

# Active Inclusion Newcastle

## Newcastle's Financial Inclusion Briefing: 2016-17 Q1

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)
- The lower household benefit cap will be introduced over 12 weeks from 7 November 2016 – over 500 households in Newcastle are likely to be effected
- To find out how many households suffering debt problems are affected by deficit budgets Newcastle City Council's Money Matters team are completing a 'budget sustainability' indicator at case closure. In Q1 48% of the completed household budgets were not sustainable for residents.
- 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.
- 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.
- The next Financial Inclusion Group seminar will be on 13 October 2016 and will focus on credit unions and affordable credit, in recognition of International Credit Union Day. For more information, email [clare.fish@newcastle.gov.uk](mailto:clare.fish@newcastle.gov.uk).

# 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			
Clients advised	18,697	4,259	5,314			

## Trends:

Table 1.1 shows that between Q4 of 2015-16 and Q1 of 2016-17 benefit gains have remained consistent. During the same period there has been a 25% increase in the number of clients advised. The growth in clients seen this quarter is attributed to an increase in returning clients seeking advice for more difficult and time consuming cases, possibly as a result of the welfare reforms.

The growing problem of poverty and destitution in the context of the reduced welfare state is highlighted in a recent report by the [Local Government Select Committee](#). The report helps to further highlight the challenges created by the welfare reforms, with two-thirds of English local authorities citing that changes have resulted in increased levels of homelessness. At the same time, however, data from the [Department for Work and Pensions \(DWP\)](#) shows that nationally £13 billion in benefit entitlement went unclaimed in 2014-15. Encouraging residents to claim their full benefit entitlement can help to mitigate the impact of the welfare reforms by maximising income. An example of the value of trusted advice is shown in the following case study.

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

Mr W was referred for specialist welfare benefits advice by his local ward councillor following a long spell in hospital. During that period Mr W's Housing Benefit, Council Tax Reduction and Employment and Support Allowance entitlement had stopped, resulting in rent arrears, a Housing Benefit overpayment and the risk of homelessness and destitution.

A Welfare Rights Officer:

- Recognised the complexity of overpayment legislation in relation to the new benefit Universal Credit and its interaction with the other benefits, and was able to devise a way forward
- Met Mr W's landlord and presented the technical arguments to Revenues and Benefits who agreed that Mr W's Housing Benefit would be reinstated given the legal arguments, complex circumstances, adverse impact that recovering the Housing Benefit overpayment would have on his mental health, and potential that recovery processes would lengthen his stay in hospital

The support provided by the Welfare Rights Officer resulted in:

- A backdated Housing Benefit payment of £1,248 for Mr W's landlord, ending the threat of eviction and reducing the risk of homelessness
- A £819 credit for Council Tax
- The reinstatement of Employment and Support Allowance
- A referral to Money Matters for support with wider problem debt issues

## What we are doing:

- The Council continues to monitor the impact of the welfare reforms in Newcastle. The [report presented to Cabinet on 22 June 2016](#) estimated that residents of working age would see an annual reduction in benefits of £139 million by 2020-21.
- The Council and Jobcentre Plus are continuing to work together to help to reduce benefit sanctions by providing quarterly workshops for staff and volunteers. The next workshop is on 15 December 2016. More information is available online at [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals)
- YHN are delivering free sessions for tenants who are affected by the introduction of Universal Credit. For more information, contact YHN's Customer Involvement Team by phone on 0191 278 3663 or email [getinvolved@yhn.org.uk](mailto:getinvolved@yhn.org.uk)
- The [spectrum of advice for benefits](#) has been developed with the Newcastle Advice Compact to describe what level of benefit information and advice services provide. As part of this approach:
  - 2,864 subscribers receive bi-monthly benefit bulletins. To sign up for these, email [activeinclusion@newcastle.gov.uk](mailto:activeinclusion@newcastle.gov.uk)
  - The 'Introduction to Benefits' e-learning module was completed by 41 people during Q1. Quarterly face to face 'Introduction to Benefits' training sessions continue to be provided, with 25 people attending in Q1. Details of the e-learning module and the training programme is available online at [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals)
- During Q1 98 staff and volunteers accessed advice via the Council's Welfare Rights Service consultancy line.
- During May and July 2016 the Council's Welfare Rights Service delivered four days of Tax Credit take up sessions at the Newcastle Bangladeshi Association. These sessions have generated benefit gains of £194,625.
- YHN telecare users are being offered a free benefit check from the Council's Welfare Rights Service. So far this has resulted in benefit gains of £22,704 for 77 residents, helping to mitigate the increased telecare charge.
- In July 2016 the Council's Welfare Rights Service developed a referral pathway for social care residents who are not able to manage their affairs. So far 231 corporate appointments have been referred into the service, resulting in £14,050 of benefit gains.
- There were 8,193 unique visits to the top ten most visited pages in the [welfare rights and money advice](#) section of Newcastle City Council's website in Q1; a rise of 15% when compared to the previous quarter. In the same period there were 1,322 visits to the Universal Credit webpage – a 262% increase on the previous quarter.
- The Council is providing targeted benefit information for GPs and other health staff on their web portal 'GPTeamNet' to help them to support residents. This information went live in August 2016 and was an action from the Financial Inclusion Group seminar in October 2015.

