

A common approach to Welsh benefits: Feasibility study

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April 2023

Policy in Practice



About the Bevan Foundation

The Bevan Foundation is Wales' most influential think-tank. We create insights, ideas and impact that help to end poverty, inequality and injustice. We are independent, informed, inspiring and inclusive in everything we do.

As an independent, registered charity, the Bevan Foundation relies on the generosity of individuals and organisations for its work.

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- Barnardo's Cymru
- Citizens Advice Cymru
- Home Start Cymru
- NEU Cymru
- Oxfam Cymru
- Save the Children
- Trussell Trust
- Wales TUC
- Welsh Local Government Association



The report also forms a part of a broader programme of work undertaken by the Bevan Foundation to solve poverty, part funded by the Joseph Rowntree Foundation.

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A common approach to Welsh benefits

Feasibility study

Report to the Bevan Foundation

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- NEU Cymru
- Oxfam Cymru
- Save the Children
- Trussell Trust
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- Welsh Local Government Association

All view's expressed in this report belong to Policy in Practice alone.

About Policy in Practice

Policy in Practice is a social policy software, research, and analytics company working with councils, government, housing providers and community organisations. We help organisations analyse the impact of policy, identify and engage the people impacted, and track the effectiveness of interventions.

Policy in Practice runs one of the benefit calculators on GOV.UK and helps local authorities and other clients to identify and support customers who are struggling. We believe it should be easy for people to access the support they need.

To find out more about our work, please visit our website or contact hello@policyinpractice.co.uk

Foreword

The Bevan Foundation has long recognised the importance of the various grants and allowances provided by the Welsh Government and Welsh local authorities to low-income households. From the Council Tax Reduction Scheme to Free School Meals, these grants and allowances provide vital support to low-income households across Wales and sit alongside the support provided through the UK social security system.

As awareness of these schemes has increased in recent years, so has our understanding of the limitations of the current system. It is over four years since the Bevan Foundation first drew attention to complexity of devolved grants and allowances, each with its own requirements and administration. Households have to submit multiple applications to get access to all the support they are entitled to, leading to confusion and low take-up.

The Bevan Foundation proposed that these various grants and allowances should be brought together into a single framework which we termed a Welsh Benefits System. We have called on the Welsh Government to establish such a system to improve access, increase take up and ensure efficient and consistent administration across Wales. As such, a Welsh Benefits System has real potential to lift people out of poverty.

We have won support for the idea of a Welsh Benefits System from all parties in the Senedd and from within Welsh civil society. There is already work ongoing within the Welsh Government on the issue, focusing on sharing best practice and establishing the principles that should underpin a new approach. This is welcome work and provides important foundations on which to build.

It is time now to shift attention to putting principles into practice. To this end the Bevan Foundation has worked with several other organisations to commission external experts, Policy in Practice, to assess how to implement a common approach to Welsh benefits focusing on data requirements. The work has been undertaken independently by Policy in Practice, with all views expressed in this report being those of the research team.

The findings are essential reading. They demonstrate that establishing a Welsh Benefits System is feasible in terms of data. Not only is it feasible, the report also highlights that establishing a Welsh Benefits System could see millions of pounds-worth of unclaimed benefits find their way to the pockets of people on low-incomes.

Creating a full Welsh Benefits System would take time. The report identifies several actions that the Welsh Government could take in the medium term to establish comprehensive

arrangements. It is vital that these actions are taken forward, and to do so we recommend that the Welsh Government establish an implementation group comprising those currently delivering the grants and allowances and other experts.

But we do not need to wait - there some immediate gains to be won. The report demonstrates that making better use of data could boost uptake of several grants and allowances, providing some relief to very hard-pressed households in a cost of living crisis. We recommend that the Welsh Government should work with its partners to act upon them as a matter of urgency.

The Bevan Foundation

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Executive Summary

Background

The Welsh Government has introduced its own system of benefits, grants, and allowances, worth approximately £400m to increase support for Welsh citizens. For eligible Welsh households this additional support is worth up to approximately £4,000 per year. The Welsh system of benefits consists of both rights-based benefits (such as Free School Meals) and discretionary support (such as the Discretionary Assistance Fund).

Welsh rights-based benefits are administered by a variety of organisations such as Welsh Councils, the Welsh NHS, and the Welsh Government. This means that although the benefits are part of a wider Welsh benefits system, each benefit appears to stand alone.

In general, separate applications are required for each of these benefits and allowances. This risks households not claiming all the support to which they may be entitled. Accessing support can be particularly challenging for the most vulnerable Welsh residents.

There is a recognition across the Welsh Government and stakeholders that the current system in Wales can result in confusion for claimants. In light of this, the Bevan Foundation, funded by a group of organisations¹, has commissioned Policy in Practice to evaluate how data can support the process of developing greater commonality across Welsh benefits.

Research overview

The research set out in this report examines the data relevant to Welsh benefits and analyses how, and to what extent, data can be used to support increased uniformity across Welsh benefits. The findings from the evaluation provide the basis for recommendations.

Greater uniformity across Welsh benefits is likely to increase take-up of support, which would have financial implications for Welsh citizens, the Welsh Government, and Welsh councils. The research provides estimates of cost implications.

¹ The project was funded by: Barnado's, Bevan Foundation, Citizens Advice Cymru, Home Start Cymru, NEU Cymru, Oxfam Cymru, Save the Children, Trussell Trust, Wales TUC, Welsh Local Government Association

Findings

Organisations administering Welsh rights-based benefits hold substantial amounts of data on Welsh households. These records are currently held in disaggregated benefit-specific databases. As each organisation only holds records relevant to a specific benefit, the resulting datasets do not map readily to each other. Neither do they map readily to data provided to Welsh councils by the DWP for administration of Council Tax Reduction (the Universal Credit Data Share (UCDS)). In the absence of an aggregated Welsh benefits database, the UCDS is the most comprehensive dataset currently available. As such, it is useful to explore its potential for the purposes of developing a uniform approach to Welsh benefits.

There are a number of positive features of Welsh benefit administration that would support greater uniformity:

- The regulations governing Welsh benefits are set by the Welsh Government, so it is within its power to introduce regulatory amendment to facilitate greater uniformity.
- The rollout of Universal Credit provides an opportunity to use verified data on households in receipt of Universal Credit to support a common approach to Welsh rights-based benefits.
- There is good practice across organisations administering Welsh benefits in using data to support benefit take-up and ease application. This could inform the development of a common approach.
- Organisations administering Welsh benefits hold a great deal of data on low-income households. There is the opportunity to aggregate this data, or to share data more efficiently across organisations.

This research identifies several measures that capitalise on these positive aspects and that could be implemented to increase uniformity across Welsh benefits. It identifies two main paths that the Welsh Government could consider in implementing a more uniform approach: a centralised approach with a central database and/or a central application portal, or greater uniformity of approach within current structures. These are not mutually exclusive and there is the opportunity to introduce greater uniformity within current structures whilst evaluating a more centralised approach.

There are several advantages in developing a central database with a central application portal. It would enable the Welsh Government to hold its own data on low-income citizens without reliance on the UK Government. This would enable targeting of support and a holistic view, across multiple benefits, of residents. It would also assist the Welsh

Government in taking a data-led approach to the design of support. A central application portal would ease access to support for Welsh citizens and would overcome many of the current barriers to data sharing. Development of a central database could be populated through a common application portal or through aggregation of existing databases and retention of current application mechanisms. The most feasible option is likely to be a merged approach. Should the Welsh Government wish to pursue this option, it is recommended that it undertakes a technical feasibility study to inform design and implementation.

The research also identifies measures that could be implemented to increase uniformity across Welsh benefits within current structures and without the need to develop a centralised approach. This approach has advantages in that many of the measures can be achieved relatively quickly and can build on current practices. The recommendations can also set the foundation for the development of a more centralised approach in the future.

Some of the recommended measures could make a significant difference to Welsh citizens. Specifically, using data to implement a more uniform approach to identification of eligibility for Welsh benefits and so drive take-up, and secondly the development of a uniform approach to automation of application for CTR which would align CTR start date with that of UC, and so prevent the build-up of CT arrears.

The measures that can be implemented within current data structures are provided below. These are divided into measures that are relatively straightforward to implement, and those that would require a longer timescale for implementation.

Recommendations that are relatively straightforward to implement

- *Introduction of a uniform approach to identification of eligibility and targeting of support*
The building blocks for a uniform approach to identification of eligibility already exist. This could optimise the use of the UCDS, use existing tools (including, but not limited to, Policy in Practice's LIFT dashboard), and build on current good practice within Welsh councils and other organisations. A uniform approach would be facilitated by central guidance from the Welsh Government on the sharing of UCDS data for benefit take-up purposes. A uniform approach to identification of eligibility, using councils' own data, could inform the foundation for the aggregation of council databases in the future.

