

Financial Resilience Needs Assessment - North East Lincolnshire

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Abbreviations

CAB	Citizens Advice Bureau
CAP	Christians Against Poverty
CARE	Christian Action Resource Enterprise
CCG	Clinical Commissioning Group
CSSU	Commissioning & Strategic Support Unit
DEFRA	Department for Environment, Food and Rural Affairs
DSS	Department of Social Security
DWP	Department for Work and Pensions
ESA	Employment and Support Allowance
IAG	Information, Advice and Guidance
IMD	Index of Multiple Deprivation
JSA	Job Seekers Allowance
MAS	Money Advice Service
LSOA	Lower Super Output Area
NEL	North East Lincolnshire
NELC	North East Lincolnshire Council
PIP	Personal Independence Payment
ONS	Office for National Statistics
PHE	Public Health England
UC	Universal Credit
UK	United Kingdom
YMCA	Young Men's Christian Association

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EXECUTIVE SUMMARY

Financial resilience is the ability of individuals and families to get through financial shocks¹ and is also about access to economic resources, financial products and services, financial knowledge and behaviour and social capital.² In a study carried out in the United Kingdom (UK), nearly a third of respondents (31%) reported one or more signs of financial distress³ indicating that about 1 in 3 adults (roughly 15 million across the UK) could be facing financial issues such as:

- limited economic resources which results in problems paying debts and/or meeting the cost of living expenses;
- low or very low levels of financial products and services such as limited access to, or unmet demand for, credit or insurance; this includes financial exclusion
- limited financial knowledge and confidence; and
- low levels of social capital such as social support in times of difficulties.

The financial resilience of the population of North East Lincolnshire (NEL) was determined through a consultation with the public by the administration of questionnaires, an online survey of 354 respondents aged 18 years and over and the interviewing of stakeholders in North East Lincolnshire who provide Information Advice and Guidance (IAG) on money matters in the area. The survey was conducted by members of the Public Health Team and the Commissioning and Strategic Support Unit (CSSU). The key points from the study are listed below.

KEY FINDINGS

- Debt was frequently spoken about by most respondents - existing debts and getting into debt - and also the stakeholders that were consulted. Stakeholders were very concerned about the level of debt in the area.
- There was increasing concern around debt problems and worries as a result of welfare reform, especially the problems currently associated with the roll-out of Universal Credit (UC) in England and Wales.
- The stakeholders that were consulted were quick to voice their concerns about the huge impact Universal Credit will have on their services and on claimants when rolled out in North East Lincolnshire at the end of this year. There were concerns about this leading to rising indebtedness and homelessness.

- Age was found to be a risk factor of debt related problems with younger respondents more likely to report they had debts and more worried about money management than older people.
- Females were more worried about money management than males.
- Stakeholders reported that they had seen different groups of people and an increase in the number of people coming through their doors.
- Reference was made by stakeholders to the increase in the number of older people aged 65 years and over using their services. These older people were either struggling on their pensions or seeking support for funeral costs.
- Stakeholders also reported an increase in the number of people using food banks.
- Financial capability was a common reference made by most respondents and stakeholders. Stakeholders consulted were concerned about the lack of budgeting skills and financial planning by most people coming through their doors which makes them unable to plan for the future or plan for financial shocks; the majority of respondents also reported that they worry about money management.
- Housing costs, the ability to cope with financial shocks and general budgeting of finances were amongst the most common money worries.
- Most respondents had at least one type of insurance but large proportions of the most deprived are uninsured. Sickness/critical illness cover uptake appears to be higher amongst respondents to this survey than nationally.
- Some young people are still financially excluded as they find it difficult to access financial products such as getting a basic bank account.
- Considerable differences were noted between respondents who live in the more deprived areas and those who live in the less deprived areas of North East Lincolnshire as well as between those who are unemployed and those employed.
- Housing related debts were found to be higher amongst respondents living in the most deprived areas and those who are unemployed.
- Respondents who were unemployed and/or living in areas of higher deprivation reported that they would consider using riskier methods to obtain money in an emergency while respondents who live in the more affluent areas tend to have access to safer methods of credit.

RECOMMENDED ACTIONS

1. North East Lincolnshire Council to oversee the revitalisation and formalisation of the existing Welfare Liaison group. Terms of reference for this group to be developed. Group membership including all stakeholders, the appointment of a chair, and the identification of deputies to be agreed. Frequency of meetings, quorum, and standing agenda items also to be agreed.
2. A financial inclusion advocate with senior responsibility from North East Lincolnshire Council should be identified to lead on and oversee the development of a new financial inclusion plan for the area. The Financial Inclusion Commission vision for the UK for 2020 is detailed in **Appendix 3**. These aspirations which are also applicable to North East Lincolnshire should be reflected in the development of the new local financial inclusion plan.
3. The new Welfare Liaison group to oversee the introduction of quality assurance measures to improve the quality and consistency of money advice.
4. **(ADDENDUM)** As part of 3 above, the new Welfare Liaison group should ensure that clients are made aware and have access to all benefits entitled to including the **NHS Low Income Scheme (HC1 payments)** which helps to pay for: the cost of travelling to receive NHS treatment, NHS prescription charges, NHS dental treatment charges, the cost of sight tests, glasses and contact lenses and NHS wigs and fabric support.
5. North East Lincolnshire Council to consider the reintroduction of an emergency payments scheme.
6. The Alliance to explore measures to secure increased investment into the Voluntary Community Sector and to provide funding opportunities updates to the monthly Voluntary Community Sector forum meetings.
7. Centre4 along with all partners to promote the availability and access to the Credit Union and to bank accounts.
8. Expand existing programmes in the local area where financial resilience/behaviour change is being addressed e.g. Community Shop, food larder etc.
9. Continue to engage with private housing providers (rented sectors) when Universal Credit is rolled out in the area, to support landlords to understand Universal Credit and to ensure that any issues are identified and resolved promptly.
10. The new Welfare Liaison group to explore the viability for a low cost content insurance scheme in the area to support vulnerable people.
11. North East Lincolnshire Council to lead on the refresh the Financial Resilience Needs Assessment (this study) by 2020 to evaluate the impact of full service roll-out of Universal Credit in the area.

1. INTRODUCTION

The Public Health Team and the Commissioning and Strategic Support Unit (CSSU) were tasked to undertake a needs assessment on the financial resilience of households in North East Lincolnshire to help the Council understand the scale of financial vulnerability of families in North East Lincolnshire. The current reform to the welfare benefit system which includes the introduction of Universal Credit has been the most significant in 60 years.

Universal Credit rolls six existing working-age benefits into a single payment. These are income support, income-based Job Seekers Allowance (JSA), income-related Employment and Support Allowance (ESA), housing benefits, child tax credit and working tax credit. The reform, which has a six-week wait built into the system, will have a significant impact on claimants and their finances and also on landlords/social housing providers.

Full service Universal Credit has been rolled out gradually across England and Wales for over two years and by 2022 more than seven million households are scheduled to receive Universal Credit. Full service Universal Credit will be fully rolled out to North East Lincolnshire in December 2017.

This needs assessment will help the Council and its partners understand and address the issues facing its residents and also help to better target support at different groups experiencing different kinds of financial vulnerability. Some of these groups are already financially excluded and this impacts on their education, employment, health, housing and overall wellbeing. Also some groups are just “surviving” and struggling to live a normal life while some others have their budgets already stretched as far as possible but are now at risk of finding themselves in greater financial hardship due to changes in their household finances. It is therefore important to understand the full picture of the current services provided by the different stakeholders providing financial information, advice and guidanceⁱ in North East Lincolnshire and also, equally important, to understand the financial resilience of the people of North East Lincolnshire in times of financial shocks.

ⁱ **Information** is a range of factual, current and impartial material via different media which encourages self-assessment and independent decision-making and signposting. **Advice** contributes to decision-making through suggestions on available options, or how to go about a course of action. **Guidance** is the process of providing in-depth and personalised advice and support to achieve the outcome.

1.1. Background

North East Lincolnshire Council has a duty to provide information, advice and guidance on money matters to its residents. Information, Advice and Guidance on money matters (money management/debt management/budgeting) is mainly provided to stop people getting into debt and to help them improve their financial skills. The Council primarily funds this service and is also supported by various services in providing this. Some support is provided through the Councils' internal services and further support is commissioned externally from local agencies.

Advice on debt and welfare benefits is provided by the Council through its internal Taxation and Benefits service, Home Options service, and externally, by way of commissioned services through North East Lincolnshire Citizens Advice Bureau (CAB). Funding has also been provided to Centre4 for the relaunch of Credit Union in the area.

Locally, people have always sought information, advice and guidance on different types of issues such as tax reduction, benefit and debt advice. Benefit advice is becoming increasingly more important due to the ongoing welfare reforms. The issue of debt has long been a major one in North East Lincolnshire and people seek advice for this. People could get into debt for several reasons – just get into debt on its own or get into debt as a result of other issues such as life changes.

1.2. Aim

To understand financial vulnerability in North East Lincolnshire in order to better target support at different groups experiencing different kinds of financial vulnerability.

1.3. Objectives

To understand:

- North East Lincolnshire's residents'/households' financial situations i.e. the extent to which NEL's residents/households cope when faced with unexpected financial shocks or experience money problems
- The resources needed by North East Lincolnshire's residents to withstand adversity
- Who in North East Lincolnshire is doing better and who is faring worse and why; and
- To enable North East Lincolnshire's residents to better understand what they can do to improve their financial resilience.

2. LITERATURE REVIEW

Financial resilience is the ability of individuals and families to weather financial shocks and it is central to economic and emotional wellbeing.¹ Financial resilience is also being able to access and draw on internal capabilities and appropriate, acceptable and accessible external resources and supports in times of financial hardship.² As individuals, financial resilience determines people's ability to participate productively in society and also has an impact on people's mental health. At the family level, evidence shows that the life chances or prospects of young people are greatly affected by the financial resilience of their parents while the state is also affected by the financial resilience of its citizens.¹

Research shows that many families in the UK are relatively income rich but are not able to respond to financial shocks or sudden gaps in earning. This is mainly because they lack the ability or the resources to do so. On the other hand, there are other people who live in absolute or relative poverty.¹

People who are relatively asset rich are individuals who have accumulated a lot of assets over the years and who have the feeling of being rich or wealthy. However, they may lack the liquidity, that is, lack the cash or convertible assets to respond to financial shocks and to manage their financial lives effectively.¹ This is mainly because their assets or wealth are tied down in their property and they are unable to make use of this wealth when it comes to mitigating or easing the financial shocks that can come with life-changing events such as retirement and potentially worsening health.¹ This is true of older people who can often be asset rich but cash poor.¹ This shows that income and wealth may not always be the best predictor of people being able to respond well to financial shocks. Therefore, what is more important is where money is, and not just how much people have.¹

The financial resilience of individuals and families has a considerable effect on a range of outcomes ranging from people's emotional wellbeing to their educational attainment.⁴ People who are more financially resilient have been found to be more stable, and cope better with financial shock and are therefore less likely to be reliant on the state.⁵ Research also shows that a population that is more financially resilient tends to be happier, more likely to meet its potential and is not likely to call on the resources of the state.⁵

An Australian study (2016)² identified four components for coping with financial shocks. These are mainly access to four groups of resources:

- Economic resources (*savings, debt management, meeting costs of living, raising funds in an emergency and income level*)
- Financial products and services (*access to and demand for financial products and services*)
- Financial knowledge and behaviour (*knowledge and understanding of financial products and services and ability/willingness to apply that knowledge*); and
- Social capital (*family, friends, community, and government networks and supports*).

This research also indicated that resources are:

- appropriate, if they are suitable to meet a person's needs
- acceptable, if they are agreeable to the people they aim to support, and
- accessible, if people are able to obtain them.

Evidence shows that financial inclusionⁱⁱ (access to financial services) is very important in that it enables the poorest and most vulnerable in society to step out of poverty and reduces inequality in society. It can serve as a bridge out of poverty⁶ and empower people and communities with the skills and knowledge to make the right financial decision.⁷ The impacts of exclusion are not just financial but also affect education, employment, health, housing, and overall well-being.⁸

While financial exclusion measures access to financial products and services only, financial resilience combines and measures the four components for coping with financial adversity and achieving financial security, that is, financial resilience:

- measures access to financial products
- measures demand for financial products
- identifies how to move vulnerable consumers towards greater opportunity and strength
- provides a reliable comparison on interventions.

Financial resilience therefore provides a much more in-depth understanding of people's financial situations, the resources they have to protect themselves in times of adversity and clearer signposts of where additional support or resources are needed and for who.

ⁱⁱ Financial inclusion is the process of ensuring access to appropriate, useful and affordable financial products and services that meets the need of vulnerable groups (such as weaker sections and low income groups) at an affordable cost, in a fair and transparent manner by mainstream institutional players.

3. METHODS

A steering group was set up to oversee the project. This group comprised representatives from Public Health, the CSSU, the Consultation and Engagement team, the Clinical Commissioning Group (CCG) Accord Ambassador and some stakeholders in the area who provide IAG on money issues (Centre4, NEL Home Options service, the Local Council Tax and Benefits service).

Following a comprehensive review of the literature, a scoping exercise was undertaken to identify the aims and objectives of the study, the study population, what the study would and would not cover, the form of consultation to be undertaken and the research method to be used. The study was undertaken using both quantitative and qualitative research methods and all data collected was analysed using the appropriate method. Quantitative data was analysed using Excel and SPSS statistical computer software packages while qualitative data was analysed by grouping responses into different themes.

Relevant data sources from available resources relevant to the study were analysed and reviewed. These data sources include: Office for National Statistics (ONS), Public Health England (PHE), Nomis, which provides official labour market statistics, Index of Multiple Deprivation (IMD) and the Department for Environment, Food and Rural Affairs (DEFRA).

The study population was the general population, that is, residents of North East Lincolnshire aged 18 years and over but with a focus on vulnerable groups identified in the literature. These are groups that are more at risk and include people:

- in social housing
- with mental illness
- who are unemployed or underemployed
- on income support
- older people
- in work on low income
- in insecure employment
- people in privately rented accommodation

A semi-structured schedule (questionnaire) designed by the members of the steering group was used to elicit the specific needs of the residents of North East Lincolnshire when they find themselves in financial difficulties. The questionnaire, which contained both closed and open questions, was produced as an online survey on “Money Matters” for the general

population to complete (see Appendix 1). Due to anticipated difficulties accessing people who are in the greatest need, stakeholders assisted in the administration of paper copies of the survey to their clients/customers for completion on behalf of the research team. Paper copies were made available in Lincs Inspire libraries and the Council's customer access points. Due to the sensitive nature of issues regarding finances, focus groups were not undertaken. The survey was based on households rather than individuals as people sharing a home tend to pool their finances (e.g. families, couples).

Some community engagement work was undertaken for this study to ensure that the study was widely publicised. Two press releases and two boosted Facebook posts were sent out to the general public. The survey was promoted through some organisational newsletters such as Vision (NELC), Weekly Global (NEL CCG), through participating stakeholders who included the link to the online survey on their websites (Accord, Shoreline Housing, NEL Home Options service) and also by sending the link to their staff.

A six-week consultation with the public took place from the last week in July to the first week in September (28th July to 7th September, 2017). At the end of the consultation period, 354 survey questionnaires were completed; 160 online and 194 paper questionnaires.