## What next:

- The Council is still investigating opportunities to develop a pilot with Jobcentre Plus and supported housing providers to align the Claimant Commitment with support planning processes to provide a stronger system of support for residents who are vulnerable to benefit sanctions. This was part of the [evidence presented to the Work and Pensions Committee](#) in May 2016.
- The Council is developing stage two of the 'Introduction to Benefits' e-learning module.
- We are collating details of cases which highlight the impact of the welfare reforms to inform local authority meetings with MPs.
- We are working with Newcastle University to consider the health impacts of the welfare reforms.

## Digital inclusion

**Table 1.2: Free or low cost internet access points and organisations offering IT training**

	2015-16	Q4 (15-16)	Q1 (16-17)	Q2 (16-17)	Q3 (16-17)	Q4 (16-17)
Free / low cost internet access points	610	610	610			
Venues offering IT training	72	72	72			
Free Wi-Fi provision in Newcastle	69	69	69			

**Table 1.3: YHN Digital Champions – tenants who have completed digital training and hours of digital training provided by Digital Champions**

	2015-16	Q4 (15-16)	Q1 (16-17)	Q2 (16-17)	Q3 (16-17)	Q4 (16-17)
No. of tenants who have completed digital training	897	281	115			
Hours of digital training provided by YHN Digital Champions	1,126	564	259			

**Trends:**

Table 1.2 shows that between Q4 of 2015-16 and Q1 of 2016-17 the number of free or low cost access points and organisations or venues offering IT training has remained the same. Investment from Go Digital Newcastle has resulted in free Wi-Fi being installed in 69 public buildings and city centre streets, helping to increase opportunities for people to get online. Further information about free Wi-Fi in public buildings is available online at [www.godigitalnewcastle.co.uk](http://www.godigitalnewcastle.co.uk). There is an interactive map showing where you can get free or low cost access to computers, training and support in Newcastle online at [www.getonlinenewcastle.co.uk](http://www.getonlinenewcastle.co.uk).

In June 2015 YHN developed a network of Digital Champions to support tenants to get online and improve their digital skills. They are based at Walker Central Housing Office and Walker Learning Hive and support drop-in sessions at City Library and other community venues. Table 1.3 shows a 59% fall in tenants completing the training and a 54% reduction in hours of training provided. To find out more about YHN's Digital Champions, email Lisa Dawson at [lisa.dawson@yhn.org.uk](mailto:lisa.dawson@yhn.org.uk)

**What we are doing:**

- In a partnership between Newcastle City Council and Gateshead Council, as part of the Go Digital Newcastle programme, BT is providing an outdoor Wi-Fi service in key pedestrian routes in Newcastle city centre, Gateshead town centre and both sides of the Quayside. Further information is available [here](#).
- The Newcastle Libraries Service has removed the 14 hours per week time limit from public access computers.
- Individual one-to-one taster sessions are offered at all libraries in the city. For more information, phone the Libraries Service Enquiry Centre on 0191 277 4100.
- The Newcastle Libraries Service can provide individual support to residents to make an online claim for Universal Credit. During Q1 one referral was made to the service for support.
- 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.
- West End Library will host a Digital Drop In for YHN residents to get digital support at a time when the library is currently closed. More information will be circulated to partners when it is available.
- Get Online Week is from 17 to 23 October 2016. It will include a range of activities for residents and staff to encourage people to try digital devices for the first time, or to develop their skills and confidence. More information will be circulated to partners when it is available.

