

Building the Financial Wellbeing of the People You Support



**Money &
Pensions
Service**



Opening address

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Anti Poverty Practice Framework for Social Work in Northern Ireland

www.health-ni.gov.uk/publications/doh-anti-poverty-framework

Poverty in Northern Ireland

Joseph Rowntree Foundation 2018. Poverty in NI

- 20% of the population in NI live in relative poverty (370,000 people) and this has remained stable over the past ten years.
- Poverty rates in NI are slightly lower than in England and Wales but slightly higher than in Scotland.
- Poverty rates vary greatly between different groups of people. Poverty is highest amongst families with children and lowest in pensioners.

Poverty in Northern Ireland

- **Twenty four percent** of single people without children are living in poverty.
- Lone Parents have experienced the highest poverty rates (**40%**) but rates are a little lower than the rest of the UK (**44%**).
- The child poverty rate in NI has remained stable over the last ten years and is lower than in England or Wales but similar to Scotland. Lower housing costs than the rest of the UK and the temporary mitigation of some benefits and Tax Credit changes may explain some of the lower child poverty rates in NI.

Poverty in Northern Ireland

- **Fourteen Percent** of working-age households were not working in 2016. This includes those who are unemployed or economically inactive such as some people with disabilities, students or those who are ill. This rate has been consistently higher in NI than in the rest of the UK.
- **Over two thirds** of those living in poverty will have been poor for at least three out of the last four years. Low income is more likely to be persistent for pensioners, lone parents and those with more than three children.

Poverty in Northern Ireland

- Although the number of people in work in NI has risen since 2008, earning growth has been weak, particularly for young people.
- The employment rate in NI is **5%** lower than the rest of the UK.
- Average weekly pay after inflation is lower in NI than a decade ago in 2008.

Poverty in Northern Ireland

- The employment rate is significantly lower for young people (12% lower), for disabled people (15% lower), and lone parents (12% lower) in NI than in GB.
- In 2016, 370,000 people in NI were living in poverty: 110,000 children, 220,000 working-age adults and forty thousand pensioners.

Poverty in Northern Ireland

- In NI **40%** of people living in social housing were in poverty in 2013/16, having fallen from **45%** 2003/06 (compared with **44%** in the UK as a whole). **Thirty four percent** of those in Northern Ireland's private rented sector are in poverty (compared to **37%** in the UK); a slight fall from the proportion in 2003/06 (**36%**).
- Overall **6%** of working-age adults spend more than **a third** of their income (including housing benefit) on housing costs. This is much lower than in the UK as a whole (**16%**).

Poverty in Northern Ireland

- Among owner occupiers, the poverty rate in NI is 13% (compared with 11% in the UK), similar to 2003/06 (14%). Because many more people are owner occupiers than renters in NI, 43% of those in poverty are owner occupiers compared to only a third in the UK.

Building the Financial Wellbeing of the People You Support

Janine Maher
Country Manager



Money & Pensions Service



Who are the Money and Pensions Service (MaPS)?

