

Active Inclusion Newcastle

Newcastle's Financial Inclusion Briefing: 2015-16 Q1

Newcastle City Council and its partners are committed to tackling inequality. Promoting financial inclusion is an important part of this work. 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 way of working we seek to share systems, priorities and challenges and create a common language. To help facilitate this, we produce a quarterly briefing note to highlight trends and to review how we are responding 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 reviews help 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 briefings 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:

- The additional £13 billion of welfare cuts announced in the [Summer 2015 Budget](#) will increase the cuts to Newcastle residents to an estimated £148 million annually by 2020-21.
- The Council's Supported Employment Service are working with the Northumberland, Tyne and Wear NHS Foundation Trust to undertake a two year individual placement and support (IPS) project supporting adults with mental health problems into employment. This aims to engage, motivate and encourage people to develop an Employment Pathway Plan in order to gain and retain employment.
- Between July 2015 and September 2015 five warrants were issued for suspected loan shark activity in the city.
- On 7 October 2015 we are holding a workshop to consider changes in benefit entitlement for European Economic Area (EEA) nationals and the risks of destitution, so that partners can consider this topic and what it means for local service delivery. For more information, email activeinclusion@newcastle.gov.uk
- The next Financial Inclusion Group Seminar will be held on 8 October 2015 and will focus on financial inclusion and health. For more information about this seminar, or work to promote financial inclusion, email financial.inclusion@newcastle.gov.uk

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

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

Trends:

Table 1.1 shows that between quarter 4 (Q4) of 2014-15 and quarter 1 (Q1) of 2015-16 there has been a 13% reduction in benefit gains. This is attributed to:

- An unexpected increase in the number of positive decisions being made during Q4 in the run up to the general election in May. Following this period, benefit gains are back to expected levels, and;
- Increased conditionality and a general reduction in benefit availability as a result of the welfare reforms.

During the same period, the number of clients seen has increased by 4%, reflecting that organisations are working to maximise income for residents by targeting resources towards the most vulnerable. This approach has helped Newcastle City Council’s Welfare Rights Service to secure an additional £3,019,989 for families with disabled children during 2014-15. We are on target to secure similar levels of benefit gains for this group in 2015-16.

The importance of this work is highlighted in the following case study.

Case study – Newcastle Welfare Rights Service’s Children with Disabilities Project

Mr and Mrs S have a 15 year old son, F, who has cerebral palsy. Because of this condition their son receives Disability Living Allowance (DLA) at the higher rate for care and mobility. Following GCSEs, Mr and Mrs S’s son was keen to continue his education. However, they were concerned that this would mean that his DLA payments would end.

A Welfare Rights Officer worked with the family to:

- Carry out a full benefit check and, as a consequence, secured Employment Support Allowance (ESA) which allowed F to continue his education. This resulted in a payment of **£121.65** per week, equivalent to **£6,325 per year**.
- Complete a grant application to British Gas for a new boiler, thermostats and cavity wall insulation to make their home more energy efficient.
- Provide support so that the family could make an application for a Disabled Facilities Grant to make their bathroom safer for F.

The family were overjoyed with the help that they received and based on their experience they have encouraged other families with disabled children to contact the service for similar advice.

The increased welfare cuts announced in the [Summer 2015 Budget](#) and partly introduced in the [Welfare Reform and Work Bill 2015-16](#) mean that we need to continue our efforts to understand the changes and their cumulative impact. This will help us to agree appropriate and collective responses. Based on Government figures we estimate that the additional £13 billion of welfare cuts will mean that people living in Newcastle will lose an estimated £148 million annually by 2020-21.

Weekly unemployment benefits are reduced (sanctioned) from four weeks to three years if claimants fail to comply with work related requirements. Organisations such as Newcastle Citizens Advice (formerly known as Newcastle Citizens Advice Bureau), Sure Start and Changing Lives continue to raise concerns about the impact of benefit sanctions on working age people. The latest figures from the Department for Work and Pensions (DWP) show that the average number of jobseekers sanctioned in Newcastle had fallen slightly from 442 per month in December 2014 to 439 per month in March 2015. This reflects both a reduction in unemployment rates and the partnership approach we have developed with Jobcentre Plus, as outlined below, to help residents to avoid benefit sanctions in the first place.

