

Active Inclusion Newcastle

Newcastle's Financial Inclusion Briefing: 2017-18 Q3

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 DWP updated its office closure programme including the closure of Jobcentre West – now due in May 2018. We will continue to work with the Department for Work and Pensions (DWP) and other partners on transition plans
- Universal Credit (UC) 'full service' is now live across the city; 13,324 Newcastle residents were claiming UC on 11 January 2018. The Autumn Budget 2017 announced easements on some aspects of UC. Further information about UC and support arrangements for residents is available online at www.newcastle.gov.uk/universalcredit
- Homelessness Prevention Trailblazer pilot with Jobcentre Plus – 250 referrals from Jobcentre Plus to partners between 5 June 2017 and 31 December 2017 for claimants at risk of Homelessness. More details www.newcastle.gov.uk/homelessnesspreventionforprofessionals
- YHN and Money Matters have responded to 368 households affected by the lower benefit cap in Newcastle, including 1,311 children – no families have become homeless. In addition, new DWP data for UC claimants affected by the cap shows that in November 2017, a total of **90** UC claimants were also capped. 70 were lone parents and 10 were capped by over £100 per week
- Newcastle is one of three areas working with Her Majesty's Revenues and Customs (HMRC) to pilot Reimagine Debt, an innovative approach to supporting clients with problem debt to the public sector
- The next Financial Inclusion Group seminar is on 11 April 2018 and will focus on Inclusive Growth. For more information or to book a place, email financial.inclusion@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

| | 2016-17 | Q1 (17-18) | Q2 (17-18) | Q3 (17-18) | Q4 (17-18) | 2017-18 |
|-----------------|-------------|------------|------------|------------|------------|-------------|
| Benefit gains | £30,166,554 | £6,846,660 | £7,880,809 | £6,782,810 | | £21,510,279 |
| Clients advised | 18,323 | 4,259 | 5,285 | 4,356 | | 13,900 |

Trends:

Table 1.1 shows that between Q2 and Q3 of 2017-18, benefit gains by the Newcastle Advice Compact decreased by 14%, and clients advised decreased by 18%. This reflects feedback from advisors that welfare reforms mean more time is spent on cases with less financial gain. This includes supporting people with drug and alcohol dependency, appealing negative decisions on disability and incapacity benefits (where 60% are successful on appeal) and supporting residents to manage UC claims. Shelter reported that 90% of callers to their helpline were about UC. Citizens Advice Newcastle (CAN) have reported an increase in enquiries from people with mental health issues, which often take longer to deal with. More information about benefit advice services are found online at www.newcastle.gov.uk/benefitcontacts, and further information about welfare reforms is available at www.newcastle.gov.uk/welfarerights.

Benefit changes announced in the Autumn Budget 2017 are starting to be enacted: the 7-day waiting period for new UC claims ended on 14 February 2018. On 11 April 2018, a two-week Housing Benefit run on for new UC claimants will be introduced, and the revised Council Tax Reduction scheme also starts in April 2018. These changes are explained in Benefit Bulletins, available via subscription or on the web page: www.newcastle.gov.uk/financialinclusionforprofessionals.

The Work and Pensions Select Committee [published a report](#) on 8 February 2018, detailing a range of “honest and often distressing accounts” from people on the medical assessments for Personal Independence Payment (PIP) and Employment and Support Allowance (ESA). It reported that since 2013 claimants won 60% of their PIP and ESA appeals. A further report published on 14 February 2018 called [PIP, ESA trust deficit fails claimants and the public purse](#) states: “public contract failures have led to a loss of trust that risks undermining the operation of major disability benefits.” Frank Field MP, Chair of the Committee, said: “For the majority of claimants the assessments work adequately, but a pervasive lack of trust is undermining its entire operation. In turn, this is translating into untenable human costs to claimants and financial costs to the public purse.”