Stakeholders/service providers were also consulted using a stakeholder interview schedule in order to understand the role played by them in providing IAG on money matters and also to get their views on this issue (see Appendix 2). The consultation with stakeholders took the form of a one to one discussion/interview with the individual stakeholder. 20 services believed to be providing financial IAG were identified by the steering group and were contacted to be interviewed. 14 of these agreed to be interviewed and were interviewed; another four responded that they do not currently provide financial IAG so were excluded from the study while there was no response from the remaining two services. The stakeholders interviewed are:

- Citizens Advice Bureau
- Centre4
- Local Tax and Benefits service
- NEL Home Options service
- Job Centre Plus/Department of Work and Pensions
- Shoreline Housing
- Women's Aid

- Young Men's Christian Association
- Doorstep
- Age UK
- Carers Centre
- Christians Against Poverty
- Christian Action Resource Enterprise
- Salvation Army Hostel

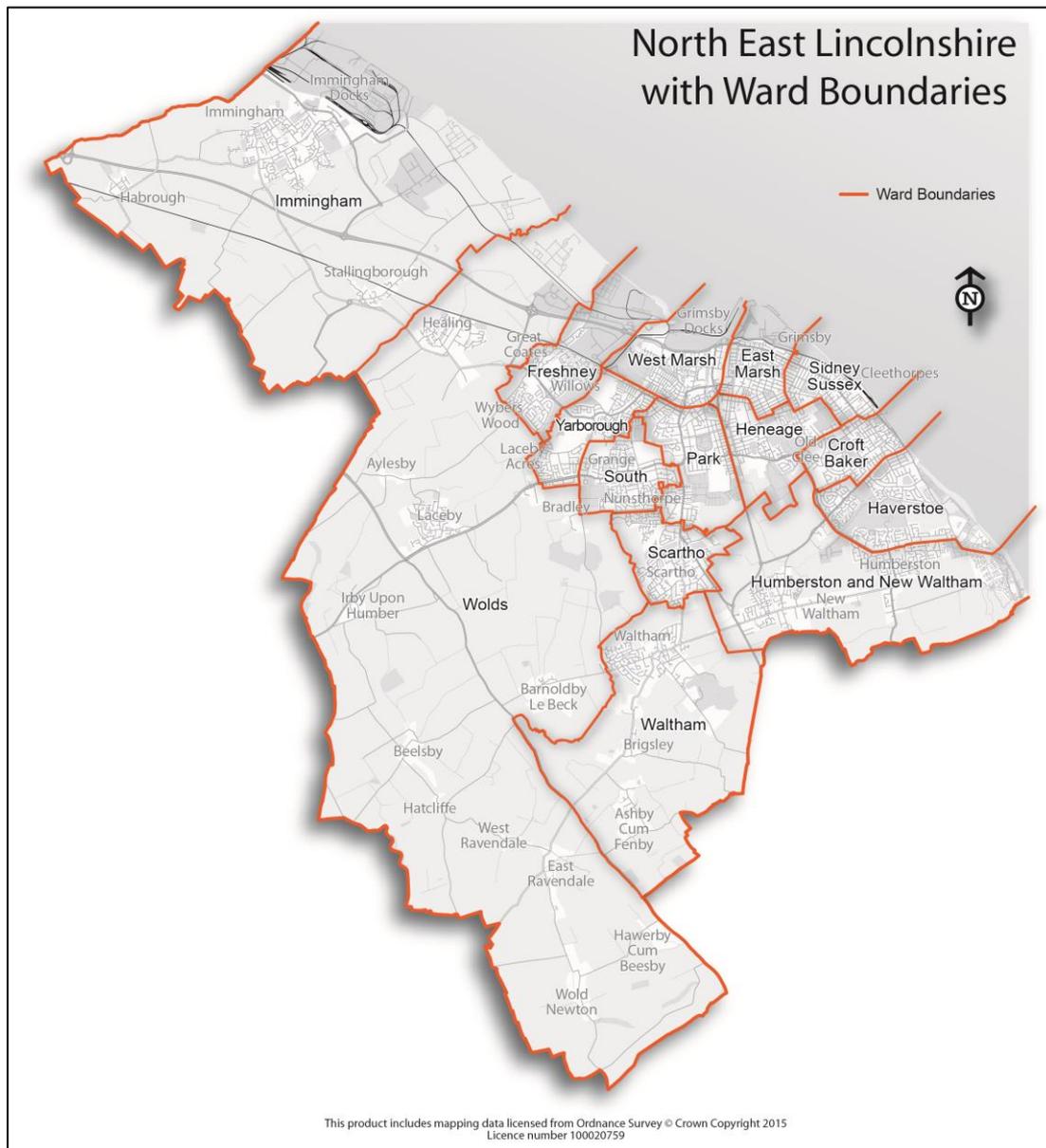
4. DEMOGRAPHICS

North East Lincolnshire unitary authority covers an area of 192km.⁹ On the northern border is the Humber estuary designated as a *Site of Special Scientific Interest* and to the south is the Lincolnshire Wolds recognised as an *Area of Outstanding Natural Beauty*. Cleethorpes gained four national Seaside Awards in 2015.⁹ The majority of the resident population live in the towns of Grimsby and Cleethorpes while the remainder live in the smaller town of Immingham, or in surrounding rural villages.

The 2011 Census figures classified 94.2% of the population of North East Lincolnshire as living in an urban environment;¹⁰ however North East Lincolnshire also has a wide variety of parks and open spaces.

There are 15 electoral wards in North East Lincolnshire (Figure 1). These are Croft Baker, East Marsh, Freshney, Haverstoe, Heneage, Humberston and New Waltham, Immingham, Park, Scartho, Sidney Sussex, South, Waltham, West Marsh, Wolds and Yarborough. There are also 106 Lower Super Output Areas (LSOA) distributed amongst these electoral wards. The Lower Super Output Areas contain a minimum population of 1,000 and an average of 1,500.

Figure 1 Map of North East Lincolnshire Area

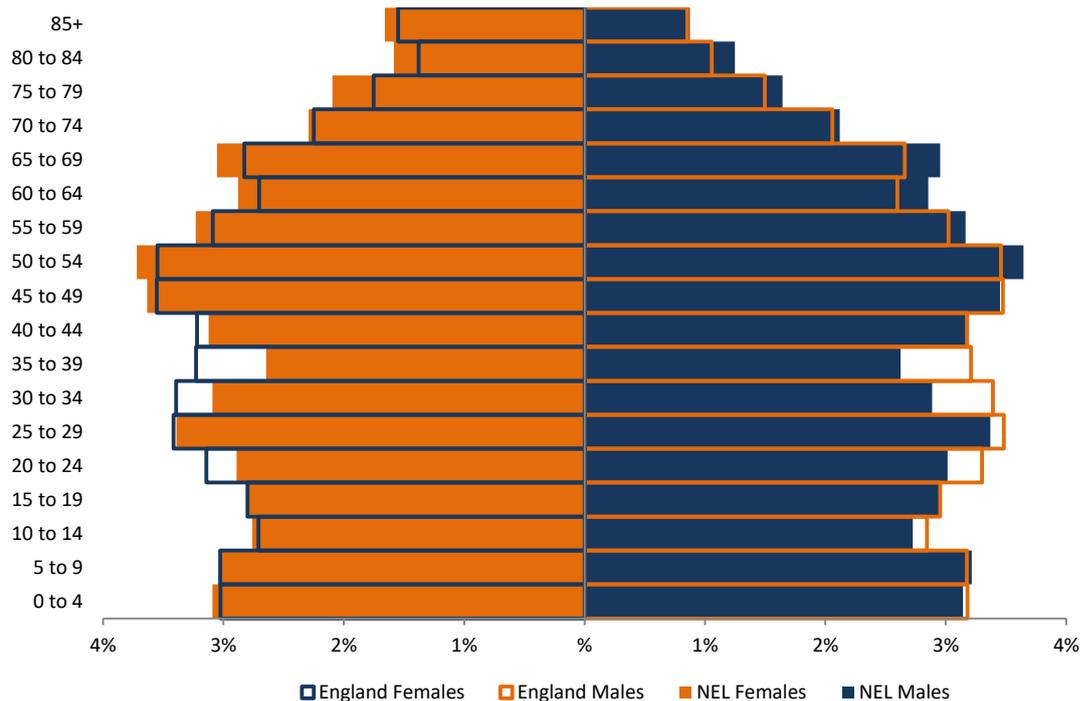


4.1. Population

An estimated 159,804 people live within the boundary of North East Lincolnshire. This is an increase of 1.1% in the 10 years since 2004.¹¹ The latest population projections by the Office for National Statistics project an overall rise of 2.4% in the 25 years from 2012 to 2037, with the number of people aged 85+ predicted to more than double. While the proportion of the population under the age of 16 years and those of working age (16 to 64 years) is predicted to decrease, the proportion of those aged 65 years and over is predicted to increase significantly.¹²

The age profile between the 15 wards in North East Lincolnshire also varies with the proportion of 0 to 15 year olds in Heneage, Sidney Sussex, South, East Marsh and West Marsh wards above the average (19%) for the area. Haverstoe, Humberston and New Waltham and Waltham wards however, have the highest proportions (over 25%) of people of pensionable age.¹¹ Figure 2 shows the population pyramid by age for North East Lincolnshire.

Figure 2 Population pyramid for North East Lincolnshire and England, by 5 year age group: Mid-2015



Source: Office for National Statistics 2016

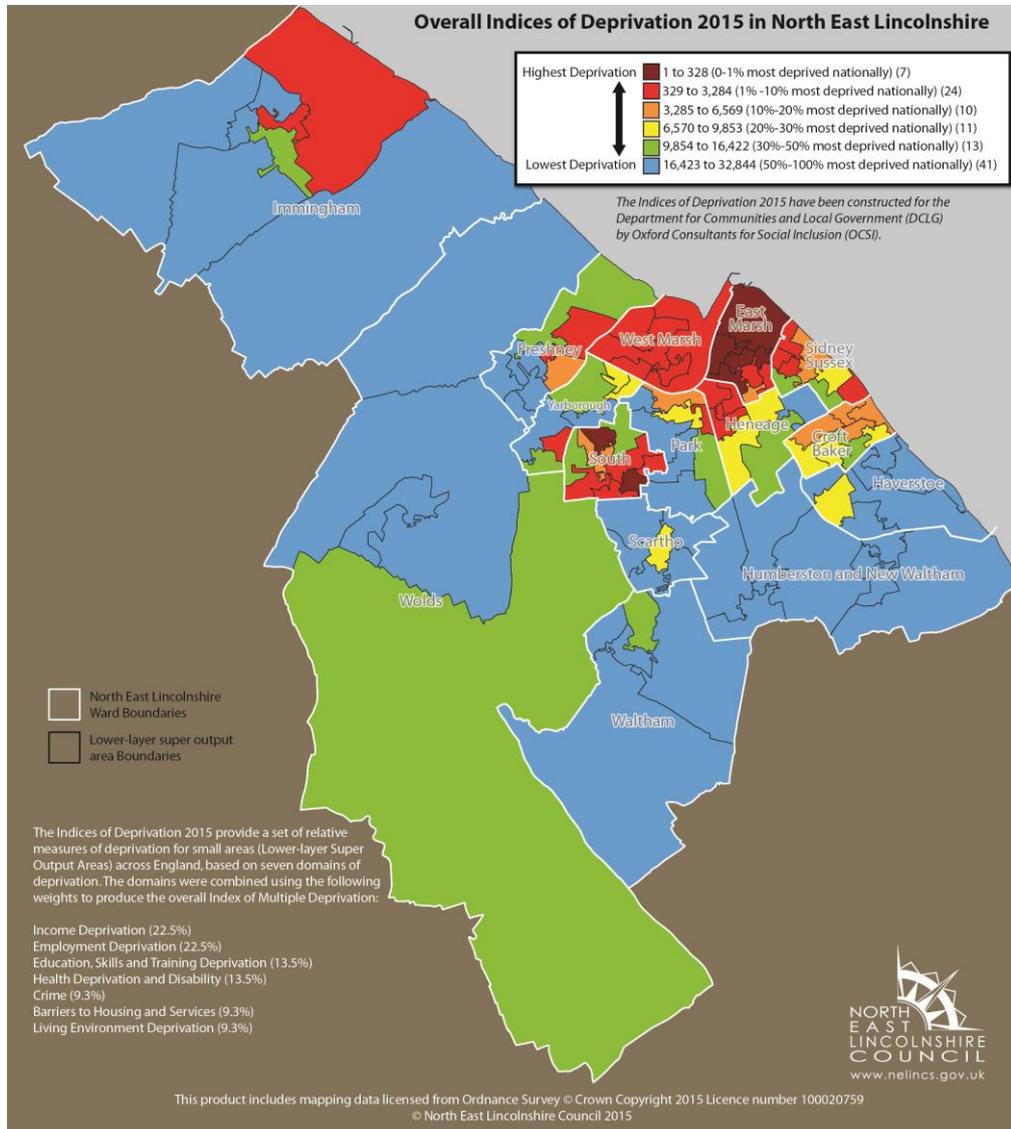
In 2015, 61.4% of North East Lincolnshire’s population was of working age which is marginally lower than the regional average (62.8%) and national average (63.1%). The overall population of ethnic minorities within North East Lincolnshire at the time of the 2011 Census was estimated at 4.6%, which is significantly lower than regional (14.2%) and national (20.2%) comparators.¹³

4.2. Deprivation

North East Lincolnshire has high levels of socio-economic deprivation particularly within East Marsh, West Marsh and South wards. It also has an increasingly deprived overall picture relative to other local authorities.¹⁴ In North East Lincolnshire, more people are income

deprivedⁱⁱⁱ than employment deprived.^{iv} Also, 36% of children aged 0 to 15 and 19% of people aged over 60 live in areas of significant socio-economic disadvantage. Figure 3 shows the distribution of deprivation across North East Lincolnshire.

Figure 3 Indices of Multiple Deprivation in North East Lincolnshire: 2015



4.3. Economy

North East Lincolnshire has a distinctive economy, built on expertise in manufacturing, engineering, ports and logistics, and food processing. The local area has some significant advantages stemming from its location, labour force, and transport infrastructure that position it for growth in renewables, chemicals, advanced manufacturing and the food and drink

ⁱⁱⁱ Families that are out-of-work and families that are in work but who have low earnings and satisfy the respective means test

^{iv} Those who would like to work but are unable to do so through unemployment, sickness or disability

sector. Taken together, Grimsby and Immingham constitute the UK's largest port by tonnage shipped.¹¹

The rate of unemployment in North East Lincolnshire is decreasing, and at an estimated 5.8% is at its lowest level in the last 13 years. However, it remains higher than the regional or national rate¹⁵ with almost a fifth of households (18.6%) in North East Lincolnshire being workless^v. This is the sixth-highest percentage in the Yorkshire and Humber region and is higher than both the national and regional percentage (15.1% and 16.8% respectively). Since 2004 to present, North East Lincolnshire has remained above the Yorkshire and Humber and national percentages and the percentage point gap has in fact increased slightly between the local and national proportion of workless households¹⁶.