What we are doing:

- We are continuing to work in partnership to support residents to prepare for Universal Credit. The Newcastle Universal Credit Support Partnership Triage Trial continued until 31 August 2015 and staff participated from the following additional organisations and services: The Albert Kennedy Trust, Benefits, Employment and Action Team (BEAT), De Paul, Haven (Tyneside) Ltd, Home Group, Intensive Family Support in the new Community Family Hubs, Isos Housing and St Vincent de Paul. Learning from the trial will be used to inform future ways of working.
- Newcastle Citizens Advice has opened two new 'pop up' services and introduced later opening hours at their city centre office. Details of these, and other agencies providing benefit and money related advice, are contained in the [Newcastle Services Directory](#).
- We have updated 'Where to get advice in Newcastle'. This can be downloaded [here](#).
- The Council's Welfare Rights Service undertook a Working Tax Credit take up campaign with the Bangladeshi community during June and July 2015.
- Representatives from the Welfare Rights Service have visited 115 health related services to help improve the quality of referrals made to advice and support services.
- We are continuing work with Jobcentre Plus to reduce the number of benefit sanctions awarded in Newcastle. Since 2014 we have held four workshops attended by 147 professionals and volunteers. Details of upcoming workshops are available [here](#). Our joint leaflet, [Benefit sanctions and how to avoid them](#), is also available to download.
- The [spectrum of advice for benefits](#) has been developed with the Newcastle Advice Compact to describe what level of benefits support 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 50 people.
 - Developed a programme of quarterly 'Introduction to Budgeting' training sessions for frontline staff and volunteers. Details of this training can be found [here](#).
 - Produced a bi-monthly 'Benefit Bulletin' which is distributed to over 1,000 professionals and volunteers. To find out how to receive this information, visit our [information for professionals and volunteers](#) webpage.

What next:

- We will continue to monitor the impact of the ongoing welfare reforms and what this means for Newcastle residents.
- We are holding a workshop on 7 October 2015 on the changes in benefit entitlement for EEA nationals and the risks of destitution, so that partners can consider this topic and what it means for local service delivery. For more information, email activeinclusion@newcastle.gov.uk
- We are considering how to further develop links with health professionals. This is the topic of October's Financial Inclusion Group seminar. To find out more, email financial.inclusion@newcastle.gov.uk
- Your Homes Newcastle (YHN) and the Council's Welfare Rights Service will be undertaking a targeted Pension Credit take up campaign, specifically focusing on mixed age couples.
- We will continue to promote our Active Inclusion Newcastle 'offer' of support to organisations across the city. For more information, email activeinclusion@newcastle.gov.uk

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 | Q3 | Q4 |
|---|---------|------------|------------|----|----|----|
| Free / low cost internet access points | 680 | 680 | 627 | | | |
| Organisations / venues offering IT training | 72 | 72 | 72 | | | |

Trends:

Table 1.2 shows that between Q4 and Q1 there has been an 8% reduction in the number of free / low cost internet access points in the city. This is due to community venues operating with fewer PCs. During the same period, the number of organisations or venues offering IT training has remained consistent.

The interactive map showing the computer and IT support available in Newcastle is available [here](#).

What we are doing:

- The Newcastle Universal Credit Support Partnership Triage Trial has included questions relating to digital inclusion. This is helping to assess the digital capacity of residents in the city and to increase awareness about the computer and internet access and IT training available.
- Newcastle Libraries offer individual support to residents making online Universal Credit claims. During Q1 there was one referral made to the service for support. We will continue to promote this offer of help to residents affected by the introduction of Universal Credit.
- We are installing new PCs across all 15 of the city's libraries, as well as refreshing a number at other community sites.
- Newcastle Libraries have 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 City Libraries' event webpage](#).
- Citizens Advice can now provide advice via web chat. For more information, or to access this service, visit www.citizensadvice.org.uk.

- Between June 2015 and August 2015 YHN's Digital Champions have provided 168 hours in volunteered time to support 122 tenants to improve their digital skills.

