

Active Inclusion Newcastle

Newcastle's Financial Inclusion Briefing: 2015-16 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 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 welfare reform**
- 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 people 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, but we welcome partners to point out any errors or opportunities for improvement.

Headlines:

- Additional welfare reform cuts were introduced in the [Spending Review and Autumn Statement 2015](#). Despite the removal of the April 2016 Tax Credit cuts, many of these cuts will still apply in Universal Credit – as will the other changes outlined in the [Summer 2015 Budget](#). The Government still aim to make a further £12 billion savings by reducing welfare provision by 2020.
 - On 28 October 2015 Newcastle City Council's Business Cabinet agreed the approach outlined in the report ['Newcastle's response to the next five years of the Government's welfare reforms'](#). This builds on our partnership working and, in particular, the Universal Credit Triage Trial by extending this approach to all services working with residents affected by the welfare reforms.
 - Your Homes Newcastle (YHN) have delivered energy advice training to 300 frontline staff so that they can support tenants experiencing energy problems and identify ways to reduce energy bills.
 - Moneywise Credit Union's year end statistics show a 9% increase in membership and a 13% loan book growth.
 - The Illegal Money Lending Team and YHN undertook a week of action in December 2015 to raise awareness of the dangers of loan sharks. 163 people received 'Stop Loan Shark' training.
 - Active Inclusion Newcastle has been shortlisted for the Local Government Chronicle's Partnership of the Year award 2016.
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1: Maximise income and respond to welfare reform – including benefit take-up and digital inclusion

Table 1.1: Annualised benefit gains and clients advised by Newcastle Advice Compact – ongoing delivery

	2014-15	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
Benefit gains	£24,166,976	£7,247,975	£6,281,860	£6,610,699		
Clients advised	18,901	5,177	5,404	4,725		

Trends:

Table 1.1 shows that between quarter 1 (Q1) and quarter 2 (Q2) of 2015-16 there was a 14% reduction in the number of clients advised by the Newcastle Advice Compact. During the same period, benefit gains have increased by 5%. Newcastle Welfare Rights Service have noted that between Q1 and Q2 benefit gains for carers increased by 72%, benefit gains for adults with a learning disability increased by 56% and benefit gains for families with disabled children increased by 41%. This demonstrates the effectiveness of targeting support towards some of the city's most vulnerable residents.

Additional welfare reform cuts were introduced in the [Spending Review and Autumn Statement 2015](#). Despite the removal of the April 2016 Tax Credit cuts, many of these cuts will still apply in Universal Credit – as will the other changes outlined in the [Summer 2015 Budget](#). The Government still aim to make a further £12 billion savings by reducing welfare provision by 2020. The [Institute for Fiscal Studies \(IFS\)](#) estimate that due to these changes Universal Credit will now effect 2.6 million working families in the UK (around 11,500 families in Newcastle) and on average they will be £1,600 a year worse off than under the current system. On a more positive note, the IFS estimate that changes will mean that nationally 1.9 million families (around 8,500 families in Newcastle) will be on average £1,400 a year better off. We are awaiting the detail to better understand how the further £12 billion savings will be achieved, and how this will impact on Newcastle residents.

The period for the reduction of unemployment benefits ('sanctions') can range from four weeks to three years if claimants fail to comply with work related requirements. Organisations such as Citizens Advice Newcastle, Sure Start and Changing Lives continue to raise concerns about the impact of benefit sanctions on vulnerable residents. The impact of benefit sanctions are highlighted in the recent report [Our Lives: Challenging attitudes to poverty in 2015](#) which was launched in the House of Commons in November 2015. Latest figures from the Department for Work and Pensions (DWP) show that the average number of jobseekers sanctioned in Newcastle has fallen by 31% from the same quarter of the previous year. This reflects both a reduction in unemployment rates and the partnership approach we have developed with Jobcentre Plus, outlined below, to help residents to avoid benefit sanctions.