What we are doing:

- Following a consultation, which NCC contributed to, the government has decided to limit access to free school meals (FSM) from April 2018 to those earning £7,400 a year or more. Existing UC claimants who were entitled to FSM before this change get some transitional protection. NCC is encouraging parents to claim this entitlement before April 2018 to protect their free school meals
- In January 2018, NCC’s Overview and Scrutiny Committee considered the impact of UC and wider welfare reforms, and heard how partners are working together to target support to those most affected by these benefit changes. In response to concern about some residents being unable to manage the digital-only approach to claiming and managing UC, the committee were referred to the online support being provided in libraries and elsewhere, as detailed below

- The NCC-led Welfare Reform Operation Group and strategic partners continue to monitor and develop joint activity on welfare reform, such as the benefit cap and what is being done to support affected residents and an analysis on DHPs and alignment with support services
- NCC and JCP continue to work together to help avoid crisis. For example, setting up of single point of contact between the Welfare Rights Service (WRS) and Jobcentres to help resolve UC problems that require escalation, and the joint quarterly sanctions workshops attended by 19 people in Q3. The next workshop is on Wednesday 6 June 2018. For more information, visit www.newcastle.gov.uk/financialinclusionforprofessionals
- Advisors are finding that some claimants have been advised to claim UC when they could have remained on their legacy benefits – in some cases, this has led to reduced income. On the other hand, some clients are better off claiming UC than legacy benefits, so correct advice is crucial. The Advice Compact is working together to provide targeted information to claimants
- As part of making financial inclusion everyone's business the [spectrum of advice for benefits](#) continues to help residents and services better understand what level of benefit support that services provide, whilst providing information, support & training for those organisations. This includes the following targeted face to face and e-learning training:
 - The 'Introduction to Benefits' tier 1 and 2 e-learning modules were completed by 20 people in Q3
 - A new 'Introduction to Universal Credit' e-learning module is now available and will be targeted to key staff involved in supporting affected residents
 - Quarterly face to face 'Introduction to Benefits' training was completed by 14 people in Q3. The next sessions are on and 17 April 2018 (fully booked) and 18 July 2018
 - 3,168 people received our bi-monthly benefit bulletins providing the latest benefit news and targeted information and 'tips' to help navigate the benefits system and avoid problems
 - The 'Where to get benefit and debt advice in Newcastle' booklet is distributed bi-annually to 3,136 subscribers and internal staff. It provides details of organisations providing benefit, debt and financial inclusion advice, an increase of 104 on the last quarter
 - We write a quarterly article for the national Institute of Money Advisers' Quarterly Account magazine, distributed to 1,930 money advisers
- In Q3, there were 7,896 unique visits to the [welfare rights and money advice](#) section of NCC's website. The most popular pages include where people can get benefit and debt advice in Newcastle and the two UC web pages
- Active Inclusion has provided benefit information for GP TeamNet - the web based portal for the health service – this information had 99 views in Q3. Ongoing support is provided to Primary Care Navigators who work with local GPs, and the WRS are working with local GP practices to target disability and related benefit advice to older people, following ward funding in Kenton
- We continue to develop the Homelessness Prevention Trailblazer, a two-year programme to consolidate Active Inclusion Newcastle and strengthen our citywide approach to identifying residents' risks of homelessness related to the foundations for a stable life: somewhere to live, an income, financial inclusion and employment opportunities, which includes adapting services, targeting support and catching those we fail to protect. The multidisciplinary team started working together on 9 October 2017. We continue to try to align the Claimant Commitment and support planning. For more information, see our Homelessness Prevention Trailblazer briefing note on the webpage: www.newcastle.gov.uk/homelessnesspreventionforprofessionals

What next:

- As part of the Homelessness Prevention Trailblazer, the Active Inclusion Service is working with partners to provide training for staff working with residents at risk, starting with Drug and Alcohol treatment services