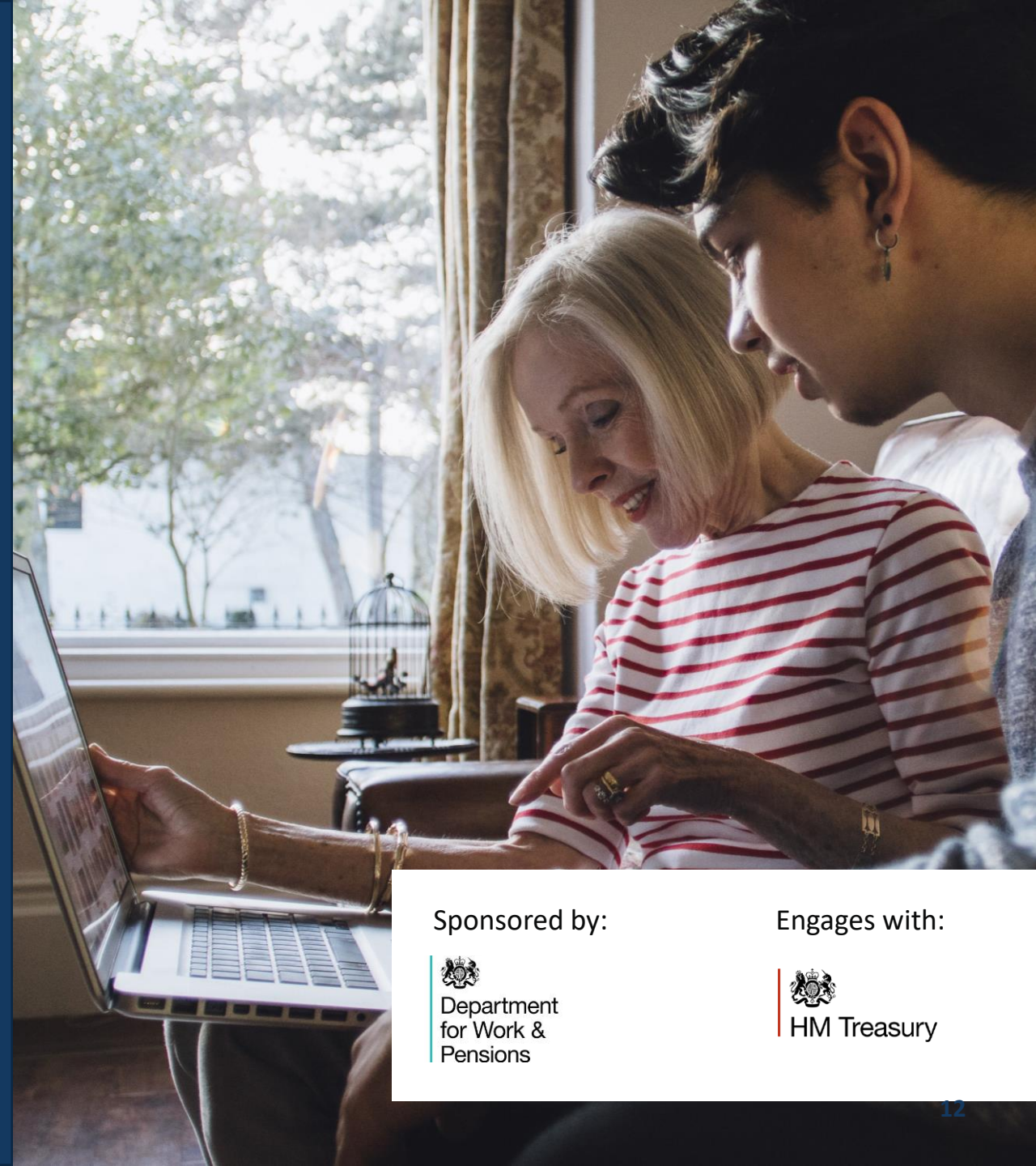


The PENSIONS
Advisory Service

We bring together three respected financial guidance brands:

- The Money Advice Service;
- The Pensions Advisory Service; and
- Pension Wise;

to help people throughout the UK access the guidance and information they need to make effective financial decisions over their lifetime.



Sponsored by:



Department
for Work &
Pensions

Engages with:



HM Treasury



Before



155k

children did not get a meaningful financial education



400k

people had less than £100 in savings



164k

often borrowed to buy food or pay bills



100k

people needed debt advice



700k

did not feel confident to plan for retirement

2020

Schools have had to prioritise core curriculum subjects rather than financial education. (Jan 2021)

21% of households have used savings in the last four weeks to make ends meet (July 2020)

Over 4 in 10 of those with payment arrangements have also used credit for essentials to make ends meet (July 2020)

Debt advice organisations are bracing themselves for a wave of clients (January 2021)

There is concern over increasing pensions scams and fraud because of the pandemic (Dec 2020)

Now

We know that forbearance will end, leaving millions of people with higher **credit** repayments. We know that unemployment will rise, reducing the incomes of millions of people and forcing people to erode their **savings**; access **pension** assets where they can; and increasingly leading to people needing **debt advice**. Some sectors of the economy are being hit harder than others, and many firms are already going out of business, putting pressure on pension schemes and leaving members wanting **help and guidance**.