What we are doing:

- We are continuing to work in partnership to support residents to prepare for Universal Credit. Our Universal Credit Triage Trial involved 307 residents and 59 frontline staff. On 28 October 2015 Newcastle City Council's Business Cabinet agreed the approach outlined in the report ['Newcastle's response to the next five years of the Government's welfare reforms'](#). This builds on our partnership working and, in particular, the Universal Credit Triage Trial by extending this

approach to all services working with residents affected by the welfare reforms. To support this we have established a Welfare Reform Operational Group to carry out more detailed work in this area. This group will report to the Welfare Reform Board.

- The [spectrum of advice for benefits](#) has been developed with the Newcastle Advice Compact to describe what level of benefits advice services are expected to provide and the support they can receive to achieve that level. As part of this approach we have:
 - Developed an 'Introduction to Benefits' e-learning module which has been accessed by 110 people and continues to be rolled out to more services working with priority groups.
 - Continued to provide a programme of quarterly 'Introduction to Benefits' face to face training sessions for frontline staff and volunteers. Details of this training can be found [here](#). This training has been provided to 127 people since 2014.
 - Produced a bi-monthly 'Benefit Bulletin' which is distributed to 1,896 professionals and volunteers. To find out how to receive this information, visit our [information for professionals and volunteers](#) webpage.
- On 7 October 2015 72 people attended a workshop on the changes to benefit entitlement for European Economic Area (EEA) nationals at the risk of destitution.
- We continue to provide universal and targeted benefit information on the [Newcastle City Council website](#), to enable residents to navigate the system themselves, where possible, to reduce pressure on services so that professionals can support the most vulnerable in person.

What next:

- The Welfare Reform Operational Group will review the impact of the ongoing welfare reforms. This will include working with YHN to use the data commissioned from Policy in Practice on the cumulative impact of welfare reform to inform the targeting of our responses.
- We are working with the Community Family Hubs to support money themed sessions with their staff in January 2016 as part of their workforce development.
- As part of the spectrum of advice outlined above, we are developing a follow-up stage to the 'Introduction to Benefits' e-learning module. This will be complete by March 2016.
- Newcastle City Council and Jobcentre Plus are continuing joint work to reduce benefit sanctions, through quarterly workshops for staff and volunteers. Since September 2014, 154 people have attended. Details of upcoming workshops and how to apply are available [here](#). We also have a joint information sheet, [Benefit sanctions and how to avoid them](#).
- We are developing a pilot with Jobcentre Plus and supported housing providers to align the Claimant Commitment with support planning processes. This will inform future case management arrangements and contribute towards a shared public services approach, providing a stronger system of support for residents who are vulnerable to benefit sanctions.
- We are working with Newcastle University on research into the health impacts of welfare reform.

Digital inclusion

Table 1.2: Free or low cost internet access points and organisations offering IT training in Newcastle – ongoing delivery

	2014-15	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
Free / low cost internet access points	680	680	627	610		
Organisations / venues offering IT training	72	72	72	72		
Free Wi-Fi provision in Newcastle				69		

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

	2014-15	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
No. of tenants who have completed digital training	N/A	N/A	122	265		
Hours of digital training provided by YHN Digital Champions	N/A	N/A	168	321		

Trends:

Table 1.2 shows that between Q1 and Q2 there has been a 3% reduction in the number of free or low cost internet access points across the city. Since April 2015 provision has reduced by 10%, which is a result of the closure of some venues and community organisations operating with fewer PCs.

However, if people have their own device there are more opportunities for people to get online. Free Wi-Fi is available in 69 public buildings and on streets in the city centre as part of investment from Go Digital Newcastle. Further information is available [here](#).

The number of organisations / venues offering IT training has remained consistent since 2014-15. The interactive map showing the computer and IT support available in Newcastle is available [here](#).

In June 2015 YHN developed a network of Digital Champions to support tenants to get online and improve their digital skills. Digital Champions are based at Walker Central Housing Office and Walker Learning Hive on a weekly basis. They also support monthly drop in sessions at City Library and can provide bespoke drop in sessions and individual appointments at community venues. Table 1.3 shows that between Q1 and Q2 the number of tenants who completed digital training has increased by 117%. During the same period, the hours of digital training provided has increased by 91%. This is attributed to a greater awareness of the project. To find out more about YHN's Digital Champions, contact Lisa Dawson by email lisa.dawson@yhn.org.uk.