The trend data for Jobseekers Allowance claimants (as a proportion of the working age population) has remained consistently above the national and regional proportions for the last 16 years. North East Lincolnshire JSA claimant proportions appear to follow national and regional trends over time but the spikes in numbers are more pronounced locally. The greatest difference between North East Lincolnshire and regional and national JSA claimants occurred in winter of 2009, late summer of 2011 to early spring 2012 and early 2013. Since January 2013, the difference has reduced considerably and the difference is now at one of the lowest percentage point difference in the last 16 years.¹⁶ Over half of all claimants in North East Lincolnshire have been receiving JSA for less than six months and, by age group, the majority of claimants are aged 25-49.¹⁷

Almost double the proportion of the working age population in North East Lincolnshire are claiming out of work benefits compared to the England average (2.1% compared to 1.1%). North East Lincolnshire's proportion is also greater than the Yorkshire and Humber regional percentage of 1.5%. Within North East Lincolnshire's wards there is substantial disparity between the proportions of working age populations claiming out of work benefits; ranging from over 8% in East Marsh to 1% in Humberston and New Waltham, Waltham and Wolds wards.¹⁸ The proportion of out of work benefit claimants per ward appears to be associated with deprivation; i.e. wards with a higher proportion of out of work households are more likely to have a higher deprivation rank. Further analysis at LSOA level for out of work benefit claimants found that within some wards, even those where unemployment is not thought to be a major issue, there are pockets of very high unemployment. For example, Freshney ward is not thought to have major unemployment problems, but a small part of the ward has

^v A workless household is a household that contains at least one person of working age, but has no members of the household in work.

one of the highest rates of out of work benefits claimants in the borough. This shows that not only is there considerable disparity amongst wards; there are also geographical differences at sub-ward level.¹⁶

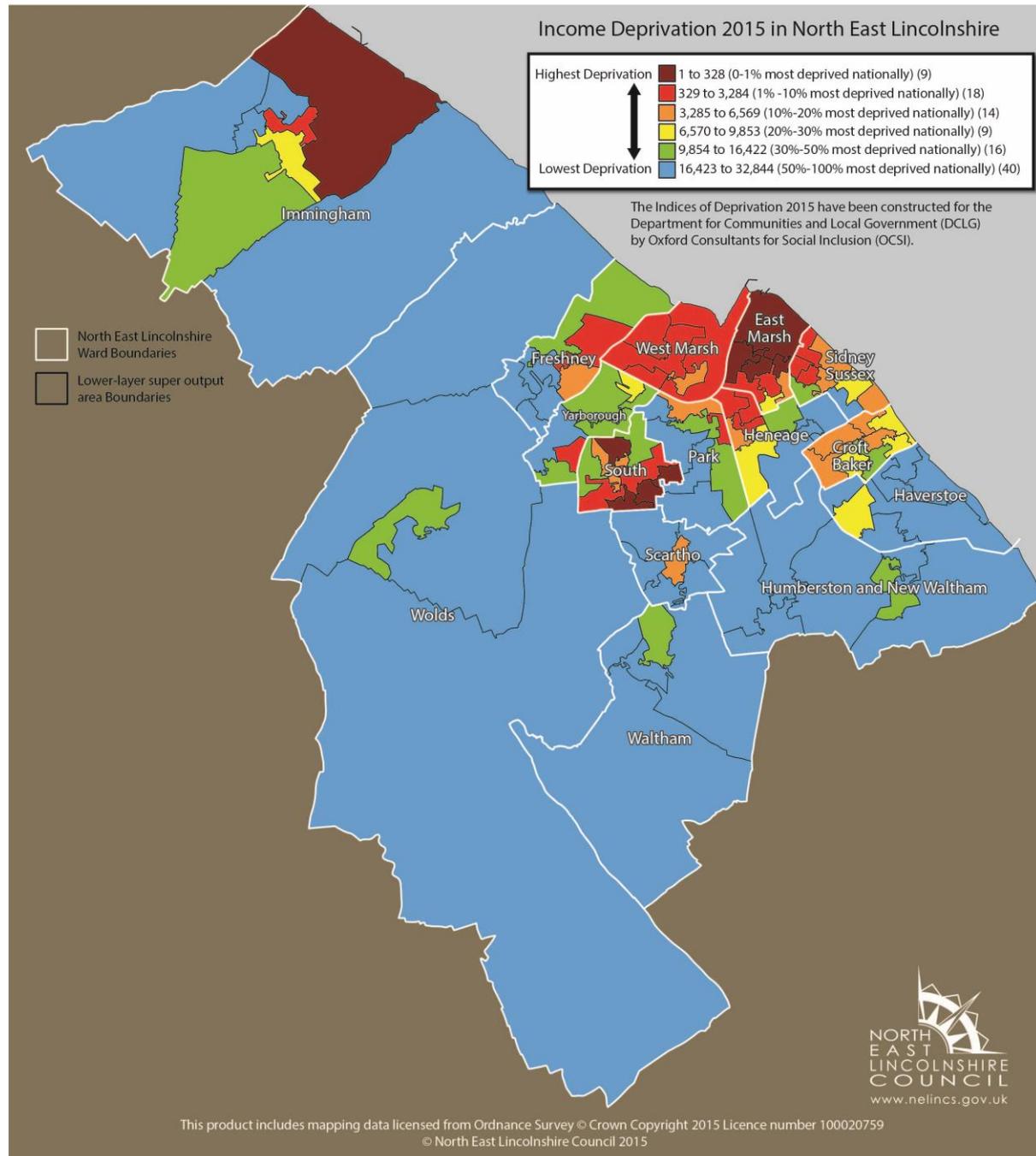
4.4. Income

The Income Deprivation Domain of the 2015 Indices of Multiple Deprivation measures the proportion of the population in an area experiencing deprivation relating to low income. The definition of low income used includes both those people that are out of work, and those that are in work but who have low earnings (and who satisfy the respective means tests). Income deprivation data within North East Lincolnshire (Figure 4) shows that the majority of the East Marsh ward is in the worst 1% of all LSOAs in England for income deprivation. Similarly, the majority of West Marsh ward is within the worst decile of all national LSOAs for income deprivation. Other areas which have poor income deprivation include South ward, Sidney Sussex and parts of Immingham ward. Urban areas away from Grimsby town centre typically perform better for income deprivation; as do the rural areas and small villages of North East Lincolnshire.¹⁴

The Income Deprivation Affecting Children Index (IDACI) measures the proportion of all children aged 0 to 15 years living in income deprived families. It is a subset of the Income Deprivation Domain and is the sum of all the indicators within the domain relating specifically to children. A significant proportion of LSOAs in North East Lincolnshire fall into the top 1% worst nationally deprived areas relating to income deprivation affecting children. Most notable is the East Marsh ward and areas of South Ward. Similarly, West Marsh ward and parts of the Heneage and Sidney Sussex wards fall within the worst decile nationally.¹⁴

The Income Deprivation Affecting Older People Index (IDAOPI) measures the proportion of all those aged 60 years or over who experience income deprivation. It is a subset of the Income Deprivation Domain and is the sum of all the indicators within the domain relating specifically to older people. As with the Income Deprivation Affecting Children index income deprivation affecting older people largely follows a similar geographical pattern. East Marsh, West Marsh and South wards all fall within the worst national decile and suffer considerably from income deprivation affecting older people.¹⁴

Figure 4 Indices of Multiple Deprivation in North East Lincolnshire – Income Domain: 2015



With regards to income and earnings, in 2014, the average national full time pay was 13.8% higher than in North East Lincolnshire. The average disposable income per head across the North and North East Lincolnshire region increased by 20.5% between 2005 and 2012 compared with a 25% rise nationally over the same.

In 1997, average weekly earnings in North East Lincolnshire were higher than the Yorkshire and Humber region average weekly earnings. However, despite weekly earnings in North East Lincolnshire increasing, they have not done so at the same rate as national and

regional increases. North East Lincolnshire now lags behind considerably in relation to average full-time weekly earnings, almost £70 a week below the national average and £29 below the regional average. The gap between local and national average earnings reduced considerably in 2011 but since then, growth in earnings has slowed. Between 2012 and 2016, the average weekly gross income for full-time workers resident in North East Lincolnshire has grown by 2.2%, compared to 7.1% regionally and 6.4% nationally.

Within the Yorkshire and Humber region, North East Lincolnshire had the second greatest proportion of children under the age of 16 years living in low income families. With 29.1% of the under 16 population living in low income families, North East Lincolnshire was significantly worse than all but one local authority in the Yorkshire and Humber region as well as being significantly worse than the regional and national percentages (22.5% and 20.1% respectively).¹⁶

Model based estimates of households in poverty^{vi} show that within North East Lincolnshire there is a clear geographical relationship between areas of higher deprivation and where there are a greater proportion of households in poverty. However, there is also evidence that parts of the more affluent areas of North East Lincolnshire (e.g. parts of Haverstoe ward) also show a considerable proportion of households in poverty.

Fuel poverty^{vii} data for the Yorkshire and Humber region shows that North East Lincolnshire has the fifth greatest proportion of households living in fuel poverty of the local authorities in the region.¹⁹ In 2014, it was estimated that 12.3% of households in North East Lincolnshire were fuel poor: significantly greater than the national proportion (10.6%) and regional proportion (11.8%).

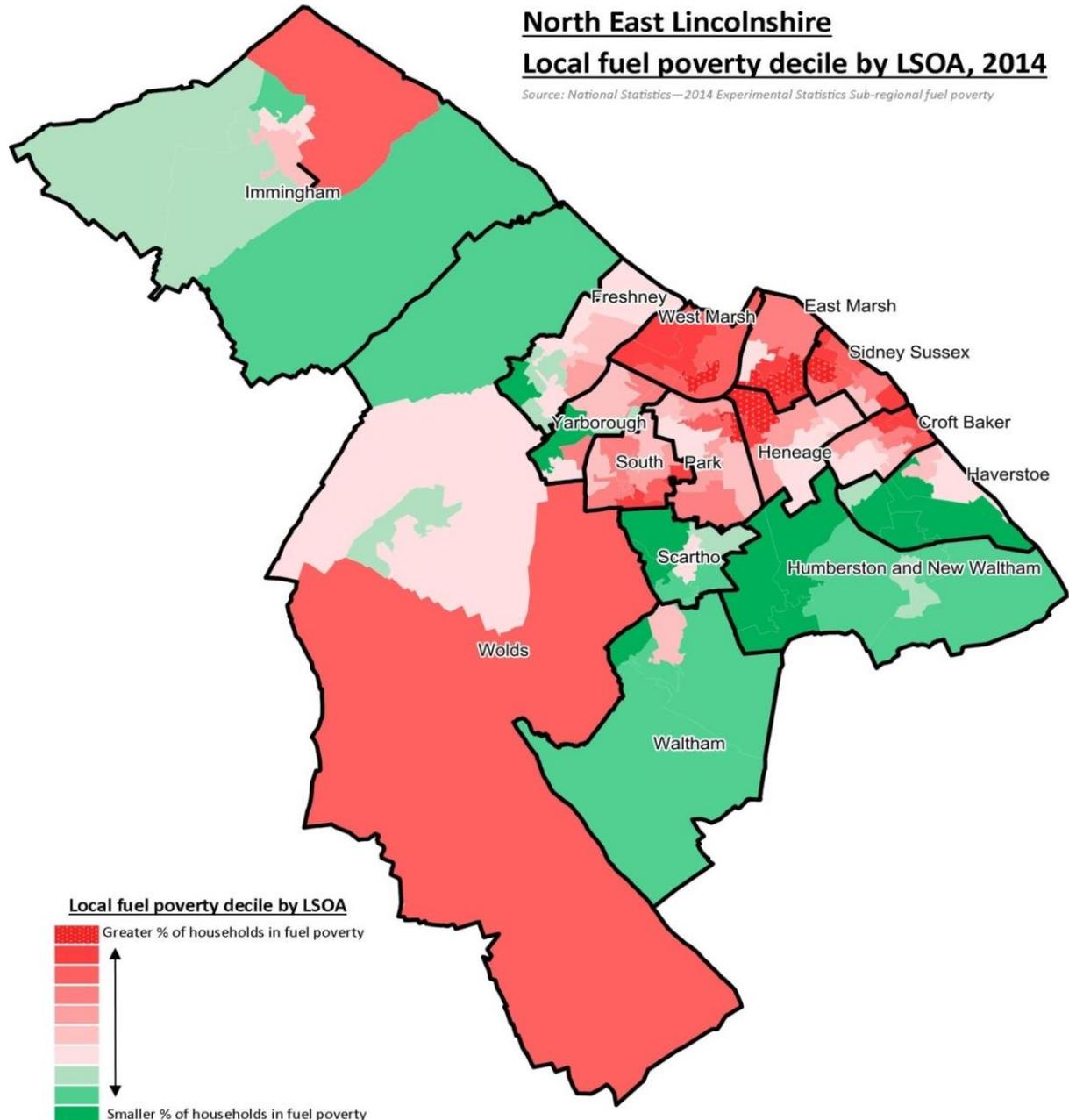
Within North East Lincolnshire fuel poverty is most prevalent in the more deprived areas; particularly in the East Marsh and West Marsh wards as well as Sidney Sussex ward. These wards have the greatest proportion of pre-1919 housing stock which are more likely to be to be solid walled properties without cavities and therefore harder to insulate and keep warm. These areas typically suffer from poor income levels (as shown in Figure 5), which, combined with poor housing stock results in a high proportion of households suffering from

^{vi} % of households below 60% of the median income (after housing costs)

^{vii} Fuel poverty in England is measured using the Low Income High Costs (LIHC) indicator. Under the LIHC indicator, a household is considered to be fuel poor if: they have required fuel costs that are above average (the national median level), were they to spend that amount, they would be left with a residual income below the official poverty line. There are 3 important elements in determining whether a household is fuel poor: household Income, household energy requirements, and fuel prices. (GOV.UK, 2013)

fuel poverty. The map also shows that parts of the Wolds ward show particularly high proportions of fuel poor households. Wolds ward is predominantly a rural area with households likely to be off the gas grid resulting in more reliance and a greater use of more expensive heating fuels. Rural housing is also more likely to be older, stone built houses with greater wall surface areas and poor to no insulation.

Figure 5 Fuel poverty deciles in North East Lincolnshire by LSOA, 2014



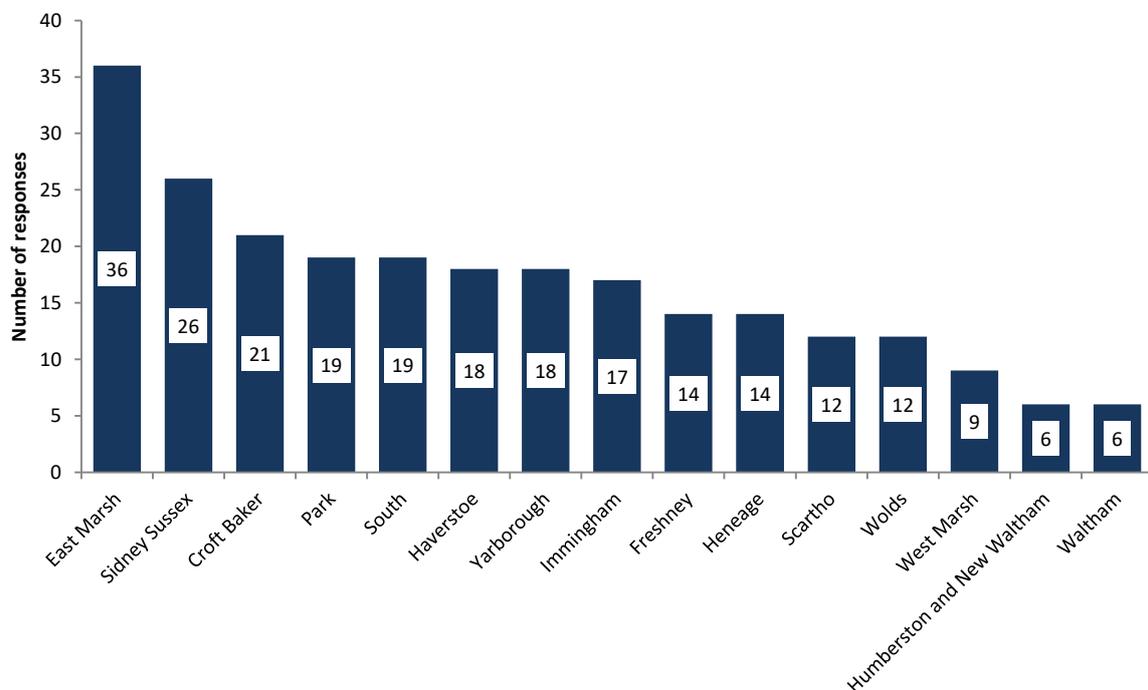
5. MONEY MATTERS SURVEY ANALYSIS

The following section includes the aggregated analysis of responses to the local Money Matters Survey. There were a total of 354 responses to the survey. 160 responses were received through the online survey and 194 were paper surveys. Where possible, comparisons between different population groups have been made to highlight particular variations in attitudes and behaviours in money management.

5.1. Survey Respondents^{viii}

- 42% of respondents were male, 55% were female and 3% did not identify their gender.
- Over 75% were aged 25 to 64 years, 12% were aged 65 years and over and 11% were young adults aged 16 to 24 years.
- Figure 6 shows that the greatest number of responses was received from the East Marsh (36), Sidney Sussex (26) and Croft Baker (21) wards. West Marsh (9), Humberston and New Waltham (6) and Waltham (6) had the fewest number of responses.

Figure 6 Number of respondents by ward



Note: Due to the small number of responses at ward level, geographical analysis was undertaken at deprivation quintile.