But as we emerge from the crisis, there is a new opportunity to build financial wellbeing in five key ways:

2030

Children learning meaningful money management: a fresh financial foundation

A nation of savers with greater financial resilience for tens of millions more people

Fewer people having to use **credit** for everyday bills and more people able to access affordable credit when they need it

Better debt advice that reaches millions more people and helps people avert a debt crisis at an early stage

People throughout their lives having a better **future focus** about lifetime savings and spending

What is Financial Wellbeing?



“Knowing you can pay the bills today, can deal with the unexpected and are on track for a healthy financial future”

Secure

Confident

Empowered

What is Money Guidance?

Advice

Advice will **recommend a specific product or course of action** for you to take given your circumstance and financial goals.

Advice will be provided by a **qualified and regulated individual** or online by a regulated organisation.

It will **recommend** what you should do.

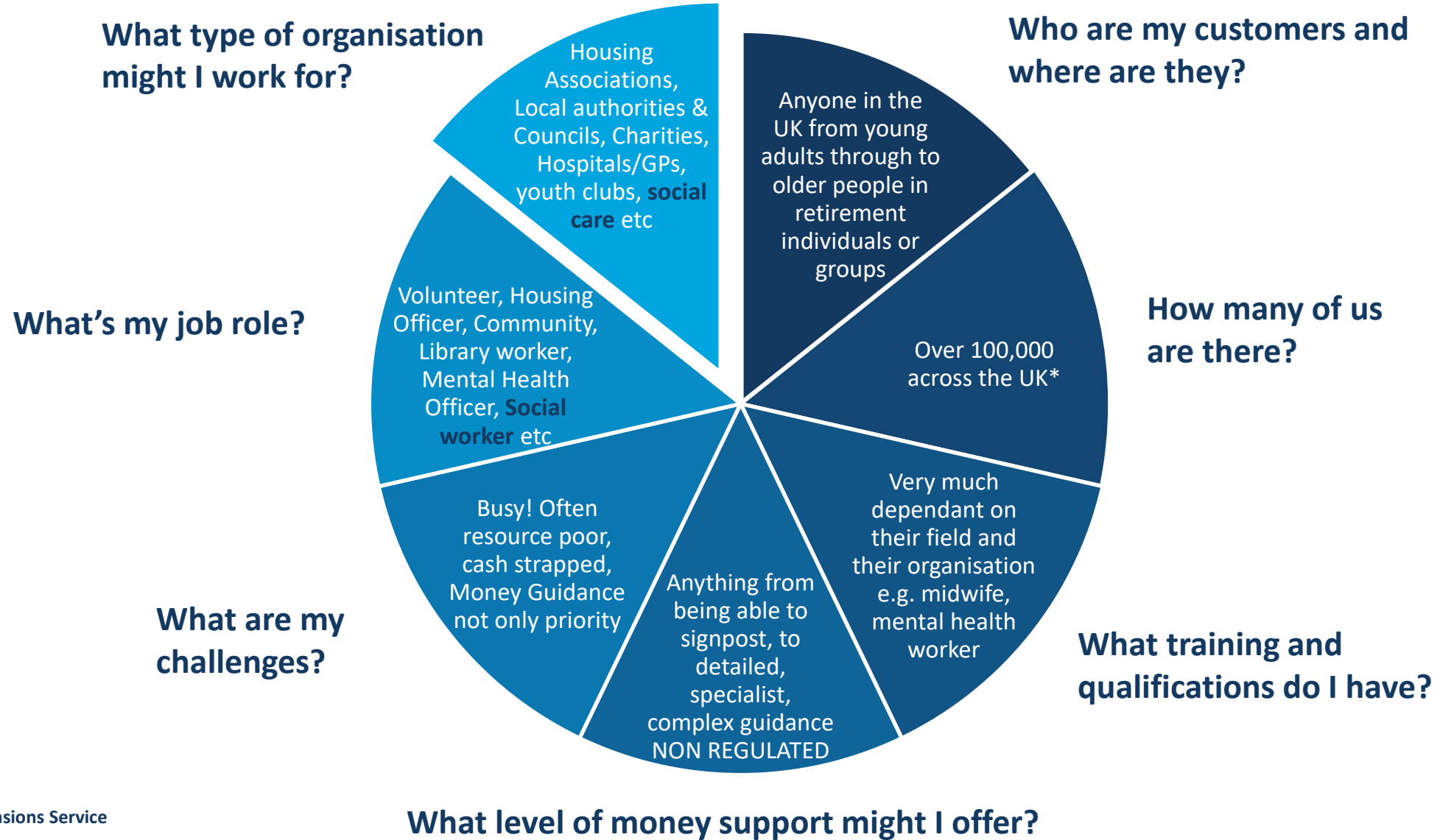
Guidance

Guidance is an impartial service which will help you to **identify your options and narrow down your choices** but will not tell you what to do or which produce to buy – the decision is yours.

Providers of guidance are **responsible for the accuracy and quality of the information** but not the decision made based on it.

Guidance **suggests** what you could do

Who offers money guidance?



Having a library of resources to work from, coupled with a bank of key organisations – together we can help improve the financial wellbeing of your Service Users.

Case study 1

Third party support to manage debt

Customer situation

- Celine* presents at a Credit Union very distressed due to loss of income in a recent change from DLA to PIP benefit, causing her to go into debt with her Building Society for the payment of her mortgage.
- The Credit Union was able to provide an emergency release of savings for food, heat and clothing - even though this money was being held as security against a loan in arrears.
- The Credit Union, on agreement from Celine, was able to contact the local Community Advice Centre to obtain a fast-track referral appointment.