What next:

- 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. As part of this approach we are looking at ways to develop our digital offer to improve the most labour intensive tasks undertaken by Council and YHN staff.
- We are recruiting to fill the vacant Digital Inclusion Project Officer post based within Newcastle Libraries Service.
- YHN are investigating ways to boost free internet access for 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 | Q3 | Q4 |
|-------------------------|------------|------------|------------|----|----|----|
| Debts written off | £3,466,289 | £589,272 | £584,824 | | | |
| Clients seen | 3,857 | 1,123 | 915 | | | |
| Homelessness prevention | 582 | 160 | 136 | | | |

Trends:

Table 2.1 shows that between Q4 and Q1 the number of clients supported to manage their debts has dropped by 19% and homelessness prevention has reduced by 15%. Debt advisors from Newcastle Citizens Advice have identified that demand for debt advice historically drops at this time of year. This follows Q4's post-Christmas spike of people seeking help due to unmanageable debt and overspending during the festive period. Representatives from the Newcastle Advice Compact also suggest that the drop in clients seen is a result of the [Financial Conduct Authority's \(FCA\) increased regulation of payday lending](#) which came into force in January 2015. Changes now mean that people using payday lenders and other providers of high-cost short-term credit will see the cost of borrowing fall and will never have to pay back more than double what they originally borrowed.

In contrast, the level of debt written off has remained consistent between quarters.

Newcastle Citizens Advice report an increase in the number of people seeking help due to Council Tax debts. This observation coincides with the Council issuing the first batch of liability orders in Q1 to people who have defaulted on instalment plans. The Council's collection department actively encourage residents to seek debt advice during all stages of Council Tax collection and recovery processes, but we know that many people will wait until crisis point before they seek advice for money related problems.

In April 2014 the FCA took over the [regulation of firms providing debt counselling](#). As a result of this change, firms providing debt counselling must demonstrate that they meet the consumer credit rules,

including treating customers fairly and having clear and effective policies to deal with vulnerable customers. Between June 2014 and May 2015, the FCA reviewed how debt management firms are complying with the rules. They found that the quality of the advice provided by some fee-charging debt management firms was unacceptably low. The 'free-to-customer' firms were generally of a higher standard. The findings further highlight the importance of promoting access to free and trusted debt advice to residents experiencing problematic debt.

What we are doing:

- Representatives from Newcastle Citizens Advice have met with the Council's Revenues and Benefits department to get an update on the Council's in-house practices for debts owed to the local authority. The meeting has further improved the working relationship between organisations for the benefit of residents.
- 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 transition onto Universal Credit. Between 27 April 2015 and 1 August 2015 support was provided to 31 residents.
- Representatives from Money Matters and YHN are working closely with Jobcentre Plus work coaches to strengthen PBS delivery partnership arrangements and develop a shared understanding of the impact caused by debt and poor money management skills. This approach will help staff in jobcentres to better identify Universal Credit claimants who require additional support and help to avoid financial crises.
- Delivery of the Newcastle Universal Credit Support Partnership Triage Trial continued until 31 August 2015. As part of the Triage Trial, 80 frontline staff have received 'Introduction to Budgeting' training.
- During Q1 the 'Debt Awareness – Level 1' e-learning module was completed by 17 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](#).
- In May 2015 Northumbrian Water sent letters to 50 Walker residents who were in high levels of water arrears, inviting them to contact Money Matters for help with their debts. Residents didn't take up this offer of support. However, Money Matters are continuing to work with Northumbrian Water to test different approaches to improve engagement with residents experiencing this type of debt.
- Between December 2014 and August 2015 Money Matters supported 21 vulnerable clients to improve their financial capability and 12 clients obtained a Debt Relief Order (DRO).

What next:

- We are working with Payplan to develop a coordinated approach to supporting their vulnerable clients who are Newcastle residents.
- We will use our learning and methodologies from the Walker Welfare Reform Pilot and the Universal Credit Triage Trial to develop a systematic and consistent approach to finding permanent solutions for residents that are unable to pay the "bedroom tax". We are working with YHN and Isos Housing to develop a pilot in Walker area to align the awards of Discretionary Housing Payments (DHP) with support planning processes. The pilot will formalise the alignment of advice and support services with the DHP award process.
- Money Matters is seeking academic support to organise a staff and clients engagement forum. The team will ask its clients to have greater involvement in the review of their debt advice service. Money Matters will fund this initiative with the award money that they received from the Institute of Money Advisers for their DRO financial capability project. The forum will tie in with the Universal Credit Triage Trial, which will help the Advice Compact to better tailor debt advice to families who will be affected by the forthcoming roll-out of Universal Credit.

- From September 2015 the [spectrum of advice for money management \(budgeting and debt\)](#) is being rolled out to supported housing providers.
- We have developed a programme of quarterly 'Introduction to Budgeting' training sessions for frontline staff and volunteers. The first session will be held on 29 September 2015. Details of this training can be found [here](#).
- Newcastle Law Centre is developing a pro bono advice clinic for residents living in private sector housing who are experiencing issues with their housing and / or landlord.