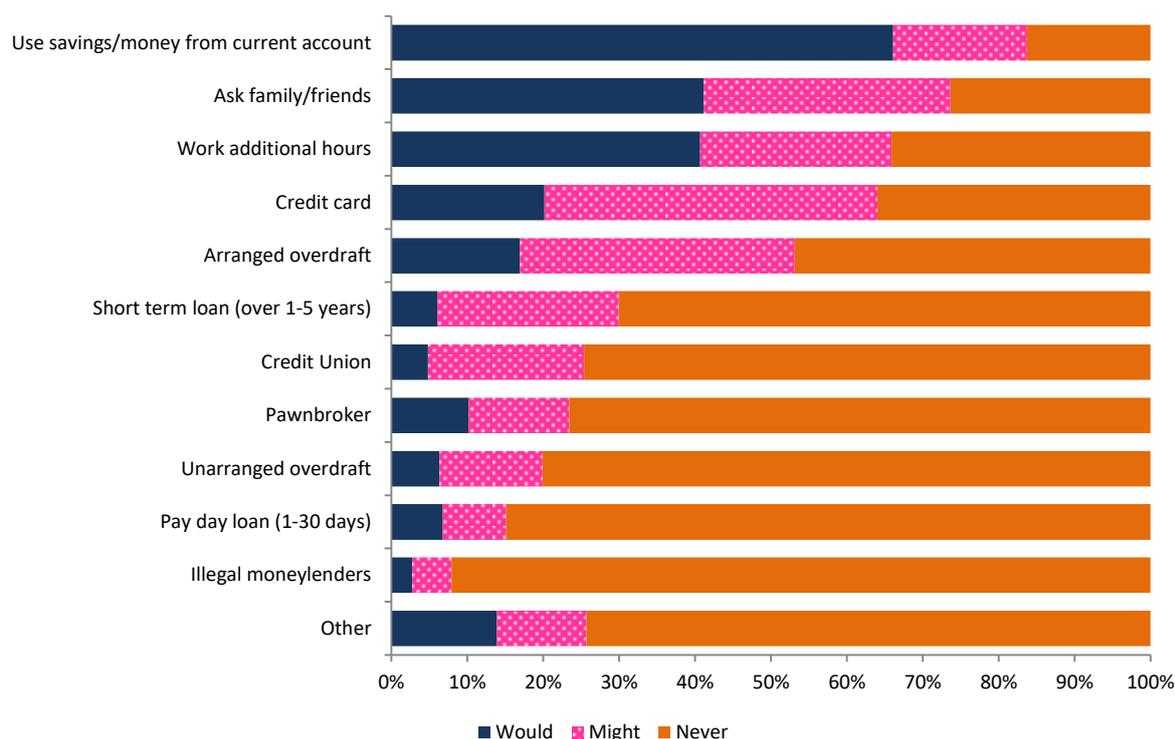
^{viii} Please note, values in this section may add up to more than 100% due to rounding or due to respondents being able to select more than one answer.

- The highest proportion of respondents were resident in the most deprived local quintile (29%), 22% were from the second most deprived, 18% from the middle quintile, 13% from the second least deprived quintile and 19% from the least deprived quintile in North East Lincolnshire.
- Almost half of respondents owned their own home (25% with a mortgage, 24% without a mortgage), 26% rented from a private landlord, 11% were living in social housing. The remaining 11% were either living with parents, in sheltered housing or had no fixed abode.
- 45% of respondents were employed, 20% were unemployed, 15% were retired and small proportions of respondents identified themselves as either self-employed, a homemaker, a student, a carer or disabled.
- Of those who were employed or self-employed, 64% were employed full time, 30% were part time, 5% had a temporary contract and 3% had zero hour contracts.
- Over a third (36%) stated that they were in receipt of benefits. The greatest proportion of claimants received Personal Independence Payment (PIP)/Disability Living Allowance (DLA) followed by ESA, child tax credits, working tax credits, JSA or housing benefit claimants.

5.2. Accessing Money in an Emergency

- When asked what they would do if they needed money in an emergency, the majority (86%) said they would or might use their savings/current account and 74% said they would or might ask their friends or family to help them out. 44% said they might use a credit card and 36% said they might use an arranged overdraft (Figure 7).
- 83% of respondents said they would never use more risky forms of obtaining money in an emergency (e.g. those associated with high levels of interest or where they borrow against their possessions (buyback)). 23% said they would consider using a pawnbroker, 20% would consider using an unarranged overdraft, 15% said they would consider using a payday loan and 8% would consider using an illegal money lender.

Figure 7 If you needed £200 in an emergency, what would you do?



- There were considerable differences between those living in the most deprived quintiles and those who live elsewhere in North East Lincolnshire (Figure 8) when comparing methods of obtaining £200 in an emergency. The most deprived households would or might be more likely to obtain money through more risky measures whereas less deprived households were more likely to use methods such as savings, credit cards or an arranged overdraft.
- More deprived households were more likely to ask family for help or work additional hours. Similarly, these households were considerably more likely to consider illegal money lenders than less deprived households; 19% of the most deprived households would or might use an illegal money lender whereas only 4% would use an illegal money lender elsewhere in North East Lincolnshire.
- As shown in Figure 9, those who are employed were less likely to consider using riskier methods of obtaining money compared to those who are unemployed.
- Similarly, those who are unemployed were considerably less likely to use money from savings/current account or a credit card and more likely to use a pawnbroker to obtain £200 in an emergency.

Figure 8 If you needed £200 in an emergency, what would you do? % of those who would or might consider each method with a comparison of those living in the most deprived to those in all other quintiles

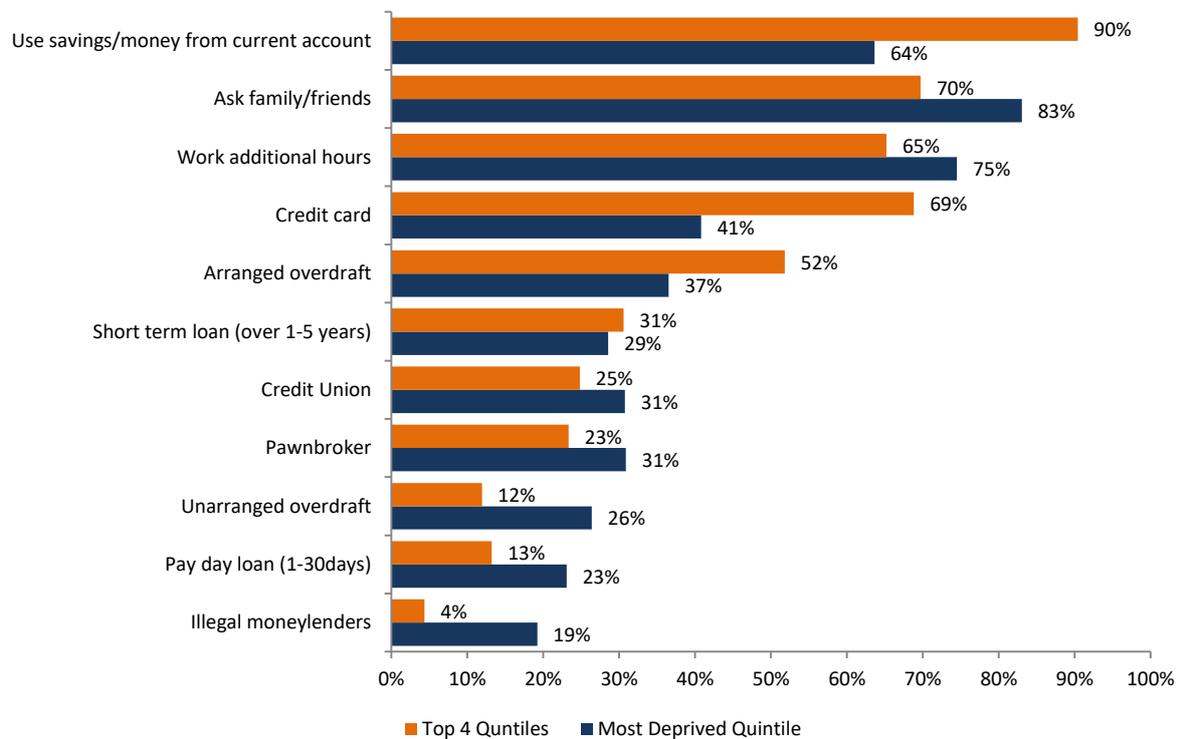
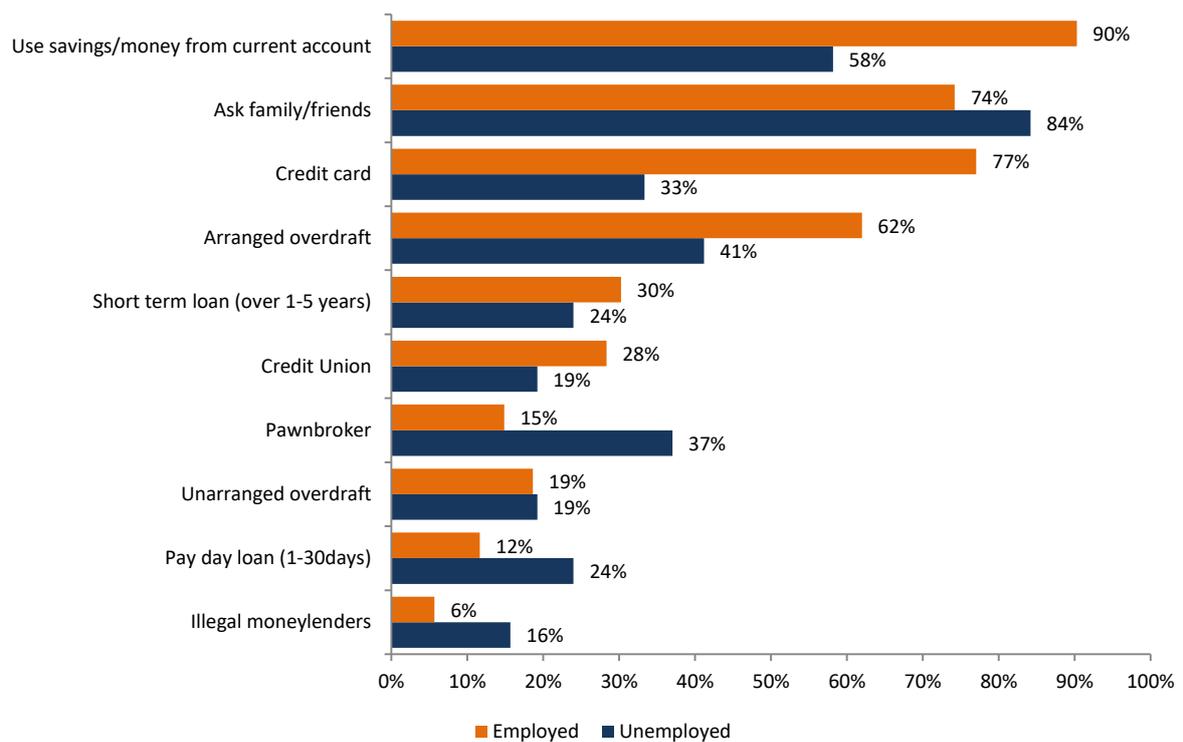


Figure 9 If you needed £200 in an emergency, what would you do? % of those who would or might consider each method with a comparison of those employed (including self-employed) and those unemployed



5.3. Money Management

- Almost two thirds (64%) of respondents felt worried at least some of the time about managing their money.
- Those living in the most deprived areas of North East Lincolnshire were almost 1.3 times more likely to report worrying about money management than those who reside in the least deprived areas.
- Females were more likely to report being worried about managing money than males.
- Young adults (aged 16 to 24) were the most likely to report they worry about money management and those aged 65 years and over were least likely to worry about money. The proportion of people who worried about money management reduced with increasing age.

5.4. Financial Planning

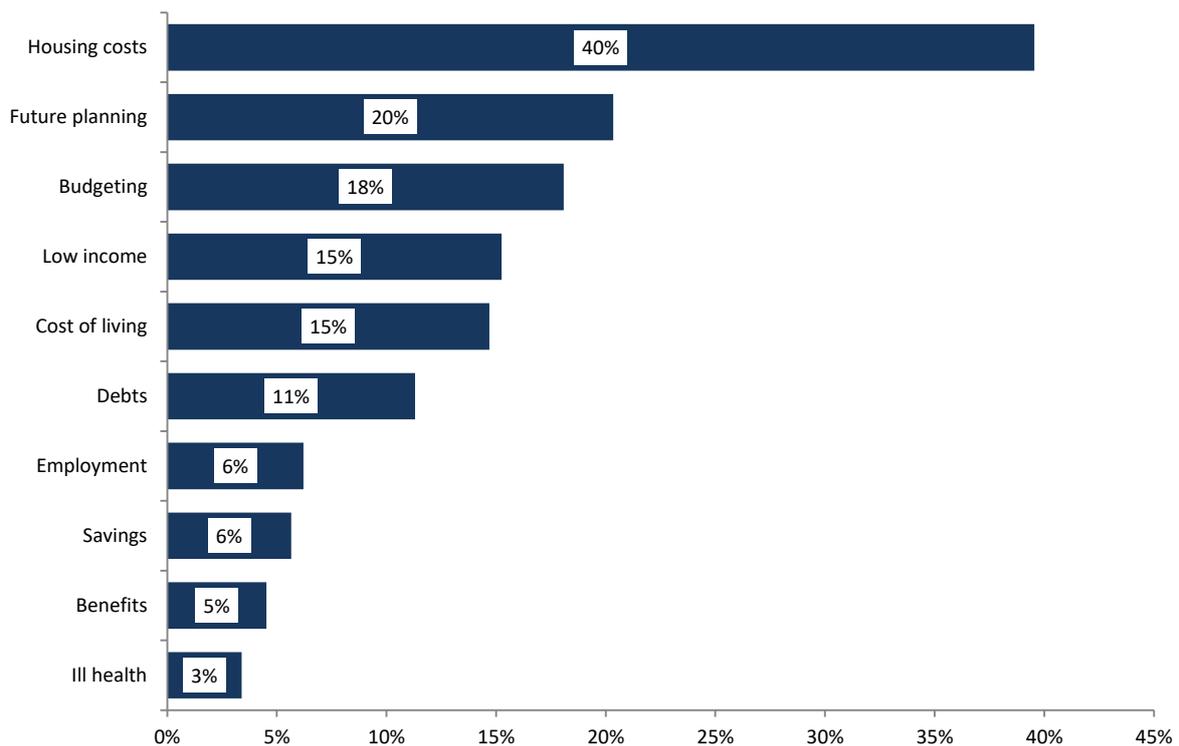
- 69% of survey respondents said they had at least one type of insurance. The most common type of insurance held was building and contents insurance (59%) followed by life insurance (34%); 9% have a funeral plan in place.
- Those aged 45 years and over were considerably more likely to report having at least one type of insurance than those aged under 45 years (88% compared to 58%).
- Less than half (46%) of those who lived in the most deprived areas of North East Lincolnshire stated they had any type of insurance whereas this proportion almost doubled in the least deprived areas of North East Lincolnshire (90%).
- Of those who owned their own home, 93% stated that they had building and contents insurance.
- Of those who were employed or self-employed, 25% stated that they had sickness and critical illness cover. Of those who had a mortgage, this proportion increased to 44%.

5.5. Money Worries

- The free text responses were categorised and analysed and it was found that a significant proportion of people (40%) worry about being able to afford their housing costs (i.e. utility bills, council tax, rent/mortgage arrears etc.) as shown in Figure 10.
- A fifth of people said they worry about the future and how they will cope with things like affording to live on a pension, the ability to save for things in the future and coping with unexpected financial shocks.
- Nearly a fifth (18%) also said they worry about how they budget week to week, month to month and 15% are concerned about their low income.

- 15% were worried about the general cost of living and how they are struggling to live a normal life without worrying about money.
- 11% worry about existing debt or getting into debt and 6% worry about job security or a lack of consistent working hours.
- 5% of people worry about their benefits and how future changes will impact on their benefits.

