

'Trigger point conversation' on financial inclusion: Information for Newcastle City Council Councillors

Let's talk about money

If our residents aren't financially included, it can be more difficult for them to cope with crises such as long-term sickness, unemployment or family breakdown. It can also mean that they pay more for everyday essential items, such as credit and utility costs. Added to this, the benefits system can be confusing and problems with benefits can lead to missed payments and increased debt, so it is especially important that our residents know who they can talk to who can provide the right information and advice at the right time. Helping them to avoid problems with benefits or their finances can prevent crises and reduce the impact of poverty.

What can you do and when?

This information sheet briefly explains ways you may be able to help people by suggesting things to look out for and gives information about the support available. The information sheets referred to are available on the Newcastle City Council website; the links are listed at the end of this note.

Encourage residents to report changes in circumstances – when they happen

This can help to avoid problems like gaps in benefit, and may even increase benefit. For example, reporting a change in the family like a new child or new partner, or a new or worsening health condition can mean extra benefit, and reporting a change in income can avoid a benefit overpayment or underpayment. The offices to report changes to are detailed later in this note.

Have a basic understanding of who can claim benefit and when it can be increased

Simply knowing about the various benefits and who can claim them can help you to tell others about them. For example:

- People with care or mobility needs may be able to claim Personal Independence Payment if they're aged 16 to pension age and Attendance Allowance for care needs if they're pension age or over. Children aged under 16 with care or mobility needs may be entitled to Disability Living Allowance
- Those incapable of work may be able to claim contribution based Employment and Support Allowance and Universal Credit, which has replaced income related Employment and Support Allowance
- People on a low income may be able to claim various means tested benefits and older people may be able to claim Pension Credit and Housing Benefit
- Universal Credit has been rolled out to Newcastle, so it is important to understand who it applies to and the support that may be available to avoid problems. Some people have been wrongly told they must claim Universal Credit and become worse off. Some people may be better off on Universal Credit. They need advice. For details of Universal Credit in Newcastle see www.newcastle.gov.uk/universalcredit.
- Receiving some benefits may also lead to an increase in other benefits, for example Personal Independence Payment can lead to extra Housing Benefit or Tax Credits. For some working people it is a struggle to make ends meet. Our information sheet on 'benefits in work' explains the financial help residents can get when they are in work
- People may be exempt from restrictions on benefits like the 'benefit cap' so it is important to suggest people get their benefits checked

Know about benefit problems and how to avoid them and know about benefit changes

- It is important for claimants comply with their work-related requirements to avoid sanctions (a cut in their benefit). It is possible to ask those requirements to be reconsidered if they are unreasonable. If residents are sanctioned, they can ask the jobcentre for a hardship payment and can also request a reconsideration and appeal. Further details are in our information sheet on 'Benefit sanctions and how to avoid them'
- If their benefit is stopped – possibly due to a sanction or being found fit for work – their Housing Benefit may also stop and they may need to reinstate it. They should therefore contact the City Council's Housing Benefit section by phone on 0191 278 7878 without delay
- Missing time limits and ignoring letters can cause problems. Encourage residents to understand the time limits, to claim on time and to read letters from the benefit office and the actions in their Universal Credit online 'to do' list
- Knowing about benefit changes can help to avoid benefit problems or make sure they are getting all they are entitled to. You can keep informed by signing up for a benefit bulletin. Details are at the end of this sheet

Know the difference between priority and non-priority debts

Debts can be divided into two types: **priority** and **non-priority**. Priority debts are more important than non-priority debts as the consequences of not paying them are more serious. Not paying priority bills and debts can lead to people losing their homes, being sent to prison and having their fuel supply cut off. For this reason, people must prioritise dealing with those debts before others so that they negotiate affordable repayments and can pay them off first. This should be done promptly to prevent a crisis.

