

Active Inclusion Newcastle

Newcastle's Financial Inclusion Briefing: 2015-16 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 share systems, priorities and challenges. To help facilitate this, we produce a quarterly briefing note to create a common language, to highlight trends and to review our responses to the following five objectives in our Financial Inclusion Action Plan:

- 1. Maximise income and respond to welfare reform**
- 2. Support residents to manage their money, increase financial resilience, reduce harmful debt and prevent homelessness**
- 3. Help residents to train, gain and remain in employment**
- 4. Promote affordable credit options**
- 5. Reduce fuel poverty, increase financial resilience and promote access to bank accounts**

Our quarterly review process helps to create collective agreement about the issues residents face and the difference we are making to people who experience financial exclusion. We recognise that there are limitations in some of the data collected, as organisations invariably count their interventions differently. However, there is sufficient agreement for us to produce these briefing notes to demonstrate the work of the Financial Inclusion Group. Our main aim is to make a positive difference and reduce inequality by prioritising financial inclusion, not to produce a piece of pure academic research, but we welcome partners to point out any errors or opportunities for improvement.

Headlines:

- On 25 May 2016 the Universal Credit 'full service' will be introduced at Newcastle City Jobcentre. This means that Universal Credit will apply to all new claims to the six 'legacy' benefits and Tax Credits for all claimant types, including those claimants on existing 'legacy' benefits who have a relevant change in circumstances.
- The next Financial Inclusion Group seminar will be held on 13 April 2016 and will focus on Universal Credit. For more information email financial.inclusion@newcastle.gov.uk
- Through our Welfare Reform Operational Group we are applying the learning from the Universal Credit Triage Trial to services working with residents affected by welfare reform to support them to adapt to the changes that welfare reform brings and to increase residents' financial capability. This approach is known as the Financial Inclusion Triage.
- Your Homes Newcastle (YHN) have installed free Wi-Fi in 23 high rise blocks and 17 sheltered housing / supported accommodation venues.
- In December 2015 Moneywise Credit Union launched its ninth school based credit union collection point – there are now 600 children and adults saving on a regular basis from these locations.
- The latest auction for the Big Community Switch took place in February 2016. The average saving per registrant was £349. The final auction will take place in May 2016.

1: Maximise income and respond to welfare reform – including benefit take-up and digital inclusion

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

	2014-15	Q1 (15-16)	Q2 (15-16)	Q3	Q4
Benefit gains	£24,166,976	£6,281,860	£6,610,699	£6,829,764	
Clients advised	18,901	5,404	4,725	4,240	

Trends:

Between Q2 and Q3 of 2015-16 benefit gains have increased by 3%, but the number of clients advised has decreased by 9%. Not all partners have provided figures for this period, which has affected reported returns. Additionally, the fluctuation in benefit gains and clients advised this quarter reflects feedback from Places for People, Newcastle Welfare Rights Service and Isos Housing which highlighted the inconsistencies that organisations are experiencing with Personal Independence Payment decisions. This is not surprising given that it is a new benefit, replacing Disability Living Allowance in stages.

The Government's welfare reforms and their impact on residents continue to be a cause of concern. In 2016 residents will continue to witness significant benefit changes. Further information about benefit changes can be found on the Newcastle City Council Welfare Rights' web pages: www.newcastle.gov.uk/welfarerights. Despite the increased work related conditionality and reductions in benefit availability, we will continue to identify opportunities to maximise income for residents. An example of the advice available is outlined in the case study below.

Case study - Newcastle Welfare Rights Service

Mr. A is married with three children and lived with extended family. Mr. A was in employment, however his health suddenly deteriorated which forced him to leave his job. Due to the effects of his health condition and medication, Mr. A and his immediate family left their extended family home to move into private rented accommodation. When Mr. and Mrs. A met with a Welfare Rights Officer their only income was Child Tax Credit and Child Benefit (£11,342.76 per annum). A Welfare Rights Officer worked with the family to:

- Successfully secured additional income for the family by claiming their full benefit entitlement. As a result, the family's income increased to **£20,449** per annum – an increase of **£9,106.24** – almost double their previous income.

Sadly Mr. A unexpectedly passed away a short time later. Mrs. A contacted the Newcastle Welfare Rights Service for additional advice and support. A Welfare Rights Officer supported Mrs. A to reapply for benefits to help ensure that the family's income did not significantly reduce and they did not experience severe financial hardship during this difficult period.