- The Community Advice Centre organised for a volunteer to carry out a review of Celine's PIP and the debt adviser was able to advocate on her behalf with the Building Society.
- The Community Advice Centre provided Celine with food vouchers for several weeks and she received a 'warm pack' courtesy of PHA.
- Celine's review of her PIP was successful and she is now able to return to paying the agreed amount to the Building Society.



Additional support to manage debt and spending

- <https://www.adviceni.net/advice/debt/members>
- <https://capuk.org/i-want-help>
- <https://www.moneyadvice.service.org.uk/en/tools/budget-planner>
- <https://www.moneyadvice.service.org.uk/en/tools/quick-cash-finder>
- <https://www.moneyadvice.service.org.uk/en/tools/savings-calculator>

Case study 2

Connecting with the right stakeholder to get the support needed

Customer situation

- James* bought a house with a loan of money from father of now ex-partner. (loan agreement supported by solicitor's involvement)
- Owing to allegations of domestic abuse - there has been PSNI involvement and James has taken NMO out against his ex.
- As James' ex-partner's father believes he owns half the house, James is letting his ex-partner stay in the house, whilst James stays in his own room.
- James is paying all the utility bills (oil, internet, phone etc. except electricity) and his ex-partner has now moved her 2 children into the house.
- James is on UC and cannot afford to leave his home. He has tried unsuccessfully to ask his ex-partner to contribute to the bills.
- His mental health is deteriorating. He is from the Australia with no family in the UK and friends do not want to get involved in this domestic situation

Community advice support

- The loan James has with his ex-partner's father is not his main issue as the debt is not due for repayment for a long time.
- Community Advice has informed James that as long as he does not break the contract with the ex-partner's father, James cannot be removed from the property, without going through legal action.
- This is a complex case requiring legal advice and James has agreed that his next steps are to seek legal advice.

