



Policy in Practice

A common approach to
Welsh benefits

Wednesday 7 June

Housekeeping

- Audio check
- Please ask questions throughout
- Poll, download and a short survey
- Aim to finish by 11.45
- Slides and recording will automatically follow
- Follow us on Twitter [@policy_practice](#) and [@BevanFoundation](#)



Policy in Practice: What we do



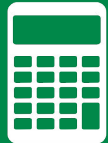
Policy

A team of professionals with extensive knowledge of the welfare system. We're passionate about making social policy work



Analytics

We help over 100 local authorities use their household level data to identify vulnerable households, target support and track their interventions



Software

Our benefit calculator engages over 10,000 people each day. We identify the steps people can take to increase their income, lower their costs and build their financial resilience



Today's speakers



Janet Harkin
Chief Marketing Officer
Policy in Practice



Jack Rowlands
Policy and Data Analyst
Policy in Practice



Dr Steffan Evans
Head of Policy (Poverty)
The Bevan Foundation



Zoe Charlesworth
Associate Policy and
Research Lead
Policy in Practice



Agenda

- Understanding the context:
 - About the Bevan Foundation and the funders
 - The background to poverty in Wales
 - Why this work was undertaken
- Advantages of a common approach and what this could look like
- The benefits we looked at and the data behind them
- Findings and recommendations
- Costings and potential impact
- Next steps
- Questions and answers

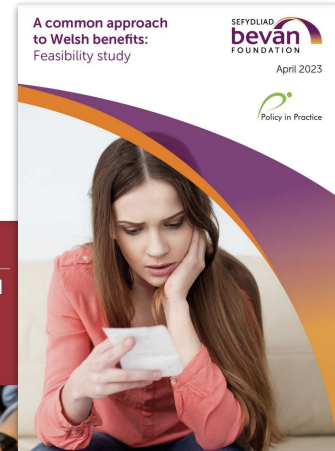


The report

Published on the Bevan Foundation website

- English: bevanfoundation.org/resources/welsh-benefits-feasibility
- Cymraeg: bevanfoundation.org/resources/budd-daliadau-cymreig-dichonoldeb

Formed part of the recommendations made in a recent Senedd Committee report *Unsustainable: debt fuelled by the rising cost of living* senedd.wales/media/aw0fx2x0/cr-ld15845-e.pdf



Over to Steffan



A common approach to Welsh Benefits – the context

Steffan Evans, Head of Policy (Poverty)

About us

We are Wales' most influential think tank



Overview

- What are Welsh Benefits?
- The case for reform
- The purpose of our work with Policy in Practice

What are Welsh Benefits?

The social security system in Wales

- Powers over the social security system per se have not been devolved to Wales
- Administrative powers over the social security system have also not been devolved
- BUT...

What are Welsh Benefits?

- In 2018/19 more than £400m was spent by the Welsh Government on various grants, allowances and in-kind provision where eligibility is restricted to people on low income
- These schemes include:
 - Council Tax Reduction Scheme
 - Free School Meals
 - Discretionary Assistance Fund
 - EMA
 - Discretionary Housing Payments

Why do they matter?

- They top up the support families receive through the UK social security system
- Puts more money in the pockets of families that are struggling and can help lift some out of poverty
- There is significant scope to improve the support offered through these schemes

The case for reform

There are significant limitations to the current approach

- Access to support
- Eligibility criteria
- The value of support
- There are gaps in provision

Establishing a Welsh Benefits System could...

- Make it easier for people to apply for all the Welsh Benefits they are entitled to
- Make it easier for public bodies to administer Welsh Benefits
- Boost take up
- Provide an opportunity for a more holistic discussion about the support that is available to people on low income

Why work with Policy in Practice?

The State of play in Wales

- There is cross party support in the Senedd for establishing a Welsh Benefits System
- There are already examples of best practice with some local authorities taking action to make it easier for people to access Welsh Benefits
- The Welsh Government supports the idea in principal and has been working on establishing a Welsh Benefits 'charter'

Making a Welsh Benefits System a reality

- Desire to turn broad support into practical action
- Need for better understanding of the barriers to implementation and to develop solutions

Can a Welsh Benefits System be implemented?

- Coalition of 10 organisations have come together to fund external experts, Policy in Practice to explore whether establishing a Welsh Benefits System was feasible from a data perspective
- Focus on the rights based benefits



Poll: Does your organisation use data to identify eligibility to extra benefits?



Over to Zoe



The project

How does an understanding of data inform a common approach to Welsh rights-based benefits?