- As a result of the Welfare Rights Officer's support the family's household income was **£17,388** per annum.
- The Welfare Rights Officer was also able to secure £1,273 via the Department for Work and Pensions (DWP) Funeral Grant to help with funeral costs.

Working age and unemployed benefit claimants are subject to varying degrees of work related conditionality and cuts to benefit for non-compliance. This will increase under Universal Credit being extended to all claimant types. Joint work by Newcastle City Council and Jobcentre Plus is helping to support those who work with people who are at most risk of benefit sanctions. This is reflected in the continued downward trend of the number of sanctions as a proportion of claimants in Newcastle where both the number of sanctions and the number of those claiming Jobseekers Allowance (JSA) have reduced. Latest figures from the DWP show a 39% reduction in the number of JSA sanctions as a proportion of claimants in comparison to the same period in 2014-15.

What we are doing:

- Newcastle City Council and Jobcentre Plus are continuing to work together to help to reduce benefit sanctions through quarterly workshops. March 2016's workshop was attended by 16 workers, and the next session will be held on 16 June 2016. Further information, including details of 2015-16's training programme, can be found [here](#). The joint Newcastle City Council and Department for Work and Pensions (DWP) information sheet, [Benefit sanctions and how to avoid them](#), is also available for download.
- The [spectrum of advice for benefits](#) has been developed with the Newcastle Advice Compact to describe what level of benefit advice services are expected to provide and the support available to help reach and maintain that level. As part of this approach:
 - 1,966 subscribers receive bi-monthly benefit bulletins. To sign up for this service, email activeinclusion@newcastle.gov.uk
 - The 'Introduction to Benefits' e-learning module was completed by 65 people during Q3. Further information about this module is available [here](#).
 - Quarterly face to face 'Introduction to Benefits' training sessions have been provided to 15 staff and volunteers during Q3. Details of 2015-16's training programme is available [here](#).
- In January 2016 we facilitated money themed practitioner support sessions for multi-agency staff and volunteers working in the three Community Family Hubs to raise awareness of Active Inclusion Newcastle's resources that are available to Newcastle organisations to promote financial inclusion and prevent homelessness. These sessions also gave practitioners an opportunity to seek advice on cases from our specialists in debt advice and welfare rights.
- We are continuing to roll out our Active Inclusion Newcastle offer of support to organisations. For more information about the support available, email activeinclusion@newcastle.gov.uk

What next:

- The next Financial Inclusion Group seminar will be held on 13 April 2016 and will focus on Universal Credit. For more information, email financial.inclusion@newcastle.gov.uk
- We are developing a pilot with Jobcentre Plus and supported housing providers to align the Claimant Commitment with support planning processes. This will inform future case management arrangements and contribute towards a shared public services approach, providing a stronger system of support for residents who are vulnerable to benefit sanctions. It will also strengthen partnership working arrangements with Jobcentre Plus at an operational level.
- As part of the above spectrum of advice approach, we will develop stage two of the 'Introduction to Benefits' e-learning module by June 2016.
- We are working to support residents to deal with the reduced benefit cap which is likely to start in autumn 2016. This includes YHN predicting the levels of support that different tenant households will require to inform the targeting of support.
- Building on October 2015's Financial Inclusion Group seminar which considered 'Health and Financial Inclusion', we will provide targeted benefit information for GPs and other health professionals on their web portal – GPTeamNet – enabling them to support their patients in this area more efficiently, this will start in May 2016.

- We are working with Newcastle University to consider the health impacts of the welfare reforms.

Digital inclusion

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

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

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

	2014-15	Q1 (15-16)	Q2	Q3	Q4
Number of tenants who have completed digital training	N/A	122	265	229	
Hours of digital training provided by YHN Digital Champions	N/A	168	230	164	

Trends:

Table 1.2 shows that between Q2 and Q3 the number of free or low cost access points and organisations or venues offering IT training has remained consistent. Investment from Go Digital Newcastle has resulted in free Wi-Fi being installed in 69 public building and city centre streets, helping to increase opportunities for people to get online. Further information about free Wi-Fi in public buildings is available online [here](#), and the interactive map showing where you can get free or low cost access to computers, training and support in Newcastle can be found online [here](#).