Other stakeholders to offer guidance and support

- <https://www.housingadviceni.org/resolving-disputes-private-tenancies>
- <https://mensadviceline.org.uk/>
- <http://www.man-ni.org/> (only Western Health Trust area)
- <https://www.moneyadvice.service.org.uk/en/articles/protecting-against-financial-abuse>

*Name has been changed for confidentiality purposes

Case study 3

Debt

Customer situation

Jane has accrued £20k debt in recent times and is very concerned about it. It really is impacting on her mental and physical health.

Community advice support

- Client is eligible for a DRO (Debt Relief Order).
- **It costs £90 to arrange a Debt Relief Order.** The fee will need to be paid fully before an application will be looked at. Once the fee is paid, an Official Receiver will grant the DRO, if the client is eligible.



What is a DRO, who is eligible and resources to help save £90

- <https://www.turn2us.org.uk/>
- <https://www.moneyadviceservice.org.uk/en/articles/options-for-clearing-your-debts-northern-ireland>
- <https://www.moneyadviceservice.org.uk/en/tools/budget-planner>
- <https://www.moneyadviceservice.org.uk/en/tools/quick-cash-finder>
- <https://www.moneyadviceservice.org.uk/en/articles/protecting-against-financial-abuse>

Case study 4

Service user unable to get in top of his finances

Customer situation

- This client had not defaulted on any of his credit cards and was a property owner. Therefore, his options were limited.
- He had an offer from Barclaycard for an interest free balance transfer card and assumed he could only transfer the balance from his existing Barclaycard (which was already on 0% interest).
- We discussed transferring his other card which was accruing interest to the new Barclaycard.
- This allowed him to get all debt on 0% interest and all his monthly payments are now reducing the balance and will therefore be much more affordable and it will not affect either his property or credit file.



Other ways to support service users

- <https://www.moneyadvice.service.org.uk/en/articles/paying-off-your-credit-card>
- <https://www.moneyadvice.service.org.uk/en/articles/reclaiming-unfair-credit-card-charges>
- <https://www.moneyadvice.service.org.uk/en/articles/deciding-whether-to-transfer-your-credit-card-balance>
- <https://www.moneyadvice.service.org.uk/en/articles/ways-to-increase-your-credit-limit>

There is a strong relationship between Financial Wellbeing Indicators & Mental Health Wellbeing

1. One type of problem can feed off the other, creating a vicious cycle of growing financial problems and worsening mental health that is hard to escape.
2. Mental health problems can affect a person's ability to concentrate, process complex information, plan and solve problems and remember necessary steps, as well as depleting energy and motivation. It can also increase impulsive behaviour.
3. These symptoms can make it harder to keep on top of finances or to get a good deal in complex markets.
4. People experiencing mental health problems are three and a half times more likely to be in problem debt than people without mental health problems



Mental Health problems can impact savings, use of credit and debt


- During periods of poor mental health some people take out new credit that they wouldn't have otherwise applied for. Such new commitments might include unaffordable credit products that create a lasting financial burden.
- Constrained planning abilities, memory or attention may make it difficult for people to concentrate for long enough to complete simple tasks such as setting up a direct debit, or to remember when payments are due. This can lead to them missing payments and incur late fees which can trigger debt problems.





Coronavirus Money Guidance

Your way forward



Did you know...?

Unique Grant – Universal Credit

- Northern Ireland has a unique grant for people who are in financial hardship, while waiting for their first Universal Credit (UC) payment.
- It is called a Universal Credit Contingency Fund payment
- Unlike a loan, it does not have to be repaid.
- Awareness is very low and many people apply for an advance (getting themselves into debt) when they are entitled to get this one-off non-repayable grant.
- To obtain this grant contact the Finance Support Service
- UC Claimants need to specify that they want to be considered specifically for the UCCF payment (as FS administers a variety of grants and financial aid).



Other ways to support service users

Universal Credit Helper Tool

<https://www.moneyadvice.service.org.uk/en/tools/money-manager>

Benefits Calculator

<https://www.nidirect.gov.uk/articles/benefits-calculator>

Advice NI

<https://www.adviceni.net/>

Did you know.....?