- Council Tax Reduction (working age)
- Free School Meals (secondary school)
- Healthy Start Vouchers (including Welsh top-up)
- Help with health costs
- Education Maintenance Allowance
- Welsh Government Learning Grant (Further Education)
- Pupil Development Grant (Access)



Why is a common approach important?

Welsh benefits are important to household finances. We calculate that all Welsh benefits combined are worth around £5,400 per year for a household

A common approach would be beneficial for a number of reasons:

- Allow Welsh benefits to have a distinct identify
- Increase the take up of benefits due to a common application and a common approach to identification of eligibility
- Ease the application and verification process and so reduce barriers to completion of application
- Maximise household finances for Welsh citizens



Current situation

- The current application processes (identification, application, verification) across Welsh benefits lack cohesion and the benefits do not present as part of a Wales-wide benefit system
- Application for benefits are through a variety of channels (different organisations, different application mechanisms)
- There is limited use of data to identify eligibility to additional benefits
- The use of existing data varies between administrative organisations and between councils
- There is limited sharing of data to ease application or verify circumstances between benefits



Current situation

There is opportunity for change

- The digital nature of data capture facilitates eligibility assessment and sharing between different benefits
- The Universal Credit data share (UCDS) provides a useful starting point for eligibility assessment and data verification
- Current application procedures are already using digital verification to differing degrees
- The commonality of benefits across Wales (e.g. CTR) makes change possible on a national scale



Findings and recommendations



Key findings: data mapping

There is not an exact match of data capture requirements between Welsh rights-based benefits or with the UCDS

But there is the opportunity to make more of data currently captured for Universal Credit:

- The UC data share can be used for a common approach to identification of eligibility
- The UCDS can be used to partially automate the application process and awards for the majority of applicants for FSM and CTR



Key findings: Use of data

Overall, there is considerable scope for using data more effectively as part of a move to a more uniform approach to Welsh benefits

- Identification and targeting
- Application
- Verification



Recommendations: Identification of eligibility

- Develop a uniform approach to identifying potential eligibility to Welsh Benefits
 - Use current available data, particularly the UCDS, to identify potential eligibility to Welsh benefits
 - Develop a common approach to using arrears data to identify potential CTR applicants
 - Introduce eligibility checks for further benefits at the point of application for any Welsh benefit (for households not in receipt of means-tested benefits)
- Introduce a tool to assist councils in identifying potential eligibility using their benefit admin data, the UCDS, arrears data, and other council data (eg current FSM, education)
- Encourage further Universal Credit data sharing by the DWP to allow greater capture of possible applicants to Welsh benefits



Recommendations: Application

- Consider a cohesive design across all Welsh rights-based benefits to reflect a Welsh benefits system
- Capture agreement from the resident to further Welsh benefits entitlement checking/assessment at the point of any application
- Review current data capture requirements. Particularly around data that is being checked against UCDS or against a data verification portal
- Maximise data sharing between Welsh benefits (with the objective of automated data capture for subsequent benefits)



Recommendations: Application

Move towards greater automation of assessment for CTR and FSM:

- Align the Welsh Council Tax Reduction scheme with UC data
- Provide guidance to councils on accepting a UCDS new claim notice as a claim for CTR and work with councils to agree a common approach
- Provide guidance to councils on the level of manual intervention expected with regards to a new claim and work with councils to agree a common approach
- Capture agreement from all households with relevant school age children for FSM assessment



Recommendations: Verification and evidence

- Examine the use of the UCDS to verify circumstances without further verification being required e.g. right to public funds, relationships, and income for Universal Credit claimants
- Review current data verification portals and develop a common data portal with all relevant departments. Full verification requires a portal with DWP, HMRC, Home Office, council social services data, council education data
- Ensure data sharing has a legal gateway and seek to establish further gateways where these are not in place



Barriers to change

There are significant barriers to change, for example:

- Risk of reliance on external data
- Wariness of “algorithms”
- Cost of increased take-up
- Data sharing protocols and permissions (including the introduction of additional legal gateways)
- Adherence to historical ways of working
- Technological barriers including long-term contractual arrangements with current IT companies

Change would require buy-in and commitment from all stakeholders



Recommendation: A phased approach

Short term

- Ensure all Welsh benefit applications have a cohesive design
- Review current data capture requirements of all Welsh benefits (particularly where data is requested and then separately verified).
- Develop a common approach to identifying eligibility and inviting application to Welsh benefits across all organisations administering Welsh benefits
- Agree a common approach towards the use of the UCDS in automating aspects of CTR application and assessment process
- Introduce data capture of application for FSM for all pupils (e.g. through school admissions)



Recommendation: A phased approach

Longer term

- Evaluate the feasibility of a common digital application
- Develop a multi-agency portal for evidence verification
- Introduce a working-age Council Tax Reduction scheme that:
 - Aligns with UC and so supports automation
 - Explicitly states that the UCDS may be taken as an application
- Work with the DWP for inclusion of an application for Welsh benefits within the Universal Credit application
- Continue discussions with the DWP on greater sharing of Universal Credit data to include households not applying for Council Tax Reduction



Finally...