Figure 10 What do you worry about?*



*Total exceeds 100% due to more than one category being identified from some free text responses

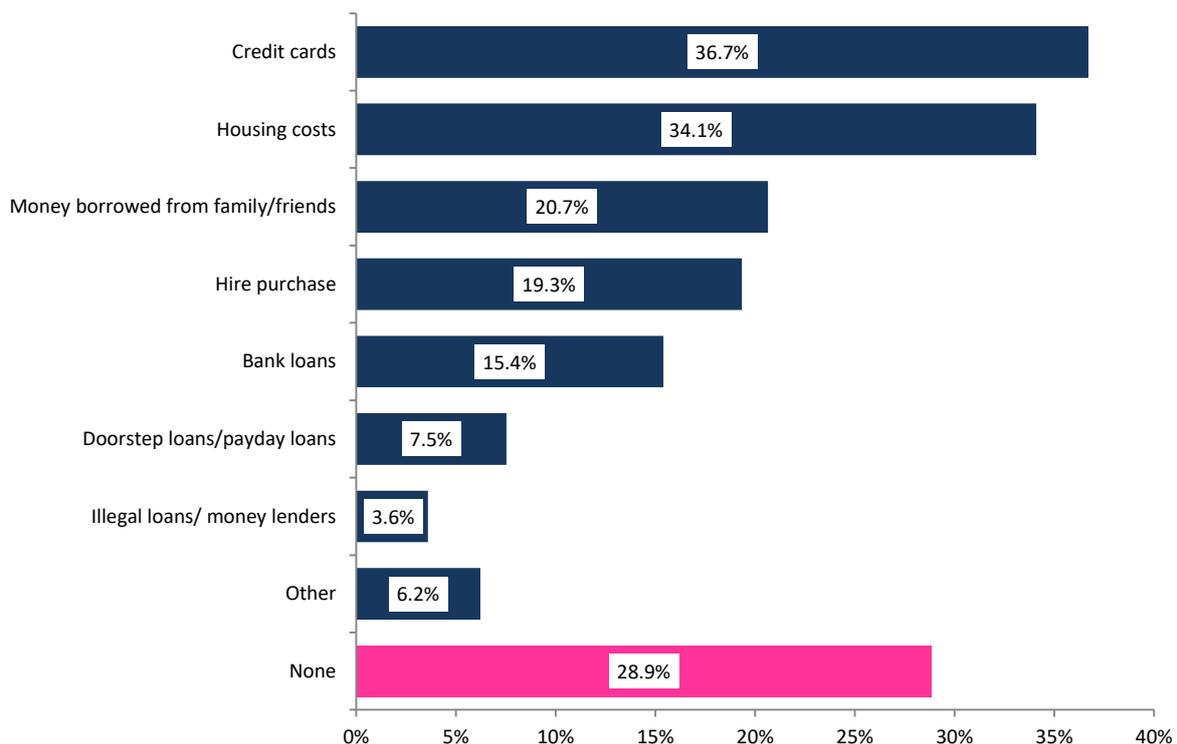
5.6. Debt

- The most common type of debts for residents of NEL were credit cards (37%) and housing costs^{ix} (34%) followed by money borrowed from family/friends (21%) and hire purchase loans (19%). 8% said they had doorstep/ payday loan debts and 4% said they were in debt to illegal lenders.
- 29% of respondents stated that they had no debt.
- Of those who said they were in debt, the median was 2 debts per person.

^{ix} Including council tax, mortgage arrears, rent arrears etc.

- Younger people are more likely to report that they have debts than older people. Only a fifth of people aged under 45 years said they had no debts whereas almost 60% of over 65s said they had no debt.
- Those living in the more deprived areas were considerably more likely to have at least one debt; 77% had a debt in the most deprived quintile and 76% had a debt in the second most deprived whereas 69% of those living in the 2 lowest deprived quintiles said they had a debt.
- The most common type of debt for those living in the most deprived areas of North East Lincolnshire were housing related costs^{ix} whereas for all other quintiles it was credit card debts. 16% of those living in the most deprived wards said they were in debt to doorstep or payday lenders whereas none of those surveyed from the 2 least deprived quintiles reported having this type of debt.
- Housing costs (50%) were the most common type of debt amongst those who are unemployed, followed by money borrowed from friends and family (26%).

Figure 11 What debts do you have?*

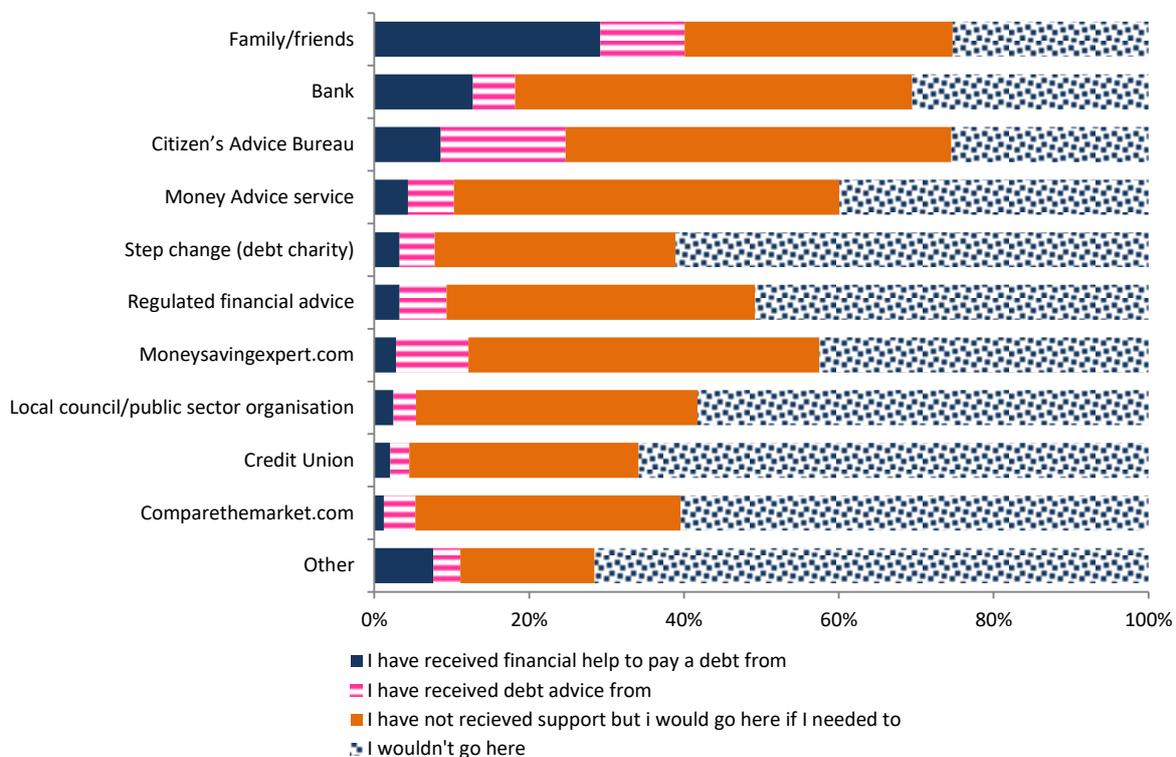


*Total exceeds 100% due to respondents being able to select more than one type of debt

5.7. Support and Advice

- Almost 30% of survey respondents have received financial support from family/friends (Figure 12).
- Around half of people would go to their bank (51%), Citizens Advice Bureau (50%), Money Advice Service (50%) or moneysavingexpert.com (45%) if they needed financial support in the future.
- Around 34% of respondents said they would consider using a Credit Union if they needed financial advice or support.
- Respondents also identified other charities/organisations they had used for debt advice or support.

Figure 12 Have you or would ever receive financial advice or help from the following?



- Most people said they would like to get advice face to face (83%), approximately a third (36%) would like to get advice online and a quarter would like to get advice via the telephone.
- Those aged 16 to 44 years were considerably more likely to say they would like to receive advice online compared to those aged 45 years and over. Similarly, those aged 45 years and over were slightly more likely to say they would like face to face advice than those aged under 45 years. Younger people were, surprisingly, more likely to say they would like advice over the telephone than older people.

5.8. Key Findings and Discussion

Those who were unemployed and/or living in areas of higher deprivation were more likely to report that they would consider using riskier methods to obtain money in an emergency. This may be due to their access to safer methods of credit being obstructed by poor credit ratings or having previously exhausted all other possibilities of safer credit sources.

The Money Advice Service found that renters and young people were particularly vulnerable to debt.²⁰ The local survey undertaken in North East Lincolnshire also found that young adults were the ones most likely to worry about debt and the most likely to have at least one type of debt. Official statistics also show that North East Lincolnshire lies within the worst 10% for the rate of insolvencies amongst young people (18 to 24 years) nationally.²¹

The majority of people worry about money management at least some of the time. Housing costs, the ability to cope with financial shocks and general budgeting of finances were amongst the most common money worries. These findings, although not identical, were similar to findings from StepChange²² which suggested that large proportions of money worries were focused around lack of savings, meeting the costs of essential household bills and problems with debt.

Most people had at least one type of insurance but large proportions of the most deprived are uninsured. However, sickness/critical illness cover uptake appears to be higher amongst participants in this survey compared to nationally. It is estimated that 12% of the population nationally have critical illness cover²³ whereas according to our survey this appears to be higher at 16%.^x Furthermore, research suggests that those on lower incomes are less likely to have contents insurance.²⁴ The local survey also found that respondents who lived in the most deprived areas of North East Lincolnshire were half as likely to have any insurance compared to those who live in the least deprived areas.

Credit card debts were the most common type of debt. Housing related debts were higher amongst those living in the most deprived areas and those who are unemployed. Of those who sought advice from StepChange, 40% of clients had council tax, rent and utilities related debts²⁵. Despite the proportion of the local population reporting at least one debt not being too dissimilar between the most and least deprived areas (77% compared to 69%), what is apparent is that those in the more affluent areas appear to have access to safer methods of credit. Furthermore it should be considered that people living in different areas of North East

^x NOTE: Study is based on a small non-random sample of the population which would have very wide confidence intervals.

Lincolnshire may think of debt differently; i.e. those from more affluent backgrounds may perceive credit cards as a debt despite the fact they have the ability to pay the credit off every month. Therefore, a greater proportion of those in the less deprived areas locally may have an equal number of debts to those who live in the more deprived areas but their debts are manageable.

Considerable differences have been noted between those living in the most deprived areas and those who live elsewhere in North East Lincolnshire, and also between those who are unemployed and employed. These groups were more likely to consider riskier methods of borrowing money (i.e. those with high levels of interest or buyback services), more likely to worry about money management and less likely to have insurance in place. Age also appears to be a risk factor of debt related problems for our local population. Younger people were more likely to report they had debts and were more worried about money management than older people.

The comparisons made between the local survey and other nationally conducted research show that our local population suffer from similar issues in relation to money management, debt and attitudes to finances. These findings, although not wholly representative due to a limited sample size, provide a weight of evidence and justification towards planning of local financial services and intervention in the future.

6. FINDINGS FROM THE STAKEHOLDER INTERVIEWS

The following section contains/analyses the information obtained from the one to one interviews held with representatives of the 14 stakeholders who provide information, advice and guidance on money matters in North East Lincolnshire. It includes information on the type of services they provide, how the services are funded, age range of clients seen, where referrals are obtained from and also where services refer onto, and outcome monitoring. The common themes identified from the interviews and the suggestions made by the stakeholders consulted are also discussed in this section. Where appropriate, information obtained from the population survey have been included in this section to support responses/comments obtained from stakeholders.

6.1. Jobcentre Plus

Jobcentre Plus provides assistance to people who are unemployed and claiming benefits to find employment. The Citizens Advice Bureau provides a money advice service, based within Jobcentre Plus. This service is commissioned by the local authority and provides free,

independent, confidential and impartial advice to anyone on their rights and responsibilities in regards to their personal finances.

Clients seen at the Jobcentre are adults aged 18 years and over. Work coaches at the Jobcentre come across people with significant debt problems and people needing help on how to pay/sort out their rent arrears whilst working with them. They then use the opportunity to promote the money advice service by referring/signposting customers to Citizens Advice Bureau or any other service that would best support them. Those with rent arrears/housing issues would be signposted to NELC Home Options service for advice and guidance.

6.2. Citizens Advice Bureau

Citizens Advice Bureau helps people sort out their legal problems, money problems and other problems by providing free, independent, confidential and impartial advice on their rights and responsibilities. CAB is commissioned by North East Lincolnshire Council to provide debt advice and money management services to residents in North East Lincolnshire. As a result, there is no age limit on who support is provided to. Most importantly, anyone claiming Universal Credit in North East Lincolnshire has an agreement with the Council for personal budgeting support and can therefore access the service at CAB. Services provided range from basic information giving to representing clients in county courts (advocacy).

CAB provides advice both face to face and over the phone via the advice line. It also provides a quarterly dashboard and an annual report to North East Lincolnshire Council. The service sees up to 10,000 people a year and clients present with an average of 2.2 issues (could be anything). It was mentioned that the number of people reporting depression seen in the service is now on the increase;

“.....we see a lot of people with depression. The depression may have been caused by clients having financial difficulties or exacerbated by being in financial distress. This is an indication that there is a link between people experiencing health problems and being in financial hardship”. (CAB)

Referrals into the CAB are usually self-referrals, referrals from other partners and sometimes from general practitioners (GPs). CAB does not make referrals to any other agency.

6.3. Local Taxation and Benefit Service

The Local Taxation and Benefit Service processes and puts into place housing and council tax reduction support. To qualify for benefit, people are either out of work or in low paid employment. About 20-25% of the population in North East Lincolnshire are reported to have some housing and council tax reduction support (about 72,000 households) and most of these are either out of work or in low paid work. The Local Taxation and Benefit Service gives advice on budgeting and refers customers to the online Citizens Advice Bureau budgeting resource.

The service receives two lots of grant funding from the Department for Work and Pensions. The first is for the work involved in processing claims made by customers and the second, for paying out claims to customers. It was estimated that on average, a customer receives about £5,000 a year for housing benefit or council tax reduction.

The service is provided to any household or anyone aged 18 years and above. Applications for council tax reduction can be made by anyone; however for housing benefit, people have to be in rental property to qualify.

The Local Taxation and Benefit Service do not get any direct referral from other organisations and is therefore working with organisations on how they can help support their clients. It was reported that customers would usually seek support when they reach crisis point and would only ask for help when money lenders start 'banging on their doors'.

Referrals into other services come about when discussing customers' financial circumstances with them. The Local Taxation and Benefit Service uses the Directory of Support Services which contains a list of all organisations in North East Lincolnshire to signpost customers to other services that are best suited to support them on financial and other issues. Services referred to include Centre4, Advice North East Lincolnshire, Home Options, Bereavement Services and Age UK. Other services are contacted on behalf of the customer only when an offer has been taken up by the customer.

The Local Taxation and Benefit Service does not formally track or monitor customers' progress upon referral to other services.

6.4. Centre4

Centre4 Advice provides information, advice and guidance primarily around benefits, debt and money management. This includes advice on claiming correct benefits, challenging DWP decisions and support completing forms including blue badge and DHP applications in partnership with NELC. Centre4 is also tasked with re-launching Credit Union support in partnership with Hull and East Yorkshire Credit Union following the closure of North East Lincolnshire Credit Union in November 2016.

The Community Shop, the UK's first social supermarket chain, which provides members with access to surplus food at discounted prices, has a branch at Centre4. This shop is open to individuals living in an area of deprivation and in receipt of welfare benefits and the stakeholder interviewed reported that there are 622 registered members for this branch. Of these members, 175 have engaged in Centre4's programmes, which have included Work Works, Money Matters and Cook Club.

Centre4 is grant funded and also receives some funding from Citizens Advice Bureau to provide IAG to their clients. The funding for establishing Credit Union support is from the Council and runs from January 2017 to December 2017.

Centre4 mainly sees clients aged 18-65 years. Referrals into the service come through partners including Single Point of Access (SPA), Stroke Association, Jobcentre Plus and through word of mouth. The service refers complex debt cases to Money Advice Service and national helplines where appropriate.

Outcomes are followed up through telephone calls and clients are encouraged to engage with positive activities through Centre4. This helps ensure that any additional support needed by the client can be provided by Centre4 if required. The advantage of monitoring outcomes was explained using Personal Independence Payment claims as an example;

"...the claim process for PIP is very complex and people need support to claim this. The minimum award of PIP is £55.65 per week and can be up to £141.10 per week".

Case studies – The case studies provided by Centre4 are presented below:

Case Study 1

A Troubled Families (TF) Advisor from Jobcentre Plus approached Centre4 Advice on behalf of a client, Ms A, who presented with financial difficulties, including Council Tax debts. The

Jobcentre Plus Advisor was trying to get Ms A onto a pathway to work, however Ms A had many other barriers to overcome first – including basics such as facilities to cook. Ms A needed a cooker for herself and 11-year-old daughter and the Advice Service has information about organisations that can help and offer grants for essential items in certain circumstances. The Advisor at Centre4 completed an application for a cooker and this was successful. The Centre4 Advisor also introduced Ms A to the Community Shop and the Credit Union and Ms A is now participating in a skills programme and considering opening a Credit Union account to help her save. Ms A reported that the support she received from Centre4 and others at the Centre is helping her build confidence and deal with her job search requirements.