In addition, the Welsh Government and organisations administering Welsh benefits should develop a common approach to using a Wales-focused benefit calculator to identify eligibility to Welsh benefits, in addition to UK-wide benefits.

- *Introduction of greater uniformity in the application for Welsh benefits*
Welsh benefit application forms can be made visually more uniform through the incorporation of common design elements, as well as digitalisation of current paper-based applications. Application forms could capture permission to use data to apply for all Welsh benefits, and to signpost to all Welsh benefits at the point of application. This increases visibility of Welsh benefits and paves the way for automation of application for any benefit with overlapping eligibility criteria.
- *Introduction of a uniform approach to automation of CTR application*
Current practices differ across Welsh councils. Increasing uniformity of automation for the application for CTR would be relatively straightforward and have a positive impact on a large number of households. This could be achieved through the Welsh Government amending current CTR regulations to include an explicit acceptance of the UC intention to claim as a claim for CTR.
- *Introduction of a common approach to risk in the verification of evidence*
Organisations administering Welsh benefits have different approaches to risk. It would assist organisations if the Welsh Government issued guidelines on verification of evidence and approach to risk.
- *Undertake a review of current data capture requirements*
Organisations that administer Welsh benefits could usefully review their data capture requirements with the aim minimising input and duplication of data.

Recommendations that require a longer timescale for implementation

- *Amend regulations governing Welsh benefits*
Regulations for Welsh benefits lie in the power of the Welsh Government. The Welsh Government could usefully consider uniformity within regulation design. Greater commonality of eligibility criteria across benefits would pave the way for a single set of data capture requirements across Welsh benefits, thereby easing application. The Welsh Government could also consider amending the CTR scheme design to align with UC so that it allows for greater automation of assessment and award.
- *Work towards greater visibility over low-income Welsh citizens*

Current datasets held by organisations administering Welsh benefits only capture data on a proportion of low-income households and datasets are not consolidated. The Welsh Government could make representations to the DWP that sharing of wider UC data on Welsh residents is proportionate.

- *Include a Welsh benefits indicator within UK-wide benefit applications*

The majority of low-income householders across the UK claim either Universal Credit or Pension Credit. The Welsh Government should make the case to the DWP for inclusion of an indicator to claim Welsh benefits, for all Welsh citizens, within relevant UK-wide benefit applications.

- *Introduce a common automated approach to Free School Meals (FSM)*

FSM data requirements map closely with the UCDS. The Welsh Government could capitalise on this and, in partnership with Welsh councils and the WLGA, explore the possibility of a uniform approach to automating both application and assessment of FSM.

- *Ease data verification*

The Welsh Government could work towards developing a single portal for evidence verification with the DWP and HMRC and additional data owners to be used by all administration organisations.

Conclusion

Evaluation of the data held by administering organisations suggests clear opportunities for developing greater commonality of approach across Welsh benefits.

Implementation of recommendations made in this report would require a partnership approach between the Welsh Government, Welsh councils, and representatives of the relevant departments within the NHS and Welsh education. This would enable organisations to identify where central guidelines, or legislative change, would be useful to facilitate implementation.

There will be a cost impact of any resulting increase in benefit take-up but much of this can be offset against the benefit to local economies and prevention of crisis, as well as administrative savings made by amalgamating application processes and maximising automation.

There are clear advantages to introducing a more uniform approach to Welsh benefits. For Welsh citizens, particularly the most vulnerable, it will result in a less complex and time-consuming path to accessing benefit support, leading to greater take-up of benefits and maximisation of income. For organisations administering Welsh benefits, uniform guidelines and regulatory amendment will simplify decisions on administration and facilitate automation with associated resource implications. For the Welsh Government, a more uniform approach would increase support for its citizens and would pave the way for the development of a data-led approach to the administration and design of a cohesive Welsh benefits system.

1. Introduction and background

The main social security benefits in Wales are part of a UK-wide system in which powers reside with Westminster. Alongside the UK benefits system, the Welsh Government has introduced its own system of benefits, grants, and allowances that increases support for Welsh citizens. The cost of these additional benefits and allowances is estimated by the Bevan Foundation to be over £400m per year². The Welsh system of benefits consists of both rights-based benefits (such as Free School Meals) and discretionary support (such as the Discretionary Assistance Fund).

Welsh rights-based benefits are administered by a variety of organisations such as Welsh Councils, the Welsh NHS, and the Welsh Government. Each has its own application and assessment mechanism. Because of this, there is little commonality of visual design or application process and, although the benefits are part of a wider Welsh benefits system, each benefit appears to stand alone.

Various organisations, such as schools, councils, and the Welsh NHS, signpost potentially eligible applicants to these benefits and the onus is on the citizen to make an application for support. In general, separate applications are required for each of these benefits and allowances. The need for signposting and application risks households not claiming all the support to which they may be entitled. Multiple applications for support for Welsh benefits, in addition to applications for the UK-wide means-tested benefits, can be particularly challenging for the most vulnerable Welsh residents.

There is a recognition across the Welsh Government, and across third-party organisations and charities that support low-income households, that the current system in Wales of different application channels, application mechanisms, and administrative organisations, can result in confusion for claimants.

The Welsh Affairs Committee in 2022 reported that many residents found the system complex to navigate. Specifically, it said that many Universal Credit claimants did not realise they had to apply separately for the Discretionary Assistance Fund and other support such

² UK Parliament Welsh Affairs Committee, *The Benefits System in Wales*, 2022 (<https://publications.parliament.uk/pa/cm5802/cmselect/cmwelaf/337/report.html>)

as the Welsh Government's Free School Meals and local authorities' Council Tax Reduction Schemes³.

The Bevan Foundation and the funding organisations⁴ wishes to understand the feasibility of developing a common approach to rights-based benefits in Wales, particularly with regards to how data could be used to support the process. Any easing of barriers to application to support is likely to result in an increase in benefit take-up, and therefore the overall cost of Welsh benefit support. As part of the feasibility study the Bevan Foundation wishes to understand the likely cost implication of adopting a common approach to Welsh benefits.

In November 2022, The Bevan Foundation commissioned Policy in Practice to undertake a feasibility study on the extent to which data can support a common approach to rights-based benefits in Wales.

³ UK Parliament Welsh Affairs Committee, The Benefits System in Wales, 2022 (<https://publications.parliament.uk/pa/cm5802/cmselect/cmwelaf/337/report.html>)

⁴ The project was funded by: Barnado's, Bevan Foundation, Citizens Advice Cymru, Home Start Cymru, NEU Cymru, Oxfam Cymru, Save the Children, Trussell Trust, Wales TUC, Welsh Local Government Association

2. Methodology and approach

The study focuses on how data can support a common approach to rights-based benefits in Wales. It does not seek to evaluate the scope or impact of Welsh rights-based benefits, nor suggest benefit-specific design changes.

The objective of the feasibility study is to understand:

- The common data elements across the different rights-based Welsh benefits
- The extent to which a common approach across Welsh benefits is feasible
- Whether external data sources, such as benefit administration data and Universal Credit data, can be used in the development of a common approach to Welsh benefits
- The cost implication of greater take-up of Welsh benefits, should a common approach be feasible
- Barriers to implementation of a common approach to Welsh benefits

The Welsh rights-based benefits that are considered in this study are:

- Council Tax Reduction (CTR)
- Free School Meals (secondary school) (FSM)
- Healthy Start Vouchers (including Welsh top-up)
- Help with Health Costs
- Education Maintenance Allowance (EMA)
- Welsh Government Learning Grant (Further Education)
- Pupil Development Grant (Access), also known as the Schools Essential Grant

An additional Welsh benefit, the Welsh Government Fuel Support Scheme, ended on 31 Jan 2023⁵ and is not considered in this feasibility study.

Benefit characteristics, application mechanism, data capture requirements, and datasets used in this research all relate to 2022 – 2023.

⁵ 2022. 'It's money we simply do not have' Mark Drakeford defends scrapping £200 winter fuel payments. ITV Wales 16 December. Available at: <https://www.itv.com/news/wales/2022-12-16/how-the-government-defended-scrapping-the-200-winter-fuel-payment-in-wales>

Approach

In order to understand how data can support a common approach to Welsh benefits, the data required for the assessment and administration of each Welsh rights-based benefits was mapped and compared. This exercise informs an understanding of the overlap of data requirements and data capture across Welsh benefits, grants, and allowances, and whether a common application or assessment mechanism is feasible.

Data required for Welsh benefits does not need to originate in a Welsh benefit application. Use could be made of additional data held by Welsh administrative organisations if legal gateways allow. The data required for each Welsh benefit is therefore also mapped against the largest relevant dataset held: the Universal Credit Data Share (UCDS). This dataset contains data for the main working-age UK benefit, Universal Credit. It is shared by the DWP with all Welsh councils and the DWP has recently clarified that the councils are the data controllers. This mapping provides an understanding of whether this additional data held by Welsh councils is useful in developing a uniform approach to Welsh benefits.

