in Q2, becoming debt free as a result of financial help from Money Matters' DRO Fund
- Advice Compact organisations are working with Newcastle University to help them to recruit participants for their research on the impact of high cost credit on Newcastle residents. They will be talking to people about their experiences of accessing and using short-term credit products through digital devices
- In September 2016 our national debt advice partner Payplan obtained a full authorisation from the Financial Conduct Authority (FCA) to provide debt counselling making them the first of the national free debt advice providers to become fully authorised

#### What next:

- Newcastle City Council is one of three national early adopters of government's [Homelessness Prevention Trailblazer](#). The Homelessness Prevention Trailblazer will focus on addressing the underlying issues which can lead to someone using their home by considering homelessness prevention at an earlier stage to prevent people reaching crisis point
- We continue to work with the Money Advice Service (MAS) to help improve the quality and availability of free and trusted debt advice in Newcastle. In March 2017 the MAS will be launching a universal income and expenditure statement called the Standard Financial Statement (SFS). The introduction of the SFS will bring a greater consistency to the debt advice process and a smoother debt advice journey for clients, advisers and creditors
- The Council adopted its [Corporate Debt Policy](#) in December 2013, making a commitment to a consistent and fair approach to providing support to customers in financial difficulties including to use a nationally recognised income and expenditure statement. Debt advice agencies, local authorities and creditors can apply for a SFS licence via [sfs.moneyadvice.service.org.uk](http://sfs.moneyadvice.service.org.uk) from January 2017
- The Active Inclusion Service continues with the testing of a framework to systematically identify and monitor barriers that Newcastle residents face in achieving financial stability and to explore different ways to target households at an early stage in order to prevent problem debt

**Money Matters benefit cap case study** – helping a private rented tenant affected by the ‘original’ benefit cap to improve her financial circumstances

Family is made up of unemployed single mum (aged 28) Ms Y and four children.

Money Matters established that her Housing Benefit had been incorrectly capped at a rate of £10.82 per week since the end of May 2016 because the DWP did not recalculate her total income when her circumstances changed. Money Matters asked Revenues and Benefits to notify the DWP about this mistake. The benefit cap was removed, the Housing Benefit was reinstated at the uncapped rate and the resident received **£225.67 in backdated Housing Benefit**. Money Matters also noticed that Ms Y wasn’t on the correct Local Housing Allowance rate because she hadn’t provided a copy of the birth certificate for her fourth child, which they have encouraged her to do.

Money Matters applied to the SIS for items to enable Ms Y to return the essential furniture that she was paying £20 per week for on hire purchase. This application was awarded with **items totalling £690.30 in value** (washing machine, dining table and chairs, bunk bed, single bed with mattress and double bed with mattress).

Money Matters have also referred Ms Y to Newcastle Futures for employment support and advised her to claim Working Tax Credit (WTC) if she starts work, as unfortunately she will be subject to the lower benefit cap when it is introduced in Newcastle unless she gets exemption through WTC.

### 3: Help residents to train, gain and remain in employment

**Table 3.1: Number of people supported into employment, self-employment or apprenticeships**

	2015-16	Q4 (15-16)	Q1 (16-17)	Q2 (16-17)	Q3 (16-17)	Q4 (16-17)
Newcastle Futures	406	55	53	79		
Supported Employment Service	75	26	9	20		
YHN	118	33	21	29		
Changing Lives	*48	10	10	9		
Crisis Skylight Newcastle	*5	5	18	14		
<b>Total</b>	<b>652</b>	<b>129</b>	<b>111</b>	<b>151</b>		

\* Part year figures

#### Trends:

Table 3.1 shows that between Q1 and Q2 of 2016-17 the number of residents supported into employment increased by 36% (40 people). The main reasons for this relate to an increase in referrals received by organisations, more placement opportunities and a rise in the number of apprentices recruited.