- From April 2018, Support for Mortgage Interest (SMI) will be replaced by the offer of a repayable loan from a third-party lender. The DWP have been writing to existing recipients since July but [confirmed](#) that by 22 January 2018, just 6,850 out of 124,000 recipients had signed up to the new scheme. We are working with partners to ensure affected residents are informed of their options
- Given the reductions in benefit support, Joseph Rowntree Foundation has developed a [definition of destitution](#), which we are looking to pilot and adapt to understand who and how many be may experiencing this issue in Newcastle, allowing us to inform policy
- CAN are looking into ways of extending advice provision in the outer parts of Newcastle and tie into existing services that local people already use
- NCC and Northumberland County Council Revenue and Benefits services are to merge by 1 September 2018

Welfare Rights Service case study – Universal Credit claim support (complex case)

J was referred to Welfare Rights Service by a Social Worker on the RVI Major Trauma Rehabilitation Ward. At that point she had no income, was homeless as her partner had passed away during her time in hospital and she was not named on the tenancy, had been discharged from prison in October 2017, and had attempted to take her own life by jumping from a bridge, which left her with significant physical injury. Significant effort was required to make a claim for UC, as J had no permanent address, no phone number, no email, no bank detail, and was still very unwell. J was originally refused support from the DWP visiting service as she was still in hospital, and even once support was approved, it was very difficult to verify her details and set up an online journal account – numerous exceptions to standard processes had to be agreed to get her claim set up. WRO is still working with J to make a claim for PIP, and to undertake a Limited Capability for Work (LCW) assessment.

Outcomes

J has now had an advance payment of £200.00 which will be repayable at £16.66 per month. Her first payment will be on 1 March 2018 and will £317.82 (minus deductions) – an annual gain of £3,813.84.

Despite face to face support from specialist Welfare Rights Officer, Social Workers, DWP officers and dedicated DWP UC case manager it has taken 4 professionals over a period of 4 weeks (total approx. 22.5 hours) to **make a claim** for UC:

- 2 x Welfare Rights Visits (6 hours)
- 1 x DWP Visit (3 hours)
- 1 x trip with client and staff to post office (3 hours)
- 19 phone calls
- 53 emails

Digital inclusion

Table 1.2: Initiatives to promote digital inclusion

| | 2016-17 | Q1 (17-18) | Q2 (17-18) | Q3 (17-18) | Q4 (17-18) | 2017-18 |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|------------|--------------------------------|
| Digital Skills Courses | 40 sessions 289 attended | 19 sessions 157 attended | 16 sessions 132 attended | 24 sessions 118 attended | | 59 sessions 407 attended |
| People's Network take-up | - | 32% | 31% | 28% | | 30% |
| Go Digital free Wi-Fi average session length | - | 144 minutes | 147 minutes | Not available | | 146 minutes |
| Hours volunteered | 1,156* | 437 | 388 | 259 | | 1,084 |

*Unavailable due to database issues

Trends:

Table 1.2 summarises activities to support residents to get online. Between Q2 and Q3 of 2017-18 the number of courses offered increased by 50%, although the number of attendees decreased by 10%. As more courses are now run with volunteer support, we have been able to provide more sessions to more residents. The courses offered include Techy Tea Parties, Online Basics, and Digital Champion Training. For more information contact lisa.dawson@yhn.org.uk. From 2017-18 onwards, we are monitoring usage of People's Network and Go Digital free Wi-Fi.

In Q2 we recruited 3 full-time members of staff who can deliver one to one support to customers who need digital support accessing UC.

What we are doing:

- There are 610 free or low cost digital access points and 72 organisations offering IT training in Newcastle. For more information visit www.getonlinenewcastle.co.uk
- Free Wi-Fi is available in 69 public buildings and city centre streets, helping to increase opportunities for people to get online. For more information visit <http://www.godigitalnewcastle.co.uk/wifi>
- 'Learn My Way' online basic skill sessions have been scheduled to continue to run until July 2018. For more information, or to book a place, visit [Newcastle Libraries' event webpage](#)
- Techy Tea Parties for customers with a tablet, iPhone or smartphone that they want to get more out of, take place on the second and last Thursdays of the month at City Library. For more information, or to book a place, visit [Newcastle Libraries' event webpage](#)
- 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
- City Library deliver one to one support for customers who need digital support accessing UC
- In response to the closure of the West End Job Centre, an Online Basics course is currently being delivered, and an online UC course will be delivered from April 2018, out of West End Library. This course is specifically for UC recipients and is designed to show them how to complete their mandatory UC online tasks and journal. Delivered with one to one support from volunteers the course will give the attendees the digital skills and confidence to navigate their UC process. Signposting to specialist NCC and YHN advice and guidance services will also be on offer