In June 2015 YHN developed a network of Digital Champions to support tenants to get online and improve their digital skills. Digital Champions are based at Walker Central Housing Office and Walker Learning Hive on a weekly basis. They also support monthly drop in sessions at City Library and can provide bespoke drop in sessions and individual appointments at community venues. Table 1.3 shows that between Q2 and Q3 the number of tenants who completed digital training has reduced by 13%. There has also been a 28% decrease in the number of hours of training provided by the Digital Champions. This is attributed to a seasonal variance. To find out more about YHN's Digital Champions, contact Lisa Dawson by email lisa.dawson@yhn.org.uk .

What we are doing:

- YHN have installed free Wi-Fi in 23 high rise blocks and 17 sheltered housing / supported accommodation venues.
- Free Wi-Fi access is available at Jesmond Library as a result of a successful funding bid from Barclays Bank and BT.
- The Newcastle Libraries Service has removed the time limit of 14 hours per week from public access PCs.
- Individual one-to-one online taster sessions are offered at all libraries across the city. For further information, phone the Newcastle Libraries Service Enquiry Centre on 0191 277 4100.
- The Newcastle Libraries Service can provide individual support to residents to make an online claim for Universal Credit. During Q3 one referral was made to the service for support. The DWP

have reported that more claims are being taken by telephone than we had understood would be the case. This may account for the lower than expected number of people being provided with digital support by the Council.

- Techy Tea Parties take place on the last Thursday of the month at Newcastle City Library. To find out more, or to book a place, visit [Newcastle Libraries event webpage](#).
- Newcastle Libraries Service has been awarded £5,000 from the Tinder Foundation's Library Digital Inclusion Fund. Money will enable the Council and YHN to deliver targeted digital skills training sessions to tenants. 62 tenants have received training which has proved to be popular with residents, examples of the feedback received is detailed below.

Newcastle Libraries Service and YHN's basic computer skills course – examples of feedback received

"Learning how to use a computer and the internet means I am more confident in applying for jobs.... I am very grateful for the support I received" – Bill, aged 50.

"Many thanks for your help and guidance when I attended your course. It has given me the spur to learn more about computers and how they can help in day to day life" – Brenda, aged 65.

"I now find the internet very interesting. I can't believe all of the information that you can get from it"
– David, aged 75.

What next:

- Funding has been secured from Barclays and BT to provide free Wi-Fi at Fawdon Library. This will be available from April 2016.
- We are appointing additional staff to support the Council's digital inclusion agenda, including coordinating digital inclusion activity across the city.

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	Q1 (15-16)	Q2	Q3	Q4
Debts written off	£3,466,289	£584,824	£868,156	£292,551	
Clients advised	3,857	915	1,183	504	
Homelessness prevention	582	136	188	137	

Trends:

Table 2.1 shows that between Q2 and Q3 there has been a 57% drop in the number of clients advised by the Newcastle Advice Compact. The drop in numbers witnessed this quarter is predominately due to the fact that not all partners have been able to supply figures for this quarter. However, we also know that historically less people seek debt advice during the Christmas period.

Both Money Matters and Citizens Advice Newcastle continue to support residents struggling to pay their priority debts as a result of the welfare reforms, increasing living costs and economic changes. These conditions also mean that it is difficult for residents to save money on a regular basis, which could help to safeguard against unexpected expenses. Recent research by the Money Advice Service (MAS) highlighted that levels of financial capability in the UK remain low. Whilst many people are taking control of their finances, there are still too many people at risk of falling into serious financial difficulties and failing to access appropriate debt advice. We will continue to identify opportunities to promote the organisations offering free and trusted advice in Newcastle.

Examples of the value of debt advice is highlighted in the case study and feedback received below.

Case study - Money Matters

Mrs. S was referred to Money Matters for help with money problems, she had recently experienced a traumatic relationship breakdown and due to serious health conditions meant she was unable to work. Mrs. S could not afford to pay her mortgage and was very worried about losing her home and becoming homeless, she also had other debts which she could not afford to repay.

A Debt Advisor worked with Mrs. S to:

- **Claim full benefit entitlement** – Mrs. S had been claiming £73.10 per week in Employment Support Allowance, however this payment was not enough to cover payments to her essential bills. The Debt Advisor helped Mrs. S to claim Personal Independence Personal Payment and a severe disability premium for her Employment Support Allowance.
- **Improve budgeting and money management skills** – this included supporting Mrs. S to open a bank account and successfully manage this.
- **Successfully reclaim a miss sold Payment Protection Insurance (PPI) claim** – the money received was used to repay missed mortgage payments.
- **Liaised with the mortgage lender and other creditors to negotiate a reduction in money owed** – this included a successful write off of £227 money owed to the Driver and Vehicle Licensing Agency (DVLA).