**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			
Clients advised	4,269	1,071	1,058			
Homelessness prevention	542	81	54			

**Trends:**

Between Q4 of 2015-16 and Q1 of 2016-17 the number of clients advised by the Newcastle Advice Compact remained consistent. In the same period the amount of debts written off decreased by 28% and homelessness preventions decreased by 33%. The amount of debts written off fluctuates from quarter to quarter as it is dependent on a client’s individual circumstance and the amount of debt that they have. This quarter’s reduction in homelessness prevention through debt advice was mainly a result of lower figures submitted by YHN’s Advice and Support Team due to a change in their recording system.

Debt advisors continue to see a growing number of residents for whom there are no workable debt solutions that can offer financial stability. Budgeting support remains an integral part of debt advice processes as for many households their incomes is not sufficient to meet essential expenditure and priority bills. Increasingly, advisors report that adjustments to household bills to reduce spending on both non-essential and essential bills may not remove a budget deficit in its entirety. Many households are reliant on temporary financial support, such as Discretionary Housing Payments (DHPs) and food parcels. Newcastle Advice Compact members suggest that residents’ deficit budgets are due to a combination of the welfare reforms, the cost of living rises, job insecurity and low wages. This is highlighted in the case study below.

**What we are doing:**

- To prepare for the introduction of the lower benefit cap we have developed a coordinated citywide approach to support affected households. As well as new households being impacted, residents that are currently capped will see their benefits further reduced. YHN has attempted to contact all of the 276 YHN households that they identified in February 2016 as being likely to be capped at the lower rate of the benefit cap, unless they were clearly exempt. They assessed households for possible benefit cap exemptions and offered them employability support and budgeting support to reduce household expenditure.
- In July 2016 the Council’s Active Inclusion Service started a project to support private rented and Registered Social Landlord (RSL) tenants who will be impacted by the lower benefit cap. The first stage of the project is to trial a triage approach with those tenants who are already affected by the benefit cap. The Welfare Rights Service and Money Matters are contacting those households to assess the opportunities to help them to improve their financial situation.
- YHN and Money Matters are continuing to provide Personal Budgeting Support to residents who need help managing their money as a result of claiming Universal Credit. 48 referrals were made for this support during Q1.
- In Q1 we continued to roll out the Active Inclusion Newcastle 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 was completed by 23 people during Q1. Quarterly face to face 'Introduction to Budgeting' training sessions continue to be provided, with 54 people attending in Q1. Details of the e-learning module and the training programme is available online at [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals)
- Money Matters supported three vulnerable residents to obtain a Debt Relief Order (DRO) in Q1, becoming debt free as a result of financial help from Money Matters' DRO Fund. Additionally, residents attended financial capability sessions to improve their money management skills.
- To strengthen our preventative approach to dealing with problem debt in the city this issue was considered at the Financial Inclusion Group seminar in July 2016. The seminar was attended by 60 staff and volunteers who work with residents at risk of poverty and financial exclusion. It encouraged productive discussions between organisations to identify opportunities to better support residents at an earlier stages to prevent problem debt.
- We are continuing work to strengthen the alignment of DHP, advice, employment support and homelessness processes to support tenants to comply with the conditions of their DHP award, or to overcome difficulties with paying their rent if they have been refused.
- To find out how many households suffering debt problems are affected by deficit budgets Money Matters are completing a 'budget sustainability' indicator at case closure. In Q1 48% of the completed household budgets were not sustainable for residents.

### Money Matters case study

A couple were referred to Money Matters team by the Council's Initial Response Service to help them with £14,000 worth of debts. They have two children aged 4 and 8. Mrs P works two nights a week. Mr S is not able to work because he suffers from post-traumatic stress disorder so he is in receipt of Employment and Support Allowance. They had multiple priority and non-priority debts:

- **Rent arrears of £2,000 to Your Homes Newcastle (YHN)** – Some of the arrears were due to the bedroom tax. Money Matters made a successful claim for **DHP to cover the bedroom tax for 6 months**, negotiated for Housing Benefit overpayment deductions to be reduced to a more affordable rate and negotiated a sustainable repayment plan with YHN for rent arrears.

**Other multiple priority and non-priority debts** – Money Matters negotiated affordable repayments for Council Tax arrears and Magistrates' Court fines, made an application to the British Gas Trust Fund for help to clear the utility arrears and negotiated reduced monthly payments on the water debt that will be written off in two years if the family maintains their water rates. Token offers of £1.00 per month were negotiated for other non-priority debts.