What we are doing:

- The Newcastle Libraries' Service has been awarded £5,000 by the Tinder Foundation's Library Digital Inclusion Fund. Money will enable Newcastle City Council and YHN to deliver targeted digital skills training sessions to tenants.
- Following the removal of Newcastle City Council's cashiering service from Customer Service Centres there is some capacity in Customer Service Centres to support people to adapt to the withdrawal of the cashiering function and the move to more online transactions.

- Newcastle libraries can provide individual support to residents making online Universal Credit claims. During Q2 no referrals were made to the service for support. This is due to support to make a claim being provided by the DWP.
- The Newcastle Libraries Service has removed the time limit of 14 hours per week from public access PCs.
- Techy Tea Parties take place on the last Thursday of the month at Newcastle City Library. To find out more, or to book a place, visit [Newcastle Libraries' event webpage](#).
- Individual one-to-one online taster sessions are offered at all libraries across the city. For further information, phone the Newcastle Libraries' Service Enquiry Centre on 0191 277 4100.

What next:

- Funding has been secured from Barclays and BT to provide free Wi-Fi in two of our partnership libraries – Jesmond and Fawdon. This will be available in early 2016.
- Work to develop Newcastle's 'Digital by Choice' approach continues. Our vision is to have excellent digital services which are so easy to use that people choose to use them first. We will be monitoring the enquiries raised with Customer Service staff to better understand the most popular tasks following the removal of Newcastle City Council's cashiering service from Customer Service Centres. This will allow us to continue to develop and refine our Digital by Choice offer.
- The Universal Credit Triage Trial methodology will be used to make the assessment of vulnerable residents' digital capacity routine.
- YHN are investigating ways to give free internet access to tenants living in high rise flats.

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 – ongoing delivery

	2014-15	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
Debts written off	£3,466,289	£589,272	£584,824	£868,156		
Clients advised	3,857	1,123	915	1,183		
Homelessness prevention	582	160	136	188		

Trends:

Table 2.1 shows that between Q1 and Q2 there has been a 29% increase in the number of clients advised by the Newcastle Advice Compact. During the same period homelessness prevention has increased by 38% and debts written off have increased by 48%. The increases witnessed this quarter can be attributed to three factors; improved recording, better targeting and stronger collaborative working arrangements.

YHN and Money Matters have prevented more residents from becoming homeless this quarter through improved targeting of debt advice to tenants and homeowners at risk of losing their home. As a result, YHN experienced an 80% increase in homelessness prevention and Money Matters experienced a 39% increase in homelessness prevention compared to Q1. From this quarter, the national debt advice agency Payplan has agreed to share data returns showing the number of

Newcastle residents that they have supported to deal with problem debt. This has meant that there is an increase in the number of residents helped this quarter and we can provide a more accurate representation of the debt advice being provided in Newcastle.

During this quarter Citizens Advice Newcastle noted an increase in residents seeking advice in relation to mortgage repossessions and difficulties in securing 'interest only' mortgage deals following the end of their existing deal. Citizens Advice Newcastle are concerned that there could be a spike in the number of people facing repossession if this trend continues. We continue to work with UK Asset Resolutions to understand the mortgage market and to help people to maintain their home.

What we are doing:

- YHN and Money Matters are continuing to provide Personal Budgeting Support (PBS) to residents who need help managing their money and paying their bills on time as they claim Universal Credit. 47 referrals were made by the DWP for this support during Q2. The number of referrals received this quarter has increased due to ongoing work with Jobcentre Plus work coaches to strengthen PBS partnership arrangements.
- During Q2 the 'Debt Awareness – Level 1' e-learning module was completed by 24 people. The module evaluation feedback has highlighted how useful this resource is to staff who aren't debt specialists. Information about this training is available [here](#).
- We are continuing to hold quarterly 'Introduction to Budgeting' face to face training sessions. September 2015's training session was attended by 12 multi agency staff. Details of future training sessions are available [here](#).
- Money Matters are working with Northumbrian Water to encourage residents living in Walker who were in high levels of water arrears to contact Money Matters for help with their debts. To date, letters have been sent to 250 households but take up of the support available has been limited. Money Matters are continuing to work with Northumbrian Water to test different approaches to improve engagement with residents experiencing this type of debt.
- During Q2 Money Matters supported 10 vulnerable clients to improve their financial capability and 8 clients obtained a Debt Relief Order (DRO).
- Citizens Advice Newcastle is working with Newcastle University to consider the impact that high interest and dangerous credit has on individuals, households and communities.
- Citizens Advice Newcastle has produced their annual 'Twelve Days of Christmas' information which provides money saving tips for residents during the festive period.