Case Study 2

Ms B's support worker asked to see an Advisor at Centre4 because she was worried about her benefit income reducing when her son left supported education in July. The Advisor explained how benefits would change and during the course of the meeting identified that Ms B was also concerned about personal debt, including £2,500 owed to a bank and £1,400 owed to several catalogues. The Advisor identified that Ms B had a weekly income of £648 and was concerned about Ms B's ability to manage her money and budget effectively, especially as her income would reduce in July. Together they worked out Ms B's expenditure over a four-week period and agreed to develop a full budget to help address the debt problem. Until that point, support for Ms B had focused on physical and mental health issues and her support worker was able to acknowledge the extent to which Ms B health conditions had been exacerbated through worry about her financial situation and debts.

6.5. North East Lincolnshire Council Home Options Service

A money advice service is provided by North East Lincolnshire Council Home Options service. This service is a specialist add-on to the statutory service provided by the Home Options Service and is funded by the Council. The service provides debt and housing related money advice on issues such as mortgage or rent arrears, finding money for a deposit, or needing assistance with removals. The service is provided for residents aged 16 years and over struggling to pay their rent or mortgage or who have debt problems. The service reported seeing a lot of pensioners with debt problems coming through their door.

Referrals into the Home Options MAS come from various organisations including mental health services, Women's Aid, Diana Princess of Wales Hospital, and many other agencies. With the consent of the patient, district nurses also make the service aware of people they

come in contact with who are in financial difficulties. However, the majority of referrals are internal through the Home Options Service.

For debt advice, it was reported that clients may refer themselves into Home Options MAS when other avenues have been exhausted or failed to assist. This is because other agencies such as StepChange/Citizens Advice Bureau have a set of criteria to follow and if customers do not meet a certain threshold they may not receive assistance. However, it was stated that the Home Options MAS has the flexibility to provide tailored individual solutions with a particular emphasis on homeless prevention. There is also a toolkit available which in some circumstances can include the provision of an interest free loan paid to the mortgage lender.

The stakeholder consulted pointed out that cases are becoming more complicated and that further assistance may be required to adapt to changing circumstances. Also, that it is not unusual to keep cases open for two or three years rather than a few months as has previously been the situation.

A year-end summary of closed classes in 2016/17 was provided by the stakeholder to demonstrate the volume of work involved in supporting clients and this is presented below. It was reported that there were 60 closed cases in 2016/17. Table 1 below shows the type of debts and amount owed and also some of the actions taken to support the clients. The table shows that 196 creditors were contacted for debt owed to secondary creditors and this involves writing at least a letter to each of the creditors. This shows the volume of work that is involved in supporting clients. The 60 closed cases owed over £1.1million.

Table 1 Year-end summary of closed cases -2016/18

Type of Debt/Service involvement	Number of cases	Amount Owed	Type of Debt	Action Taken	NOTES
Debt owed to Secured Lenders/creditors	20	£999,618.68	Mortgages, Water, gas and electricity	25 creditors contacted	
Council Tax	17	£21,710.04	Council Tax		
Benefit over/payment	7	£39570.88	Various reasons		
Debt owed to Secondary Creditors	This was spread over the 60 closed cases	£247,028.14	Credit cards, doorstep lenders, car loan and car finance	196 creditors contacted	1 case had 60 creditors and nearly £100,000 worth of debt

Other Priority	This was spread over the 60 closed cases	£48,401.35			These are for water, gas, electricity and County Court judgements
Court attendance	8				Mostly around repossession or suspension of eviction warrant
Total		£1,109,548.14			

*Some cases took 2-3 years to close and in a few cases, longer than this.

Outcomes additional to those in Table 1 also relating to the 60 closed cases include:

- Total Debt written off - £26,513.81
- Backdated benefit award (2 clients) - £10,330.90
- Benefit appeals successful (2 clients) - £18,490.80 (increased benefit over term of award)
- Payment Protection Insurance (PPI) Refund - £1,480.49
- Dispute over Child Benefit resolved - increase of £540.80 yearly for client
- Deposit returned (Rent) - £475.00
- Grant for replacement boiler (not Warmfront)

One off advice was given to a further 68 people – these are not regarded as cases as they were only given advice on what to do.

2017/18

As at the time of the interview with the service provider (July, 2017), it was stated that the service had 47 open cases with around £2 million worth of debt.

A case study from the NELC Home Options service is presented below.

Case Study 3

Mr X was seen several years ago by the Home Options money advice service. At that point Mr X had lost his job and was struggling to maintain mortgage payments and other debts. Arrangements were made on the four credit debts for him to pay £5 a month on each. He then found a job but at a much lower wage so the £5 payments continued.

In 2012, Mr X returned for further advice as he had had a heart attack and was not fit for work. His mortgage was in arrears and he realised that if he could not work, he could not

remain in the house. The Home Options MAS liaised with the mortgage company to not take any legal action whilst a buyer was found and this was successful. Mr X then went to live with his sister and at the time, his daughter and her partner were also living with him. They were saving up for a deposit on a house but expected that to take about another two years before they could afford to buy. The service signposted them to Shoreline to enquire about shared ownership and they are now the owners of a flat on Freshney Green.

In 2017, Mr X contacted the service in some distress. He had moved in with his new partner in August 2015 and his partner's existing claim had been stopped almost immediately. They both made a joint claim for Employment and Support Allowance (ESA) but had received no money. There had been a series of errors with the claim forms and sick notes by DWP and other 'missing' information. They had been living on a small pension and PIP and Mr X had by then used up the small amount of savings he had from the sale of his house. Through the service's contact at DWP, this was resolved and 3 weeks later Mr X and his partner received a payment of backdated ESA of £6,393.

When Mr X came to the service with this problem earlier in 2017, a letter was written again to his four creditors explaining why his payments had stopped. Once the ESA had been sorted out the service decided to write to all four creditors again and request the remaining debt balances be written off due to his continuing ill health, his inability to work again and that Mr X had maintained the nominal payments for about four years. All the four creditors requested medical evidence and this was easily obtained and presented. All the debts have now been written off - a total of £18,229.82. Mr X's health continues to decline but he and his partner can now concentrate on their future without worrying about debt repayments.

6.6. Shoreline Housing - Money Advice Team

Shoreline is a social landlord and provides social housing in North East Lincolnshire. It is the area's largest provider of affordable housing, owning and managing nearly 8,000 homes across North East Lincolnshire.

Shoreline provides a money advice service and helps with debt advice, budgeting, benefit advice, etc. through its money advice or management team, a bespoke service for Shoreline tenants. Housing officers would usually come across tenants struggling financially when discussing housing issues with them and as a result, any kind of financial needs are picked up. Shoreline housing also often helps its clients to access social funds for bereavement and offers advice on pre-payment funeral plans to stop people worrying about funeral costs. Tenants of Shoreline are mainly people aged 16 years and over and are mostly people on

low income and in need of housing. The service has some shared accommodation and also group dwellings for older people.

Shoreline is a charity and is funded through the income generated from rents paid by the tenants. The service is run as a business and therefore also gets loans from banks and bids for grants. Shoreline also looks for grants to prevent evictions. The Council sits on the board of Shoreline.

Referrals into Shoreline housing are mainly from Homechoice Lincs run by Home Options within the Council. However, the majority of referrals into Shoreline money management team are from the "Shoreline Income Team" who deal with rent arrears. In effect, Shoreline supports the majority of their tenants needing financial guidance in-house. However, cases of multiple debt and tenants needing bankruptcy advice are referred to Citizens Advice Bureau or StepChange – a national debt line (telephone service) for support. It was highlighted that the service also comes across a lot of older people who are not aware of the benefits they are entitled to.

Shoreline formally tracks tenants' cases until their issues are resolved. This may take up to a year or longer or until tenant ceases to engage. The focus of the service is for tenants to sustain themselves to enable them to stay in their homes and get all the money they're entitled to.

6.7. Women's Aid

Women's Aid supports women (and their children) who have been abused by their partners or who are in a violent relationship. It provides support, advice, learning, information and volunteering for women at the Women's Centre.

Financial issues are addressed at the Women's Centre through the weekly support plans provided to women at the refuge. The centre uses an income and expenditure sheet obtained from the Citizens Advice Bureau to help these women work out their finances and also supports the women to put benefit claims through when they arrive at the refuge. For money issues, the women are referred to the Citizens Advice Bureau officer who is at the centre once a week to give advice on debt and money issues.

Women's Aid is contracted with North East Lincolnshire Council Home Options service to support 75 women with housing related issues at any one time. However, it supports hundreds of women over the year. Women come to the service needing support with

previous rent arrears from properties lived in with perpetrators (partners). Some of the issues to be resolved are sometimes about identifying which of the partners owes the debt and in some cases solicitors have to be brought to help sort this out.

The clients seen at the service are mostly women (95%) and a few men (5%) who have been abused by their partners or are in a violent relationship; the age range is 16 – 83 years.

Women's Aid is a charity funded by the Council. This funding is mainly for housing the women who come to the refuge for support. There is however no funding from any source to help sustain the women financially when they come to the refuge. Since the charity does not get enough funding for the refuge provision to be sustained, it props funding up from profit from its shops and fundraising events. It therefore relies on the goodwill of other people to help them and keep the service running.

Referrals into the service are mostly self-referral. However, referrals sometimes come from the homeless team, police, social workers, General Practitioners, doctors and the Accident and Emergency department of the hospital.

The women supported at the refuge are not usually referred on to other agencies. This is because once these women are rehoused by the service, they are further supported to go to college, get some training/employment, etc. Occasionally, some women are referred out of area for safety reasons. All women supported by Women's Aid are seen every week; therefore any progress made on their financial circumstances can be seen in their support plan and followed up.

6.8. Christian Action Resource Enterprise (CARE)

CARE is a charity and is in its 25th year of operating and has supported 10,000 local people since it was founded. CARE provides a food larder (Daily Bread Food Larder), charity shop, housing, community support, food advice and drop-ins and hosts Citizens Advice Bureau drop-ins.

The client group is anyone in need. The age range is approximately from 18 to 65 and although the charity is not restricted in the upper age, it tends to be that older people seek help from those charities that focus on older people. There is also involvement with children and young people, as CARE works with families and can assist children and young people to access services.

Many of the referrals to the service (e.g. for support, housing and furniture) can be self-referrals. However, food referrals come from other organisations (e.g. North East Lincolnshire Council and Open Door). Most of the referrals from CARE are to Citizens Advice Bureau, who provides drop-ins for CARE. With regards to referrals to other organisations, health organisations are the main ones.

With regard to tracking and monitoring, CARE may already be working with the client. For example, the client may initially need food, and it may later emerge that they need assistance with benefits and have bills coming in that they cannot pay. A support worker will assist them and make an appointment for them to see CAB. Statistics relating to general signposting from Single Access Point workers are not normally kept, as CARE are continually referring and signposting people to where they can get assistance. However, statistics are kept relating to the CAB referrals, with 354 clients being seen in the previous year and £309,000 worth of benefits/support being obtained for these people.

CARE Food Larder Usage

The number of visits to the CARE food larder has increased considerably since 2009/10; from 445 adults and children to 3,758 adults and children in 2016/17 (Figure 13). The greatest proportion of people who have used the food larder reside in the East Marsh (32%) followed by Heneage (14%) and West Marsh (9%); see Figure 14.

Figure 13 Number of local food bank visits trend, 2009/10 to 2016/17

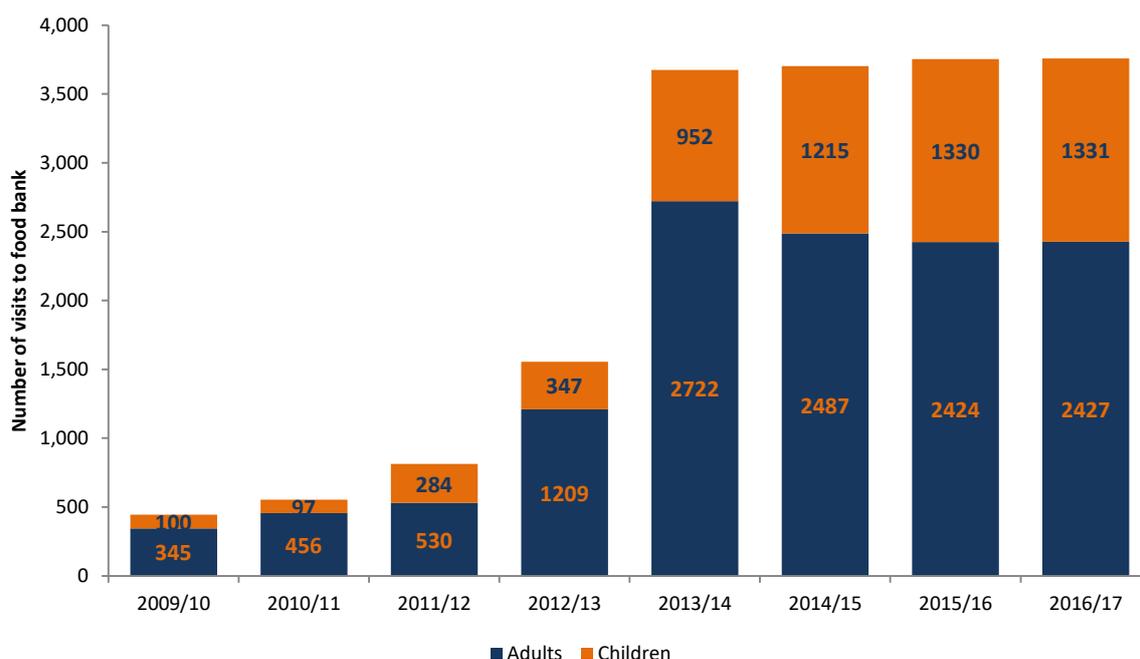
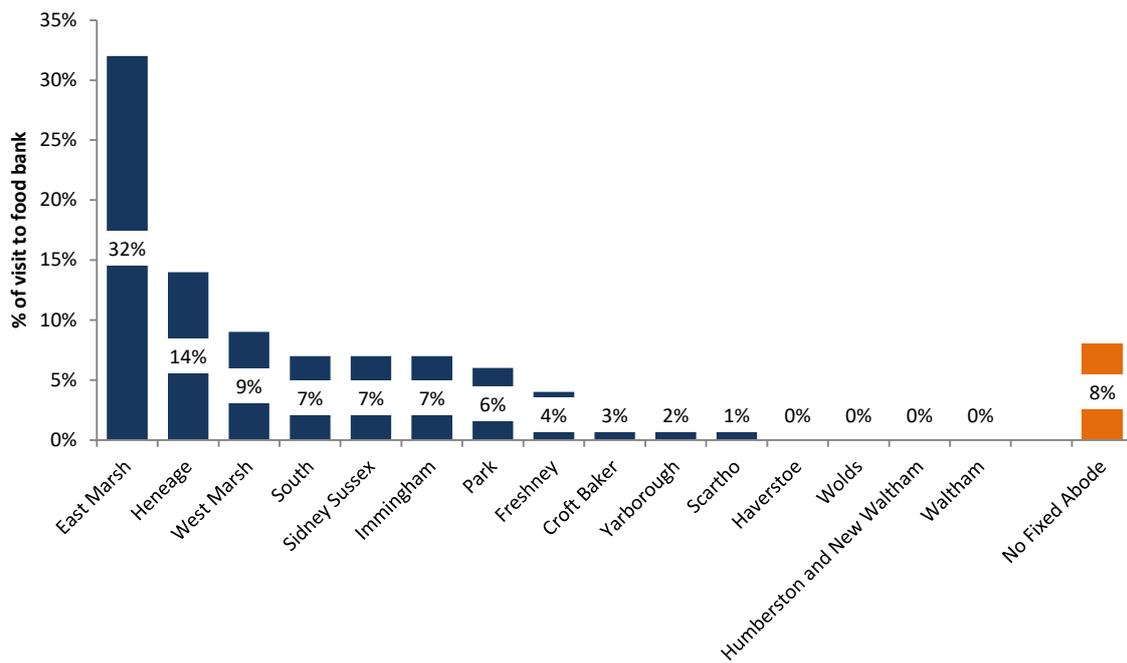


Figure 14 % of local food bank visits by ward



Source: Christian Action Resource Enterprise

The case study provided by CARE is presented below.

Case Study 4

Christian Action Resource Enterprise (CARE) has a policy of providing three food parcels to a client in a 12 month period. However, CARE is able to personalise its services to the needs of its clients. Ms T, with three children, was talking to their support worker and it emerged that their benefits had been stopped, the gas/electricity was on emergency and they had no food. Although three parcels had been issued already, the genuine need was recognised, and extra food parcels were issued and a financial donation was made by CARE to get the gas/electricity back on.

