



Middlesbrough Financial Inclusion Group

Presentation to Children & Young People
Scrutiny Panel

October 2019

Financial Inclusion

- ▶ Financial inclusion = access to useful and affordable products and services
- ▶ Financial exclusion associated with poorer health, food poverty, fuel poverty, use of high interest lenders and loan sharks, poorer educational achievements
- ▶ Poverty: “when a person’s resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation)”
- ▶ The effects of poverty on children: “Research has shown that family income impacts on children's lives and development in a variety of ways. Living on a low-income increases parents’ stress levels, in turn affecting relationships and family dynamics. Increases in family income can boost children's educational achievements, and emotional and physical wellbeing.” (Child Poverty Action Group)

Middlesbrough FIG

- ▶ Financial Inclusion Group brings together organisations with an interest in improving financial inclusion in Middlesbrough and mitigating the impact of financial exclusion.
- ▶ Operates as a forum for sharing ideas and information about new services; discussing the impact of national policy (eg Universal Credit) and promoting partnership working
- ▶ Membership of about 50 organisations, including Middlesbrough Council elected members and officers, social housing providers (eg Thirteen), DWP, CCG, National Illegal Money Lending Team, community banks, voluntary organisations like Actes, Age UK, CAB, Carers Together, Environment City and MIND
- ▶ Supported by Middlesbrough Council which provides the lead officers and funds to support small projects.

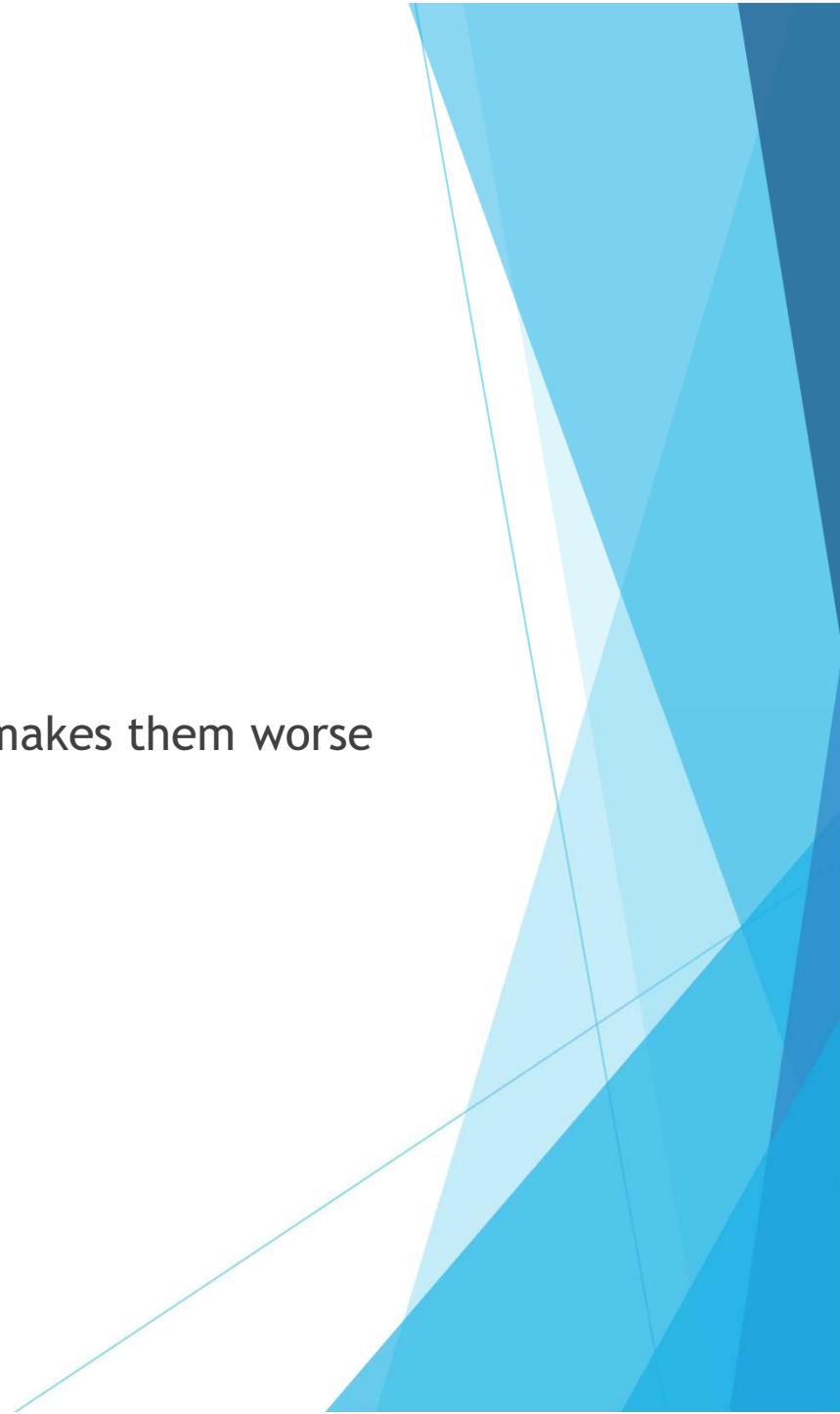
Universal Credit from optimism to?