What next:

- We are working with Payplan to develop a coordinated approach to supporting their vulnerable clients who are Newcastle residents.
- We are working with YHN and Isos Housing on a pilot in Walker to formalise the alignment of advice and support services with the Discretionary Housing Payment (DHP) award process. We are using our learning from the Walker Welfare Reform Pilot and the Universal Credit Triage Trial to better support people to respond to the challenges of the "bedroom tax".
- From January 2016 the [spectrum of advice for money management \(budgeting and debt\)](#) will be rolled out to supported housing providers.

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

Table 3.1: Clients registered and supported into employment by Newcastle Futures – ongoing delivery

	2014-15	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
Clients registered	1,534	334	274	191		
People supported into employment	680	64	135	136		

Table 3.2: Disabled people helped by the Supported Employment Service – ongoing delivery

	2014-15	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
No. of people supported	217	46	131	32		
No. of people gaining employment	59	0	7	18		
No. of people gaining a qualification / accreditation	41	10	11	34		

Table 3.3: Tenants supported by YHN's Employability Team – ongoing delivery

	2014-15	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
Apprenticeship programme			10	15		
Your Homes Your Jobs			13	13		
Make Your Own Money			9	5		

Table 3.4: Newcastle residents supported into employment by Changing Lives – ongoing delivery

	2014-15	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
People supported into employment				13		

Trends:

Table 3.1 shows that between Q1 and Q2 there has been a 30% reduction in the number of clients registered with Newcastle Futures. This is due to a renewed focus on supporting residents in greatest need, meaning that clients are supported for a longer period of time. The service is currently transitioning some of its work towards supporting lone parents with children under five years old to secure paid employment and officers are developing closer links with Sure Start Children's Centres. In addition, Jobcentre Plus have requested that Newcastle Futures support more carers to improve their employment situation. The outcomes for both groups will not be recorded as registrations as a matter of course, and as a result Newcastle Futures forecast that their returns for the remainder of 2015-16 will be lower in comparison to previous years.

Table 3.2 shows that between Q1 and Q2 the number of disabled people helped by Newcastle City Council's Supported Employment Service has dropped by 24%. This is due to a reduction in the number of people referred for support from the Work Programme and the ending of a project supporting adults with mental health problems into employment. An example of the support the team can provide is described in the case study below.

Case study – Supported Employment Service, Newcastle City Council

Mr. R is a 21 year old disabled man who was referred to the Newcastle City Council Supported Employment Service Work Choice programme for help to find paid employment after he had been trying to find work for some time and had completed several employability training schemes with other organisations, none of which had resulted in him securing paid work.

A Supported Employment Officer worked with Mr. R to:

- Improve his confidence and provide him with pre-employment support
- Undertake a better off calculation to show him the financial benefit of paid work
- Secure him a fixed term contract at a fast food restaurant using a combination of a wage subsidy from the Shaw Trust and the reputation of the Supported Employment Service to provide support.

Mr. R's initial work with the restaurant went very well; the manager was impressed and indicated that he may extend Mr. R's contract once the wage subsidy ended. This would allow Mr. R to progress to unsupported employment. Unfortunately, Mr. R began to struggle at work and was at risk of losing his job. As a result, the Supported Employment Officer provided additional coaching which helped to boost Mr. R's confidence and negotiated a shift pattern change with the restaurant manager that allowed Mr. R to cope with his work.

As a consequence of this support the employer aims to offer Mr. R a permanent employment contract in January 2016 and Mr. R is happy that he has a job he enjoys.

