

## Newsletter No 3

13 May 2014

### Hidden cost of debt

A new report from the Children’s Society and Step Change Charity reveals today that problem debt is putting stress on families, damaging children and trapping families in a downward spiral of borrowing.

The impacts on children are:

- Children in families with problem debt are more than twice as likely to be unhappy at school and be bullied because they don’t have the same things as their friends.
- More than half of children (58%) in families with problem debt say they worry about their family’s financial situation
- Half of children in families with problem debt (47%) say it causes arguments in the family.
- Nine out of ten families in problem debt say they have had to cut back on essentials like food, clothing or heating for their children in order to keep up repayments.
- More than half of children aged 10 to 17 said they saw advertising for loans ‘often’ or ‘all of the time’. But only one in five children said that their school had taught them about money management and debt.

Read the report here

[Children's Society report on debt](#)

### STOP LOAN SHARKS NATIONAL CHAMPIONS 2014

The England Stop Loan Sharks Team have identified over 2,000 illegal lenders, offered support to over 23,670 loan shark victims and written off over £55 million of illegal debt. The Team have completed 313 prosecutions leading to 198 years’ worth of custodial sentences. Following last years’ success, nominations are now invited for national champions in 5 categories;

- Housing providers
- Local authority/education/schools
- Police/Fire Services
- Third Sector organisations including credit unions, community groups & charities
- Other agencies and individuals

The closing date is 30<sup>th</sup> May. For more information contact our local LIASE Officer Steve Ward, [steve.ward@birmingham.gov.uk](mailto:steve.ward@birmingham.gov.uk) mob: 07557 203 147

### Derbyshire Food Bank Forum – update.

The Derbyshire Food Bank Forum met on Friday 2<sup>nd</sup> May at Lea Green Learning and Development Centre and was attended by representatives from 13 of Derbyshire’s 22 food banks. Opening the event, Cllr Ellie Wilcox gave the national context and the forum split into groups to discuss issues they would like raised with the new All Party Parliamentary Group on Hunger and Food Poverty (co-chaired by Rt. Hon. Frank Field MP and Laura Sandys MP). Presentations were given by Derbyshire Dales District Council’s Environmental Health Team,

Derbyshire County Council's Trading Standards Team, Jobcentre Plus and the Illegal Money Lending Team and a lively discussion followed. Forum members suggested agenda items for future meetings, agreeing that the forum is a useful mechanism for networking, sharing resources and best practice and identifying trends across the county. FAAD will look into developing an online forum for forum member's day to day use and will continue to support the forum going forward. The next forum will be held at the beginning of August, date and venue to be confirmed.

The forum is looking for a new Chair. If you currently work or volunteer at a Food Bank and are interested in the role please contact the FAAD team.

For more information on the APPG: <http://www.parliament.uk/business/publications/research/briefing-papers/SN06657/food-banks-and-food-poverty>

## Universal Credit

A review of the Local Authority (LA) led pilots has now been published. Twelve LAs took part with a view to learning about the best ways of preparing claimants for Universal Credit (UC) implementation.

The pilots focused on different delivery challenges and the findings are not really surprising. The report attempts to identify practical solutions based on the experiences of the pilot authorities but many of these will have resource implications for third sector organisations who will inevitably find themselves filling gaps.

The report commented that understanding what was being provided by partners within each LA area was critical to understanding gaps and duplication so that services could be better integrated.

Not surprisingly, the pilots found that customers preferred one-to-one interaction to group sessions to discuss debt issues and that customers will only get in touch when they reach or about to reach crisis point. The pilots also found that a scripted triage approach may not identify residents that need ongoing support and a more flexible approach may be needed. Frontline staff need to have the knowledge, skills, understanding and tools to deliver

an effective triage service. And encouraging people to use a self-service online system takes time and mediated support from staff to help move claimants on to digital channels.

Financial inclusion is clearly one of the main areas to prepare claimants identified by the pilots.

The implications for FAAD members are significant. How can we support claimants to access the online system? How can we support staff training? How can we support claimants with budgeting and banking? How can we encourage claimants to take action before they reach crisis point?

## Funding Update

Lloyds Bank Foundation has launched 2 new grants programmes – INVEST and ENABLE- and are inviting applications from small and medium sized charities that are committed to delivering work which breaks or prevents cycles of disadvantage, particularly at critical points in their lives.

For more information go to

<http://www.lloydsbankfoundation.org.uk/>

Barclays have announced a new £1million fund for credit unions to support sustainable growth and expansion. They will also be able to make use of community hubs within Barclays branches and make use of specialist volunteering. See ABCUL website for more information

[abcul news](#)

## Contacts

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