- ▶ UC replaces 6 other income based benefits
- ▶ When first proposed UC welcomed as a way of lifting people - particularly working families out of poverty
- ▶ Research by Joseph Rowntree Foundation (2019) suggests 300,000 working families will be lifted out of poverty.....
- ▶ But 200,000 workless families will be swept into poverty
- ▶ 5 million people in poverty see increase in income....
- ▶ But 3 million people in poverty see income decrease



The Issues with Universal Credit

- ▶ Payment rates have fallen behind original proposals
- ▶ Online claim management difficult for many people
- ▶ 5 week delay in payment causing hardship
- ▶ People advised to go from old benefits to UC when to do so makes them worse off
- ▶ Childcare costs have to be claimed in arrears
- ▶ Debt deductions too high
- ▶ Increased use of foodbanks and loan sharks?



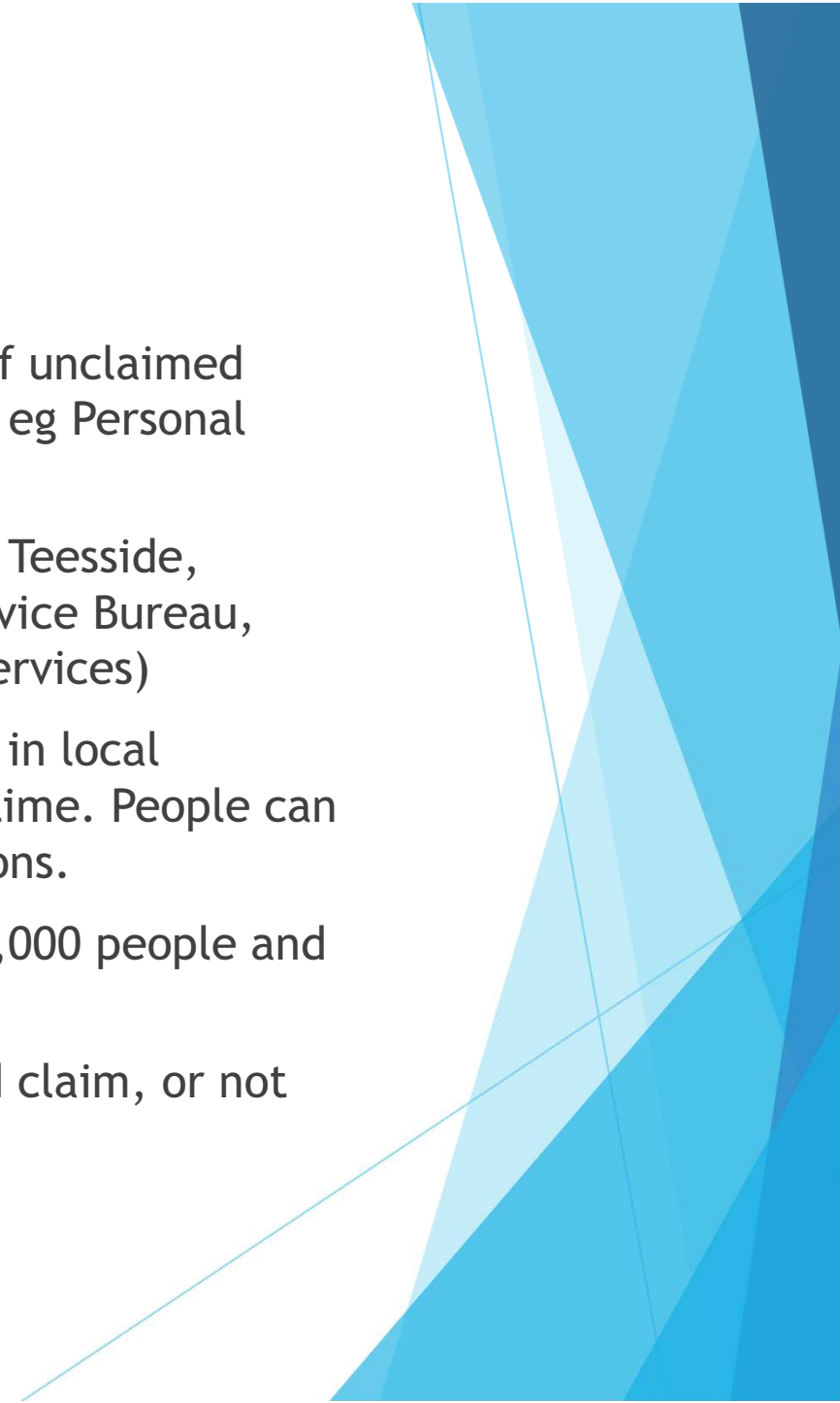
Examples of work promoted and/or funded by the Financial Inclusion Group

