

Financial Resilience Needs Assessment – North East Lincolnshire

by

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29th March, 2019

BACKGROUND

- What is financial resilience?
 - ability of individuals and families to get through financial shocks
 - access to economic resources, financial products and services, financial knowledge and behaviour and social capital
- Information, Advice and Guidance (IAG) on money matters – NELC
- Financial difficulties and mental health problems
- Financial Resilience Needs Assessment (FRNA) – 2017
- Universal Credit Support group
 - Preparation for the roll out of Universal Credit in NEL (December 2017)

AIMS & OBJECTIVES

Aim:

- To understand financial vulnerability in NEL in order to better target support at different groups experiencing different kinds of financial vulnerability

Objectives: To understand

- the extent to which NEL's residents / households cope when faced with unexpected financial shocks or experience money problems
- the resources needed by NEL's residents to withstand adversity
- who in NEL is doing better, who is faring worse and why; &
- to enable NEL's residents to better understand what they can do to improve their financial resilience

METHODS

- Steering group
- Comprehensive literature review
- Quantitative and qualitative research methods
- Six week consultation with members of the public
- 354 survey questionnaires were completed
 - 160 online
 - 194 paper questionnaires
- 14 stakeholders were interviewed
- Data was collated and analysed
- Report produced and disseminated to appropriate audiences

KEY FINDINGS - SURVEY

- Most respondents spoke frequently about debt
- Increasing concern around debt problems and worries about debt due to the welfare reform
- Age - a risk factor of debt related problems
- Financial inclusion some young people cannot access financial products
- Considerable differences were noted between respondents
 - more deprived areas **and** less deprived areas
 - unemployed **and** employed

KEY FINDINGS: STAKEHOLDER INTERVIEWS

- Stakeholders are concerned about the:
 - the level of debt in the area
 - increase in the number of people accessing their services
 - different groups of people coming through their doors
 - increase in the number of people using food banks and
 - increase in the number of people older people (65+)
 - lack of financial capability
 - huge impact Universal Credit in NEL would have when rolled out
- Partnership working (Welfare Liaison group)
- Consistency of advice – (Different advice given)
- Educating people – (Priorities, money management)

RECOMMENDATIONS

1. NELC to oversee the revitalisation and formalisation of the existing Welfare Liaison (WL) group
2. A financial inclusion advocate with senior responsibility from NELC should be identified to lead on and oversee the development of a new financial inclusion strategy for the area
3. The new WL group to oversee the introduction of quality assurance measures to improve the quality and consistency of money advice
4. As part of 3, the new WL group should ensure that clients are made aware and have access to all benefits entitled to including the NHS Low Income Scheme (HC1 payments)
5. The new WL group to explore the viability for a low cost content insurance scheme to support vulnerable people
6. NELC to consider the reintroduction of an emergency payments scheme

RECOMMENDATIONS

7. NEL Voluntary, Community & Social Enterprise (VCSE) Alliance to explore measures to secure increased investment into the Voluntary Community Sector
8. Centre4 along with all partners to promote the availability and access to the Credit Union and to bank accounts
9. Expand existing programmes in the local area where financial resilience/behaviour change is being addressed e.g. Community Shop, food larder etc.
10. Continue to engage with private housing providers (rented sectors) when UC is rolled out in the area, support landlords to understand UC and ensure that any issues identified are resolved promptly
11. NELC to lead on the refresh of the FRNA in 2020 and evaluate the impact of full service roll out of UC in the area

WHAT HAPPENED NEXT?

- Needs Assessment presented to:
 - Cabinet in November 2017, All recommendations agreed
- Director of Governance, Democracy and Community Engagement (financial inclusion advocate; Scrutiny panel in February 2018)
- Universal Credit support group (replaced the existing WL group)
- Action Plan: 5 themes identified
 - Money Advice
 - Credit Union
 - Building Community Resilience
 - Universal Credit
 - Needs Assessment and outcome review

MONEY ADVICE

- Discretionary Housing Payments
 - 27% of fund given to NEL in 2017 was returned
- Application process needed to be reviewed
 - Customers and partners consulted
- Redesign of website
 - simple online application that gives an instant decision in principle was developed
- In April 2018, NELC launched its new way for households to gain additional financial help towards their housing costs
- Fund allocated to NELC in 2018/19 - £425,066 (all allocation channelled into the community!!!!)