- City Job Centre invited Lisa Dawson in to do a presentation to most of their Work Coaches. Following on from this Lisa will attend the Job Centre for 1 hour per week to maintain her profile with the coaches and meet their customers to discuss digital support offered at the City and West End Libraries
- Specialist Get Online Champion Training sessions for staff from local community and charity organisations continue to run monthly at the City Library. To date over 150 people have attended

What next:

- A Social Media for Community Groups course is being developed to improve the profile of voluntary and community groups in the city

Digital Inclusion case study – joined up working

X was a Newcastle Futures client referred to the 8-week UC Financial Inclusion course, which also includes energy advice. X has no phone and was struggling financially due to his low income. X revealed to his Newcastle Futures caseworker that he was being pursued for debts to DWP, Northumbrian Water and Npower – the last of which were threatening entry to his home. Working together, Newcastle Futures and the Digital Inclusion worker referred X to specialist support from Energy Services, Citizens Advice Newcastle, and YHN ASW, and were able to achieve the following:

- Energy Services negotiated reconnection of X's power, a corrected Npower bill (reducing his debts by £345) and goodwill gesture of £25 credit to his account, and set up manageable payments to keep up with his energy use and clear his arrears in 8 months
- Energy Services are also exploring X's eligibility for the Warm Home Discount scheme
- Citizens Advice Newcastle's Wise Steps Financial Capability Adviser identified an issue with X's repayments to DWP – he was repaying as agreed, but funds were not being credited to his account so he had been receiving court letters. CAN resolved the issue and ceased the action being taken
- YHN negotiated with Northumbrian Water for X to be placed on the Reduced Tariff and Arrears Support Scheme – giving him extra time and support to clear his arrears and a reduced tariff for water – and set up manageable payments to cover his water rates and clear his arrears in 24 months

Outcomes

X completed his course, has repayment plans in place for his energy and water, and is receiving support from YHN and Newcastle Futures to seek employment.

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

Table 2.1: Debt and budgeting advice provision by Newcastle Advice Compact and its impact on Newcastle residents including homelessness prevention through debt advice

| | 2016-17 | Q1 (17-18) | Q2 (17-18) | Q3 (17-18) | Q4 (17-18) | 2017-18 |
|-------------------------|------------|------------|------------|------------|------------|------------|
| Debts written off | £3,732,363 | £927,758 | £347,502 | £531,668 | | £1,806,928 |
| Clients advised | 4,782 | 1,622 | 1,609 | 1,824 | | 5,055 |
| Homelessness prevention | 815 | 532 | 434 | 428 | | 1,394 |

Trends:

Between Q2 and Q3 of 2017-18 the number of clients advised by the Newcastle Advice Compact increased by 13%, debts written off decreased by 53% and homelessness preventions remained constant. This represents an increased demand for debt and budgeting support as more residents have to live on smaller budgets. The amount of debts written off varies as it depends on the type of debts that residents have and on their individual circumstances.

The number of homelessness preventions achieved in Q3 2017-18 is 23% higher than in Q3 2016-17. Increases in homelessness preventions compared to the previous year are largely attributed to improved recording by YHN's Advice and Support Workers. Additionally, from Q1 2017-18 the number of clients advised includes families affected by the lower benefit cap that are supported by Changing Lives Floating Support Service. Advisors note that the impact of welfare reforms, particularly the lower benefit cap, is exacerbating poverty and money worries.