- ▶ Benefits Take Up
- ▶ Tackling Illegal Lending
- ▶ Fuel Voucher Scheme
- ▶ Feast of Fun
- ▶ Foodbanks



Benefits Take Up

- ▶ Government report (November 2018) identified £10 billion of unclaimed benefits per annum. This figure excludes disability benefits, eg Personal Independence Payments.
- ▶ Brings together advisers from 5 organisations (Actes, Age UK Teesside, Cleveland Housing Advice Centre, Middlesbrough Citizens Advice Bureau, Middlesbrough Council - Welfare Rights Unit & Democratic Services)
- ▶ Benefits advice provided at a series of fixed weekly sessions in local community centres & at other locations for two weeks at a time. People can drop in or book appointments online via about 40 organisations.
- ▶ Since 2013 the Hubs Advice Service has advised more than 7,000 people and has identified over £16 million in benefits entitlement*
- ▶ Benefits entitlement = benefits people not aware they could claim, or not able to claim without assistance, or incorrectly refused.



Tackling Illegal Money Lending

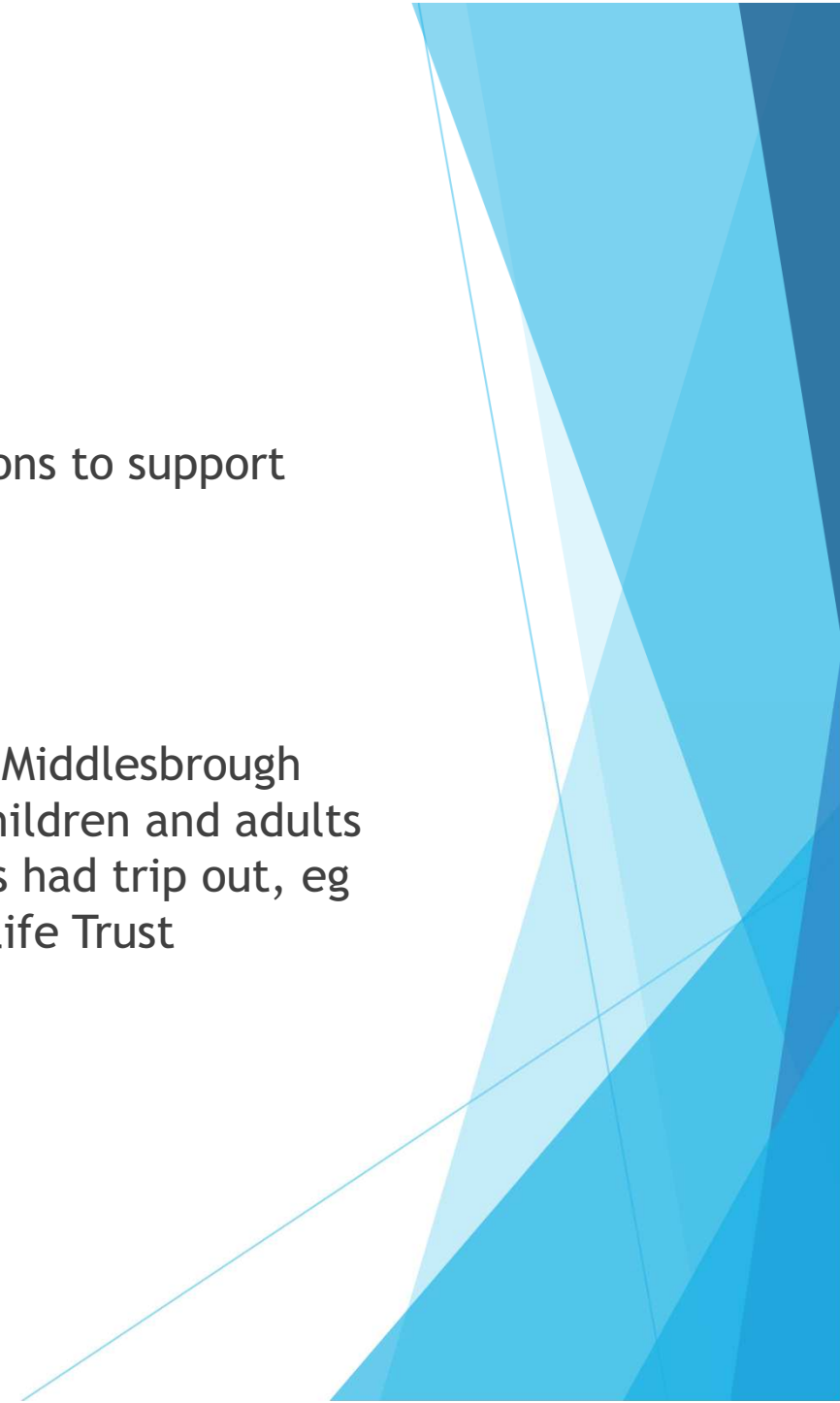
- ▶ A 12 month campaign led jointly by the National Illegal Money Lending Team and Thirteen
- ▶ Uses ILMT intelligence to target areas where loan sharks known to operate
- ▶ Use door-knocking, social media and social events (eg coffee mornings) to promote awareness of alternatives to loan sharks
- ▶ Provide support to victims of loan sharks: Ms P borrowed £200 off loan shark 7 years ago to pay for children's School uniforms; paying £100 a week back and punched in face by loan shark when she asked how much she owed; mum died 3 years ago and her debt to loan shark was added on to daughters debt; in high rent arrears due to paying loan shark £100 instead of rent; has applied to Cash for kids for School uniforms; Discretionary Housing Payment claim has been submitted to help clear arrears