Table 3.3 shows the number of tenants supported by YHN's Employability Team. During Q2 15 people aged between 16 and 24 years old started an apprenticeship in either customer service, business administration, horticulture or youth work. During Q2 six people have successfully completed their apprenticeship programme and have subsequently secured permanent employment. During the same period, a further 13 people were employed on six month short-term contracts via the Your Homes Your Jobs programme. These tenants have completed a four week pre-employment course and are now gaining valuable work experience as part of the Concierge and Palatine teams or in office administration. Five businesses were created this quarter through the Make Your Own Money project. They include a catering company, a music production company, a cleaning company and an interpreting business.

From this quarter we will be reporting on the number of people supported by Changing Lives to secure employment. The service supports people over the age of 18 years old who have experienced homelessness to find and access employment opportunities. Changing Lives can support people with pre-employment training, motivation and confidence building, work placements and work coaching. During Q2 the service supported 13 people living in Newcastle to secure employment.

In spite of positive work to support residents to find and remain in employment, Newcastle and the North East continue to face some significant economic challenges, such as:

- Newcastle's unemployment rate stands at 6.2%.
- The average weekly wage of people who work in Newcastle has increased from £482.80 in 2014 to £484.10 in 2015, but this is lower than the UK average (£517.90 in 2014 rising to £520.80 in 2015).

- Newcastle has above average levels of Jobseeker's Allowance claimants (2.3% compared to 1.6% for the UK as a whole).
- There has been a slight increase in the use of zero hour contracts in the North East – from 2.3% (28,000 people) in the quarter October to December 2014, to 2.6% (30,000 people) in the quarter April to June 2015. The Office for National Statistics reports a national increase of 19% in the number of people employed in this way.

What we are doing:

- Between April and September 2015, 222 new inward investment and expansion jobs have been created in Newcastle in companies supported by the Newcastle Gateshead Initiative.
- The Walker Hive (a learning hub in Walker managed by YHN and the Northern Learning Trust) has been successful in securing funding which will sustain the facility for the next three years. It provides employability training, advice and support for 200 local residents each year.
- Newcastle City Council currently supports 136 apprentices.
- Newcastle City Council's Supported Employment Service has secured funding from the Northumberland, Tyne and Wear NHS Foundation Trust to relaunch an Individual Placement Support (IPS) project to help people with mental health problems to access employment.
- Newcastle City Council's Supported Employment Service are seeking to increase the number of vulnerable people accessing their pre-employment service. For more information about the support they can provide, phone 0191 278 8334.
- Newcastle Law Centre ran a programme of free employment law courses during November and December 2015. For more information, visit [Newcastle Law Centre's website](#)

What next:

- January's Financial Inclusion Group seminar is focusing on employment support. For further information, email financial.inclusion@newcastle.gov.uk or phone 0191 277 7529.
- A Skills Hub will be launched at City Library in early 2016.
- Newcastle City Council (in partnership with other North East local authorities) has submitted a joint funding application to launch the North East Mental Health Trailblazer. This will support people with mental health conditions into employment.
- Newcastle Futures will be working with the Age Friendly City group to identify opportunities to improve employment related support for people aged 45 years and older.

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 – ongoing delivery

	2014-15	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
No. of members	7,430	7,430	7,596	7,815		
Loans granted	2,176	370	507	509		
Loan value	£1,897,216	£406,007	£485,363	£538,393		
Own Your Own	125 approved applications from 818 received	12 approved applications from 105 received	21 approved applications from 115 received	15 approved applications from 87 received		

Table 4.2: Five Lamps loans granted and loan value (Newcastle residents) – ongoing delivery

	2014-15	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
Loans granted	619	73	79	113		
Loan value	£303,690	£37,340	£39,790	£59,370		

Trends:

Table 4.1 shows that Moneywise Credit Union's membership continues to grow and the number of loans granted remain consistent. However, there has been a 24% reduction in the number of Own Your Own loan applications made resulting in a 28% drop in the approval rate. The main reasons for refusal continue to relate to rent arrears or poor credit history. We will investigate opportunities to promote ways to help residents improve their credit rating. Additionally, YHN will be refreshing the marketing information for Own Your Own in the coming months. We are optimistic that that this will lead to an increase in demand for the service.