Money Matters Debt Advisers continue to monitor sustainability of their clients' budgets. In Q3, out of 157 households for whom budgets were completed:

- **72% had sustainable budgets**
- **9% were able to meet their living costs because of additional financial support**, such as DHPs to help pay their rent and the Supporting Independence Scheme (SIS) to replace unaffordable goods bought on hire purchase
- **15% had unsustainable budgets** where there was no additional financial support available

What we are doing:

We continue to take a coordinated citywide approach to supporting Newcastle residents affected by money problems and debt. Some examples of this work are given below:

- Supporting households on Housing Benefit affected by the lower benefit cap – at 31 December 2017, the Active Inclusion Unit's information showed that there were **311 households in Newcastle who are affected by the benefit cap**:
 - YHN Advice and Support Workers continue to support their affected tenants
 - The Homelessness Prevention Trailblazer Multi-Disciplinary Team are starting to identify and target support to households in YHN with a high risk of homelessness who have failed to engage with the support offered

- The Active Inclusion Service co-ordinates support for private and social rented households and prioritises households according to the potential risk of homelessness: ‘high risk’ households include families that are losing £60.00pw or more in Housing Benefit and/or households that are vulnerable due to their prior or current involvement with prevention services. ‘High risk’ households are referred to Money Matters for support. Between 1 June 2016 and 12 November 2017, Money Matters offered advice and support to 170 affected households. Information on some of the outcomes and outputs of this support and also on the barriers that the families need to overcome to improve their finances and achieve financial stability is below:
 - 35 households are no longer affected by the benefit cap
 - 58 households received debt advice and 37 received budgeting advice; 33 were awarded DHPs which amounted to £44,936 in extra income; 25 were prevented from homelessness and 12 were referred to Newcastle Futures for employment support
 - 175 barriers to a stable life were recorded against 54 benefit cap households, including 31 households in unaffordable housing, 23 without access to childcare, 15 with no confidence of securing employment and 16 with a smoking addiction which reduces their ability to pay priority bills
- Changing Lives’ Citywide Floating Support service have accepted 60 referrals for lower-risk private rented households and those that didn’t engage with Money Matters; by November 2018, 21 residents had received benefits advice and 10 had budget plans completed
- Supporting residents who are claiming UC – YHN and Money Matters provide Personal Budgeting Support (PBS) to residents who need help managing their money as a result of claiming UC. 212 referrals were made for PBS during Q3
- Supporting residents who are applying for a DHP to help them pay their rent – in Q3 Revenues and Benefits referred 71 residents to Money Matters for budgeting support (up from 55 in Q2)
- We provide training to partners as part of our [spectrum of advice for money management \(budgeting and debt\)](#). As part of this approach:
 - The ‘Debt Awareness’ e-learning module was completed by 17 people in Q3. This training provides basic debt information and details of organisations residents can be signposted to for advice
 - Quarterly face to face ‘Introduction to Budgeting’ training was completed by 14 people in Q3. Details of the Active Inclusion Newcastle training programme is available online at www.newcastle.gov.uk/financialinclusionforprofessionals
 - 313 subscribers received our quarterly debt bulletins, an increase of 40 subscribers on the previous quarter, providing the latest debt news and targeted information. To view and sign up for debt bulletins visit www.newcastle.gov.uk/financialinclusionforprofessionals or email activeinclusion@newcastle.gov.uk
- Money Matters supported 6 vulnerable residents to obtain a Debt Relief Order (DRO) in Q1 through its discretionary DRO fund
- The [Homelessness Prevention Trailblazer](#) has begun integrating preventative budgeting and debt advice with employment support, housing and benefits advice to help prevent homelessness

What next:

- Newcastle is one of the three local authorities chosen to pilot a new approach to problem debt – a Civil Service initiative “Re-imagine Debt” – government departments identifying vulnerable people early and providing joined-up support to people who struggle with debt