- ▶ ILMT have developed resources for primary and secondary schools

Fuel Voucher Scheme

- ▶ Scheme run by Middlesbrough Environment City
- ▶ People referred into the scheme from partner agencies
- ▶ Provide help with fuel costs to households with pre-payment meters who have been disconnected or face disconnection
- ▶ People provided with a code that can be used at a Paypoint venue to make payment towards fuel costs.
- ▶ In 8 months issued 83 vouchers to 64 households. Half of households included children
- ▶ Nearly all claiming means tested benefits and 88% reported illnesses
- ▶ Biggest single cause of problems paying rent was delay in Universal Credit

Feast of Fun

- ▶ Organised by Together Middlesbrough & Cleveland
- ▶ Brings together churches, schools and community organisations to support families over the summer holidays
- ▶ Reduces the financial burden of summer holidays
- ▶ Provide safe places to have fun and healthy food
- ▶ In Summer 2019 provided 220 healthy eating sessions across Middlesbrough and Redcar & Cleveland; provided over 10,000 meals; 300 children and adults participated in cooking workshops; 1,000 children and adults had trip out, eg Wensleydale Railway, NYM Park Centre Danby, Teesside Wildlife Trust
- ▶ 1500 children provided with books to take home



Foodbanks

- ▶ Run by Trussell Trust, who provided 1.6 million food parcels nationally in 2018/19.
- ▶ 8 Distribution Centres in Middlesbrough providing 3 days emergency food parcels
- ▶ People referred to foodbank by local agencies, eg CAB
- ▶ In 2018/19 supported 5536 people of whom 2027 children
- ▶ Reason for using foodbanks: low income, benefit delays, benefit changes