Government scheme - Help to Save - <https://www.gov.uk/get-help-savings-low-income>

You only need to be eligible on the day you apply for a Help to Save account.

Eligibility

- If you Receive Working Tax Credit
- Are entitled to Working Tax Credit and receive Child Tax Credit
- Are Claiming Universal Credit
- If you obtain UC payment as a couple, you and your partner can apply for your own Help to Save accounts but you need to apply separately.

2. If your circumstances change and you stop getting Tax Credits or Universal Credit, your Help to Save account will stay active and you can continue to save into it.

3. You can pay in any amount from a minimum of £1 up to a maximum of £50 a month.

You can also make individual payments from your bank into your Help to Save account, or by using your debit card.

4. After two years, you will receive a bonus payment of 50% of the highest balance you achieve in this period.

5. For example, if the highest balance during the first two years is £500, you will receive a £250 bonus payment.

6. Withdrawals can be made from your Help to Save account to your nominated bank account and will take about three days. However, this might affect your bonus payment.

7. After four years, you will receive another bonus of 50% of the difference between the highest balance achieved during the first two years and the highest balance during the third and fourth years.

8. For example, if the highest balance after the first two years is £500 and the highest balance in the second two years is £900, the bonus will be calculated on the £400 difference. So, in this case, you will get a second bonus of £200.

Employers for Childcare

Family Benefits Advice Service

Cost of childcare can be a significant expense or a barrier to work. There is support, but complex to work out what is best for each individual or family.

Employers For Childcare's Family Benefits Advice Service: UK-wide charity providing **free, confidential & impartial advice** on support with registered childcare costs:

- Tax-Free Childcare
- Tax Credits
- Universal Credit
- Childcare vouchers

Where it was identified financial support was available for families, the average amount identified was **£4,267**

Employers For Childcare

[Employersforchildcare.org](https://employersforchildcare.org)
Freephone: 0800 028 3008

Twitter: [@EFCCG](https://twitter.com/EFCCG)

Facebook: [employersforchildcare](https://www.facebook.com/employersforchildcare)



Money Guiders

Take your help further

Developing skills
Sharing understanding
Improving lives



**Money &
Pensions
Service**

What is the Money Guiders programme?

Key features



Money Guidance Competency Framework

- Defining money guidance and the boundary with regulated advice
- Setting a performance benchmark across all core areas



Competency framework user guide and self-development tools

- Helping to identify and map where money guidance is being given
- Assessing confidence levels and identifying training gaps



Research and evaluation

- Listening, learning, testing and developing case studies



e-Learning training resources and support

- Directly linking to the competency framework and supplementing any existing training



Recognition and award

- Assessment and recognition of competence at different levels



Access to money guidance learning networks

- Sharing the latest policies, ideas, insights and practices

What are the benefits?

- Improving customer financial wellbeing outcomes
- Recognising organisations and professionals for delivering good quality money guidance
- Helping you understand you or your team's money guidance skill set, identifying where training and development is needed
- Upskilling and connecting 'front line' staff through accessible e-learning, networks and communities
- Enhancing your customer offering and setting a safe framework for delivery



We recommend the next steps

- Familiarise yourself with the budgetary tools (used in the case studies) and encourage your Service Users to use them.
- Familiarise yourself with the Universal Helper tool and the Benefits Calculator (used in the case studies) to help support and signpost your Service Users towards other Stakeholders for example Housing Rights.
- Make contact with your Community Advice (link in the case study) and learn about their work to help support your Service Users.
- Contact Aine Morrison oss@health-ni.gov.uk to register for the “free” Money Guiders Programme



Thank you for your time.

Time for Questions

Sample of useful resources

To top up or develop knowledge and understanding

Help with Benefits

<https://www.moneyadvice.service.gov.uk/en/categories/help-with-your-benefits>

Protecting against financial abuse

<https://www.moneyadvice.service.gov.uk/en/articles/protecting-against-financial-abuse>

Talking about Money

<https://www.moneyadvice.service.gov.uk/en/categories/talking-about-money>