The potential cost of additional take-up of Welsh benefits is calculated to understand whether wider take-up is financially feasible.

Methodology

The research uses a mixed methodology approach consisting of desk research and data analysis. It draws heavily on Policy in Practice's experience of benefit processes, benefit data, and data held by Welsh councils.

The research consists of the following key tasks:

- Identifying data requirements for eligibility and assessment of Welsh rights-based benefits, and mapping of data requirements of Welsh rights-based benefits against each other to identify common data requirements.
- Identification of data fields in the UCDS and mapping these to the Welsh benefit data capture requirements to understand the potential use of the UCDS.
- Understanding the role of data in a common approach to the identification of eligibility, the application for benefits (including the possibility of automation), and verification of evidence.
- Deriving a defensible estimation for increased take-up of benefits, resulting from a common approach and calculation of the cost of any widening of support for Welsh

rights-based benefits. This analysis uses publicly available data (e.g., Stats Wales and ONS) to arrive at a sensible and defensible approximation. This approach was tested through a round table consisting of the Bevan Foundation, Welsh councils, and funding organisations.

3. The data requirements for Welsh rights-based benefits

The administration of each Welsh rights-based benefit requires the capture of data to assess eligibility, determine support, and administer payment. The required data can either be collected from data already held by organisations if legal gateways allow; through data capture at the point of application; or from a combination of these. In practical terms, sharing of data will depend on the overlap of the requirements for each benefit as well as legal permissions to share data. This section examines the overlap of data requirements for Welsh benefits.

Characteristics of Welsh rights-based benefits

In order to understand if better use could be made of data in the development of a common approach to Welsh benefits, it is necessary to understand the current role of data in the administration of Welsh benefits. This includes current processes for identification of eligibility, application, assessment, and verification.

An overview of the key characteristics of Welsh rights-based benefits, along with current relevant processes, is provided in Appendix 1.

Data capture requirements of Welsh rights-based benefits

Data capture requirements for each Welsh rights-based benefits, reflecting the design of each benefit at the time of this research, is provided in Appendix 2.

The data capture requirements provided in the appendix show the broad category of data (e.g., “rental information”) together with sub-categories (e.g. “rental cost”, “tenure type”) rather than specific data fields. It is worth noting that for some Welsh benefits, a number of different application forms and data capture mechanisms exist. For example, these can be online or paper-based, and involve different approaches across councils. For this reason, the data capture requirements set out in Appendix 2 may not fully reflect all application forms (online or paper-based) across Wales.

Comparison and mapping of data capture requirements for Welsh rights-based benefits

The data capture requirements for a benefit reflect the information needed for eligibility verification, assessment, and award.

Table 1, below, shows the broad data capture categories for all Welsh rights-based benefits mapped against one another

Data category	Welsh benefit						
	CTR	HWH	FSM	PDG	HS	EMA	LG
Personal information of applicant							
Partner's information							
Address details							
Council Tax							
Contact details							
Children							
School / college information							
Course information							
Previous course information							
Other adults in household							
Nationality status and recourse to public funds							
Disability							
Employment of applicant and partner							
Hospital							
Student							
Caring responsibilities							
Benefits received by applicant or partner							
Self-employed income of claimant and partner							
Other income received by applicant or partner							
Income of parents							
Capital or savings of claimant and partner							
Capital of parents							
Council Tax costs							
Tenancy information							
Rental costs							
Owner costs							
Student accommodation costs							
Other housing costs							
Council Tax costs							
Joint tenancy							
Outgoings (apart from housing and CT)							
Details of any parent not at address							
In care / looked after							
Living independently							
Type of support requested							
Bank details							
In receipt of FSM							
Pregnancy							
NHS number							
Third party details							
Third party bank details							
Previous address details							
Repeat application details							

Key

- Category of data applies
- Category of data does not apply
- CTR Council Tax Reduction
- HWH Help with Health
- FSM Free School Meals
- PDG Pupil Development Grant (Access) /Schools Essentials Grant
- HS Healthy Start Vouchers
- EMA Education Maintenance Grant
- LG Welsh Government Learning Grant

Table 1: Comparison and mapping of data requirements for Welsh rights-based benefits

This comparison shows that there is considerable difference in the data capture requirements across Welsh rights-based benefits. This is not surprising given the wide scope of support provided by these benefits. Nevertheless, there are a few similarities that exist across benefits:

- There are some common elements of data required for all Welsh benefits. These are generally around details of the applicant, partner, and household.
- Council Tax Reduction and Help with Health Costs have similar data capture requirements. Both are based on a similar means test in which income is compared to a measure of need that reflects the household's circumstances. The key difference is that Help with Health Costs requires additional information on outgoings, such as housing and Council Tax costs, which is not required for CTR.
- There is an overlap of data required for FSM and the Pupil Development Grant (Access). This is not surprising as FSM confers eligibility for the Pupil Development Grant (Access). The data requirement differs in that the Pupil Development Grant (Access) requires details of type of support needed and bank details.
- There is similarity in data capture requirements between the Education Maintenance Grant and the Welsh Government Learning Grant. These differ primarily around whose income is taken into account (student, parent, partner), which reflects the level of dependence of the student on parents or guardians.

The level of conformity between the data requirements for Welsh benefits provides an indication of the feasibility of using one of the current data capture mechanisms as a basis for a common approach.

It is worth noting that the comparison of data requirements across Welsh benefits is based on current data capture requirements which reflect current eligibility criteria. Determination of these eligibility criteria lies with the Welsh Government. In seeking greater conformity of Welsh benefits, the Welsh Government may wish to consider introducing greater uniformity of eligibility across benefits. This would result in more commonality of data requirements and pave the way to the development of a single data capture process.

Data held by Welsh councils

Benefit administration datasets are held by Welsh councils and are the main source of data on low-income households. The households represented within these datasets are the primary recipients of other Welsh Benefits.

Data is used by councils to administer Council Tax Reduction (CTR) and Housing Benefit (HB). The relevant datasets are the councils' own: the Council Tax Reduction (CTR) dataset and the Single Housing Benefit Extract (SHBE). These datasets are informed by data shared with the council by the DWP: the Universal Credit data share (UCDS).

All working-age households in receipt of means-tested benefits will move from legacy benefits to Universal Credit by 2028-29 and the UCDS will become increasingly important as a data source. The DWP has recently clarified that councils are the sole data controller of the UC data shared with them. As such they can use it according to their own legal advice as long as the use is covered by legal gateways. Given that the UCDS is the most comprehensive available dataset of information on low-income households, the data contained within it is likely to be a useful supplement to data collected specifically for Welsh benefits. Further information on the UCDS is therefore provided below.

Universal Credit Data Share

The UCDS consists of a daily data feed supplied by the DWP to councils. It contains household records for all Universal Credit claimants in the authority (resident or placed in another Local Authority by the council) who have indicated during the Universal Credit application process that they intend to claim support with their Council Tax. The data field consists of new claim records which provide household information on new Universal Credit claimants interested in applying for CTR. These are incomplete records as further information on income, earnings, and Universal Credit award is issued once the Universal Credit claim has been assessed and an award of Universal Credit has been made. The initial new claim data cannot be accepted as verified by the council until the end of first assessment period data share has been received. The feed also contains change of circumstance and termination records. These update the new claim record and provide data for a specific change (for example a change in earnings or household composition).

The UCDS data shared with Welsh councils is provided in Appendix 3. The relevant categories of data that may be of use within a common approach to Welsh benefits are:

- National Insurance Number (NINO)

- Date of birth (DOB)
- Gender
- Residency (living in the UK for the last two years)
- Income (type & amount)
- Address, tenure & housing costs
- In care/looked after
- Benefit start date
- Savings
- Child details (DOB, gender, whether CB is in payment) (up to 10 records)
- Non-dependant info (DOB, gender, name, whether in receipt of benefits that affect a UC housing cost contribution) (up to 10 records)
- Universal Credit award assessment criteria, maximum Universal Credit, elements, unearned income and benefits, earned income, deductions, payment, payment date.
- Earnings information (gross, tax, NI, pension contribution, net, employer details, net earnings)
- Childcare costs

Scope of the UCDS compared to Welsh benefit datasets

The UCDS contains a greater range of data than that held for the administration of any individual Welsh benefit. The only comparable Welsh benefit dataset, in terms of detail of data, is that captured for Help for Health costs. The similarity is because assessment of Help for Health costs is based on that for Universal Credit. The two datasets contain records on different households. The UCDS contains data on significantly more low-income households as it holds records for all UC claimants who intend to claim CTR. The Help for Health costs dataset contains similar records but only for households *not* in receipt of means-tested benefits.