### What next:

- The Active Inclusion Service will be testing a framework to systematically identify and monitor barriers that Newcastle residents face in achieving financial stability. The service's Money Matters team is piloting the implementation of the framework within their benefit cap project. The team is also further strengthening partnership working and referral arrangements with other services that contribute to the joint aim of helping people realise financial stability: employment support, social care, mental health and alcohol and drug treatment.

- We are exploring different ways to target households at an early stage in order to prevent problem debt and financial hardship. To achieve this some of the services and organisations that we are working with include the Council's Community Nurseries, Newcastle City Learning, Newcastle Families Programme and Sure Start. Our intention is to provide their staff with financial inclusion knowledge and tools so that they can help the residents they support to be financially included. There are resources and more information about debt and financial inclusion issues online at [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals).
- We are meeting with Newcastle University researchers in September 2016 to plan for their research which will look at the impact of high cost credit on Newcastle residents.
- We are continuing to work with the Money Advice Service to improve access to budgeting support and debt advice for Newcastle residents.



### 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			
Supported Employment Service	75	26	9			
YHN	118	33	21			
Changing Lives	*48	10	10			
Crisis Skylight Newcastle	*5	5	18			
<b>Total</b>	<b>652</b>	<b>129</b>	<b>111</b>			

\* Part year figures

#### Trends:

Table 3.1 shows a 14% decrease in the overall number of people supported into employment between Q4 of 2015-16 and Q1 of 2016-17. The main reasons for this quarter's reduction continue to relate to a decrease in referrals received by organisations and a refocus on targeting support to vulnerable client groups. Key trends this quarter include:

- 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.
- The number of people helped to find work by the Council's Supported Employment Service has reduced by 65% (17). This was expected and is due to the starting dates of educational programmes. The service anticipates an increase in Q2.
- In Q1 the Supported Employment Service helped eight people to achieve an accredited qualification.
- Newcastle Crisis Skylight experienced a 260% increase (13) in the number of people supported into employment. Reasons for this include having a dedicated outreach worker in bail hostels who supported residents who were almost 'work-ready' and needed minimal support to access employment, the introduction of the Construction Skills Certification Scheme (CSCS) card training and a cohort of catering trainees who moved into paid employment this quarter.
- YHN's Employability Team experienced a 39% decrease in people supported to find employment, including self-employment and apprenticeship opportunities. This reduction is a result of not recruiting any apprentices this quarter. However, two current apprentices did progress into permanent employment. 17 tenants engaged with and received support through the Make Your Own Money Project which helps tenants to set up their own business. Nine new businesses were launched this quarter, including a domestic cleaner, mobile hairdresser, confectionary van and henna candles. An example of the positive impact of this support is described below.
- 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 YHN's Make Your Own Money project: Paws to Play**

The [Make Your Own Money](#) project helps YHN tenants who want to turn an interest into a business. Claire received help to set up a dog crèche, Paws to Play, after struggling to find anywhere suitable to take care of her own dog. She said: *"I'm so pleased I decided to set the company up. It was a risk and something I never thought I would be able to do, but I've loved turning something I thought was a hobby into a career"*.

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

Mr M was medically discharged from the Royal Horse Artillery with post-traumatic stress disorder after six years of service. Following his discharge Mr M found work in a variety of roles before falling into a heroin addiction which led to a six year period of substance misuse, severe depression, very low aspirations and periods of rehabilitation to eradicate his dependency. Eventually, convincing his most recent NHS support service provider of his intention to "kick his habit" and progress his life back towards employment, Mr M was referred to the Changing Lives employment service. This resulted in:

- Discussions which led to him revealing he had rent arrears on his property and a series of debts, all of which were causing a great deal of stress and acting as a barrier to employment. His debts included £800 of rent arrears and £600 owed to Northumbrian Water who were threatening disconnection
- A referral to the Benefit Employment Action Team (BEAT) who specialise in dealing with debt and benefits. The team worked with Mr M to tackle his imminent risk of eviction due to a county court claim
- A successful DHP application to clear the rent arrears and halt further eviction proceedings
- An application to the Court offering Northumbrian Water £1 per month. This proposal was accepted

This immediate support helped to lift Mr M's mood and aspirations which allowed him to focus on progressing towards employment. He took part in a two week work placement with Carillion, attending every day, building good working relationships with colleagues and using his skills.

