Autumn Statement 2023 analysis: Methodology

Policy in Practice analysed benefits administration data from October 2023 across six local authorities spread geographically around the UK, representing over 116,000 low income households.

Administrative data from councils provides real time information about household characteristics, property details, income and earnings, allowing analysis to be based on real life circumstances.

We modelled the following changes to household income:

- Benefits uprating by CPI inflation of 6.7%
- National Living Wage increase from £10.42 to £11.44
- National insurance cut from 12% to 10%
- The restoration of the LHA to the 30th percentile of local rents

When calculating the expected costs of each household within the dataset, we take into account actual costs we know about (e.g. housing costs, Council Tax liability) from the administrative data.

To model for the changes in Council Tax liability and housing costs from April 2024, we modelled:

- A 4.99% increase in Council Tax liabilities to reflect the maximum Council Tax liability can go up by next year
- A 7.7% increase to social rents to reflect the maximum they can go up by next year
- A 6% increase in private rents in line with the latest OBR Economic and Fiscal forecast

We take other household costs from the ONS Family Spending Workbook, accounting for family size, and the average household expenditure of low income households for a range of goods and services.

To model for the impact of inflation from April 2024, we increased

- energy costs in line with the energy price cap from April 2024
- All other household by projected CPI of 3.7% for April 2024

Read our analysis:

- Read Autumn Statement 2023: A step forward after many steps back
- Read Autumn Statement 2023: Uprating benefits: the long view
- Read Autumn Statement 2023: Support versus sanctions: how can we best help people into work?

About Policy in Practice

Families on the lowest incomes have the most complicated finances, often because government departments aren't able to talk to each other effectively.

Policy in Practice sets out to make government policy simple to understand, empowering people with the clarity and confidence they need to make positive decisions. As a team of policy experts, we have developed services that overcome departmental silos to help people to tackle rising living costs and build resilience, enable councils to be proactive and track the impact of their intervention, and improve safeguarding decisions while saving social workers' time.

Better Off is a software tool used by millions of people and thousands of advisors each year to help assess eligibility for the widest possible range of support without needing to be experts in the benefit system. It is free for individuals and available for advisors as an API and a self serve tool for their organisation's website.

LIFT (Low Income Family Tracker) is an analytics platform used by nearly a hundred local authorities. It combines their benefits administration data with advanced analytics to identify and support people with low financial resilience. It enables councils to increase take up of financial assistance to prevent homelessness, arrears and to increase take up of support.

MAST (Multi Agency Safeguarding Tracker) is a service backed by the LGA and NHS Digital that links data across adults, childrens, fire, police and health on a daily basis. This helps frontline staff to proactively identify where there are multiple contacts with the same individual or family to make better informed safeguarding decisions.

Contact us

hello@policyinpractice.co.uk
policyinpractice.co.uk
0330 088 9242