Mapping Universal Credit data against Welsh rights-based benefits

To understand the extent to which the UCDS can be used in the development of a common approach to Welsh rights-based benefits, UCDS data is mapped across data capture requirements for each of the Welsh rights-based benefits.

Table 2 below shows the proportion of data required for each Welsh benefit that is also held within UCDS, together with categories of data *not* captured within the UCDS.

Benefit	Approximate proportion of data capture for Welsh benefit that is in the UCDS ⁶	Data capture requirements not included within the UCDS
Healthy Start Vouchers	60%	<ul style="list-style-type: none"> • NRPF household information • Pregnancy • Due date • Parental details for applicants under 19 • Parental income for applicants under 19
EMA (Presuming that parent/other adult over 18 completes application)	55%	<ul style="list-style-type: none"> • Student (non-dependent) NI details • Student place of birth • Student contact details • Third party applicant details • Whether the student has a bank account • Student previous address • Bank details for student/third party • School/college details • Independent living • Passport number • Visa status (additional info) • Student nationality • Refugee or asylum seeker status • Parental signatures/third party signature
Welsh Government Learning Grant (Grant for students 18+ so student is the applicant)	55%	<ul style="list-style-type: none"> • Place of birth • Repeat application • Third party details • Parental details • Previous address • Whether student has a bank account • Bank account details • College/School • Course details • Independent living • Visa status (additional info) • Student nationality • Refugee or asylum seeker status • Parental information • Parental income • Parental capital • Parental signature

⁶ Based on sub-categories of information. Data on children is only counted once (i.e. 1 child in the household). All proportions rounded to nearest 5%

Pupil Development Grant (Access)	50%	<ul style="list-style-type: none"> • School information • School year • Looked after/care information • Whether in receipt of FSM • Equipment/support required • Bank details
FSM (KS2 – KS4)	90%	<ul style="list-style-type: none"> • Asylum seeker number • School information
CTR	95%	<ul style="list-style-type: none"> • Non-dependant income • Disability benefits
Help with Health	90%	<ul style="list-style-type: none"> • Non-dependant income • Disability benefits • Mortgage costs • Council Tax • CTR

Table 2: Representation of data capture requirements for Welsh rights-based data within the UCDS

This mapping shows that the UCDS only partially overlaps with the data requirements for administration and assessment for the majority of Welsh benefits. The exceptions are FSM, CTR and Help with Health Costs, which have data capture requirements that overlap substantially with the UCDS.

Households in receipt of means-tested benefits, represented within the UCDS, do not need to make a separate claim for Help with Health Costs, so the UCDS cannot play a significant role in supporting application and award of this benefit. However, it is particularly useful in developing a common approach to FSM and CTR. The UCDS, alongside other council held data, also has a role in the development of a common approach to identification of eligibility and the verification of information.

The possibilities for using data effectively within a common approach to Welsh benefits is likely to differ through the stages of the benefit process: identification of eligibility, application, and verification. These process elements are examined separately in the following chapters.

A data overview of Welsh rights-based benefits

Summary of Findings

- Welsh rights-based benefits vary greatly in their eligibility criteria, application, administration, and verification processes. This reflects the need to collect different data for different support objectives.
- There is no incidence of a Welsh benefit's data capture requirements mapping fully to that of another benefit. Data partially overlaps for a number of benefits; however, each benefit also requires its own benefit-specific data.
- The data capture requirements for the majority of Welsh rights-based benefits do not map fully with UC data supplied by the DWP to Welsh councils. UC data is most similar to CTR and FSM data requirements and is likely to be useful in developing a common approach to these benefits.
- The UC dataset contains more information, on more households, than datasets used for the assessment of individual Welsh benefits.

Recommendation

- The Welsh Government should consider introducing greater commonality of eligibility across benefits to pave the way for the development of single set of data capture requirements across Welsh benefits.
- Development of a common approach to Welsh rights-based benefits should optimise the use of overlapping data between benefits. The most comprehensive source of this data is the UCDS data held by Welsh councils.

4. The role of data in developing a common approach to identifying eligibility for Welsh benefits

There are a number of datasets currently held by organisations administering Welsh benefits that hold significant amounts of data on household circumstances. These datasets can be used to develop a common approach to identifying eligibility for Welsh benefits and targeting of support.

Datasets that collect significant levels of data on household composition and income, and therefore offer the most opportunity to target support at low-income households, include:

- The dataset used by councils to administer Council Tax Reduction and Housing Benefit
- The Universal Credit Data Share (UCDS)
- The dataset used to administer Help with Health for households not in receipt of means-tested benefits

Absolute identification of eligibility is only possible in a minority of cases (e.g., using benefit data to inform eligibility for FSM and the Pupil Development Grant (Access)), but data could be usefully employed in a common approach to identifying households potentially eligible for support. It is worth noting that using existing data will not identify all households potentially eligible for Welsh benefits. For example:

- The UCDS data only contains information on households who have made a Universal Credit claim and indicated an intention to apply for CTR, or on those who have already applied for CTR. It therefore does not contain non-householders or those that have omitted to indicate an intention to apply.
- Some households do not claim means-tested benefits, such as Housing Benefit, CTR or UC, but may have household income below thresholds for certain Welsh benefits.
- Some households have income or capital above means-tested benefit limits but may be eligible for Welsh benefits.
- Certain groups are prohibited from claiming means-tested benefits either due to visa restrictions or because they are a student. These groups may have entitlement to certain Welsh benefits.

Examples of data indicators that could inform eligibility for Welsh benefits are provided in Table 3 below.

Benefit	Indicator (s)
Healthy start	Child age Maternity allowance Maternity benefit Benefit receipt Household income
FSM	Child age Household income <i>(Note council's benefit data can be cross checked with the council's FSM data)</i>
Pupil Development Grant	Child age Maternity allowance Maternity benefit Benefit receipt Household income <i>(Note council's benefit data can be cross-referenced with the council's FSM data)</i>
EMA	Child age Household income Other children in the household
WG Learning Grant	Claimant/partner/non-dependant age Student indicator Household income indicator <i>(Note: Most students will not be included in benefit data as they usually cannot claim means-tested benefits. Data is most useful in identifying adult student children living in the household of the applicant)</i>
CTR	New Universal Credit claim
Help with Health Costs	Household income

Table 3: Data indicators to identify potential eligibility for Welsh benefits

The most comprehensive benefits dataset on low-income households is the Universal Credit data share held by councils. This holds information on households who have indicated an intention to apply for CTR and is shared with councils primarily for CTR administration. Councils may use this data for limited additional purposes such as prevention of fraud and determining Discretionary Housing Payments (for other purposes they have to notify DWP). There are also legal gateways which allow local authorities to use social security data to help with take-up of social security benefits and to use the data for homelessness prevention.

Significantly, the DWP has recently confirmed that councils are data controllers for DWP data once they receive it. This means that councils can decide themselves the purposes for which their data is used, as long as there is a legal gateway and data protection principles are followed. Further information on the data governance around UC data is attached at Appendix 5 to this report.

It is arguable that councils do have legal cover for using benefit data for take-up purposes, however councils vary in the level to which they are willing to do this, and each will have formed their own interpretation of the overarching legislation. In order to develop a common approach the Welsh Government could provide a central view of the legal use of council held data for take-up purposes.

It is likely that Help for Health data for households not represented within the UCDS could usefully be merged with UCDS data to create a larger dataset for use in identifying eligibility and targeting of support. As the Help for Health scheme is determined by the Welsh Government it could specify that this is a legal use of the data.

Increasing visibility of potentially eligible households

The DWP holds data on all Universal Credit households, and it would increase the visibility of households potentially eligible for Welsh benefits if the Government were willing to share this additional data with Welsh councils. Sharing of the full Universal Credit dataset with either councils, or the Welsh Government, is likely to require DWP acceptance that sharing of the data is “proportionate” under the data protection legislation. The Welsh Government could take this argument forward with the DWP.

There are already a number of channels through which further data sharing between the DWP and councils is being explored:

- A group of UK councils is exploring how full data sharing for benefit take-up purposes can be achieved and is engaging with DWP on this issue. The group is facilitated by Policy in Practice.
- Devolved governments are discussing greater data sharing between central government and the devolved administrations, including sharing of DWP data.

Using current good practice to inform a common approach to identification of eligibility

Policy in Practice has worked with a number of councils who have used their benefit administrative data, often merged with other council data, to promote take-up of benefits. Particularly relevant use has been the take-up of FSMs. Many councils use Policy in Practice's Low Income Family Tracker (the LIFT dashboard) for this purpose. This dashboard could be developed to both include data obtained from Welsh rights-based benefits and to identify eligibility for other Welsh benefits. Alternatively, the Welsh Government could develop a similar tool to enable council-held data to be merged with data from other Welsh benefits. This would allow the rollout of a common approach to benefit take-up across councils.