- In March 2017 Money Advice Service (MAS) released the [Standard Financial Statement \(SFS\)](#), a single format for financial statements, allowing debt advisors and creditors to work together to achieve the best outcomes for people struggling with their finances. We are consulting with MAS about NCC's Corporate Debt Strategy to help us create more consistency between NCC's collection departments and debt advisers, and a smoother transition through the debt collection process for residents who owe money to NCC
- CAN report an increase in gambling related debt and are working locally and nationally with gambling organisations to fund support to those most affected

Money Matters case study:

M was referred to Money Matters for help with debt and money management following a successful award for Discretionary Housing Payment (DHP). M had recently taken over a tenancy for a three-bedroom house following his parent's death. Due to his need for an overnight carer M was liable for the "bedroom tax" for one room. M also had high levels of credit card debt for which he was paying over £100 per month. Money Matters completed a Standard Financial Statement assessment for M and it showed that he had no disposable income; he qualified for a Debt Relief Order (DRO). A DRO application would help to free up money which could then be used to pay the rent shortfall.

A DRO was approved in January 2018 and M's £4,084 debt was written off. Money Matters helped M to develop an affordable and realistic budgeting plan which will help to ensure M does not get into future financial difficulty.

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

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

| | 2016-17 | Q1 (17-18) | Q2 (17-18) | Q3 (17-18) | Q4 (17-18) | 2017-18 |
|-------|---------|------------|------------|------------|------------|---------|
| Total | 667 | 347 | 161 | 232 | | 917 |

Trends:

Table 3.1 shows that between Q2 and Q3 of 2017-18 the overall number of residents supported into employment has increased by 71%, however, figures have fluctuated throughout the year as not all partners have reported their figures via the Newcastle Employment Support Compact.

Employment advisors from the Supported Employment Service, Newcastle Futures, YHN, JET, and Barnardo's continue to work with residents experiencing significant barriers to employment which must be overcome before work can be considered. Typically, barriers relate to confidence, debt, concerns about being "worse off" and fears about rent affordability. Advisors also note that the changing nature of the labour market has resulted in more temporary and zero-hour contracts or working hours that are not suitable for people with childcare responsibilities. The rise in such employment contracts can create additional pressure for jobseekers. However, services are still supporting clients into employment of all kinds, including garden care, production / manufacturing and barista roles.

What we are doing:

- We have developed a Newcastle Employment Support Protocol. This is a learning framework designed to improve the alignment between employment support and benefit, housing, budgeting and debt advice services. 11 organisations have signed up to the principles set out in the protocol. For more information, email david.rumney@newcastle.gov.uk
- We have established an Employment Support Case Management Group to support residents to find and remain in sustainable employment. This provides a forum to share complex cases where barriers to employment are significant and work with partners to identify opportunities to overcome those barriers. For more information email financial.inclusion@newcastle.gov.uk
- Referrals can now be made via Newcastle Gateway to the Supported Employment Service, Crisis Skylight's employment service, Newcastle Futures, YHN's employment service and Changing Lives employment service. JET are working on joining the system. For more information, email activeinclusion@newcastle.gov.uk
- The Skills Hub and City Library offer a variety of free workshops and events to help people into work. Details of upcoming events are available [here](#)
- The Wise Steps programme, led by The Wise Group, aims to support some of the most disadvantaged people in Newcastle into employment. For more information email wisesteps@thewisegroup.co.uk
- Moving On Tyne and Wear is an employment programme aimed at supporting people aged 25 and older with a significant physical or mental health issue to secure sustainable employment. Changing Lives are part of the Northern Inclusion Consortium who, along with Mental Health Concern, are responsible for the delivery of this programme. For more information visit www.motw.org.uk
- CAN are working with Northumbria University to develop their volunteer program, and with JCP to offer volunteering experience to jobseekers. CAN are also taking on apprenticeships

What next:

- We are developing an 'Introduction to Employment Support' e-learning module and face to face training session. These have been delayed due to sickness, but we expect the module to go live and to announce training dates in 2018. For more information email financial.inclusion@newcastle.gov.uk
- We will be promoting inclusive growth – supporting the 40,000 households affected by welfare reforms to participate in the city's economic development; sharing solutions and developing a coordinated, targeted response for residents who need additional support to gain and sustain employment
- The next Financial Inclusion Group seminar is on 11 April 2018 and will focus on Inclusive Growth. For more information or to book a place, email financial.inclusion@newcastle.gov.uk

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

| | 2016-17 | Q1 (17-18) | Q2 (17-18) | Q3 (17-18) | Q4 (17-18) | 2017-18 |
|----------------|------------|------------|------------|------------|------------|------------|
| No. of members | 8,792 | 9,032 | 8,767 | 11,723 | | 11,723 |
| Loans granted | 2,143 | 480 | 507 | 854 | | 1,841 |
| Loan value | £2,158,531 | £500,676 | £543,000 | £789,443 | | £1,833,119 |

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

| | 2016-17 | Q1 (17-18) | Q2 (17-18) | Q3 (17-18) | Q4 (17-18) | 2017-18 |
|---------------|----------|------------|------------|------------|------------|----------|
| Loans granted | 566 | 81 | 130 | 170 | | 381 |
| Loan value | £391,695 | £58,640 | £82,732 | £120,631 | | £262,003 |

Trends:

Moneywise Credit Union's membership has increased by 34% between Q2 and Q3 of 2017-18, largely due to merging with another credit union. Since the development of our collaborative approach to financial inclusion in 2011, membership of Moneywise has increased by 134%, achieving our aim of doubling membership. Loans granted has increased by 68% between Q2 and Q3 of 2017-18, again largely due to increased membership driven by the merge.

Loans granted by Five Lamps have increased by 31% over the same period, due to loans taken out to cover seasonal costs over Christmas and the New Year – comparable to the same period last year. Five Lamps no longer have an office in Newcastle and have not undertaken active promotion in the area since 2012. As a result, most of their custom is generated from repeat business.

What we are doing:

- The Illegal Money Lending Team offers free Stop Loan Shark Awareness Training sessions to organisations and volunteers, to raise awareness of the dangers of loan sharks and how to tackle them. For more information email natalie.barker@birmingham.gov.uk
- Moneywise Credit Union is undertaking a promotion campaign for existing members
- Newcastle Law Centre, Care Visions at Home, Inspired Outsourcing, and the 3 Rivers Learning Trust have all launched a payroll deduction scheme making it easier for staff to save with Moneywise Credit Union. Organisations interested in offering a payroll deduction scheme for staff can email symon.agnew@moneywise.org.uk
- The Millin Centre have launched a local credit union collection point to help more residents save money on a regular basis. For more information about opportunities to save with Moneywise Credit Union phone 0191 276 7693
- Five Lamps is working in partnership with ASDA to promote affordable credit options to customers. Further information is available at www.money.asda.com/personal-loans/
- Moneywise Credit Union has recently employed a Business Development Manager who will be responsible for supporting the growth of the business
- Moneywise Credit Union is working with Engage to develop an account suitable for residents in receipt of UC who do not have or do not want a bank account

What next:

- Moneywise Credit Union are exploring expanding membership to self-employed residents

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

| | 2016-17 | Q1 (17-18) | Q2 (17-18) | Q3 (17-18) | Q4 (17-18) | 2017-18 |
|--------------------------|---------|------------|------------|------------|------------|---------|
| New YHN referrals | 251 | 68 | 56 | 82 | | 206 |
| New non YHN enquiries | 56 | 8 | 16 | 12 | | 36 |
| Energy debts written off | £82,224 | £28,317 | £29,635 | £29,410 | | £87,422 |
| Total cases closed | 254 | 50 | 75 | 82 | | 207 |
| Average financial gains | £323.72 | £566.34 | £395.93 | £358.66 | | £422.33 |