Table 4.2 shows the number of loans granted by Five Lamps and the loan value for Newcastle residents. Five Lamps is a Community Development Finance Institute (CDFI). CDFIs can offer loans to people that may find it difficult to borrow from high street banks or building societies. Between Q1 and Q2 the number of loans granted by Five Lamps increased by 30%. Five Lamps no longer have an office in Newcastle and have not undertaken active promotion in this area since 2012. Because of this, the majority of referrals are generated by recommendations from family and friends.

There were five arrests for suspected loan shark activity during the summer of 2015. The Illegal Money Lending Team suggest that loan sharks are operating in Walker, Byker and Newbiggin Hall wards. Officers are following up on these leads and are looking at new ways to encourage loan shark victims to seek help. At a national level, the Illegal Money Lending Team have noted a continued trend in the number of loan shark victims who are lone parents or who are experiencing drug and / or alcohol addictions. We are not aware of this trend in Newcastle, however, we will work with partner

agencies to warn residents about the dangers of loan sharks and to raise awareness of the support available.

What we are doing:

- Moneywise Credit Union's year end statistics show a 9% increase in membership and a 13% loan book growth.
- Moneywise Credit Union's Postgraduate Loan Scheme continues. 47 loans have been approved at a value of £410,000. For more information about the postgraduate loan scheme for Northumbria University students, phone Moneywise Credit Union on 0191 276 7963 or email admin@moneywise.org.uk
- In October 2015 Moneywise Credit Union launched payroll deduction schemes at Newcastle and Northumbria Universities.
- In October 2015 YHN carried out a mailshot to all staff to promote the benefits of Moneywise Credit Union.
- In October 2015 Moneywise Credit Union rebranded their marketing materials.
- The Illegal Money Lending Team and YHN organised a week of action in Walker, between 30 November 2015 and 4 December 2015, to raise awareness of the dangers of loan sharks. As part of this initiative 163 people received free 'Stop Loan Sharks' training.
- Moneywise Credit Union offered 'refer a friend' initiatives in the run up to Christmas to promote affordable credit options and deter people from turning to high interest credit or loan sharks. For more information, phone Moneywise Credit Union on 0191 276 7963 or email admin@moneywise.org.uk

What next:

- Moneywise Credit Union are launching a further school based collection point at St. Vincent's Primary School in December 2015.
- Moneywise Credit Union are investigating opportunities to promote the benefits of membership with staff employed by UK Asset Resolutions.
- Moneywise Credit Union will be working with Home Group to promote their payroll deduction scheme and the benefits of membership to staff.
- Moneywise Credit Union are working with Five Lamps to investigate opportunities to refer clients who have been refused credit union loans to Five Lamps, in a bid to stop people from turning to high interest credit options or loan sharks.
- The Illegal Money Lending Team are planning to hold weeks of action in Fenham and Byker wards in February / March 2016 to raise awareness of the dangers of loan sharks.

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

Table 5.1: Newcastle City Council's Energy Services new referrals, cases closed and financial outputs – ongoing delivery

	2014-15	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
New YHN referrals	244	80	64	56		
New non YHN enquiries	94	31	14	18		
Energy bill reductions	£50,623	£15,927	£11,184	£17,330		
Total cases closed	239	76	45	60		
Average financial gains	£211.82	£209.57	£248.54	£288.84		

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

	2014-15*	Q4 (14-15)	Q1 (15-16)	Q2 (15-16)	Q3	Q4
New clients advised	73	42	41	68		
Issues addressed	802	402	447	566		

* part year figures – project commenced October 2014

Trends:

Newcastle City Council's Energy Services provide energy saving and fuel debt advice to Newcastle residents and fuel debt casework for YHN tenants. Table 5.1 shows referrals to Energy Services have remained consistent. 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. The financial outputs realised by Energy Services include energy bill reductions achieved for residents and the average financial outputs for closed cases, which includes the correction of energy billing errors, Warm Home Discount awards, successful Charis applications and goodwill payments.

Citizens Advice Newcastle's Northern Powergrid Fuel Debt Project commenced in October 2014. It provides specialist advice to residents experiencing problems with energy bills and fuel debt. Table 5.2 shows a 39% increase in the number of new clients advised and a 21% increase in the number of fuel issues addressed. The main issues that residents sought advice about relate to billing errors, debt (including fuel debt) and problems in keeping pre-payment meters 'topped up'. An example of the support provided by this project is detailed below.

