

Newsletter No 8

November 2014



Derbyshire County Council supports Credit Unions.

DCC is encouraging its employees to sign up and support Credit Unions as part of its work to tackle poverty and support people on low incomes. They have set up a payroll system that allows staff to have any amount from £1 upwards deducted straight from their monthly pay and paid into a Derbyshire Credit Union. Credit Unions are community banks which offer dividends on savings as well as loans at lower rates than high street lenders – and people who pay into them will help Derbyshire residents struggling with debt.

The money they invest will allow Credit Unions to offer more safe, affordable loans to people who may turn to high-risk borrowing like payday lenders.

Earlier this year DCC approved £360,000 of additional funding to local Credit Unions to increase the number of residents they can help with safe affordable loans and financial advice.

They've also outlined a commitment in their annual health report to help treble the number of people signed up to Credit Unions from 6,000 – representing less than 1% of Derbyshire's population – to 18,000 by 2017.

And they've blocked access to payday loan company websites from their computers including those in libraries and those used by our employees.

Credit Unions are regulated and authorised by the Financial Conduct Authority and Prudential Regulation Authority and are part of the Financial Services Compensation Scheme so money is always protected, as in a bank or building society.

FAAD urges all employers in the public, private and voluntary/community sectors to take these three steps

- ✓ Promote Credit Unions as a safe, affordable alternative to payday loans to your clients and staff.
- ✓ Consider setting up a payroll scheme for your employees
- ✓ Block access to payday loan websites from all your computers

Welfare Reform – the forgotten majority?

When we talk about poverty we tend to focus on the young, the old and those with disabilities. However,

recently the [2014 Quids In! Reader Survey](#) found that the people most likely to be missing meals, turning off the heating and lying awake worrying about money are people of working age, but not in full time work. These people are in grave danger of becoming physically or mentally ill, and therefore even less likely to be able to find work or a better paid job.

This spiral is likely to get worse as the impacts of Welfare Reform continue to bite. Government proposals are likely to make matters even worse – the 1% uprating of working age benefits is a fall in real terms even with inflation running at 1.2% in September. The housing squeeze brought about by under-occupancy rules and the increasing use of sanctions and “undeserving” categorisation provide a triple whammy for those claiming working age benefits.

The ONS also reported that average wages only rose by 0.7% excluding bonuses – so part-time workers will receive a quadruple whammy.

The Centre for Social Policy Research has used the Joseph Rowntree Minimum Income Standard which is based on 79% of national median incomes (as opposed to the so called “relative poverty line which is based on 60% of national median incomes) and mapped this against safety net benefits for different groups of people.

Shockingly, single people only receive 39% of the minimum income required to provide their basic physical needs, allow them to participate in society and have a degree of human dignity. To put this in perspective, a single adult of working age would need £197.86 a week before rent to meet the standard. Compare this with the £72.40 a week that person would get on Job Seekers Allowance.

A couple with 2 children are slightly better off at 57% but still fall well short of the standard. A pensioner couple would receive 95% of the minimum income standard, and will be less affected by future changes due to the so called “triple lock” which ensures that pensions are uprated by no less than 2.5%.

The result? An increasingly polarised society with even more families driven into poverty with little hope of climbing out.

Money Management skills

Lloyds Banking Group’s Money for Life Challenge is a national competition which provides grants of £500 for teams of 16 to 24 year olds to run an innovative project to improve money management skills in their communities.

The deadline for applications is 21 November 2014. For more details, [click here](#).

FAAD would be happy to support any groups that would like to apply for this funding. Contact Bev or Claire if you have an idea and a group of young people keen to run a project.



With autumn already here there are many elderly residents who are struggling to pay expensive heating bills and will be unable to stay warm this winter. Within Derbyshire, in 2012/13 there were an estimated 463 excess winter deaths, a figure which is similar to the national average.

Foundation Derbyshire make vital grants to older people to help them get through the winter.

[Surviving winter press release](#)

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