3: Help residents to train, gain and remain in employment by developing holistic packages of support

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

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

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

| | 2014-15 | Q4 (14-15) | Q1 (15-16) | Q2 | Q3 | Q4 |
|---|---------|------------|------------|----|----|----|
| No. of people supported | 217 | 155 | 131 | | | |
| No. of people gaining employment | 59 | 0 | 7 | | | |
| No. of people gaining a qualification / accreditation | 41 | 10 | 11 | | | |

Trends:

Table 3.1 shows that between Q4 and Q1 there has been a 17% reduction in the number of clients registered with Newcastle Futures. Newcastle Futures have identified that this drop is due to a combination of:

- A 20% reduction in staff during 2014-15, which has impacted on service levels;
- A renewed focus on supporting residents in greatest need, which has meant that clients are supported by the service for longer periods of time, and;
- A fall in the number of referrals received via Jobcentre Plus due to a drop in the number of people registering for unemployment support.

In contrast to the number of clients registered this quarter, Newcastle Futures experienced a 30% increase in the number of people supported into employment. This increase is due to a spike in the number of people who were supported by the service for a period of time to improve employment opportunities and then went on to secure employment. Within this period, Newcastle Futures have also noted a growth in jobs, particularly within hospitality, care, construction and call centre / customer care sectors. The increase in people supported into employment also mirrors regional data provided by The [Office for National Statistics Regional Labour Market](#). Data shows that whilst the North East continues to have the highest unemployment rate in the UK (8.1%), it is one of only two regions to have experienced

a fall in unemployment levels. (The North East unemployment rate fell 1.7 points in comparison to the same period last year).

Newcastle Futures are currently undergoing a service review. Based on priorities set by their stakeholders the service's main focus will be to support the following groups:

- Young people (up to 24 years of age)
- People in receipt of sickness benefits, for example ESA
- People who are long term unemployed
- Lone parents
- Carers

Table 3.2 shows that between Q4 and Q1 the number of people helped by the Council's Supported Employment Service has dropped by 15%. This drop is due to a reduction in the number of people referred to Capability's for support via the Work Programme, and the ending of a dedicated project supporting adults with mental health problems into employment. During the same period, the number of people gaining employment has remained consistent.

What we are doing:

- The Council's Supported Employment Service has secured funding to relaunch an IPS project to help people with mental health problems to access employment.
- The Supported Employment Service are investigating ways to increase the number of people accessing their pre-employment service by targeting people known to social care services. For more information about the support they can provide, phone 0191 278 8334.
- During Q1 YHN employed 13 tenants via the Your Homes Your Jobs programme. In addition to gaining valuable work experience, people also receive tailored progression support from the Employability Team to ensure that they leave the programme with the skills needed to help secure permanent employment.
- During Q1 YHN supported 9 tenants to successfully set up their own business through their Make Your Own Money project. The project provides bespoke business start up support for tenants who are interested in self-employment. Businesses created in this quarter include an Afghan takeaway restaurant, a mobile beauty service and a business selling baby blanket hampers.
- Following a successful application to the Department for Communities and Local Government's Help for Single Homeless Fund, a partnership made up of Newcastle, Gateshead and Northumberland local authorities, Jobcentre Plus, Changing Lives and Oasis Aquila has been awarded £198,818 over two years. This fund will help to increase the numbers of single homeless people entering employment who live in supported accommodation. Four specialist employment workers, known as the Benefits, Employment and Action Team (BEAT), are supporting people living in supported accommodation to help manage their Claimant Commitment, avoid sanctions and work towards employment.
- Newcastle Futures are developing links with secondary schools across the city to help prevent young people from becoming NEET (not in employment, education or training). Links have been established with Walker Technology College, Linhope School and Walbottle High School.
- On 1 April 2015 Newcastle Futures launched an outreach base close to Westgate College. This is known as Go Westgate and provides support to residents who want to secure employment.

What next:

- Newcastle Futures will be facilitating a practitioner event aimed at providers working with young people in October 2015. The aim of this event is to highlight the challenges, barriers and opportunities available and to encourage greater collaboration among partners to help increase youth employment across the North East.
- The Supported Employment Service is developing closer working relationships with Changing Lives in order to increase access to employment support for residents.
- We are developing a spectrum of advice for employment services. This will help us to develop a greater understanding of the various support available and how this is accessed, and to identify opportunities for joint work. We aim to have this drafted by November 2015.
- Newcastle Futures is developing a pilot in conjunction with Ingeus to develop a service for residents in receipt of ESA who are keen to secure paid employment.
- Newcastle Futures will be developing closer working arrangements with the Age Friendly City group to identify opportunities to improve employment related support for people aged 45 years and older.
- YHN have appointed 10 new apprentices who will commence their employment during Q2. YHN are on target to meet their commitment of employing 30 apprentices during 2015-16.