Change requires benefit administrative organisations and the Welsh Government to work together to develop a common approach to Welsh benefits

The will for change exists in Wales - stakeholders support a simplified system that supports citizens to access benefits to which they are eligible

A common approach to existing rights-based benefits can lay the foundation and prepare for the further development of Welsh benefits, perhaps through devolved powers



Over to Jack



How we assessed the cost of higher take-up

We took the best available data on take-up of the six Welsh benefits

- Council Tax Support (avg value £1,073) has one of the lowest take up rates but is a larger source of support. Take up is around 65% (2018 WG study)
- FSM (£551 per year) is at around 72.8% using school census data
- Pupil Development Grant (typically £125 per year) - take-up is not known but assumed to be similar to FSM
- Healthy Start (worth a total of £1,011) take up is around 78% but figures have not been published since last year
- EMA is worth £1,140 per year and take up is not known but considered high, assumed to be above the FSM rate for our estimates
- WG Learning Grant (FE) is £1,500 and take up is not known but assumed to be similar to EMA



CTR has the greatest potential for take-up growth

- **CTR (working age):** there is high potential for increased take-up through maximising automation using UCDS

Est. Current take-up	Current cost	Target take-up	Cost increase
65%	£176.02m	90%	£67.68m

- **Free School Meals:** it is estimated that potential take-up of FSM is impaired because of the stigma attached

Est. Current take-up	Current cost	Target take-up	Cost increase
72.8%	£15m	+5%	£0.8m



Low awareness of schemes is common

- **Pupil Development Grant:** PDG likely has fewer issues around stigma but we model a similar 72.8% take-up due to limited data and similar criteria to FSMs

Est. Current take-up	Current cost	Target take-up	Cost increase
72.8%	£8.4m	+10%	£0.8m

- **Healthy Start:** The LGA report that awareness of the scheme is low and that there is potential for further take-up of 10%

Est. Current take-up	Current cost	Target take-up	Cost increase
78%	£23.4m	+10%	£1.2m



Smaller funds also viable for take-up growth

- **EMA:** there are no published take-up figures, but we assume a similar or slightly higher increase in take-up as with FSM, due to lower stigma

Est. Current take-up	Current cost	Target take-up	Cost increase
	£19.4m	+5%-10%	£1m - £1.94m

- **WG Learning Grant (FE):** no published take-up figures, the criteria is similar to EMA so a target of 5-10% is assumed

Est. Current take-up	Current cost	Target take-up	Cost increase
	£3.6m	+5%-10%	£0.2m - £0.4m



Welfare spending tends to get spent in the local economy

- The total increased cost from our estimates of increased take-up is £73.3m - £74.5m
- Most of the cost would come from Welsh Government or councils
- We calculate that all Welsh benefits combined are worth around £5,400 per year for a household
- Councils should also use data to ensure take-up of DWP benefits, which does not have a cost to councils
- LI households spend around 80% of income increases, in the local economy



A strong safety net means preventing future costs

- Most are early life benefits (Healthy Start, Free School Meals) setting up children better to avoid later impacts of poverty in adulthood
- Income maximisation is good, but it also unlocks the chance to tackle debt and social care costs
- Linking to arrears, insecure housing and debt can provide savings to the council as well as the resident



A common approach to Welsh Benefits – the next steps

Steffan Evans, Head of Policy (Poverty)

What next?

- The report has been very well received
- We will be meeting with relevant Welsh Government Ministers to discuss the report in detail
- Senedd Equality and Social Justice Committee have called on the Welsh Government to implement a Welsh Benefits System

What next?

- What we would like to see:
 - The Welsh Government and local authorities to get on and implement the short-term reforms outlined in the report
 - Set up a working group/ taskforce to work towards implementing the medium/ longer term changes
- We will be working to capture people's lived experience of the system to make the case for reform.

Questions and answers



Thank you

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