Mr M felt that his self-confidence had grown and he could now gain and remain in employment. He has achieved his CSCS certification with the support of Changing Lives and is actively seeking paid employment in the construction industry. Mr M said: *"The help I received from staff at Changing Lives has been invaluable ... I don't think I'd be where I am today without it"*.

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

- We have established the Newcastle Employment Support Compact. The second meeting was held on 8 September 2016. It was chaired by Councillor McCarty and was attended by 23 organisations. The next meeting will be held in November 2016. For more information, email [clare.fish@newcastle.gov.uk](mailto:clare.fish@newcastle.gov.uk)
- The Newcastle Gateway system 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)
- The Skills Hub offer CV and job application workshops at City Library. For more information, visit their [Eventbrite webpage](#).

- 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)
- Changing Lives are working in partnership with the Dame Kelly Homes Trust to deliver their [Get On Track programme](#) in Newcastle. The programme is aimed at disadvantaged young people to enhance confidence, improve self-belief and boost employability skills. As part of this programme elite athletes will provide intensive mentoring. For more information, phone Thomas Peel on 07730 764 023.

#### **What next:**

- We will be developing an 'Introduction to employment support' e-learning module and quarterly face to face training sessions. Training will be developed by October 2016.
- 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. The protocol is out for consultation. 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 and a pilot with the Supported Employment Service to provide funding for training courses, equipment or qualifications which help people to gain employment.
- The Supported Employment Service are investigating opportunities to provide coffee and snack facilities at Council buildings.

#### 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			
Loans granted	2,173	403	517			
Loan value	£2,142,695	£435,382	£511,313			
Own Your Own	64 approved applications from 354 received	13 approved applications from 84 received	13 approved applications from 55 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			
Loan value	£266,180	£29,835	£78,530			

#### **Trends:**

Moneywise Credit Union's membership continues to grow. Table 4.1 shows that between Q4 of 2015-16 and Q1 of 2016-17 membership increased by 2%. This growth is due to additional payroll deduction schemes, school based collection points and marketing opportunities through partners. Moneywise Credit Union and Five Lamps both experienced an increase in the number of loans granted this quarter (28% and 134% respectively). Moneywise Credit Union's Community Development Officer has undertaken a range of promotional activity this quarter which could have contributed to this increase. 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 Five Lamps' custom is generated from repeat business (82% – 104 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. Q1's Own Your Own approval rate was 24%. The main reasons for refusal continue to relate to rent arrears or poor credit history.

During Q1 there were no prosecutions for suspected loan shark activity. The Illegal Money Lending Team believe that loan sharks continue to operate in the Walker, Byker, Fenham and Newbiggin Hall wards. Officers are following up on all leads and continue to work in partnership to raise awareness of the dangers of illegal money lending and to encourage loan shark victims to seek help.

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

- The Illegal Money Lending Team have launched 'Your Choice 2016' in Newcastle, offering community and voluntary sector organisations funding for projects which raise awareness of the dangers of loan sharks. For more information, email Natalie Barker [natalie.barker@birmingham.gov.uk](mailto:natalie.barker@birmingham.gov.uk)

- The Illegal Money Lending Team are supporting World Suicide Prevention Day on 10 September 2016 to help raise awareness of the dangers of loan sharks and their impact on residents. To report a loan shark, text LOAN SHARK and the lender's details to 60003, phone the 24 hour confidential phone line on 0300 555 2222 or email [reportaloanshark@stoploansharks.gov.uk](mailto:reportaloanshark@stoploansharks.gov.uk)
- Moneywise Credit Union's 2015-16 loan decline rate was 7%. Reporting this information provides an opportunity to identify ways to better support residents to improve their credit rating and to target debt advice.
- Moneywise Credit Union attended the Newcastle University staff seminar to promote their payroll deduction scheme. 18 members of staff are saving through payroll deduction.
- Moneywise Credit Union are working with Sure Start to help raise awareness of credit unions, the services they can offer and affordable credit as an alternative to incurring problem debt.

**What next:**

- 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.
- The next Financial Inclusion Group seminar will be on 13 October 2016 and will focus on credit unions and affordable credit, in recognition of International Credit Union Day (which is on 20 October 2016). For more information, email [clare.fish@newcastle.gov.uk](mailto:clare.fish@newcastle.gov.uk).
- We are investigating opportunities to set up credit union savings accounts for families qualifying for assisted childcare.