As a result of Money Matters intervention, Mrs. S is no longer at risk of homelessness and she gained £9,543 in benefit gains, benefit backdates, debt write off and a PPI refund. This additional income helped Mrs. S to repay her creditors.

Money Matters – examples of feedback received

“At times I thought my world was crumbling around me.... You will never know how much your support has improved my life” – Miss. P

What we are doing:

- YHN and Money Matters are continuing to provide Personal Budgeting Support (PBS) to residents who need help managing their money as they claim Universal Credit. 47 referrals were made for this support during Q3
- As part of the [spectrum of advice for money management \(budgeting and debt\)](#) we:
 - have developed a ‘Debt Awareness’ Level 1 e-learning module, which was completed by 57 people during Q3. Feedback highlighted that people find the module useful in helping to understand the difference between priority and non-priority debt and how to access specialist advice.

- are holding quarterly 'Introduction to Budgeting' face to face training sessions. The next session will be held on 7 July 2016. Details of Active Inclusion Newcastle's 2015-16 training programme, including information about how to book a place, is available [here](#).
- Through our Welfare Reform Operational Group we are applying the learning from the Universal Credit Triage Trial to services working with residents affected by welfare reform to support them to adapt to the changes that welfare reform brings and to increase residents' financial capability. This approach is known as the Financial Inclusion Triage.
- During Q3 Money Matters supported 10 vulnerable residents to improve their financial capability and 5 individuals obtained a Debt Relief Order (DRO) through the service's DRO fund. DROs are an option for people who don't have enough income to pay their debts if they owe less than £20,000, don't have more than £50 a month spare income and satisfy the assets thresholds. One Money Matters client described the positive effect a DRO award had on him: "*It's such a relief to get that letter. Now I can get my life back on track. I'm eternally grateful*".
- YHN, Isos Housing and the Council are working in partnership on a pilot to align advice and support services with the Discretionary Housing Payment (DHP) award process for Walker residents.
- Clean Slate were awarded 'Social Enterprise of the Year 2015' at the Newcastle Business Awards in November 2015. They are also running weekly money surgeries at Newcastle West End Foodbank and Money Talks 1-2-1 money surgeries at Joseph Cowen Healthcare Centre.
- We are working with the NHS Business Services Authority to help them to improve the NHS Low Income Scheme application process for patients. The scheme provides income-related help to people who are not automatically exempt from NHS charges but may be entitled to help if they have medical expenses that exceed their income.

What next:

- YHN, the Council and partners are preparing for the roll out of Universal Credit to all new claims at Newcastle City Jobcentre in May 2016. To further strengthen our partnership working YHN will co-locate staff in all three Newcastle jobcentres.
- YHN and Money Matters are preparing for the upcoming introduction of the reduced benefit cap in Newcastle. To complement the work that YHN are planning with their tenants who will be affected by the introduction of the reduced benefit cap, Money Matters is developing a coordinated approach to support private rented tenants.
- The Council is in the process of implementing its [Corporate Debt Policy](#) which was adopted in December 2013. The Corporate Debt Policy will enable departments to have a single view of debts owed to the Council and will be rolled out to Council Tax, business rates and sundry debts in the first instance. This will help us to maximise income collection and, at the same time, facilitate a consistent and fair approach to providing support which will help prevent people from accruing debts to the Council.
- Citizens Advice Newcastle and Money Matters will help researchers from Newcastle University to look into the impact of high cost credit on Newcastle residents and communities. The initial project workshop to agree the aims of the research and to explore how the research could benefit Newcastle advice agencies and their clients will be held in September 2016.
- We are working with the Money Advice Service (MAS) to improve access to money management information and debt advice for Newcastle residents. The Money Advice Service is exploring how they can help us to respond to the growth in demand for information, advice and support to promote social and financial inclusion and to reduce the risk of homelessness with reduced resources. We have shared our Active Inclusion Newcastle partnership approach with them and are looking into how we can put our joint financial inclusion aims into practice.