There is already good practice within several councils in using data for take-up purposes and this could inform the development of a common approach. For example, councils may use the UCDS and benefit data to target FSM and the Pupil Development Grant (Access) and may use the UCDS to invite an application for CTR.

Increasing commonality of data requirements to support identification of eligibility

The variety of data capture requirements across Welsh benefits is set out in Chapter 3 of this report. It was noted that the Welsh Government may wish to consider introducing greater commonality of eligibility criteria to ease data capture requirements. Simplified eligibility criteria, applicable to all Welsh benefits, would also assist in the identification of eligibility and targeting for take-up purposes.

The role of a common application mechanism in identification of eligibility

Throughout this section, discussion of the role of data in the identification of eligibility for benefits has focused on the use of the UCDS. As things stand, this is the most comprehensive dataset on low-income households available. If the Welsh Government were to develop a common database to aggregate current data that exists across benefits, either through a single data capture mechanism (a common application portal) or through aggregation of separate databases, the combined database of records for all Welsh benefits

would be similar in scope. Should a central database be implemented at some point in the future, the Welsh Government would be able to use its own database for identifying eligibility for additional benefits without reliance on data provided by the DWP.

The role of a Benefit Calculator in identification of eligibility

A common approach to the use of data to identifying eligibility to Welsh benefits can be supplemented by widespread use of a Wales-focused benefit calculator that identifies eligibility to all Welsh benefits in addition to UK-wide benefits. There are a number of benefit calculators available and some, such as Policy in Practice's Better Off Calculator⁷, already provide coverage of Welsh benefits. Currently, organisations administering Welsh benefits will have developed individual approaches to the use of calculators. Organisations may enable households to either proactively identify further support (e.g., through embedding a calculator within the organisation's website), or advisors may use a calculator for provision of more holistic support.

The role of data in developing a common approach to identifying eligibility

Findings:

- Data is already held by organisations administering Welsh benefits that could be used for a common approach to identification of eligibility for other Welsh benefits.
- There are many examples of good practice by councils that could form the basis of a common approach to identification of eligibility and benefit take-up across all Welsh councils.
- A common approach by councils is partially stymied by differing legal interpretations of the framework governing the use of data for take-up purposes.
- If the DWP were to share data on all Universal Credit households with councils, or the Welsh Government, this would allow identification of eligibility across a wider group of residents.
- Simplified eligibility criteria, applicable to all Welsh benefits, would assist in the identification of eligibility and targeting for take-up purposes.
- Currently the UCDS is the most useful dataset to identify eligibility for additional benefits. If the Welsh Government were to introduce a common application portal at some point in the future, this would enable the Government to use its own data to identify eligibility without reliance on data shared by the DWP.

⁷ <https://www.betteroffcalculator.co.uk>

- Organisations administering Welsh benefits vary in the extent to which they use benefit calculators to identify eligibility to Welsh benefits.

Recommendations:

- The Welsh Government and Welsh councils should develop a common approach to identifying eligibility, building on current good practice work of councils.
- The UCDS is currently the most useful dataset for identifying eligibility for benefits and the Welsh Government should optimize its use in developing a common approach to identification and targeting of support.
- The Welsh Government should issue legal guidance to Welsh councils clarifying the use of the UCDS for benefit take-up.
- The Welsh Government and Welsh councils should consider adoption of a software tool to assist with take-up of Welsh benefits. This could be through the development of current tools (including, but not limited to, Policy in Practice's LIFT dashboard) to identify eligibility for Welsh benefits, or through development of a separate Welsh benefits identification tool.
- The Welsh Government and Welsh councils should continue discussions with the DWP on greater sharing of Universal Credit data and argue that sharing of the data is "proportionate" under the data protection legislation.
- To drive take up of benefits, the Welsh Government and organisations administering Welsh benefits should develop a common approach to using a Wales-focused benefit calculator to identify eligibility to Welsh benefits, in addition to UK-wide benefits.

5. The role of data in developing a common approach to application

The component benefits of the Welsh benefits system were each introduced at various times, by different organisations, and for different purposes. Because of this there is currently little cohesion across benefit application mechanisms to indicate that they all form part of a Welsh benefits system.

- The current application forms each reflect the design standards and branding of the public sector department or organisation responsible for the administration of the benefit.
- Benefit applications are each held on different portals, typically the website of the administering organisation.
- There is no common channel of application. Most Welsh benefits have a digital application form. However, Help with Health Costs, Education Maintenance Allowance and the Welsh Government Learning Grant rely primarily on completion and return of a downloadable PDF.
- Each Welsh benefit has its own declaration and privacy notice. There is no common declaration for a desire to apply for all relevant Welsh benefits nor a common privacy notice.

This variety of application channels and design is likely to affect the level of benefit take-up, particularly for vulnerable residents. Welsh residents need to understand the scope of support available and have the resources to navigate numerous websites and application mechanisms.

A number of organisations in Wales have expressed a desire to see a more coherent approach to application for Welsh benefits.

A common application portal

There is a wide variety of data required to administer and assess each Welsh benefit. Although common elements exist across benefits, each benefit also requires benefit-specific data. This suggests that any common paper application or PDF format would not be feasible due to form complexity and volume of data capture. Any common form covering all Welsh benefits would necessitate 44 broad categories of data capture, each containing numerous data items.

A single application mechanism is possible if the application for benefits is made primarily digital. A single digital application across all Welsh benefits has a number of advantages:

- It would bring all Welsh benefits into a single cohesive whole (the Welsh benefits system).
- It would enhance take-up of benefits as it would enable a single application to determine eligibility for all relevant benefits.
- It would provide the Welsh Government with a wide-ranging database of records on low-income households that it could use to maximise benefit take-up and support for residents, without reliance on DWP data.
- It would ease application for benefits that are currently paper or PDF based as only relevant data input fields are displayed.
- It would assist support organisations as signposting would be to a single application rather than multiple application forms.
- It would enable a single entry of data common to all benefits (e.g., applicant name, household members, address).
- It would allow for a single evidence and verification mechanism.
- It could incorporate a common privacy notice, data permissions, and applicant declaration.

It is worth noting that the Welsh Government could introduce greater commonality of eligibility criteria across Welsh benefits which would assist in the design of a common application form.

A single application mechanism does not need to be administered by a central organisation, although this could be implemented if desired. Given the number and spread of current administrative organisations it is more feasible that a single portal would be designed to interface with current systems allowing transfer of data to the relevant organisation.

A common portal could either replace, or sit alongside, current application mechanisms.

A common approach across diverse application mechanisms

Development of a single application portal is likely to take time to implement. In the shorter term, a common approach could be developed based on existing application processes. This could include the following features:

- A common design of application forms to provide a visual reminder that a benefit is part of a Welsh benefits system. This could range from simple inclusion of a logo to a comprehensive redesign applicable across all Welsh benefits.
- A rollout of digitalisation to ensure that paper-based applications move to being primarily digital.
- Using the application to each Welsh benefit as an opportunity to signpost to additional support. For example, agreement between all administering organisations to provide standardised text and links to other Welsh benefits for which the applicant is potentially eligible.

There are numerous examples of Welsh councils signposting to other benefits and support available to their residents. These tend to be provided through a support hub on the council's webpage or following award of support (e.g., for CTR). Additional signposting at the point of application could supplement current approaches by councils and other organisations. This approach would increase visibility of Welsh benefits and create a link between the benefits that make up the Welsh benefit system.

Increasing automation of application

The complex and time-consuming process of application and provision of evidence for benefits could be eased by full or partial automation of application. The term automation in this context refers to application taking place without manual intervention, based on award of a different benefit (the first benefit would act as a passport to another benefit). If the Welsh Government were to introduce a common application portal in the future, automation of application would be irrelevant as completion of one application would then allow for automatic application to multiple benefits.

In the absence of a single application portal, automating access to one benefit directly through award of another would rely primarily on the UCDS. If a single application portal for Welsh benefits were to be implemented in the future, CTR application would still benefit from automation of application via the UCDS as this would align UC and CTR application dates.

There are examples where automation of application already exists:

- Some Welsh councils use Universal Credit data as an application for CTR.
- Receipt of most UK-wide means-tested benefits automatically confers eligibility for Help with Health costs.

Data protection considerations are the key barrier to further automating application for Welsh benefits; applicants need to agree to their data being used for additional purposes. The obtaining of this permission would be simplified if a common application portal were developed as permission could be gathered at the time of application and could apply across all Welsh benefits.

Excluding the use of a single application portal, data permissions could be obtained at application for each Welsh benefit, allowing the applicant's data to be used to apply for further Welsh benefits. The limitation to this approach is that the majority of Welsh benefits do not hold sufficient data for determining eligibility, and therefore automating application to additional benefits. The exception to this is CTR which is itself increasingly reliant on data provided by the DWP through the UCDS.