CREDIT UNION

- NEL is part of Northern Lincolnshire Credit Union
 - in partnership with Hull & East Riding Credit Union (HEYCU)
- Credit Union launch - April 2018
 - offers simple savings and affordable loans
- Promotion of CU Payroll partnership to employers
 - Offer loans from £100 - £20,000 to members
 - 35 employee members as at end of February 2019
- Also, at same period,
 - 179 CU members in NEL
 - £79,000 savings in account
- Town centre presence in discussion

BUILDING COMMUNITY RESILIENCE

Community shop

- individuals living in an area of deprivation and in receipt of welfare benefits
 - Access and usage - **6,259** households in 2018

Food banks

- Significant increase in demand for food aid (last 10 years)

Food parcels referral

- 178% increase in referrals for food parcels in Q3 of 2018/19 compared to the same quarter in 2017/18
- Average of 39 food parcels referral/month i.e. approx. 10 food parcels referral/week in Q3 of 2018/19
- 56% increase in referrals in 2018 compared to 2017

UNIVERSAL CREDIT – PROVISION OF IAG

- UC went full service in NEL in December 2017
- UC support group was set up
 - Personal budgeting and assisted digital support
 - Quarterly meeting, performance delivered quarterly
 - Outcome Based Accountability (OBA) portal (live)
 - OBA score card and a highlight report
 - Information sharing
- Universal Credit Launch Pad developed
 - Several issues were identified
 - Implementation was monitored to ensure safety net was in place



Universal Credit Launch Pad



Universal Credit

Universal Credit is a Department for Work and Pensions (DWP) benefit delivered by Jobcentre Plus.

It's a single benefit which replaces several in and out of work benefits with a monthly payment for people of working age.

Universal Credit in North East Lincolnshire

Universal Credit is being rolled out in North East Lincolnshire for new claims to benefits. It means North East Lincolnshire is now a full service area.

Please use the information on this page to find out more and if / how Universal Credit will affect you and / or your partner.

Not everyone will need to claim Universal Credit from 13 December. The Department for Work and Pensions will ask you to make a claim for Universal Credit when it is your turn to do so.

You can visit the [Understanding Universal Credit](#) or [Universal Credit directory](#) to search for information, advice and guidance.

[Apply for Universal Credit](#)



What is it?

What does Universal Credit mean for you?



What's different about it?

How will Universal Credit changes affect you?



Will I be able to apply?

Find out if you can apply for Universal Credit and how much you may get



Managing your money.

Worried about your money? Search the useful links



Where can I go for help to make a claim?

Where you can go for further support



Useful Links

Universal Credit information, advice and guidance

More information



Landlords - how will UC affect you?

Read the Universal Credit and rented housing guide for landlords



Do you need emergency food?

Find out how to get a referral for a food bank



Are you ready for this change?

Find out how ready you are

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UNIVERSAL CREDIT

- No of people claiming UC in NEL - **8,165** (Nov 2018)
- UC caseload increases, housing benefit caseload decreases
 - 27% drop in housing benefit between Jan 2018 and Dec 2018
- Impact of Universal Credit on recipients in NEL
 - massive issues within services including mental health services
 - Lincolnshire Housing Partnership (home landlord)
 - steady increase of UC Claimants within their properties (claimants currently in debt with their rent)
 - increase in the number of people who are homeless
 - people are in distress because of financial difficulties - impacts on their wellbeing

IMPACT OF NEEDS ASSESSMENT

The Needs assessment has:

- Enabled us to understand the financial vulnerability of NEL residents
- Highlighted the financial issues faced by NEL residents
- Led to the identification of a financial inclusion advocate within the Council who is now leading on and overseeing the development of a new financial inclusion strategy for the area
- Led to the development of a 2-year financial resilience/inclusion action plan which is being implemented
- Led to stakeholder engagement to improve IAG delivery on money matters and encourage financial inclusion

IMPACT OF NEEDS ASSESSMENT

- Led to stakeholders working with and sharing information with each other – using the OBA model to report and monitor performance
- Led to the review of some of our processes; make changes to them and also put new processes in place
- Led to the broadening of community access to Credit Union
- Led to more people using the community shop through its promotion. The community shop continues to alleviate financial pressures in our community
- Encouraged people to save via the savings scheme
- Enabled us to utilise limited resources efficiently; and most importantly
- Enabled us to better target support at different groups within our community

THANK YOU

ANY QUESTIONS?

FRNA report can be found on

<https://www.nelincsdata.net/resource/view?resourceId=430>