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

Table 3.1: Number of people supported into employment, self-employment or apprenticeship opportunities – ongoing delivery

	2014-15	Q1 (15-16)	Q2	Q3	Q4
Newcastle Futures	680	135	144	72	
Supported Employment Service	59	7	18	24	
YHN		32	33	20	
Changing Lives			13	25	
Total	739	174	208	141	

Trends:

Table 3.1 shows that between Q2 and Q3 the total number of people supported into employment has decreased by 32%. This is due to a drop in the number of referrals received by organisations, a refocus on the client groups supported and a seasonal ‘dip’.

Between Q2 and Q3 Newcastle Futures experienced a 50% decrease in the number of people supported into employment and a 46% decrease in the number of clients registered. This quarter’s reductions are a result of Newcastle Futures’ recent refocus to support specific groups, such as young people aged between 16 and 24 years who are not in education, employment or training (NEET) to find a job. As a result of this shift in focus, residents are being supported by the service for a longer period of time. Following Newcastle Futures’ change in their referral criteria staff are working with key agencies across the city to increase awareness of the services and support available to eligible groups. Further information about Newcastle Futures, the support they can offer and their referral criteria is available at www.newcastlefutures.co.uk

Newcastle City Council’s Supported Employment Service helps people aged between 16 and 65 years of age who have a physical or sensory disability, learning disability, mental health concern or autism to find and remain in sustainable employment. Between Q2 and Q3 there was a 33% increase in the number of people who were helped to find work. During the same period, the service supported 34 people to achieve an accredited qualification, helping to boost their employment opportunities. Despite the increase in the number of people helped to secure employment this quarter, the overall number of referrals made for support from the Work Programme has reduced. Work is underway to improve referral arrangements to the service, e.g. the Newcastle Gateway has been updated to allow providers of supported housing and floating support to make direct referrals to the Supported Employment Service. For more information about the Supported Employment Service and the support available, contact Mhairi Fullerton by phone on 0191 224 4022 or email supportedemployment@newcastle.gov.uk

During Q3 YHN’s Employability Team have supported 20 people into employment, self-employment or apprenticeship opportunities; a decrease of 39% since Q2. This is mainly a result of not recruiting any apprentices this quarter. However, 2 apprentices did complete their contract and have progressed to permanent employment. A further 10 people employed on short-term Your Homes Your Jobs contracts completed their training. Of those, 8 people have progressed to paid employment and 1 person has enrolled on a college diploma course. 2 people have been recruited to the Your Homes Your Jobs programme and have gained employment as Catering Assistants and 18 tenants are currently receiving business start-up support. In Q3 staff helped 7 tenants to start their own businesses, including a cake making business, a support agency for recovering addicts, an Arabic tutor service and a mechanic. An example of the support available is given below.

Case study: YHN's Make Your Own Money project – Tipsy Pud

The [Make Your Own Money](#) project was established as a way to help YHN tenants who wanted to turn a hobby or interest into their own business. The project, which launched in 2014, aims to provide a sustainable way for tenants to move from benefits to paid work. In October 2014 Lucy heard about the Make Your Own Money project from a friend. Lucy had been making alcoholic puddings and chocolates from home and selling them at local events. She was keen to explore the possibility of developing this hobby into a business idea.

Lucy contacted YHN's Employability Team and was provided with the following support:

- After an initial discussion, YHN's Employability Team arranged for Lucy to meet with a representative from Sustainable Enterprise Strategies (a social enterprise company who have been procured by YHN to provide specialist self-employment guidance to tenants).
- A representative from Sustainable Enterprise Strategies helped Lucy to develop a business start-up plan and secure start-up funding.
- Sustainable Enterprise Strategies supported Lucy with business registration and making the necessary arrangements for tax purposes.
- In December 2014 Tips Pud was launched. Since its launch, Lucy has acquired business premises in Blaydon where she makes the puddings and chocolates.
- Lucy is sourcing all of her own ingredients and has been successful in securing a number of local contracts including Fenwick, Glass House and several hotel chains in Newcastle.

Topsy Pud continues to grow. Lucy is about to launch her own website and has recently had a CrowdFunding initiative to help secure £85,000 of funding. This initiative didn't secure the full amount. However, Lucy has had interest from national investors such as Phileas Fogg.

Changing Lives supports people over the age of 18 years old who have experienced homelessness to find and access employment opportunities. Changing Lives can support people with pre-employment training, motivation and confidence building, work placements and work coaching. During Q3 the service supported 25 people living in Newcastle to secure employment.