UC claimants who also apply for CTR do not need to provide additional permission for their data to be used for CTR application, as an intent to claim CTR is made within the UC application. A common approach to automation of CTR application is therefore worth considering, whether a common application portal is developed or not. As the UCDS is currently the most comprehensive dataset on low-income households, its role in automation of other Welsh benefits is also worthy of consideration.

Use of UC data in a common approach to automation of application for Welsh benefits

The rollout of Universal Credit provides an opportunity for the Welsh Government and Welsh councils to consider using the UCDS to automate application for Welsh benefits. Automation would mean that notification of a UC claim is automatically taken as an application for any Welsh benefit to which the UC claimant is eligible. Automation of application would considerably increase take-up of most Welsh benefits.

The UCDS is shared with councils by the DWP for the administration of CTR and there are legal gateways that enable Social Security data to be used for benefit take-up purposes. However, automation of application could be deemed to go beyond take-up, and the Welsh Government should seek legal guidance on whether further permissions are required. If additional permissions for data usage are required, there would need to be a mechanism to capture a claimant's agreement to apply for Welsh benefits and for their UCDS data to be used for this purpose. The UCDS currently includes a marker to indicate an intention to claim CTR, so no further permissions are needed for CTR. To adopt a similar approach for other Welsh benefits, the Welsh Government could make approaches to the DWP to include an

indicator of intent to claim all Welsh benefits within the UC application. It could also amend regulations governing Welsh benefits to accept such an indicator as an application.

Using the UCDS as an application for Welsh benefits would create a streamlined application mechanism and remove the need for applicants to make additional manual applications. For those households not represented within the UCDS, manual application processes would need to exist alongside any automatic application.

Data contained within the UCDS does not map fully against the current requirements of most Welsh benefits therefore an application would only be complete once further information is provided. Even with these caveats, there remains considerable benefit in using the UCDS to automate application for some Welsh benefits. It would create uniformity across Welsh councils, ease application for the majority of low-income households, prevent delays in application, and target support to potentially eligible applicants.

Mapping of the UCDS against Welsh benefit data requirements shows that data within the UCDS maps readily to that required for Welsh FSM and CTR. For both these benefits, there is therefore an opportunity to develop a common approach that goes beyond automation of application to automation of assessment and award. Currently, there is not a common approach to this, and different approaches exist across Welsh councils.

Free School Meals

Universal Free School Meals (FSM) are currently being rolled out to all primary schools in Wales (Universal Primary Free School Meals or UPFSM). Application for FSM is still required in respect of secondary education, and the application process discussed in this report refers to this.

Currently, a manual FSM application collects an intention to claim and the name of the educational establishment. Councils use data shared by the DWP to establish income. Where income data and school data are held by one council there is scope for automation of award without the need for any manual application. Where pupils are educated outside the authority area, there would need to be a process established to share data with other authorities.

Application would still be required for applicants not in receipt of means-tested benefits, primarily students and households with no recourse to public funds.

The current key barrier to automation is the need for the applicant to allow their Universal Credit data and school data to be used for the application of FSM.

To introduce automation for FSM, the Welsh Government would need to;

- Seek a way to obtain the applicant's permission for the use of their data. This could either be through a marker within the UC application (intention to claim Welsh benefits), or through another mechanism such as collection of permission at the time of school application for all pupils.
- Work with councils to agree a common approach to automation and the sharing of data on households where a pupil attends school outside the authority area in which they reside.

Automation would enable the seamless delivery of FSM for the majority of eligible households without separate application. As FSM confers eligibility for the Pupil Development Access Grant, automation of FSM application could also enhance take-up of this grant.

Council Tax Reduction

Automation of application for CTR would mean that the majority of applicants would not need to make a separate CTR application to the council. They would need only to indicate their interest in receiving CTR in their Universal Credit application with the DWP.

There is currently no common approach across Welsh councils on how far UCDS is used to automate the application for CTR. Typically, a UC new claim record will trigger action such as the council issuing an invitation to apply for CTR or automatic set up of a new CTR record and a request to the resident for further information (if required). This difference between councils is driven primarily by the interpretation of the intent to claim marker within the UC record; some councils will accept this as a proxy for application, others deem that this does not constitute an application. Automation of application for CTR is increasingly important as more households move to Universal Credit. Many UC claimants will not be aware that they need to make a separate claim for CTR and any delay between UC application and CTR application risks accumulation of CT arrears. The Welsh Government could amend the Welsh CTR regulations to introduce an explicit acceptance of the UCDS intention flag as a CTR claim. This would assist councils in their legal determination and ensure a more uniform approach across councils.

Even though automation is possible for the majority of CTR applications, there will always be cases for which manual application is required as the households are not visible in the UCDS data.

Although automation of application is relatively straightforward, automation of CTR assessment and award is more complicated. Currently the Welsh CTR scheme is not fully aligned with data included in the UCDS. For example:

- The current Welsh CTR scheme uses receipt of disability benefits to exempt from non-dependant deductions.
- Non-dependant income is used to determine the rate of non-dependant deduction.

In addition, definitions, terminology, payment periods, and the treatment of income is not fully aligned between UC and the Welsh CTR scheme.

The design of the Welsh CTR scheme lies with the Welsh Government. Should the Welsh Government wish to move further towards automation of assessment, in addition to application, the scheme would need to exclude information requirements where that information is not provided by the DWP and to minimise the use of data deemed unreliable. For example, categories of non-dependant deductions could be replaced with a flat rate deduction and income rules aligned with Universal Credit. Any CTR scheme change would lead to some households gaining support and some losing support. An impact assessment would be required to ensure that any proposed CTR change fitted with the Welsh Government's objectives for support of Welsh citizens.

Currently councils vary in the level of automation of CTR assessment. Some councils will automate all claims where the information from the UCDS is sufficient, others require manual intervention at multiple stages of the process. Most councils will not award CTR until, at a minimum, the assessment has been checked. In part, this variance in approach is determined by the IT system used by the council to administer CTR. The main CTR systems (provided by Civica, NEC, and Capita) all contain a level of provision for automation of application and assessment, and user-defined parameters for tolerances. However, the introduction of further automation, not included in the standard IT offer, would require additional cost.

Any move to a common approach to automation of either CTR application or CTR assessment would need to be undertaken in partnership with Welsh councils. Councils would need to be comfortable with the reliability of the data being used, the level of risk of fraud or error, and compatibility with IT systems. A joint approach between the Welsh Government and Welsh councils would be useful in arriving at an agreement, which could be implemented across Welsh councils, on a common approach to automation. It would also allow councils to indicate

to the Welsh government areas in which further guidance would be helpful (e.g., acceptable level of risk).

The role of data in developing a common approach to application for Welsh benefits

Findings:

- The current application processes across Welsh benefits lack cohesion and do not present as part of a Wales-wide benefit system.
- A common application form encompassing the data requirements for all Welsh benefits would simplify application. This would need to be digital given the amount of data required. Some Welsh benefits currently use a paper application and would need to move to a digital approach.
- A common approach to application could be developed without a common portal. This could be achieved through common design, a move to digital application across all Welsh benefits, and common signposting to tie Welsh benefits together.
- In the absence of a single application portal, it is worth considering streamlining application through automation. Currently the most relevant dataset for this purpose is the UCDS.
- Using the UCDS to automate application for CTR is simpler than for other Welsh benefits, as an intention to apply is included within the UCDS. Councils currently differ in their approach to automation of application.
- For all other Welsh benefits, the permission of the applicant may be needed for using UC data to automate application. This would require capture of permission within the UC application.
- There is the opportunity to go beyond automation of application to increased automation of assessment through use of the data in the UCDS for both FSM and CTR. Councils currently differ in their approach to this.

Recommendations:

- The Welsh Government should evaluate the possibility of introducing a single digital application channel for all Welsh benefits.
- In the short-term the Welsh Government could work with administrative organisations to develop a common approach to application, including design elements, digitalisation, and signposting.

- The Welsh Government should consider amending the CTR regulations to include explicit acceptance of the UC intention to claim as a claim for CTR in order to facilitate a common approach to CTR application across Wales.
- The Welsh Government should work with the DWP to include an indicator of intention to claim Welsh benefits within the UC application. Inclusion of this indicator would allow expansion of automation of application to other Welsh benefits. This would be less relevant should the Welsh Government introduce a common application portal.
- The Welsh Government and Welsh councils should work in partnership to develop a common approach across Welsh councils to automation of both application and assessment of CTR.
- The Welsh Government should consider amending the CTR scheme design so that it allows for the development of automation and reduces the need for additional data capture and manual intervention in CTR assessment.
- The Welsh Government should explore the possibility of automating both application and assessment of FSM. This would require capture of permission to use data collected for other purposes, and a streamlined data share between councils for applicants with out of borough education.

6. The role of data in developing a common approach to verification of evidence

Verification of applicant circumstances is required to protect public money and to prevent fraud. Each Welsh rights-based benefit has its own approach and determines the extent to which it uses data for verification.