- **Priority debts** are: rent, mortgage and secured loan arrears; gas and electricity arrears; Council Tax, TV licence and child support arrears; Magistrates Court fines; and income tax
- **Non-priority debts** are: bank overdrafts, personal loans, doorstep loans, payday loans, credit and store cards, water arrears, loans from family and friends, old Internet and telephone bills, some benefit overpayments, non-essential hire purchase debts and similar

Know about illegal money lending (loan sharks)

Illegal money lenders, or loan sharks, are unlicensed traders who operate outside of the law. They often target vulnerable people, charging extortionate rates of interest. Borrowers will not be protected by any form of contract, terms or conditions and non-payment could lead to threats, violence or the taking of valuable items. Loan sharks can sometimes frighten people by saying they will be prosecuted or even sent to prison if they don't repay their loans. This cannot happen; an unlicensed lender has no legal right to recover the debt.

- **Report loan sharks** – contact the Illegal Money Lending Team by phone on 0300 555 2222 (24-hour confidential line), or online at www.stoploansharks.co.uk

Know about affordable credit options and encourage residents to save

Affordable credit refers to credit facilities provided by organisations who understand the dangers of high cost lending to people on low incomes or with poor credit ratings. They try to offer people more affordable interest rates, as well as debt and budgeting advice, and are a cheaper alternative to high interest lenders for people with limited credit options. In order to apply for a credit union loan residents must be a member and have saved on a regular basis for approximately 4 weeks. Saving regularly, even small amounts of money, can help to provide financial security and can safeguard against unexpected or emergency expenses. It's also a good habit to get into, especially from an early age.

- **Moneywise Credit Union** – phone 0191 276 7963 or visit www.moneywise.org.uk

- **Five Lamps** (personal loans are delivered through their trading company, Conduit) – phone 0300 111 0556 or visit www.conduit.org.uk
- **Fair For You** (affordable loans for household goods) visit www.fairforyou.co.uk

Know who to contact

Applying for benefits and reporting changes in circumstances

- **For working age benefits** like Jobseeker's Allowance and Employment and Support Allowance – phone Jobcentre Plus on 0800 055 6688. For Universal Credit – phone 0800 328 5644
- **For disability benefits**, like Personal Independence Payment – phone 0800 917 2222 or visit www.gov.uk/browse/benefits/disability or www.disabilityrightsuk.org/how-we-can-help/benefits-information/factsheets/welfare-reform-factsheets
- **For financial help for older people**, like Pension Credit – phone the Department for Work and Pensions on 0800 99 1234 or visit www.gov.uk/pension-credit
- **For financial help when in work** – phone the Tax Credit Helpline on 0345 300 3900 or contact Universal Credit – phone 0800 328 5644
- Further benefit details from www.newcastle.gov.uk/benefitinformation

Getting benefit advice and support

There are several services to support you and the residents you work with, some of which have eligibility criteria.

- **Your Homes Newcastle (YHN) tenants** can contact a Support and Progression Worker at their nearest Community Housing Office, by phone on 0191 278 8600 or email yhn@yhn.org.uk
- **Citizens Advice** – phone 0300 330 9055 or visit www.citizensadvice-newcastle.org.uk
- The **City Council's Welfare Rights Service** provides a:
 - consultancy line for professionals, including members: 0191 277 2633 (Monday to Friday, 10am to 12 noon)
 - advice line for residents: 0191 277 2627 (Monday to Friday, 9.30am to 12 noon)
- **All advice services** in Newcastle are listed on the City Council's website: www.newcastle.gov.uk/benefitcontacts

Getting debt advice and support

Telephone and online debt information and advice are provided by:

- **National Debtline** – phone 0808 808 4000 (free) or visit www.nationaldebtline.org
- **Newcastle Citizens Advice** – phone 0300 330 9055 or visit www.citizensadvice-newcastle.org.uk

The above organisations are accredited by the Money Advice Service. For details of other accredited organisations visit www.moneyadviceservice.org.uk/en/tools/debt-advice-locator

Local telephone and face-to-face debt advice are available through:

- **Citizens Advice Newcastle** - Phone 0300 330 9055 or visit www.citizensadvice-newcastle.org.uk for contact details and opening hours for drop-in sessions.
- **Money Matters** - phone 0191 277 1050 (Monday to Friday, 8.30am to 12 noon and 1.00 pm to 4.30pm). Targeted debt advice for people at risk of homelessness through eviction or repossession is provided at drop-in sessions at the Housing Advice Centre on Pilgrim

Street (Monday to Friday, 10am to 12 noon and 1pm to 4pm – except Wednesday mornings). For details, visit www.newcastle.gov.uk/services/housing/housing-advice-and-homelessness/what-do-if-you-need-housing-advice-or-are-homeless

Getting support to reduce expenses and cope with crises

This is a difficult area and we know that sometimes household income is simply not enough to meet all of people's expenses and they need to reduce their spending. The Council can provide help in certain circumstances but cannot routinely offset the impact of poverty. For information on money advice and budgeting, including our information sheet on budgeting, visit www.newcastle.gov.uk/debthelp. There are also a variety of benefits and other support available, some of which have eligibility criteria.

- **Financial support with rent and Council Tax bills** (Housing Benefit, Council Tax Support, Universal Credit and Discretionary Housing Payments) – contact the City Council by phone on 0191 278 7878 or visit www.newcastle.gov.uk/services/benefits/housing-benefit-help-pay-your-rent and www.newcastle.gov.uk/services/council-tax/council-tax-exemptions/council-tax-reductions-and-discounts
- **Support in emergency situations** – the City Council's **Crisis Support Scheme** (CSS) can provide food, clothing, fuel for heating and expenses for emergency travel to cover short term periods of crisis or disaster. Contact the CSS by phone on 0191 278 7878 or visit www.newcastle.gov.uk/services/benefits/crisis-support. The **Supporting Independence Scheme** (SIS) can provide basic household goods to help residents with support needs to sustain independence and prevent homelessness. Contact the SIS by phone on 0191 277 1707 or visit www.newcastle.gov.uk/sis
- **Universal Credit advances** are for those who are waiting for a first Universal Credit payment
- **Budgeting Advances** for people on Universal Credit can help with emergency household costs, getting a job, funeral costs. **Budgeting loans** for people on benefits like Income Support or Income related Employment and Support Allowance can help with extra costs like furniture, clothes and so on
- **Free school meals** – visit www.newcastle.gov.uk/services/schools-learning-and-childcare/help-school-and-learning-costs/apply-free-school-meals

Getting support with fuel poverty

Living in cold homes can damage people's health and affect their quality of life. Older people, children, disabled people and people with a long-term illness, are especially vulnerable. Residents may mention the following to you during conversations, "My home is too cold" or "I can't afford to put the heating on". If so, help is available:

- **Newcastle City Council Energy Services** for energy and fuel debt advice – phone 0191 278 3427, email energy@newcastle.gov.uk or visit <https://www.newcastle.gov.uk/services/environment-and-waste/energy-services>
- **Energy Best Deal** for information on finding a cheaper energy supplier – visit <https://www.newcastle.gov.uk/services/environment-recycling-and-waste/energy-services/newcastle-energy-switch>

Further information

Please use this information sheet to talk about benefits, debt and money management or financial inclusion issues to help to support more residents at an earlier stage to avoid financial crisis.

The additional information sheets that are referred to above, can be found on the webpage:

<https://www.newcastle.gov.uk/services/welfare-benefits/welfare-rights-and-money-advice/information-professionals-and-volunteers>

For example:

- Benefit sanctions and how to avoid them
- Benefits in work

For further information, visit www.newcastle.gov.uk/welfarebenefits where you can also sign up for a regular **benefit bulletin** via the page for 'professionals and volunteers' to keep informed of benefit changes.

For queries relating to the support available to promote financial inclusion and prevent homelessness, contact the Active Inclusion Newcastle Unit at activeinclusion@newcastle.gov.uk

This information was accurate at the time of publishing (December 2019)