Case study – Citizens Advice Newcastle’s Northern Powergrid Fuel Debt Project

Mr. P approached Citizens Advice Newcastle for help with fuel debt, accrued following a change from pre-payment gas and electricity meters to standard meters.

A specialist fuel debt adviser supported Mr. P to:

- Identify the origin of the debt – Mr. P’s energy supplier had closed the pre-payment meter accounts and instead of transferring the outstanding balance to the new account it was left and passed to a debt collection agency. Ascertaining when and how the debt liability occurred was problematic and involved several lengthy phone calls as the energy supplier gave conflicting information about how the debt was accrued.
- Ensure that the energy supplier temporarily suspended action from the debt collection agency, helping to reduce Mr. P’s worry and anxiety.
- Request that the energy supplier investigate opportunities to assimilate the outstanding debt to the new account. Following an investigation, the energy supplier advised that this was not possible.
- Recommend that the energy supplier write off the outstanding debt at a goodwill gesture. A week later a fuel debt adviser contacted the energy supplier and was advised that the company had agreed to write off the outstanding debt.

Mr. P was very happy with the help received. Without this support Mr. P would still be struggling to repay the outstanding fuel debt.

What we are doing:

- YHN have delivered energy advice training to 300 frontline staff so that they can support tenants experiencing energy problems and identify ways to save money on energy bills.
- Newcastle City Council’s Crisis Support Scheme can assist with fuel vouchers for eligible residents. During Q2 229 energy vouchers were raised for 127 households. The total value of energy vouchers issued this quarter was £7,575.
- Energy Services, YHN, Warm Zone, Places for People and Isos Housing are undertaking targeted work to encourage eligible residents to sign up for the Warm Home Discount Scheme broader group, which provides a one off £140 discount on fuel bills. Payments will be made to residents in March 2016.
- Warm Up North offers replacement boilers from £250 to eligible private sector households with inefficient gas heating systems. For more information, visit [Warm Up North’s website](#). Warm Up North also offer free or subsidised cavity wall and loft insulation. For more information, visit [their website](#).
- Health Through Warmth can offer assistance to home owners who suffer from a cold or damp related health condition.
- We have developed a spectrum of advice for energy advice.

What next:

- Northumberland County Council led a partnership including Warm Up North and Newcastle City Council to secure £6.58 million to install heating in homes across nine local authority areas in the North East that don’t have a central heating system. Referral pathways are currently being developed and, once available, details will be shared with relevant organisations. The project will run until August 2016.

- YHN are planning a six month pilot for a void affinity scheme which allows the energy supply for their empty properties to be switched to a preferred supplier. This pilot will benefit tenants as they will not have to worry about setting up their energy accounts. The energy supplier choice will be based on a number of factors, such as energy advice, smart meters, pricing and management issues. If the pilot is successful it will be rolled out across the city.
- 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.
- There will be a final opportunity to sign up to the Big Community Switch in February 2016.

Active Inclusion Newcastle (AIN)

The Financial Inclusion Group is part of the Active Inclusion Newcastle (AIN) 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. AIN facilitates partners at the following levels:

Primary prevention activities – to support making prevention ‘everyone’s business’ AIN has the following primary prevention ‘offer’ to support partners.

- Information for staff and the public – financial inclusion examples are available online [here](#)
- Consultancy advice for professionals and volunteers – contact details are available online [here](#)
- Briefing sessions for professionals and volunteers – to request a briefing email activeinclusion@newcastle.gov.uk
- Spectrums of advice – details are available online [here](#)
- Training for professionals and volunteers – details of training sessions are available online [here](#)
- Protocols and policies – details are available online [here](#)
- Partnerships & governance – details are available online [here](#)
- Quarterly reviews – available for financial inclusion online [here](#)

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 December 2015. Feedback has been incorporated into this document which will be presented to councillors and the Financial Inclusion Group at the next quarterly seminar on 14 January 2016. Information will also be published on Newcastle City Council’s website.

Further information about seminars is available on our [Financial Inclusion Group](#) webpage. To find out more about the work we are doing to promote financial inclusion visit www.newcastle.gov.uk/managingyourmoney or contact Clare Fish using the details given below.

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