What we are doing:

- Newcastle City Council's Supported Employment Service has secured funding from the Northumberland, Tyne and Wear NHS Foundation Trust (NTW) to relaunch an Individual Placement Support (IPS) project to help people with mental health problems to access employment. Since the project launched in January 2016 8 referrals have been received and a regular slot has been secured at NWT's Early Intervention in Psychosis regular team meeting to discuss the specialist support available for patients looking to find employment.
- Newcastle City Council's Supported Employment Service are seeking to increase the number of vulnerable people accessing their pre-employment service. For more information about the support they can provide, phone 0191 278 8334.
- Newcastle Futures are working closely with City Learning to promote the benefits of skills development in improving employment opportunities.
- Newcastle Futures have identified a gap in employment support provision for people aged 50 years and older. To help meet this gap they have developed a programme called 'On Track'. Working with an experienced Life Coach, the five sessions are delivered in small working groups. The sessions aid mature jobseekers to identify their transferrable skills in an increasingly digital market, improve their ability to manage change and introduce the concept of mindfulness and how it can be applied to stressful situations. A case study on this approach is included below.

Case study: Newcastle Futures ‘On Track’ programme

Mrs L is in her 50s and last worked when she was 42 years old as an office worker. Since then she has been caring for her husband who passed away last year. Mrs L was claiming Employment Support Allowance because she was diagnosed with diabetes which led to depression and anxiety. Mrs L has no dependants, pays extra for her second bedroom and was not sure what she could do to help herself.

Mrs L’s friend introduced her to the Newcastle Futures ‘On Track’ sessions offered in the local community. She attended all five sessions and registered to continue to work with an Employment Adviser after the sessions were over. With her adviser’s support she enrolled on the “Why Weight” health programme, which helped her to manage her weight and diabetes. She also got advice from Welfare Rights and was able to claim Disability Living Allowance as a result of her mobility issues. Mrs L also enrolled at Newcastle City Learning for computer training and English. After working closely with her adviser on applying for administration job applications online, she has recently been informed that she has secured a full time receptionist / administrator job in her local area.

When Mrs L was asked what had made the difference to her situation, she said “*knowing someone was able to understand my situation and could be a support all the way, I would never have had the confidence on my own*”.

What next:

- Following January 2016’s Financial Inclusion Group seminar we are:
 - Developing online directory information for employment support and supported employment on the [Newcastle Services Directory](#) (part of the Families Information Service)
 - Developing a spectrum of advice for employment support to help residents and organisations better understand the range of support available and how this is accessed
 - Developing a system to better make and monitor referrals to employment support and supported employment providers
- A Skills Hub will be launched at City Library on 21 March 2016. For more information, or to arrange an appointment phone 0191 2774125.
- Newcastle City Council (in partnership with other North East local authorities) has submitted a joint funding application to launch the North East Mental Health Trailblazer. This will support people with mental health conditions into employment.

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	Q1 (15-16)	Q2	Q3	Q4
No. of members	7,430	7,596	7,815	8,010	
Loans granted	2,176	507	509	754	
Loan value	£1,897,216	£485,363	£538,393	£683,557	
Own Your Own	125 approved applications from 818 received	21 approved applications from 115 received	15 approved applications from 87 received	15 approved applications from 68 received	

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

	2014-15	Q1 (15-16)	Q2	Q3	Q4
Loans granted	619	79	113	215	
Loan value	£303,690	£39,790	£59,370	£137,185	

Trends:

Table 4.1 shows that Moneywise Credit Union's membership continues to grow with a 2% increase between Q2 and Q3. Since the establishment of our partnership approach to promote financial inclusion in 2011, Moneywise Credit Union's membership has increased by 60%.

Historically, Q3 is the busiest quarter for Moneywise Credit Union and Five Lamps with loan approval rates increasing by 48% and 90% respectively when compared to Q2. Five Lamps no longer have an office in Newcastle and have not undertaken active promotion in the area since 2012. As a result, the majority of loan applications they receive are generated by repeat business or recommendations from family or friends. This is demonstrated in Five Lamps' loan approval split for Q3, which shows that 79% of the loans approved were for repeat customers.