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

| | 2016-17 | Q1 (17-18) | Q2 (17-18) | Q3 (17-18) | Q4 (17-18) | 2017-18 |
|------------------|---------|------------|------------|------------|------------|---------|
| New clients | 533 | 99 | 101 | 116 | | 316 |
| Issues addressed | 1,341 | 175 | 195 | 183 | | 553 |

Trends:

NCC'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 Q2 and Q3 of 2017-18 there was a 30% increase in the number of referrals and enquiries received, although this is consistent with the winter months busiest for fuel debt enquiries. The average financial gain per client was £358. In addition, Newcastle City Council's Crisis Support Scheme has provided fuel top-up vouchers worth £6,907 in Q3 2017-18.

CAN's Northern Powergrid Fuel Debt Project started in October 2014. It provides a daily drop-in face-to-face specialist advice for residents experiencing problems with energy bills and fuel debt, including advice on reducing energy costs by switching tariffs, payment methods or suppliers, and saving money through energy efficiency. Also help with current supply problems, including debts and disputed bills. Table 5.2 above shows that between Q2 and Q3 of 2017-18, the number of issues dealt with by this scheme increased by 15%. The project can provide fuel debt / energy efficiency advice to anyone who asks us for it, regardless of their housing tenure, including YHN tenants, and private sector tenants referred by Energy Services.

What we are doing:

- Warm Zone offer assistance to low income home owners who suffer from a health condition made worse by living in a cold or damp home. For more information phone 0800 0199969
- YHN's 'Void Affinity' scheme which allows the energy supply for their empty properties to be switched to a preferred supplier, was successfully completed. A procurement is underway to appoint a supplier for the next two years
- The council has launched an energy price comparison and switching service, www.newcastle.gov.uk/energyswitch

- The council has been awarded £400,000 from National Grid's Warm Homes Fund to install gas central heating systems for fuel poor households that do not currently have a central heating system

What next:

- Energy Services have reviewed best practice from the other cities which have decided to have a greater role in the supply of energy to their communities. An energy company options appraisal is being carried out with other NE local authorities and NEPO
- CAN has secured funding for a 'hardship fund' to provide financial support for their clients experiencing severe hardship with their fuel
- Energy Services have been awarded funding from National Grid's Warm Homes Fund and are recruiting a domestic energy advisor to offer their service in the private sector

Case study: metered client

Mr B of Walker was referred to Energy Services by YHN Advice and Support because he did not have access to gas for heating and hot water. Mr B had stopped topping up his gas meter because 70% of his money was being taken for debt. In addition, there was a large electricity debt and the supplier was threatening disconnection. Mr B had been unable to agree a payment arrangement due to low income and the supplier was unable to fit a prepayment meter due to meter cupboard access. Energy Services were able to achieve the following:

- The gas meter was reset and credit was added so that the gas safety check could be completed
- £129 standing charges were written off and the tariff was changed saving £36
- Fuel Direct was set up and an energy trust application was made, Mr B was awarded £5,261
- The supplier agreed to waive a £20 exit fee so that Mr B could switch to a supplier that could offer smart prepayment, saving £132 per year

Total financial gains = £5,578

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 and 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
- Consultancy advice for professionals and volunteers – contact details are available online at www.newcastle.gov.uk/financialinclusionforprofessionals
- Briefing sessions for professionals and volunteers – to request a briefing, email activeinclusion@newcastle.gov.uk
- Spectrums of advice – details are available online at 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
- Protocols and policies – details are available online at www.newcastle.gov.uk/homelessnesspreventionforprofessionals
- Partnerships and governance – details are available online at 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

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 this briefing were discussed at the Newcastle Advice Compact meeting on 14 March 2018. Feedback has been incorporated into this document which will be presented to councillors and the Financial Inclusion Group at our next seminar on 11 April 2018.

For more information on financial inclusion:

visit www.newcastle.gov.uk/managingyourmoney

contact Sophie Reid-McGlinn: phone 0191 277 1706, email sophie.reid-mcglinn@newcastle.gov.uk