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 | Q3 | Q4 |
|---------------|---|--|--|----|----|----|
| No. members | 7,430 | 7,430 | 7,596 | | | |
| Loans granted | 2,176 | 370 | 507 | | | |
| Loan value | £1,897,216 | £406,007 | £485,363 | | | |
| Own Your Own | 125 approved applications from 818 received | 12 approved applications from 105 received | 21 approved applications from 115 received | | | |

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

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

Trends:

Table 4.1 shows that Moneywise Credit Union's membership continues to grow. Between Q4 and Q1 the number of loans granted increased by 27%. Representatives from Moneywise Credit Union are not able to pinpoint a specific reason for this spike in the number of loans granted, but have advised that there has been a range of promotion taking place recently, such as posters being installed at Metro stations

across the region and details of the postgraduate loan scheme, developed in partnership with Northumbria University, being shared with prospective students.

During Q1 the Own Your Own approval rate increased to 20%; a 9% increase on the previous quarter. The main reasons for refusal continue to relate to rent arrears or poor credit history. Table 4.2 shows the number of loans granted by Five Lamps and the loan value for Newcastle residents. Five Lamps are a Community Development Finance Institute (CDFI). CDFIs are ethical companies who can offer loans to people that may find it difficult to borrow from high street banks or building societies. Between Q4 and Q1 the number of loans granted by Five Lamps has remained consistent. 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 their referrals come from recommendations by family and friends.

Between July 2015 and September 2015 five people were arrested in two separate instances of suspected loan shark activity. The first three arrests were made in Westerhope, with loan books and cash being seized as evidence. Suspects were bailed until October 2015, pending further enquiries. In September 2015 two further arrests were made in Walker. The Illegal Money Lending Team believes that more loan sharks are operating in the Newbiggin Hall and Byker wards. Officers are following up on these leads and looking at new ways to encourage loan shark victims to seek help. At a national level, the Illegal Money Lending Team have noted a sharp increase in the number of loan shark victims who are lone parents or who are experiencing drug and 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 to victims.

What we are doing:

- Moneywise Credit Union have approved 11 postgraduate loans, allowing self-financing students an opportunity to secure a loan of up to £10,000 to cover the cost of fees and contribute towards living costs. A further 11 loan applications have been made and are pending approval. For more information about the postgraduate loan scheme for Northumbria University students, contact Moneywise Credit Union by phone 0191 276 7963 or email admin@moneywise.org.uk
- The Illegal Money Lending Team is offering up to £5,000 to fund projects which help to spread the stop loan sharks message. For more information, or to request an application form, contact David Benbow at david.a.benbow@birmingham.gov.uk. The closing date for applications is 30 September 2015.

What next:

- In the run up to Christmas we are considering ways to promote the affordable credit providers in Newcastle.
- Moneywise Credit Union will be launching payroll deduction schemes for staff based at Northumbria and Newcastle Universities in September 2015.
- Newcastle Citizens Advice have submitted a funding application to the Illegal Money Lending Team to undertake a campaign in Walker to raise awareness of the dangers of loan sharks and the help available for loan shark victims. If the funding application is successful, it is likely that the project will be undertaken in January 2016.
- 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.
- Moneywise Credit Union have appointed a Community Development Worker who started in post in September 2015.

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 | Q3 | Q4 |
|--|------------|------------|------------|----|----|----|
| New YHN referrals | 244 | 80 | 64 | | | |
| New non YHN enquiries | 94 | 31 | 14 | | | |
| Energy bill reductions | £50,623.98 | £15,927.10 | £11,184.24 | | | |
| Total cases closed | 239 | 76 | 45 | | | |
| Average financial outputs for closed cases | £211.82 | £209.57 | £248.54 | | | |

Table 5.2: Newcastle Citizens Advice'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 | Q3 | Q4 |
|------------------------|----------|------------|------------|----|----|----|
| New clients | 73 | 42 | 41 | | | |
| Fuel issues dealt with | 802 | 402 | 447 | | | |

(* part year figures – project commenced October 2014)

Trends:

The 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 that between Q4 and Q1 referrals to Energy Services decreased by 29% (33 clients). The main reasons for referral continue to relate to high energy bills, fuel debt, self-disconnection, advice about reducing energy bills and keeping homes warm.