Own Your Own is a scheme developed by Moneywise Credit Union and YHN. It provides low cost loans for household items, helping to discourage residents from purchasing goods through expensive, high interest credit providers. Q3's Own Your Own approval rate was 22%; an increase of 5% on the previous quarter. The main reasons for refusal continue to relate to rent arrears or poor credit history. Between April 2015 and December 2015 there has been a 40% reduction in the number of applications made to Own Your Own. This could be attributed to the limited marketing of the scheme. YHN will be refreshing the marketing information for Own Your Own in the coming months. We are optimistic that that this will lead to an increase in demand for the service.

During Q3 three people were charged on suspicion of loan shark activity. The Illegal Money Lending Team believe that loan sharks continue to operate in Walker, Byker, Fenham and Newbiggin Hall wards. Officers are following up on all leads and continue to work in partnership to raise awareness of the dangers of illegal money lending and encourage loan shark victims to seek help.

What we are doing:

- In December 2015 Moneywise Credit Union launched a school based collection point at St. Vincent's Primary School. There are now nine school based collection points across the city with 600 adults and children saving at these venues on a regular basis.
- Newcastle College and HealthWORKS Newcastle are in the process of setting up payroll deduction schemes for their staff.
- In October 2015 Moneywise Credit Union launched a payroll deduction scheme for staff employed by the Newcastle Hospitals Trust. There are now 130 staff saving on a regular basis.
- Between October and December 2015 Moneywise Credit Union undertook a 'refer a friend' initiative, designed to encourage more residents to save on a regular basis and promote affordable credit options. This resulted in eight new savings accounts being opened.
- In January 2016 Moneywise Credit Union promoted the payroll deduction scheme with staff at Home Group. This promotion resulted in ten new savings accounts being opened.
- In December 2015 and January 2016 YHN and the Council promoted their payroll deduction scheme with staff.
- The Illegal Money Lending Team held a week of action in Fenham (week commencing 8 March 2016) to raise awareness of the dangers of loan sharks.

What next:

- Moneywise Credit Union will be officially launching their payroll deduction scheme at Newcastle University in March 2016. Currently ten members of staff have signed up to the scheme.
- 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 will launch a budgeting account in March 2016 which will provide a revolving account based on regular savings, e.g. if a member commits to saving £30 per month, Moneywise Credit Union will provide an open credit agreement for up to ten times that amount.

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	Q1 (15-16)	Q2	Q3	Q4
New YHN referrals	244	64	56	77	
New non YHN enquiries	94	14	18	25	
Energy debts written off	£50,623	£11,184	£17,330	£22,879	
Total cases closed	239	45	60	69	
Average financial gains	£211.82	£248.54	£288.84	£331.57	

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

	2014-15*	Q1 (15-16)	Q2	Q3	Q4
New clients advised	73	41	68	54	
Issues addressed	802	447	566	552	

* Part year figures – project commenced October 2014

Trends:

Newcastle City Council's Energy Services provide specialist energy saving and fuel debt advice to Newcastle residents and fuel debt casework for YHN tenants. Table 5.1 shows referrals to Energy Services have increased by 37%. The main reasons for referral continue to relate to high energy bills, understanding fuel bills, fuel debt, self-disconnection, advice about reducing energy bills and keeping homes warm. The financial outputs realised by Energy Services include energy bill reductions achieved for residents and the average financial outputs for closed cases, which includes the correction of energy billing errors, Warm Home Discount awards, successful Charis applications and goodwill payments.

Citizens Advice Newcastle's Northern Powergrid Fuel Debt Project commenced in October 2014. It provides specialist advice to residents experiencing problems with energy bills and fuel debt. Table 5.2 shows that between Q2 and Q3 there has been a 20% reduction in the number of new clients advised. However, the number of issues addressed has remained consistent. During this quarter the main issues that residents sought advice about related to billing errors, debt (including fuel debt) and problems in keeping pre-payment meters 'topped up'. Citizens Advice Newcastle have also noted an increase in the problems associated with pre-payment meters, such as tenants falling foul of pre-payment meter debts which are owed by the previous tenant and households being unaware of the standing charges applied to their account. An example of the support provided by this project is detailed below.

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

Mr B is a single person who is in receipt of disability and incapacity related benefits. He lives in a property with only an electricity supply. Mr B paid £10 each week for his electricity usage through a pre-payment card, but in October 2015 he received a bill for £1,136.96 which he could not afford to repay. Soon after, Mr B received a letter advising that this debt had been passed to a debt collection agency. Mr B approached Citizens Advice Newcastle (CAN) for advice.