6.9. Christians Against Poverty (CAP)

Christians Against Poverty was set up in 1996 and has been operating in Grimsby for the last seven years. Christians Against Poverty is a free service providing a debt help service, giving debt counselling to lift people out of debt and poverty across North East Lincolnshire. The service provided is in-depth and holistic and has won a number of awards. In the past year, 34 people have accessed the service and of these, 56% follow through with the service.

The local debt centre is funded by the North East Lincolnshire City Church (a church and charity based in Grimsby) and on a national level, funding comes from bodies such as churches, individuals and the Fair Share Scheme^{xi}.

The client group is anyone within North East Lincolnshire and the client age range is from young people to the elderly. A home visiting service is offered, so that the service is accessible to all, including those who would struggle to get out of the home. Their first appointments are usually made through the Head Office in Bradford.

Referrals to the service can be self-referrals and these can be via word of mouth, media, articles in the local newspaper and Martin Lewis (the founder of moneysavingexpert.com) regularly makes reference to the service in his television programme. Referrals made to the service from elsewhere can be from Jobcentre Plus, Longhurst and Havelock Housing, Harrison House, food banks, CARE and health bodies. The service ensures that support is made available to their clients all the way through the process to becoming debt free by looking at the different options available.

The case study presented below was provided by CAP.

Case Study 5

Miss C found herself in debt and did not really know by how much or what she was going to do to get out of it. Miss C had lost her job whilst her dad was terminally ill in a hospice and although she found a new job very soon after he passed away, it was a big drop in salary and Miss C was overwhelmed with what life was throwing at her.

On reflection, Miss C felt that she had hidden her head in the sand and even stopped opening her post. She was too embarrassed to admit she could not afford to do things and kept doing them anyway, whether it was going on holiday with family, or going out with friends. Miss C was not earning enough money and kept putting things on credit cards. When Miss C hit the credit limit on one card, she did a 0% balance transfer and moved it to another card and started again. It technically was not costing Miss C money as it was always on 0% cards and she was making the minimum payments, so she did not think it was a problem. This went on for a few years.

^{xi} Fair Share is a scheme whereby banks and other financial organisations donate to CAP 10% of the value of the repayments made to them by CAP clients. These donations are made with no strings attached.

The church Miss C was going to at the time was hosting a Christians Against Poverty money course. Miss C thought if she went along and learnt how to budget she could clear her debts in no time. After chatting with the course leader, Miss C started to realise the mess she had gotten into. After the course, Miss C arranged an appointment with CAP and they went through everything - income, outgoings, bills and her spending. Miss C was shocked to find it was over £8,000 that she owed. By this time, Miss C was in a different job and was earning a little more money, but she still was only just about making the minimum payments on the credit cards, let alone clearing them. Miss C really could not see a way of ever paying it back. Once they had gone through Miss C's finances, the calculations from CAP showed that in the situation she was in at the time, it would take over 20 years to clear the debt. The feeling of shame was really hard for Miss C to deal with and she can now see why debt and mental health can be so tightly interwoven.

As part of the debt management process, CAP took over the managing of Miss C's money, dealt with her creditors and took a lot of the stress away. Miss C took on extra work, sold things at car boot sales and online and found ways of reducing her spending, such as meal planning and car sharing. Miss C was out of debt within a year and while Miss C does not feel that she is a money expert now, she has a budget; she opens all her post and only buys things she can afford.

6.10. Carers' Support Service

The Carers' Support Service provides a universal service for carers and all support provided is free to carers. Centre4 is contracted to provide benefits advice and this advice is provided at the Carers' Support Service (based at 1 Town Hall Square, Grimsby).

The service is funded by NEL CCG with funding for a specialist substance misuse carer support post provided by the council's public health team.

The client group is made up of unpaid carers looking after family members and friends. The service's contract is for carers over the age of 18, but information and signposting is also provided to carers under the age of 18.

Referrals to the service can be self-referrals, with people either visiting (the building is close to the town centre and transport links), or telephoning. Carers are then registered, with their details recorded on a database and their support needs are assessed. Some people get in touch with the service for advice only, but are not registered. Referrals also come in from a wide range of organisations, ranging from Admiral Nurses to the Stroke Association.

Carers progress is tracked, with follow-up telephone calls taking place six weeks after they have been registered to check if they have found the support useful. Centre4 records information on the benefits that have been approved and the benefit amount received. In 2016/17, 529 individual carers accessed the specialist advice appointments for advice and support on topics such as general benefits checks, applying for a range of benefits, housing advice, advice on pensions, power of attorney, wills, and appealing benefits decisions, amongst others. In total, 1,523 hours of advice appointments were delivered in this period.

The Carers' Support Service provided the case study presented below.

Case Study 6

The **Carers' Support Service** was contacted by one of their carers, as the cared for person had passed away and the carer found that they were unable to pay for the funeral. The Carers' Support Service contracts Centre4 to provide benefit advice, who were able to assist the carer with advice on finance and advise what funds were available to help with the cost of the funeral.

6.11. Doorstep

Doorstep is a charity which provides supported housing advice to residents of NEL. A support plan is produced for everyone and money is one of the strands discussed (e.g. affordability of the property, budgeting). Help is given to people to access other services, e.g. Centre4, and support workers will readily escort clients to first appointments, if necessary to support them. In Quarter 1 (April – June 2017), 3,649 people contacted the Information & Advice Officers, either by visiting the office, on a home visit, or by telephone.

Doorstep is funded through contracts with North East Lincolnshire Council for housing related support and from the rent from Doorstep's properties which accounts for 60% of the funding. The client group are young people, aged 16-25 years, who have some form of housing need. Doorstep also works with young people who are not in Doorstep accommodation.

Referrals for housing support come through North East Lincolnshire Council's housing gateway. There can be some self-referrals, as Doorstep operates an open access drop-in centre and young people may come to get housing advice and can then get referred in. The service makes referrals to Centre4 and CAB.

6.12. Age UK

Age UK is part of the national Age UK, but is independently run and financed. With regards to money matters, three Information & Advice Service officers assist with a wide range of money related issues, including benefit applications, reconsideration of applications (if the applicant has been turned down for benefit), benefit checks, housing benefit applications and disability blue badges.

Age UK is funded through a small amount of funding that comes nationally, but the majority is self-funding, with money being raised from service provision and small grants. Age UK also has a trading arm.

The client group are people over the age of 50 years (or people acting on their behalf, for example a son or daughter). People under the age of 50 years that come to the service are signposted to the relevant organisation, such as CAB.

Referrals can be self-referrals, or from a wide range of other organisations, including GP surgeries, health professionals, the Alzheimer's Society and other organisations, such as Friendship at Home, who do not have their own information and advice service. Age UK makes referrals to a wide range of organisations including CAB, Centre4, the local authority and the adult social care team depending on the query or the support needed.

Age UK tracks and monitors client's progress using the Charity Log; their database records all referrals and advice appointments. The advisors ask clients to bring in their benefit award letters, as they might open a door for the client receiving other benefits.

With regards to funeral costs, clients at Age UK are aware of the need to plan for the cost of a funeral, particularly those clients who receive a terminal diagnosis and want to discuss the various options open to them. Clients are helped to apply for a funeral grant, if they qualify. One of the trading arms of Age UK provides funeral plans, for those aged over 50 and people can either pay a lump sum, or a monthly payment, depending on their circumstances. Age UK do not offer insurance and would suggest that clients may wish to approach an independent insurance broker.

6.13. Young Men's Christian Association (YMCA)

The YMCA is a youth charity and a registered social housing provider. The YMCA provides housing related support to its clients and on money matters provides support on issues such

as tenancy matters, debt management, budgeting and setting up bank accounts. The YMCA has three accommodation projects - two of which are for 16-25 year olds (31 clients) and the third is for clients aged 16 years and upwards, but with a weighting towards the younger end of the age range. This project is a large one with 72 units.

The YMCA receives funding through housing benefit, a local authority contract and from fundraising.

The YMCA does not receive referrals into the service for money matters advice, as the service only supports their own clients. However, the YMCA would refer or signpost their clients to other organisations for additional money related advice. Organisations referred to include CAB and the local banks (e.g. Barclay's Money Management Services).

The economic wellbeing of the client would be tracked as part of the client's journey. This would be done using two methods - an online report card for all clients, which is part of the local authority gateway requirements and internally, an outcome stars method, which would include economic wellbeing and would link in with the individual's support plan.

6.14. Salvation Army Lifehouse

The Salvation Army is a Christian church and a charity. Internally, support workers assist residents with budgeting, money management and money matters. Residents usually have a needs assessment to identify issues, including money matters, which need to be addressed. For example, residents are supported with how they can manage their money once they get into employment.

Clients, male and female, are aged 25 years and above, with no upper age limit. The Lifehouse has 35 residents at one time and they can stay for a maximum of two years.

The service does not receive any referrals regarding money advice as they only look after their own residents. The Salvation Army refers to organisations such as Christians Against Poverty and CAB.

Formal tracking is not carried out by the Salvation Army, but Christians Against Poverty do undertake tracking and as a result the Salvation Army gets to hear when residents are debt free and in employment.

The case study presented below was provided by the Salvation Army Lifehouse, the Salvation Army's Centre for Homeless people, based on Eleanor Street.

Case Study 7

Mr S, a resident at the Salvation Army Lifehouse, was not eligible for social housing and private rented housing due to previous arrears. Mr S was referred to Christians Against Poverty, who helped him to apply for bankruptcy, which incorporated the previous housing arrears and this meant that Mr S was then eligible for social housing.

7. EMERGING THEMES

The key emerging themes from the stakeholder interviews are discussed below. The most frequently mentioned subject is "the impact of Universal Credit in North East Lincolnshire" and this is discussed in detail below (section 7.1).

7.1. The Impact of Universal Credit in NEL

Universal Credit is the flagship of the Welfare Reform programme and replaces six working age benefits, which are:

- Income based Jobseekers Allowance
- Income related ESA (after 365 days)
- Income Support
- Housing Benefit
- Working Tax Credits
- Child Tax Credits

In addition to these six working age benefits, Universal Credit also replaces the current provision of budgeting loans and crisis loans, with advance payments and hardship payments, paid back through Universal Credit.

Stakeholders mentioned that Universal Credit live service has operated in North East Lincolnshire for a limited client base of largely single people since June 2015. Current statistics from the Department for Work and Pensions show that as of September 2017, approximately 2,157 people are currently receiving Universal Credit in North East Lincolnshire²⁶. Universal Credit will reach full service in North East Lincolnshire from 13 December 2017.²⁷ That is, from 13 December 2017, all new claimants who would previously have claimed one of the above benefits will instead claim Universal Credit. Also, current

claimants of the existing benefits will migrate onto Universal Credit immediately if there is a change of circumstances within their household.

It was expressed that up to 600 people are likely to claim Universal Credit each month from December 2017, and as a result of this, the Universal Credit caseload will grow quickly in North East Lincolnshire and will be a threat to their service. Stakeholders also mentioned that currently, there is evidence locally to show that delays in the first payment extend beyond six weeks causing further hardship for claimants. Also, recent reports from DWP indicate that only 73% of Universal Credit claimants receive their full Universal Credit award at the correct time, i.e. within 6 weeks of the claim date.²⁸ This is an area of significant concern for stakeholders/service providers with one stakeholder reporting the following;

“.....another big concern for the service (Women’s Aid) is Universal Credit. The introduction of Universal Credit will mean that the perpetrator (partner) has full control of the family benefits. The service will see a lot of problems from this and this will impact significantly on the women. In this new arrangement, when the woman eventually leaves her partner she can make a claim on her own but then this will lead to be another drawn out six-week process because of the delay in processing benefit claims”.

Housing costs are included in the Universal Credit claim and stakeholders stressed that the six-week wait built into the system will impact significantly on claimants and also on landlords/social housing providers. They explained that the consequence of this is that, claimants will be in arrears by six weeks when they receive the first payment unless the claimants can maintain their first six weeks of rent. It was also explained that under housing law, tenants who have arrears of eight weeks or more can be served with a notice of seeking possession by their landlord. Stakeholders were therefore of the view that Universal Credit would not assist any tenant already struggling with rent payments prior to making a claim; as they may already be in arrears.

Stakeholders mentioned that under UC, housing costs are designed to be paid to the claimant who must then pass this on to the landlord. Landlords can request a managed payment direct but not until there are eight weeks of rent arrears, or the tenant has a history of arrears or difficulty managing money. Shoreline reported that they have been working intensively with their tenants for some time to help prepare for Universal Credit, including advice on getting online, budgeting support and getting ahead with rent payments. Shoreline indicated that despite this work, significant rent arrears are building with Universal Credit claimants, putting claimants at risk of eviction and homelessness:

“..... as of today (4th August, 2017), Shoreline has 191 known Universal Credit claimants, 155 of these are in rent arrears totalling £70,106.37. Once Universal Credit is fully launched in December 2017, any new claimant will be added to this figure. The impact of this on Shoreline is that rent arrears will increase about 10 fold. This will lead to more people at risk of eviction and homelessness, and also more deprivation and poverty in the area”.

Stakeholders expressed the view that some claimants might be tempted in certain cases not to pay the rent element to the landlord, particularly if a household emergency has occurred (such as, replacement school shoes, washing machine breakdown etc.).

Stakeholders again pointed out that deductions can be made from Universal Credit for certain debts, in line with legacy benefits. Some reported that they are already seeing clients with very high levels of deductions, to the point that claimants cannot afford other essential living costs.

Another issue highlighted by stakeholders is the increase in requests for food parcels in North East Lincolnshire.²⁹ One stakeholder said that it makes a minimum of 10 referrals per day for food parcels and in almost all cases; a problem with Universal Credit was given as the reason for the need. It was pointed out that North East Lincolnshire no longer has an emergency welfare provision scheme (one of only 26 authorities nationally who have scrapped their schemes).³⁰

Stakeholders also reported that budgeting is a major problem in the area as the majority of their clients lack budgeting skills and felt that budgeting monthly may be very difficult for their clients and that clients may run out of money far too early in the month. It is estimated that 25 million people in England will need budgeting support to transition onto Universal Credit's monthly direct payment.³¹

Universal Credit is digitally based and also relies on telephone contact. Stakeholders reported that not all claimants are digitally literate and able to make the claim online and also check incoming emails and felt that this would regularly cause further problems. They also expressed concern that vulnerable people and those with mental health problems will have difficulties engaging with the digital Universal Credit platform and will therefore need support. It was however reported that appropriate steps are being taken locally to alleviate potential problems associated with the digital platform. For example, an assessment is currently being undertaken across different Council sites which have WIFI and Council systems that could allow customers to use to apply for Universal Credit.

Stakeholders also made reference to the following:

- Welfare advice agencies in areas of the UK where live service already operates have confirmed that Universal Credit has significantly increased the volume of referrals, in particular around housing and homelessness, debt and problems understanding Universal Credit awards.
- At the national level, there is also a growing body of hard evidence that the rollout of full service Universal Credit in particular the in-built six week wait for the first payment, is causing additional levels of anxiety, hardship and rent arrears. There have been repeated calls on the UK Government to halt the rollout until these problems are resolved but so far the roll-out date for Universal Credit remains unchanged.
- A recent report produced by the Scottish Government³² in September 2017 focussed on three illustrative case study families. The report presented the following short summary on these case studies to illustrate the financial impact of the introduction of Universal Credit on claimants.

Case Study 1 – Ms P is a lone parent, bringing up three children and is not working due to childcare responsibilities. By 2020/21 Ms P and her family are estimated to lose £4,080 per year in benefit entitlement compared to what they could have been entitled to had UK post-2015 welfare policies not been enacted.

Case Study 2 – Mr and Mrs G are a couple who live with their two children and Mrs G works part-time (16 hours per week) at the National Living Wage. By 2020/21 Mr and Mrs G and their family are estimated to lose £1,540 per year in benefit entitlement compared to what they could have been entitled to had UK welfare policies not been enacted.

Case Study 3 – Mr and Mrs C are a couple who live with their four children. Mr C works around 20 hours per week and Mrs C also works two days per week (12 hours) at the National Living Wage. By 2020/21 Mr and Mrs G and their family are estimated to lose £1,130 per year in benefit entitlement.