The majority of Welsh benefits currently use a mixed verification approach. They typically verify some evidence, such as benefit and income data, through an electronic portal with DWP and HMRC, and request paper evidence of additional circumstances.

The current verification framework for each Welsh benefit is shown in the table below.

Benefit	Automated verification	Requested documentation
Healthy start	NHS accesses DWP data Pregnancy verified through NHS number NRPF verification through DHSC	If under 18, a birth certificate is required.
FSM	Eligibility Checking System (ECS) is available (paid for by the Welsh Government). This is used by the majority of councils. The ECS checks income information against DWP, Home Office and HMRC records.	Self-employed income Proof of income for self-employed Checks are additionally made against other council-held data, or paper-based proof of income and visa restrictions is required.
Pupil Development Grant - Access	Eligibility conferred through FSM application. Therefore reliant on the Eligibility Checking System (ECS)	<ul style="list-style-type: none"> Type of learning support required Bank details <p>Where ECS is not used by a council, checks are made against other council-held data, or paper-based proof of income and immigration status is required.</p>
EMA	Data entered on the application form is checked against DWP & HMRC data	<ul style="list-style-type: none"> Identity if no UK passport (e.g. passport or birth cert) Address (e.g. bill or bank statement) Relationship (e.g. marriage cert) End of official relationship (e.g. divorce cert) Visa and immigration status Independence status (birth cert, P60 or benefits statement from 3 years ago, Child of applicant (proof of CB and birth cert)

		<ul style="list-style-type: none"> • Proof of parental estrangement (letter from social worker or job centre) • Letter of care status • Third party evidence (letter re DLA/PIP of applicant or POA) • Proof of all benefits & income if income has dropped
WG Learning Grant	Automated check with DWP & HMRC data	<ul style="list-style-type: none"> • Identity if no UK passport (e.g., passport or birth cert) • Address (e.g. bill or bank statement) • Relationship (e.g. marriage cert) • End of official relationship (e.g. divorce cert) • Visa and immigration status • Independence status (birth cert, P60 or benefits statement from 3 years ago, • Child of applicant (proof of CB and birth cert) • Proof of parental estrangement (letter from social worker or job centre) • Letter of care status • Third party evidence (letter re DLA/PIP of applicant or POA) • Proof of all benefits & income if income has dropped
CTR	Verification from DWP data sources i.e. UCDS, DWP Searchlight and VEP system	<ul style="list-style-type: none"> • Proof of income and capital for relevant household members that cannot be verified directly with appropriate agencies
Help with Health Costs		<ul style="list-style-type: none"> • Payslips if not in receipt of benefits • Student award notice • Student income

Table 4: verification of Welsh benefits and evidence requirements

All Welsh benefits use some type of electronic verification method for income, capital, and benefits. Typically, this data is shared by the DWP and HMRC for specified verification purposes. Paper-based evidential requirements tend to be benefit-specific with little overlap between benefits, with the exception of some level of commonality between the Welsh Government Learning Grant and EMA.

In general, paper-based evidence is required for households in specific circumstances only and therefore may only be required by a minority of applicants.

A single application portal would reduce the need for duplicate verification of information and would only require a single verification process. Without a single application portal there is scope for easing the verification process through use of data that has already been verified for a different benefit. The most extensive verified data on low-income households is held by Welsh councils. This has either been shared with the council by the DWP or collected

separately by the council. It would therefore be useful if council-held data could be used for verification of data not covered by current data verification hubs (e.g., household composition data) and which is necessary for the administration of Welsh benefits. Data sharing considerations concerning UC data, mentioned previously in this report, would also apply to use of UC data for verification in respect of other Welsh benefits.

Examples of further areas that could usefully be examined for rationalisation of verification are:

- All benefit application forms request details of benefit income, capital, and earned income and use electronic verification of the stated amounts. Given that central records are used for verification, it seems unnecessary to request the applicant to provide detailed information on these items. Electronic checking of income and capital may be sufficient without collection of this information from the application. Information collection may only be necessary for applicants that are not in receipt of means-tested benefits.
- Several of the benefits request complex visa information. DWP award of a means-tested benefit evidences that the applicant has access to public funds or has conferred access through a partner. Receipt of these benefits could be used to verify that visa requirements are met. Verification would still be needed in situations where mainstream benefits are not in payment, or where the applicant has no recourse to public funds but may be eligible for a Welsh benefit. Currently, visa status can be checked digitally with the Home Office through secure digital communication. Electronic verification with the Home Office could be explored to ease the process of application and verification. Requesting visa or passport information should be seen as a last resort if no other verification method is possible.
- Where data is not currently shared (e.g., Social Services records on care leavers or Home Office data on visa restrictions), potential data-sharing or data-verification mechanisms could be explored.
- Evidence of independence and care leaver status could be electronically verified with relevant councils.

The organisations that administer Welsh benefits are charged with making determinations of eligibility and are responsible for verifying information used for the payment of public funds. Reliance on external data, particularly through automation, risks cost to the administering organisation if the data used to determine eligibility is incorrect or retrospectively changed. The Welsh Government could work with administrative organisations to develop a common approach to risk and to provide guidelines for verification.

The role of data in a common approach to evidence verification for Welsh benefits

Findings:

- Different organisations administering Welsh benefits use different verification methods and have differing approaches to risk.
- In some instances, applicants for Welsh benefits are asked to provide information that can be verified through other data sources.
- Current application forms typically gather information that is checked against a further source of this information: the data portals with HMRC or DWP. Requesting this information from the applicant may therefore be unnecessary.

Recommendations:

- The Welsh Government should develop a single portal for evidence verification with the DWP and HMRC.
- Development of a common approach to verification of information with the Home Office and Social Services departments should be explored.
- The Welsh Government should issue guidelines on verification of evidence and approach to risk.
- For all Welsh benefits, evidential requirements that are requested directly from the applicant should be examined to see if they continue to be required or can be met through other data sources.

7. The financial implications of increased take-up of rights-based benefits in Wales

Increasing the take-up of rights-based Welsh benefits would impact the Welsh Government's social security expenditure and administration. Any cost increase arises as a result of ensuring that Welsh citizens receive support to which they are eligible, rather than through expansion of the support system.

This report estimates the financial implications of increased take-up using the eligibility criteria for each Welsh benefit set out earlier, and by using the most reliable open-source data available on the current expenditure and take-up of each benefit.

The Wales Fuel Support Scheme is omitted, following the Welsh Government's announcement that it will not be continued in the winter of 2023-2024⁸.

The expected increase in take-up of each benefit from a single application form varies, so a range of estimates is presented. It is unrealistic to expect that any benefit will achieve 100% take-up, however those benefits with low current take-up and awareness have greater potential for increased take-up.

Similarly, benefits with overlapping evidential requirements that may be serviced through a single application process have greater scope for increased take-up, without additional requirements of the claimant. Council Tax Reduction schemes in particular can be designed to maximise the automation of take-up using the UCDS. Full automation has the potential to achieve 100% take-up rates for eligible households making a new UC claim.

Take-up increases are likely to be gradual but sustained, so the cost is likely to increase over time. Estimated costs are therefore shown for take-up increases of 5%, 10% and 15%.

There would also be a financial boost for newly claiming households and a positive knock-on effect for the Welsh economy. Income maximisation reduces the need for discretionary

⁸ ITV Wales. 2022. 'It's money we simply do not have' Mark Drakeford defends scrapping £200 winter fuel payments. ITV Wales 16 December. Available at: <https://www.itv.com/news/wales/2022-12-16/how-the-government-defended-scrapping-the-200-winter-fuel-payment-in-wales>

support and prevents vulnerable households from falling into crisis situations. It also reduces the number of households in debt, and subsequently the cost of collections and wider support for local authorities. The average increase in income per newly claiming household for each benefit is shown below.

Quantifying the positive impact to the Welsh economy of increased take-up is outside the scope of this report. However, research has shown that increasing the spending power of low-income households in particular has a significant positive impact on the wider economy due to these households' higher marginal propensity to spend, compared with those further up the income distribution⁹. Low-income households have been found to spend around 80% of income increases¹⁰. It can be assumed therefore that the majority of additional benefits awarded through increased take-up will directly benefit the Welsh economy through a boost in spending power to these households.

Also not quantified are the potential savings in administration costs that could be made through the implementation of a single application process. This is because any savings will depend on multiple external factors specific to each agency, including staffing levels and cost and the extent of current evidential requirements and data capture for each benefit.

We estimate the cost of the combined take-up increases at about £75m.

Council Tax Reduction (working age)

A Welsh Government report from 2018 estimated the take-up of Council Tax Reduction in Wales to be 55% to 65%¹¹, which is consistent with historic trends for Council Tax Benefit¹². Since then, the Welsh Government has undertaken campaigns to increase awareness of CTR, including posters, content through digital channels and targeted social media¹³.