Key trends this quarter include:

- Newcastle's employment rate currently stands at 65.9%; this is lower than the average for English metropolitan boroughs (69.4%) and the UK as a whole (74%). Areas with stronger labour markets are more likely to see residents' better respond to the demands created by the welfare reforms
- Employment Advisors from the Newcastle Families Programme continue to witness residents experiencing interconnected barriers to employment which must be overcome before work can be considered as an option. Typically barriers relate to debt, concerns about being "worse off" and fears about rent affordability
- This quarter the number of people supported into employment by Newcastle Futures has increased by 49%. This rise can be attributed to an increase in both registrations and how they are recorded as well as placement opportunities
- The Supported Employment Service helped 11 more people (18%) with a disability to find work when compared to the previous quarter. 35 people were helped to achieve an accredited qualification in Q2
- YHN's Employability Team experienced a 38% increase in people supported to find employment, including self-employment and apprenticeship opportunities. This increase is a result of recruiting 23 apprentices this quarter. Additionally, six businesses were established via the Make Your Own Money initiative. They include a second hand clothing business, a candle maker, a transcription service and a confectionary van
- Changing Lives support some of the most vulnerable residents to find and sustain employment. This quarter the number of people they have supported into employment has remained consistent. An example of how they support people into employment is described below



### **Case study from Changing Lives' employment service**

J was 21 years old when he started working with a Changing Lives work coach. J was living in Changing Lives supported accommodation and had depression and anxiety. His confidence was very low and his only experience of employment was working as a handyman for a short period of time during his teenage years.

The Changing Lives' work coach supported J to write his CV, work on interview skills and build his self-confidence. They encouraged J to engage with his GP and attend a confidence building course which resulted in an improvement in J's depression. J joined the Changing Lives work placement programme in July 2015 and got a warehouse placement with Marks and Spencer.

J went on to complete two days pre-placement training and was accepted by Marks and Spencer. Changing Lives were able to provide practical support to help J purchase protective work clothing. After the first week of J's two-week placement, his warehouse colleagues reported how impressed they were with J's work ethic and urged the warehouse manager to consider employing J on a more permanent basis. J successfully completed his two week work placement and was immediately offered a contract. J continued to access support from his coach at Changing Lives around budgeting, help to access in-work benefits and secure (and remain) in his own tenancy.

A year later and J is still employed by Marks and Spencer. J enjoys his job and is now a father.

### **What we are doing:**

- We have established the Newcastle Employment Support Compact which involves 23 organisations. The third meeting was held on 8 November 2016. It was chaired by Councillor McCarty and was attended by 18 organisations. The next meeting will be held on 18 January 2017. For more information, email [clare.fish@newcastle.gov.uk](mailto:clare.fish@newcastle.gov.uk)
- We have developed a Newcastle Employment Support Protocol. This is a learning framework designed to improve the alignment between employment support and benefit, housing, budgeting and debt advice services. 11 organisations have signed up to the principles set out in the protocol. For more information, email [clare.fish@newcastle.gov.uk](mailto:clare.fish@newcastle.gov.uk)
- The Newcastle Gateway has been updated to include the Supported Employment Service, Crisis Skylight's employment service and Newcastle Futures. YHN's employment service and Changing Lives employment service are working on joining the system. For more information, email [activeinclusion@newcastle.gov.uk](mailto:activeinclusion@newcastle.gov.uk)
- We have developed a fund to support resident's access and remain in employment. This fund is currently being trialled with the Council's Supported Employment Service and has received one application so far. For more information email [active.inclusion@newcastle.gov.uk](mailto:active.inclusion@newcastle.gov.uk)
- The Skills Hub and City Library are offering a four-week online job search course for residents. For more information phone the Skills Hub On 0191 277 4125
- Changing Lives' Ready for Work programme provides support for adults with some of the biggest barriers to employment to secure sustainable work. It is aimed at residents who have experienced homelessness, have drug and / or alcohol dependency, have had involvement in the criminal justice system, have left the armed forces or are care leavers. For more information, contact Val Chybowski by phone on 07506 744 928 or email [val.chybowski@changing-lives.org.uk](mailto:val.chybowski@changing-lives.org.uk)