Other Emerging Themes

7.2. Financial Capability

Stakeholders also had major concerns about the level of debt in the area and people's lack of financial capability, that is, the ability to manage their finances or money and improve their

lives. The majority of the clients seen by the stakeholders have debt problems and lack financial capability. One stakeholder felt that:

“.....the financial difficulties some people find themselves in, is as a result of the choices that they make and budgeting. Some households could manage very well if they make alternative choices and budget better”.

It was reported that the majority of the people seen by the stakeholders also have underlying problems which become compounded when they experience life changing events which can lead to significant financial problems. These life changing events can be giving birth, losing a job, losing a partner or changing health. It was also reported that the majority of clients again lack financial planning skills and therefore have no plan for future events. One stakeholder mentioned that some of their clients are in situations of their homes about to be repossessed because they cannot pay their debts.

7.3. Benefit Sanctions

Stakeholders reported significant problems in delays in processing benefit payments, housing payment and council tax benefit and found this very challenging. They related that benefit payments take a long time to sort out and people can have benefit sanctions imposed on them, when they miss appointments, for genuine reasons. They also said that quite often, people are unable to read or write, or have no money to top up their telephone credit to re-arrange an appointment. As a result of benefit sanctions imposed, families can sometimes end up having no money to feed themselves. The impact of delays in processing benefit payments can have consequences for some claimants as reported below:

“ because of the delay in processing benefit claims (up to four weeks at the moment), the women (at the refuge) are left in arrears with rent and no food for them and their children. In order not to starve and to get their children fed and clothed, the women go back to their partners/violent relationship. With no emergency money for the service to support women in this situation, the service then supports them by donating food and money received from donations made to the charity”. (Women’s Aid)

7.4. Funding Allocation

Stakeholders receiving government funding, reported that some government funding is only confirmed on a year by year basis making planning future service development difficult. It

was also highlighted that government austerity measures have resulted in problems being pushed down the chain, thereby impacting on those most in need.

7.5. Demand/Resources

All stakeholders reported a significant increase in the number of people requiring IAG on money issues in the last five years and that resources available to them do not match the demand made on their services. They expressed that with limited staffing resources and a lot of time spent with each individual client, there can sometimes be a long waiting list to access services for support. Some services have no administrative support. Citizens Advice Bureau reported an increase of 255 people using the service in the first half of 2017.

7.6. Asking for Help

Stakeholders also mentioned that people do not always want to address their issues with debt and this can have an impact on options that they have. An example cited relates to residents in hostel accommodation – not asking for help can have an impact on residents' moving on options with regard to social and private housing and can leave residents with very limited options.

It was also reported that most people do not ask for help until they reach crisis point or until they have money lenders visiting their homes.

7.7. Older People

An emerging theme reported by some stakeholders is the increase in the number of older people now accessing financial IAG services. CAB reported an increase in the number of debt cases relating to funeral costs dealt with by the service;

“...we get a lot of debt cases where people cannot afford to pay funeral costs. This is due to high funeral costs”. (CAB)

Other stakeholders also reported seeing pensioners struggling on their pension:

“..around 51% of applications for financial support are from people aged 65 years and over. This is mainly for financial hardship and from pensioners not financially protected”. (The Local Taxation & Benefit Service)

“Some of the older people are just struggling on their pension and are not aware they could be entitled to some other benefits. They struggle with paying their rents because they are on the basic state pension and cannot pay the top up because they are unaware that they could claim housing benefit and pension credit”. (Shoreline Housing)

7.8. Young People

Some stakeholders stated that young people do not use the same traditional communication channels that are currently being used and felt that there is nothing youth specific. They also reported that some young people tend to leave things until they reach crisis point before seeking advice or help.

7.9. Bank Accounts

Some stakeholders reported that some of their clients are still having problems getting bank accounts and are having to go to multiple banks before they can get a bank account. They pointed out that it is important that people have at least the basic bank account, more so with the introduction of Universal Credit and also for young people going to university to have their student loan paid.

8. SUGGESTIONS TO IMPROVING SERVICES

Stakeholders were asked to provide some suggestions on how to improve the provision of financial IAG in the area in light of some of the concerns, problems and obstacles presented in the course of the interviews. The various suggestions provided are presented in this section.

8.1. Partnership Working

Stakeholders felt there is a need for all agencies or organisations providing information, advice and guidance on money matters in North East Lincolnshire to work together. This will give an opportunity to agencies to discuss and share best practice. Although, partnership provisions were reported to be working well in the area, further joining up of those networks is needed. A Welfare Liaison group made up of about 20 agencies is in operation in North East Lincolnshire. This group meets quarterly to discuss issues and share ideas however attendance is very fluid. It was therefore felt that a more structured group with terms of reference is needed.

8.2. Consistency of Advice

Stakeholders felt there needs to be a joined up and clearer approach on advice with the client put at the centre and also an identification of the best service(s) to deliver IAG on money matters as at the moment, there are many services providing IAG. Local money advice services give different debt and benefit advice to people and advice is given piece meal. Advice given by services need to be consistent across board and training should be provided to those giving advice. There also needs to be a measure of the quality of advice given as there is none at the moment.

8.3. Educating People

Stakeholders felt there is also a need to get the message out or educate people about financial planning and its importance. This should be about people understanding what their priority debts are and those non-priority debts that can wait. This message needs to be embedded in NEL and this means that all organisations coming in contact with people needing support in their services need to be passing on the same message. For example, utilities such as gas and electric bills take a significant amount of people's income and have to be paid. People need to know that they can talk to Citizens Advice Bureau when they start struggling with paying their bills and before going on to borrow money. They therefore need to have easier access to debt management advice services.

8.4. Increase in Resources

Stakeholders felt financial resilience and financial capability is needed to improve health outcome. Therefore, it was suggested that advice agencies need to be resourced enough to do their job very well. It was felt that more resources are needed to support more people as there is now a high demand for advice. Stakeholders also felt that there should be no more funding cuts and that emergency payments should be brought back, say, in the form of food vouchers to stop people abusing this.

8.5. Increase in Voluntary Sector Funding

Stakeholders felt the voluntary sector also needs to be well funded. It was cited that in social services, only high-end cases now have a social worker and resolutions are expected to be found from within the family and the community. This and other austerity measures have put more pressure on the voluntary sector and it has become more difficult for the sector to stay afloat, with the sector doing more with less. Therefore, more voluntary sector funding is needed.

8.6. Credit Union

Although Credit Unions cannot help everyone, they can help their members build financial resilience by offering savings and ethical loan products. Stakeholders felt that the availability of a Credit Union offer from Centre4 needs to be promoted more widely with NELC and partners. Northern Lincolnshire Credit Union (now part of Hull and East Yorkshire Credit Union) have a common bond which allows people in NEL to access Credit Union services.

8.7. Universal Credit

Stakeholders felt that Universal Credit needs to be easily set up, so that the housing rent goes directly to the landlord/housing provider.

8.8. Bank Accounts

Stakeholders felt that banks need to make it easier for people to open bank accounts.

8.9. Communication Channels

Stakeholders felt that young people do not use traditional communication channels, so it is important to have a youth specific approach, when young people need help with debt.

8.10. Skills Sharing

Doorstep has 12 support workers, who have a trusted relationship with clients. Stakeholders felt there may be an opportunity to have a train-the-trainer approach, so that these support workers could share their skills with front line workers in other organisations. This would then free up the support workers to concentrate on the more complex cases.

9. LIMITATIONS

A limitation of this study is the lack of readily-available quantitative data on matters relating to financial resilience, particularly at a local level. For example, there is a wealth of reliable, consistent and locally available data on a range of health-related outcomes, but no comparable dataset for financial matters.

The lack of such data necessitated primary research, resulting in consultation with the residents of North East Lincolnshire in order to obtain information needed for the study. However, this is not without limitation of its own.

The first limitation of the consultation is the low sample size, due to a low response rate. A total of 354 responses to the survey were received, which lacks the requisite statistical power to make robust statistical conclusions.

The second limitation of the consultation is the over or under representation of certain groups in the survey. The survey overrepresented women, people aged 25-44 years and people living in less deprived communities, with subsequent underrepresentation of men, people aged under 24 years, people aged over 65 years and people living in more deprived communities.

10. CONCLUSIONS

Having a source of emergency funds in times of financial difficulty, whether due to the loss of a partner, giving birth, worsening health, or losing a job, can keep people from falling into extreme poverty and improve their financial wellbeing.

This study has shown that there is a significant concern about the level of debt in North East Lincolnshire and that many people in the area lack the ability to manage their finances and to plan ahead. It has shown that some groups are more vulnerable than others. Groups identified in the literature as being vulnerable (e.g. those who are unemployed and those who reside in the most deprived areas) have been shown in the study to lack resilience to withstand income shocks or unexpected bills.

The study has also highlighted the challenges faced by stakeholders whilst delivering their services and most importantly, the impact Universal Credit will have on stakeholders and claimants in North East Lincolnshire when rolled out in December 2017.

It is therefore hoped that all organisations providing financial information, advice and guidance in NEL will come together to improve the low level of financial capability in the area and help families to build the financial resilience they need.

11. RECOMMENDATIONS

1. North East Lincolnshire Council to oversee the revitalisation and formalisation of the existing Welfare Liaison group. Terms of reference for this group to be developed. Group membership including all stakeholders, the appointment of a chair, and the identification of deputies to be agreed. Frequency of meetings, quorum, and standing agenda items also to be agreed.
2. A financial inclusion advocate with senior responsibility from North East Lincolnshire Council should be identified to lead on and oversee the development of a new financial inclusion plan for the area. The Financial Inclusion Commission vision for the UK for 2020 is detailed in **Appendix 3**. These aspirations which are also applicable to North East Lincolnshire should be reflected in the development of the new local financial inclusion plan.
3. The new Welfare Liaison group to oversee the introduction of quality assurance measures to improve the quality and consistency of money advice.
4. **(ADDENDUM)** As part of 3 above, the new Welfare Liaison group should ensure that clients are made aware and have access to all benefits entitled to including the **NHS Low Income Scheme (HC1 payments)** which helps to pay for: the cost of travelling to receive NHS treatment, NHS prescription charges, NHS dental treatment charges, the cost of sight tests, glasses and contact lenses and NHS wigs and fabric support.
5. North East Lincolnshire Council to consider the reintroduction of an emergency payments scheme.
6. The Alliance to explore measures to secure increased investment into the Voluntary Community Sector and to provide funding opportunities updates to the monthly Voluntary Community Sector forum meetings.
7. Centre4 along with all partners to promote the availability and access to the Credit Union and to bank accounts.
8. Expand existing programmes in the local area where financial resilience/behaviour change is being addressed e.g. Community Shop, food larder etc.
9. Continue to engage with private housing providers (rented sectors) when Universal Credit is rolled out in the area, to support landlords to understand Universal Credit and to ensure that any issues are identified and resolved promptly.
10. The new Welfare Liaison group to explore the viability for a low cost content insurance scheme in the area to support vulnerable people.
11. North East Lincolnshire Council to lead on the refresh of the Financial Resilience Needs Assessment (this study) by 2020 to evaluate the impact of full service roll out of Universal Credit in the area.

APPENDIX

APPENDIX 1: Money Matters Survey (for the general population)



Money Matters

We are looking to understand what your household would do if you needed money unexpectedly. We hope to use this information to help re-design North East Lincolnshire Council's offer of advice and guidance to support any resident or household who experiences money problems.

We hope to understand:

- Residents' financial situations - the extent to which residents cope when faced with unexpected financial shocks or experience money problems
- What is needed by residents to cope with money problems
- Who in North East Lincolnshire copes better or worse

This survey will only take around 4 minutes to complete.

1. If your household needed £200 in an emergency, what would you do?

	I would	I might	I'd never
Use savings/money from current account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work additional hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arranged overdraft	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unarranged overdraft	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Short term loan (over 1-5 years)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pay day loan (1-30 days)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit card	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Ask family/friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Illegal moneylenders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pawnbroker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Do you worry about managing your money effectively?

- Yes
- Sometimes
- No

a. If yes or sometimes, what do you worry about and why?

3. Have you or would you ever receive financial advice or help from the following...?

	I have received financial help to pay a debt from...	I have received debt advice from ...	I have not received support but I would go here if I needed to	I wouldn't go here
Bank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family/friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Citizens Advice Bureau	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Money Advice service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Moneysavingexpert.com	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comparethemarket.com	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local council/public sector organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Regulated financial advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Step change (debt charity)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. How would you like to receive financial advice or help? Tick all that apply

- Face to face
- Online
- Telephone
- Other

5. Does your household have any of the following...? Tick all that apply

- Contents and building insurance
- Life insurance
- Sickness and critical illness cover
- Funeral plan
- Other

6. What debts does your household have? Tick all that apply

- Housing costs – council tax, mortgage arrears, rent arrears etc.
- Doorstep loans/payday loans
- Banks loans
- Credit cards
- Money borrowed from family/friends
- Hire purchase – household goods, car finance etc.
- Illegal loans/money lenders
- None
- Other

About You

The following questions are more personal in nature but will help give us a better understanding when looking at the results. This information will not be used to identify you. It will be processed in accordance with the Data Protection Act.

7. What best describes your current circumstances? Tick all that apply

- Employed
- Self-employed
- Homemaker
- Unemployed
- Retired
- Student
- Full time or part time carer
- Disabled
- Other

a. If employed, are you working... Tick all that apply

- Full Time
- Part-Time
- Temporary Contract
- Zero Hours Contract

b. If employed, if you were unable to work for any reason, would your household be able to manage?

- Yes, I receive sick pay through my employer
- Yes, I have insurance
- Yes, I have savings
- Yes, my partner/family would support me
- Yes - Other
- Not sure
- No, I would need help

8. Does anyone in your household receive benefits excluding child benefit?

- Yes
- No

a. If yes, please specify

9. What is your postcode?

10. What is your gender?

- Male
- Female
- Prefer not to say

11. How old are you?

12. What is your housing status?

- Homeowner with no mortgage
- Homeowner with mortgage
- Renting from private landlord
- Renting from social landlord
- Sheltered housing
- Living in parental home
- No fixed address
- Other

Thank you for taking the time to complete this survey. The results will be available on North East Lincolnshire Council's consultation webpage once the report is complete.

APPENDIX 2: Stakeholders Interview Schedule

- ❖ What services do your organisations provide in relation to money matters and how are you funded?
- ❖ Who are your client group?
- ❖ What is their age range?
- ❖ Where do you get referrals from? Or Who refers into your service?
- ❖ Where do you refer to?
- ❖ Do you track your clients after referral?
- ❖ If so, how do you do this?

NOTE:

Additional Questions for:

Cruse Bereavement Services & Age UK

Are your clients aware of the following:

- funeral cost
- help available with funeral cost when certain criteria are met
- advice on affordable funeral
- funeral plans or insurance

- ❖ Can you please provide us with supporting data? For example,
 - Number of clients in the past year or two – people accessing service
 - No of referrals
 - Where referred to
 - Outcome
 - Follow up
- ❖ What obstacles / bottlenecks do you have in providing the service?
- ❖ Any suggestions for improving service provision?
- ❖ Can you please provide us with some case studies?
- ❖ Is there any other thing you'll like to tell us that we haven't covered?

THANK YOU FOR YOUR TIME

APPENDIX 3: Financial Inclusion Commission - Vision in the UK

The Financial Inclusion Commission published a report “*Financial Inclusion: Improving the financial health of the nation*” in March 2015 and this report sets out their vision in the UK for 2020. This vision which is applicable to NEL is as follows:

- every adult connected to the banking system, through having access to a transactional account of their own;
- every adult has access when necessary and appropriate to affordable credit from responsible lenders;
- every adult is encouraged and enabled to save, even in small or irregular amounts, to show the importance of a common savings culture, to build up resilience against financial shocks;
- every adult has access to the right insurance cover for his or her needs, at a fair price;
- every adult has access to objective and understandable advice on credit, debt, savings and pensions, delivered via the channel most suited to that individual;
- every adult and child receives the financial education he or she needs, starting in primary school and carrying on throughout life and into retirement; and
- government, regulators, the financial services industry and civil society all work together to deliver this vision, before the General Election in 2020, under the leadership of a Minister for Financial Health.³³
 - **Locally**, this would mean all agencies and partners to work together to deliver this vision by 2020 under the leadership of a Senior Responsible Officer in NELC/portfolio holder.

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