## 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			
New non YHN enquiries	89	32	12			
Energy debts written off	£78,110	£26,717	£15,120			
Total cases closed	230	56	59			
Average financial gains	£339.61	£477.08	£256.27			

**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			
Issues addressed	1,625	60	282			

### 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 Q4 of 2015-16 and Q1 of 2016-17 there was a 27% reduction in the number of referrals and enquiries received. The main reasons for referral continue to relate to high energy bills, understanding fuel bills, fuel debt, self-disconnection, advice about reducing energy bills and keeping homes warm. An example of the support provided by Energy Services is detailed below. The financial gains realised by Energy Services include energy bill reductions, the correction of energy billing errors, Warm Home Discount awards, successful Charis applications and goodwill payments.

### Case study from Energy Services

Mr and Mrs B were referred to Energy Services by YHN's Energy Champions because of a dispute over a high final bill after transferring to another supplier. Billing with the new supplier 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 Mr and Mrs B had been billed for an extra 10,000 units of electricity. Energy Services raised a complaint with the old supplier and sent a photo of the meter and the bill was adjusted accordingly. As a result they were refunded £1,220.72.

Energy Services also contacted the new energy supplier to make them aware of the error. Once the transfer reads were adjusted, Mr and Mrs B received a refund of £1,500 from their new supplier and ongoing payments were reduced from £161 to £70 a month. As a result of this support:

Total money refunded to the couple - £2,720.72

Annual savings achieved - £1,092.00

**Total - £3812.72**

Last quarter Citizens Advice Newcastle had a change of personnel to their Fuel Debt Advisor post and extended leave due to illness. Table 5.2 shows a 724% increase in the number of new clients seen (123 residents) and a 370% in the number of issues addressed (222 issues) as the post holder is back at work. An example of the support provided by this project is described below. Citizens Advice Newcastle continue to note the accuracy of meter readings and problems with estimated meter readings and as being the main reasons for referral. An example of the support provided by this project is detailed below.

#### **Case study from Citizens Advice Newcastle's Northern Powergrid Fuel Debt Project**

Mrs E lives in a property managed by YHN. She is the primary carer for her disabled husband and receives Carer's Allowance, Income Support, Housing Benefit and Council Tax Reduction. The couple have lived in their property for 17 years and have had a pre-payment meter for the whole time they have lived at this address. Following a change in energy supplier, Mrs E received a final bill from her previous energy company for £202. Mrs E contacted the energy company to query the bill, as she did not understand how she accrued this debt due to the pre-payment meter. Mrs E contacted Citizens Advice Newcastle for advice and a specialist Fuel Debt Advisor:

- Contacted the energy company's executive complaints team to make a formal complaint. The Fuel Debt Advisor was informed that the debt related to a standing charge accrued during periods when the household had been in 'emergency credit' and not paid a standing charge.
- Request a full breakdown of the charges which had led to this debt, as Mrs E could not recall being in 'emergency credit'. The energy company advised that charges had accrued over the lifetime of Mrs E's tenancy, although they were not able to provide exact dates relating to charges that had been applied to the account.

The energy company agreed to write off the full amount of debt. Mrs E was grateful for the help to remove the risk of recovery from the energy company.

#### **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, contact Chris Kemp by email [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 will be based on a number of factors, such as energy advice, smart meters, pricing and management issues. The pilot is currently being trialled in Kenton ward and, if successful, will be rolled out across the city.
- Warm Up North are offering free replacement boilers (subject to survey) to eligible private sector households with inefficient gas heating systems. For more information, visit [www.warmupnorth.com](http://www.warmupnorth.com)
- Health Through Warmth offer assistance to home owners who suffer from a cold or damp-related health condition. If clients do not have heating and hot water and meet the criteria they can access the Rapid Care Fund. For more information, phone 0800 022 220 (select the energy efficiency option).
- Newcastle City Council's Crisis Support Scheme can assist with fuel vouchers for eligible residents. During Q1 142 energy vouchers were raised for 81 households. The total value of energy vouchers issued this quarter was £3,765.



**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.
- Due to the success of Citizens Advice Newcastle and Northern Powergrid's Fuel Debt Project, funding has been secured to develop a similar initiative in Leeds. Citizens Advice Newcastle will be working with Citizens Advice Leeds to promote access to energy fuel debt advice.

## 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 17 August 2016. Feedback has been incorporated into this document which will be presented to councillors and the Financial Inclusion Group at our next quarterly seminar on 13 October 2016. The following Financial Inclusion Group seminar will focus on food poverty and is on 6 December 2016. 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).