Conclusion

- ▶ Meeting need in an environment of sustained high levels of deprivation and reducing resources
- ▶ Partnership working helps identify gaps and ensure people can access a range of relevant services
- ▶ FIG has a small budget (£47,500) to fund services that are meeting a need but under-resourced
- ▶ FIGs loose, open structure allows flexibility to respond to emerging issues
- ▶ Welcome observations and/or attendance from wide range of people including councillors

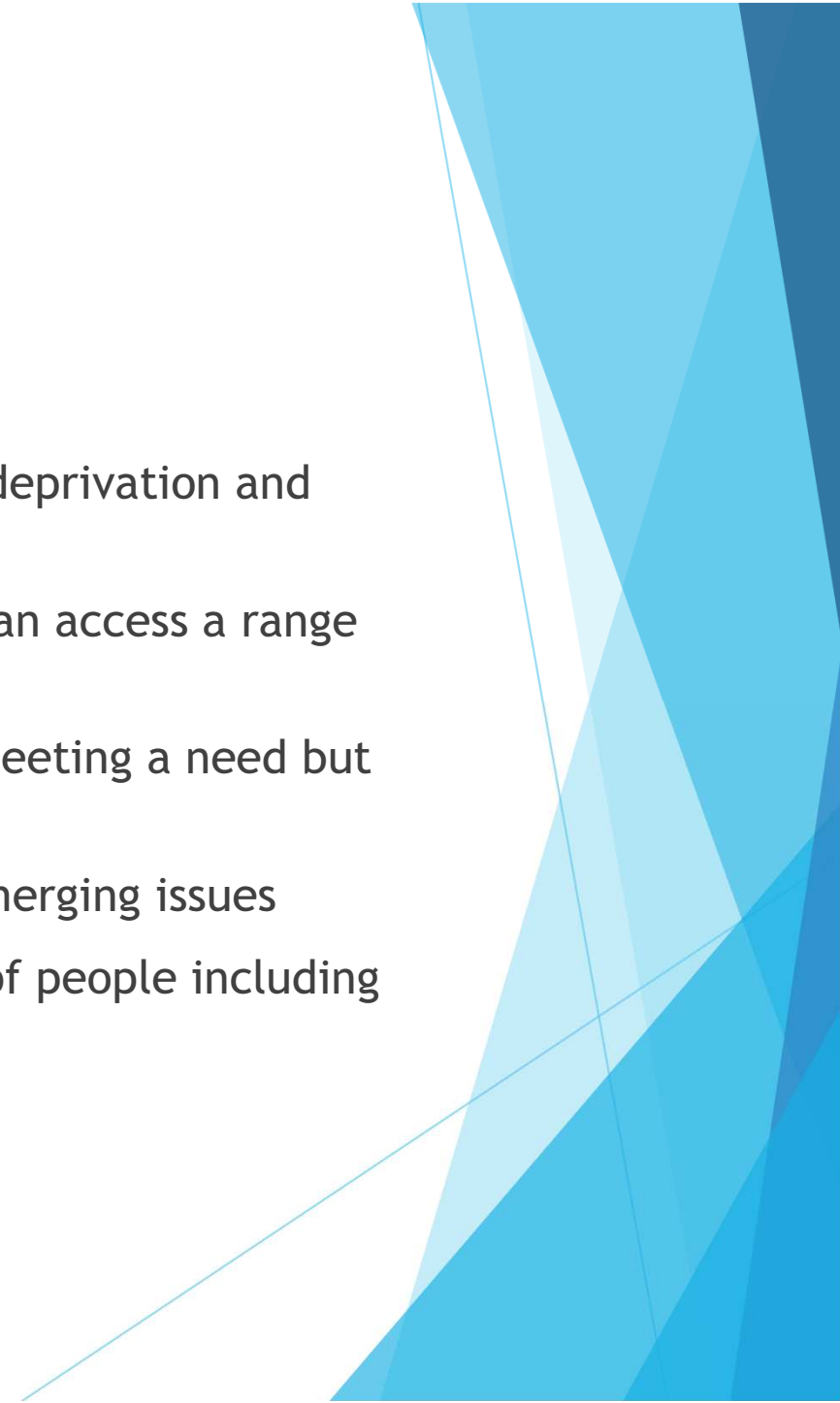


FIG Contact details

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