**What next:**

- We will be developing an 'Introduction to employment support' e-learning module and quarterly face to face training sessions. A pilot face to face training session will be held on 31 January 2017. For more information, email [clare.fish@newcastle.gov.uk](mailto:clare.fish@newcastle.gov.uk)
- We are considering proposals to utilise some funding from the Supporting Independence Scheme (SIS) to help residents to overcome their barriers to employment. Suggestions include helping residents in supported accommodation at risk of eviction due to Universal Credit to take up employment opportunities
- The Supported Employment Service, in partnership with Crisis Skylight Newcastle, will be launching a catering and coffee facility at Newcastle Civic Centre. This service will launch in Spring 2017
- We are investigating opportunities to build on and refine monitoring arrangements in order to provide a greater sense of employment support provision in Newcastle and the difference we are making for residents

#### 4: Promote the expansion of affordable credit options as an alternative to expensive high interest credit, such as payday loans or loan sharks

**Table 4.1: Moneywise Credit Union membership and loans granted**

	2015-16	Q4 (15-16)	Q1 (16-17)	Q2 (16-17)	Q3 (16-17)	Q4 (16-17)
No. of members	8,276	8,276	8,422	8,583		
Loans granted	2,173	403	517	509		
Loan value	£2,142,695	£435,382	£511,313	£537,823		
Own Your Own	64 approved applications from 354 received	13 approved applications from 84 received	13 approved applications from 55 received	18 approved applications from 57 received		

**Table 4.2: Five Lamps loans granted and loan value (Newcastle residents)**

	2015-16	Q4 (15-16)	Q1(16-17)	Q2(16-17)	Q3(16-17)	Q4(16-17)
Loans granted	460	53	124	123		
Loan value	£266,180	£29,835	£78,530	£78,000		

#### **Trends:**

Moneywise Credit Union's membership continues to grow. Table 4.1 shows that between Q1 and Q2 of 2016-17 membership increased by 2%. Since the development of our collaborative approach to financial inclusion in 2011 there has been a 71% growth in membership. This is mainly due to community development initiatives, additional payroll deduction schemes, school based collection points and marketing opportunities through partners. The number of loans granted by both Moneywise Credit Union and Five Lamps has remained consistent between quarters. Five Lamps no longer have an office in Newcastle and have not undertaken active promotion in the area since 2012. As a result the majority of their custom is generated from repeat business (80% of the loans granted).

Own Your Own is a scheme developed by Moneywise Credit Union and YHN. It provides low cost loans for household items, helping to discourage residents from purchasing goods through expensive, high interest credit providers. Table 4.2 shows that Q2's Own Your Own approval rate was 32%, an 8% increase on the previous quarter. The main reasons for refusal continue to relate to rent arrears and / or poor credit history.

During Q2 there were two reports of suspected loan shark activity which, in December 2016, resulted in one successful prosecution. The Illegal Money Lending Team believe that loan sharks continue to operate in Walker, Byker, Fenham, West Denton and Newbiggin Hall wards. Officers are investigating the intelligence received will continue to work in partnership to raise awareness of the dangers of loan sharks. This quarter the Illegal Money Lending Team have noted an increase in people borrowing money from loan sharks to fund gambling debts. This is not a trend we have experienced in Newcastle, but we will continue to monitor the situation.

### **What we are doing:**

- During January 2017, the TWCAU is running a campaign for positive finance. As part of this they will be holding a series of public workshops. Sessions will be supported by Moneywise Credit Union, Citizens Advice Newcastle, Clean Slate and the Illegal Money Lending Team. For more information contact Paul Dawson on 0191 2330888
- During November and December 2016, Sure Start held three 'Christmas on a Budget' workshops across the central area of the city (Fawdon Sure Start Centre, Galafield Centre and the Family Matters Office). These were supported by Moneywise Credit Union and focused on preparing Christmas lunch on a budget, home-made gifts and decorations, affordable credit and opportunities to save money to help families avoid high interest or dangerous credit options. For more information contact Sian Hadley on 0191 2115700
- Five Lamps is working in partnership with ASDA as part of a six month pilot scheme to promote affordable credit options to customers. Further information is available at <http://money.asda.com/personal-loans/>
- On 20 January 2017 Shontal performed 'It's Only A Few Quid'. It's Only A Few Quid looks at the hardship faced by a young mother who encounters the attentions of a loan shark