A specialist Fuel Debt Adviser supported Mr B to:

- Contact the electricity supplier to understand how the debt had accumulated to its current level. The energy supplier advised that Mr B's electricity meter had been changed to a cheaper tariff, but details of the meter exchange had not been recorded correctly. This meant that M. B had been billed using the more expensive tariff.
- Negotiate a partial debt write off of £800 through the supplier's back-billing policy.
- Identify his electricity consumption and its true cost. Mr B's energy supplier calculated that his energy consumption equated to £175 per month. The Fuel Debt Advisor contacted Mr B's energy supplier again to discuss the new monthly bill. The energy supplier agreed that this seemed high and recommended that Mr B carry out a 'load test' to check how the electricity meter was working and to supply meter readings, which he did.
- Mr B continued to receive letters from his energy supplier threatening disconnection, so he returned to CAN for further advice. The Fuel Debt Adviser contacted Mr B's energy supplier again who investigated Mr B's account and advised that they would re-bill him.
- Mr B's new energy bill showed that he was £284 in credit and, as a goodwill gesture, the energy supplier offered a £50 payment as recompense for the distress caused by the continued threats of disconnection.

Mr B was grateful for the help he received, to repay the initial energy debt of £1,136.96 and remove the risk of disconnection from his electricity supply.

What we are doing:

- Energy Services, YHN, Warm Zone, Places for People and Isos Housing are undertaking targeted work to encourage eligible residents to sign up for the Warm Home Discount Scheme broader group, which provides a one off £140 discount on fuel bills. Payments will be made to residents in March 2016. The Government have confirmed that this scheme will run for another five years.
- Warm Up North are offering free replacement boilers (subject to survey) to eligible private sector households with inefficient gas heating systems. For more information, visit www.warmupnorth.com/freegasboiler
- Residents in Newcastle who use electricity or solid fuel heating and have never had gas central heating can apply for a free gas central heating system from the Central Heating Fund. For more information and details of the eligibility criteria, visit www.warmupnorth.com/chf/. This scheme will run until August 2016.
- Warm Up North can offer free or subsidised cavity wall and loft insulation. For more information, visit www.warmupnorth.com/insulation
- Health Through Warmth can offer assistance to home owners who suffer from a cold or damp related health condition.
- The latest auction for the Big Community Switch took place in February 2016. The average saving per registrant was £349. The final auction will take place in May 2016.

- Newcastle City Council's Crisis Support Scheme can assist with fuel vouchers for eligible residents. During Q3 307 energy vouchers were raised for 166 households. The total value of energy vouchers issued this quarter was £12,250.

What next:

- YHN are running a six month pilot for a void affinity scheme which allows the energy supply for their empty properties to be switched to a preferred supplier. This pilot will benefit tenants as they will not have to worry about setting up their energy accounts. The energy supplier choice will be based on a number of factors, such as energy advice, smart meters, pricing and management issues. The pilot is currently being trialled in Kenton ward, and if successful, will be rolled out across the city.
- Energy Services are reviewing best practice from the other cities which have decided to have a greater role in the supply of energy to their communities and are reviewing options for increasing the energy supplier choices available to residents.
- Clean Slate will be running 20 Energy Best Deal workshops until the end of March 2016. For more information visit www.cleanslateuk.org
- Due to the success of Citizen Advice Newcastle and Northern Powergrid's Fuel Debt Project, funding has been secured to develop a similar initiative in Leeds. Citizens Advice Newcastle will be working with Citizens Advice Leeds to promote access to energy fuel debt advice.
- Citizens Advice Newcastle are supporting Dawn Butler MP's 'Pre-Pay Rip Off' campaign by supplying information about their client's experiences.

Active Inclusion Newcastle (AIN)

The Financial Inclusion Group is part of the Active Inclusion Newcastle (AIN) partnership approach that responds to the growth in demand for information, advice and support to promote social and financial inclusion and to prevent the risk of homelessness with reduced resources. AIN facilitates partners at the following levels:

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

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

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

Crisis activities – services that support people facing destitution when community and preventative support fails to prevent crisis.

Next steps and how to get involved

The issues raised in the draft version of this briefing were discussed at the Newcastle Advice Compact meeting on 17 February 2016. Feedback has been incorporated into this document which will be presented to councillors and the Financial Inclusion Group at the next quarterly seminar on 13 April 2016. Information will also be published on [Newcastle City Council's website](#).

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

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