From this quarter we will be reporting the financial outputs realised by Energy Services. This covers energy bill reductions achieved for residents and the average financial outputs for closed cases, which includes the correction of billing errors, Warm Home Discount awards, successful Charis applications and goodwill payments. Between Q4 and Q1 there has been a 15% increase in the average financial outputs for closed cases, providing greater relief to those experiencing energy debt. The range of support provided by Energy Services is demonstrated in the following case study.

Case study – Energy Services

Mrs A is 80 years old and lives alone. She contacted Energy Services to check whether loft insulation could be installed. The work was already done, but when the Energy Officer asked Mrs A if she was managing to keep her home warm enough she also mentioned that she had not received any bills from her energy supplier for over a year and was worried that she would be in debt. She had tried to arrange payments with her supplier but was no further forward.

An Energy Officer worked with Mrs A to:

- Raise a billing complaint. The bills had been on hold due to a system error and the balance owed was **£959**, but because some of the charges were over a year old the Back Billing code was applied and the bill was reduced by **£151**
- Request a goodwill payment. **£250** was awarded
- Set up a payment plan for ongoing use at £80 per month, with the debt balance on hold
- Correct the metering details with the DWP to activate the core group Warm Home Discount payment of **£140**
- Made an application to Charis. **£218** was awarded
- Raise a further complaint due to the debt collection process failure. A further goodwill payment of **£150** was awarded
- Arrange for an energy advisor to carry out a home visit

Mrs A was very grateful for the help. When she moved into sheltered accommodation shortly afterwards she received a refund of **£302** from her energy supplier.

The Newcastle Citizens Advice Northern Powergrid's Fuel Debt Project commenced in October 2014. It provides specialist advice to residents experiencing problems with energy bills and / or fuel debt. If needed, they can also provide money management support. Table 5.2 shows that between Q4 and Q1 there was a 24% increase in the number of issues addressed. The main issues that residents sought advice over relate to billing errors, fuel debt and problems in keeping pre-payment meters 'topped up'. During this period, the number of new clients seen has remained consistent.

What we are doing:

- Warm Up North offers replacement boilers from £250 to eligible private sector households with inefficient 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 [Warm Up North's website](#).
- Health Through Warmth can offer assistance to home owners who suffer from a cold or damp related health condition.
- Residents can sign up to the Big Community Switch (Newcastle's collective energy switching scheme) until 12 October 2015. The average savings from previous auctions were £220 per year. For more information about the Big Community Switch, including details about how to sign up, visit the Council's [Big Community Switch](#) webpage.

What next:

- Newcastle City Council, in partnership with Warm Up North and led by Northumberland City Council, have been awarded £6.58 million to install heating systems in homes that have no gas supply.
- YHN will be delivering energy advice training to 300 frontline staff so that they can support tenants experiencing energy problems, or identify ways to save money on energy bills.
- We have developed a spectrum of advice for energy advice. This will be presented to the Newcastle Advice Compact for sign off and adoption in September 2015.
- Energy Services are in discussion with public health colleagues about ways to integrate support for residents experiencing fuel poverty into Newcastle's Cold Weather Plan.
- Energy Services, YHN, Warm Zone and Places for People will be 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 electricity bills in March 2016.
- Newcastle Citizens Advice is calling on suppliers to give households with pre-payment meters a better price and more choice, in line with other payment methods. Analysis shows the most expensive prepay tariff in Newcastle is £1,343 – 41% (or £390) more a year than the best direct debit tariff available in the region.
- 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 'everybody's business' AIN has the following primary prevention 'offer' to support partners:

- Consultancy advice for professionals and volunteers
- Information for staff and public – financial inclusion examples are available online [here](#)
- Briefing sessions for professionals and volunteers
- Spectrums of advice
- Training for professionals and volunteers
- Protocols and policies
- Recording information, monitoring and reporting
- Regular performance reviews

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

Crisis activities – these services 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 19 August 2015. Feedback and comments have been incorporated into this document which will be presented to councillors and the Financial Inclusion Group at the next quarterly seminar. This will be held on 8 October 2015 and will focus on health and financial inclusion. 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 email Clare Fish: financial.inclusion@newcastle.gov.uk

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