### **What next:**

- In January 2017 we will begin a pilot project to encourage families qualifying for assisted childcare to open a credit union savings account and save money on a regular basis. As part of this pilot project we will also investigate what drives or inhibits residents' financial wellbeing and resilience. The information gathered from this work will help us to think about how we can best support residents to be financially included
- Following the Illegal Money Lending Team's 'Your Choice Newcastle 2016' initiative, four projects were awarded funding. The projects aim to promote the stop loan shark message and will begin in January 2017. For more information email Natalie Barker [natalie.barker@birmingham.gov.uk](mailto:natalie.barker@birmingham.gov.uk)
- The Regional Financial Inclusion Group are investigating opportunities to promote the importance of credit unions, saving money and access to affordable credit through a coordinated approach
- We are investigating ways to support residents to repair and build their credit rating. This includes identifying opportunities to promote Moneywise Credit Union's credit repair loan and developing information detailing practical steps to increase credit worthiness
- Following October 2016's Financial Inclusion Group seminar, we will develop a strategic approach to the promotion of affordable credit and opportunities to save in Newcastle
- We are investigating opportunities to further promote Moneywise Credit Union by making greater use of the Council's communication and marketing expertise

## 5: Reduce fuel poverty, increase financial resilience and promote access to bank accounts

**Table 5.1: Energy Services new referrals, cases closed and financial outputs**

	2015-16	Q4 (15-16)	Q1 (16-17)	Q2 (16-17)	Q3 (16-17)	Q4 (16-17)
New YHN referrals	269	72	64	41		
New non YHN enquiries	89	32	12	14		
Energy debts written off	£78,110	£26,717	£15,120	£32,870		
Total cases closed	230	56	59	67		
Average financial gains	£339.61	£477.08	£256.27	£490.60		

**Table 5.2: Citizens Advice Newcastle's Northern Powergrid Fuel Debt Project's new clients seen and fuel debt issues dealt with**

	2015-16	Q4 (15-16)	Q1 (16-17)	Q2 (16-17)	Q3 (16-17)	Q4 (16-17)
New clients	180	17	140	144		
Issues addressed	1,625	60	282	319		

### Trends:

Newcastle City Council's Energy Services provide specialist energy saving and fuel debt advice to Newcastle residents and fuel debt casework for YHN tenants. Table 5.1 shows that between Q1 and Q2 of 2016-17 there was a 36% reduction in the number of referrals and enquiries received. The 'dip' experienced this quarter is a seasonal trend. The main reason for referrals this quarter relate to gas self-disconnection. The financial gains realised by Energy Services includes the correction of energy billing errors, Warm Home Discount awards, successful Charis applications and goodwill / other payments. An example of the support provided by the team is highlighted below.

Citizens Advice Newcastle's Northern Powergrid Fuel Debt Project started in October 2014. It provides specialist advice to residents experiencing problems with energy bills and fuel debt. Table 5.2 shows that between Q1 and Q2 of 2016- 17 the number of new clients advised has remained consistent, however the number of issues addressed has increased by 13%. During this quarter the main issues that residents sought advice about related to billing or meter reading problems and help to negotiate the repayment of fuel debt.

### What we are doing:

- Shelter have secured funding from the British Gas Energy Trust to provide fuel poverty and energy efficiency advice to vulnerable households. Within this role there is scope to assist with any debt issue, particularly where this impacts on the ability to pay for fuel. For more information, email Shelter [Fuel\\_northeast@shelter.org.uk](mailto:Fuel_northeast@shelter.org.uk) or phone 0344 515 1601
- YHN is running a pilot for a void affinity scheme which allows the energy supply for their empty properties to be switched to a preferred supplier. The energy supplier choice was based number of factors, such as energy advice, smart meters, pricing and management issues. The pilot is being trialled in Kenton ward and, if successful, will be rolled out across the city

- Warm Up North are installing fully funded gas central heating systems for fuel poor households with funding awarded by the former Department of Energy and Climate Change. The scheme is closed to new applications
- Warm Zone offer assistance to low income home owners who suffer from a health condition made worse by living in a cold or damp home
- Newcastle City Council's Crisis Support Scheme can assist with fuel vouchers for eligible residents. During Q1 154 energy vouchers were issued. The total value of energy vouchers issues this quarter was £7,345

**What next:**

- Energy Services are reviewing best practice from the other cities which have decided to have a greater role in the supply of energy to their communities and are reviewing options for increasing the energy supplier choices available to residents

**Case study – Energy Services**

Mr and Mrs B live in sheltered accommodation in Byker. They were referred to Energy Services by one of YHN's Energy Champions because of a dispute with British Gas over a high final bill after transferring to another supplier. Billing with the new supplier Extra Energy was also affected by the dispute and as a result they were paying £161 a month Direct Debit.

It was discovered that the property had an old dial electric meter which had been read incorrectly prior to the switch in suppliers. As a result British Gas had billed Mr and Mrs B for an extra 10,000 units of electricity. Energy Services raised a complaint with British Gas and sent a photo of the meter and the bill was adjusted accordingly. British Gas refunded £1,220.72. Energy Services also contacted Extra Energy to make them aware of the error. Once the transfer reads were adjusted, Mr and Mrs B received a further refund of £1,500 from Extra Energy and their ongoing payments were reduced from £161 to £70 a month.

**Amount refunded - £2,720.72, annual savings - £1,092.00. Total - £3,812.72**

## Active Inclusion Newcastle

The Financial Inclusion Group is part of the Active Inclusion Newcastle partnership approach that responds to the growth in demand for information, advice and support to promote social and financial inclusion and to prevent the risk of homelessness with reduced resources. The Active Inclusion Newcastle partnership coordinates responses to the welfare reforms, austerity and destitution by creating the conditions for stability:

- **An income**
- **Somewhere to live**
- **Financial inclusion – life without excessive debt**
- **Training & employment opportunities**

The Active Inclusion Newcastle partnership provides and supports partners to deliver the following:

**Primary prevention activities** – to support making the prevention of homelessness and destitution ‘everyone’s business’:

- Information for professionals, volunteers and the public – financial inclusion examples are available online at [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals)
- Consultancy advice for professionals and volunteers – contact details are available online at [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals)
- Briefing sessions for professionals and volunteers – to request a briefing, email [activeinclusion@newcastle.gov.uk](mailto:activeinclusion@newcastle.gov.uk)
- Spectrums of advice – details are available online at [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals)
- Training for professionals and volunteers – details of e-learning modules and face to face training sessions are available online at [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals)
- Protocols and policies – details are available online at [www.newcastle.gov.uk/homelessnesspreventionforprofessionals](http://www.newcastle.gov.uk/homelessnesspreventionforprofessionals)
- Partnerships and governance – details are available online at [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals)
- Copies of previous quarterly reviews are available online at [www.newcastle.gov.uk/benefits-and-council-tax/welfare-rights-and-money-advice/information-professionals-and-volunteers/financial-inclusion-group](http://www.newcastle.gov.uk/benefits-and-council-tax/welfare-rights-and-money-advice/information-professionals-and-volunteers/financial-inclusion-group)

**Secondary prevention activities** – specialist advice and accommodation services that community based primary services can turn to when they need help

**Crisis activities** – services that support people facing destitution when community and preventative support fails to prevent crisis

## Next steps and how to get involved

The issues raised in the draft version of this briefing were discussed at the Newcastle Advice Compact meeting on 16 November 2016. Feedback has been incorporated into this document which will be presented to councillors and the Financial Inclusion Group at our next quarterly seminar which will be held on 24 January 2017. For more information on financial inclusion, visit [www.newcastle.gov.uk/managingyourmoney](http://www.newcastle.gov.uk/managingyourmoney) or contact Clare Fish by phone on 0191 277 7529 or email [clare.fish@newcastle.gov.uk](mailto:clare.fish@newcastle.gov.uk).