⁹ <https://blogs.lse.ac.uk/covid19/2021/07/20/welfare-as-fiscal-policy-why-benefits-should-be-raised-not-lowered-during-recessions/>

¹⁰ <https://www.brunel.ac.uk/economics-and-finance/research/pdf/1916-Oct-CG-The-Marginal-Propensity-to-Consume-for-Different-Socio-economic-Groups.pdf>

¹¹ <https://www.gov.wales/sites/default/files/consultations/2018-06/180611-removal-of-sanction-of-imprisonment-non-payment-council-tax.pdf>

¹² Income-related benefits: Estimates of take-up in 2009-10: National Statistics First Release, DWP (National Statistics), June 2013, page 2 (take-up of CTB by caseload estimated to be 62% - 69%)

¹³ <https://www.wcpp.org.uk/wp-content/uploads/2019/02/FINAL-WCPP-Responding-to-citizens-in-debt-to-public-services-A-rapid-evidence-review-2019.pdf>, p29.

Therefore, the upper end of the estimated take-up, 65%, is used as the baseline to work out the cost of any increase in take-up.

The current CTR caseload across Wales is 268,020, of which 164,033 are working age. The current total expenditure is £287.6m p.a.¹⁴ The proportional spend for the working age caseload is calculated at £176.02m p.a., with an average award of £1073 per household.

	Take-up rate (2018)	Caseload (working age, 2021-22)	Est. Total eligible	5% increased take-up	10% increased take-up	15% increased take-up	Take-up at 90%
	65%	164,033	252,358	172,235	180,436	188,638	227,123
Cost		£176.02m	£270.8m	£184.8m	£193.6m	£202.4m	£243.7m

Amending the Welsh Council Tax Reduction scheme to allow full automation of application using the UCDS would enable take-up of close to 100% of eligible households claiming Universal Credit once full rollout of Universal Credit is completed. Only those choosing not to claim Universal Credit, or those that omitted to indicate an interest in claiming CTR, would not be represented in the dataset. Should the DWP agree to provide a full dataset of all UC claimants within an authority area, this would also allow capture of current UC claimants who omitted to claim CTR in the past.

Automation using the UCDS would not impact take-up for pension age households and those remaining on legacy benefits (until full UC rollout is completed). A reasonable target for CTR take-up would therefore be 90% of eligible households.

Free School Meals (secondary school)

Free School Meals are worth £551 per school year per pupil.

The figures provided in the table below estimate the current take-up of Free School Meals using Pupil Level Annual School Census data. These show 37,041 young people are eligible

¹⁴ <https://www.gov.wales/sites/default/files/pdf-versions/2022/8/5/1661504337/council-tax-reduction-scheme-annual-report-2021-2022.pdf>

for free school meals¹⁵. The take-up is calculated using the number of young people taking free school meals on census day¹⁶, divided by the school-attending population.

Using this estimate, we find that 72.8% of pupils take-up free school meals. The cost of each meal uses the unit rate for Universal Free School Meals, which allocates £551 per year per child for meals in 2022-2023, or £2.90 per meal.

This report assumes that the Welsh Government will not continue the policy of providing Free School Meals during the summer holidays, as took place during the Covid-19 pandemic, nor the extension of FSM to cover the May half term that has been introduced to address the cost of living crisis.

	Number eligible	Take-up (2022)	Claiming	5% increased take-up	10% increased take-up	15% increased take-up
	37,461	72.8%	27,272	28,635	29,999	31,363
Cost			£15.0m	£15.8m	£16.5m	£17.3m

Table 5: Current and estimated take-up rates for secondary school FSMs, and estimated costs

There is potential for greatly increasing the identification of eligibility for FSM. Identification of potentially eligible households could be increased through a common benefit take-up process across Wales, through a common application process, and through automation of application for Universal Credit claimants. There is also the potential for a universal agreement to check eligibility at a defined point in the school admissions process.

A barrier to take-up is likely to be related to the proportion of eligible households that do not claim because of the stigma attached to receiving FSM. The Children’s Society have estimated that nearly a quarter of eligible children do not claim FSM for this reason¹⁷. It may therefore be difficult to increase take-up by more than around 10% without additional efforts

¹⁵ StatsWales. Pupil Level Annual School Census. 2022. Available at: <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Pupils/pupils-by-localauthorityregion-yeargroup>

¹⁶ StatsWales. Pupil Level Annual School Census. 2022. Available at: <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Provision-of-Meals-and-Milk/pupilstakingfreeschoolmealsoncensusday-by-localauthorityregion-year>

¹⁷ <https://www.iris.co.uk/blog/education/children-reject-free-school-meals-because-of-stigma/>

to destigmatise receipt, such as through efforts towards anonymisation and desegregation at lunch time of children receiving FSM.

Pupil Development Grant (Access) (Schools Essentials Grant)

The Pupil Development Grant (Access) is worth a total of £1,900 per pupil, assuming they remain eligible throughout their schooling. However, we do not assume a take-up rate any higher than 10% due to the requirement placed on claimants to re-apply each year.

Pupils in Year 7 who meet the criteria (receipt of Free School Meals) are eligible for £200, and students in other year groups are eligible for £125. There are 35,395 Year 7 pupils and 378,020 pupils in Reception to Year 11.

Estimates for take-up are based on the same 72.8% take-up rate found with Free School Meals, due to the similarity of the claimant groups. However, it should be noted that the estimate of take-up of FSM includes those who are transitionally protected, because a breakdown for census day take-up information does not separate users by transitional protection status. The number eligible shown below accurately excludes those who are transitionally protected, but the calculated rate of PDG take-up may be higher or lower than stated.

The estimation of cost is based on the number of potential claimants and an estimate of potential growth. The higher rate of support provided for Year 7 students is included within the cost estimate.

	Number eligible	Claiming	5% increased take-up	10% increased take-up	15% increased take-up
Year 7	7,536	5,476	5,760	6,035	6,309
Ex-Y7 (Y0-Y11)	80,480	58,590	61,519	64,449	67,378
Total	88,016	64,076	67,279	70,483	73,687

Table 6: Current and estimated take-up rates for Pupil Development Grants

	Number eligible	72.8% take-up (current)	5% increased take-up	10% increased take-up	15% increased take-up
Y7 cost	7,536	£1.1m	£1.2m	£1.2m	£1.3m
Y0-Y11 excl Y7	80,480	£7.3m	£7.7m	£8.1m	£8.4m
Total	88,016	£8.4m	£8.8m	£9.3m	£9.7m

Table 7: Estimated costs for current take-up and projected take-up of Pupil Development Grants

Pupil Development Grant has a lower profile than benefits such as FSM and Healthy Start and is unlikely to have the same stigma attached as FSM. Given that eligibility can be identified through FSM which itself has the potential for better identification or eligibility and automation, a reasonable expectation would be a 10% increase.

Healthy Start Vouchers (including Welsh top up)

The cost of each Healthy Start award is estimated using the payment calendar set out by NHS Wales¹⁸. This is done by awarding £4.25 per week for the eligible duration of the pregnancy, a further £8.50 per week for the first year of the child's life, and £4.25 per week for the second and third years of life. This represents £1,011.50 of payments over 186 weeks.

Estimation of take-up uses NHS BSA figures for health boards across Wales as of March 2022¹⁹. They show 78% of those who are eligible claiming under the scheme, which totals 23,038 claimants. At a benefit value of £1,011.50 across 23,038 claimants, the current spend for the present caseload is £23.4m.

¹⁸ Betsi Cadwaladr UHB. What is the Healthy Start Scheme? 2022. Available at: <https://bcuhb.nhs.wales/health-advice/pregnancy-early-years-and-family/healthy-start-scheme/what-is-the-healthy-start-scheme/>

¹⁹ NHS Business Services Authority. NHS Healthy Start uptake data. 2022. Available at: <https://www.healthystart.nhs.uk/healthcare-professionals/>

	Number eligible	Take-up (Mar 2022)	Claiming	5% increased take-up	10% increased take-up	15% increased take-up
	29,362	78%	23,038	24,190	25,342	26,494
Cost			£23.4m	£24.6m	£25.7m	£26.9m

Table 8: Current and estimated take-up rates for Healthy Start Vouchers, and estimated costs

Analysis by the Local Government Association suggests that Healthy Start often goes unclaimed due to families being unaware of the scheme or their eligibility²⁰. There is therefore the potential for a significant increase in take-up through a common application process. As take-up is already at 78%, a 10% increase would be a reasonable estimation.

Education Maintenance Allowance

EMA is worth a total of £1,140 per pupil each school year, at a rate of £30 per week over 38 school weeks.

There were 17,020 approved applications for EMA in 2021/22²¹. This amounts to a total annual cost of £19.4m, as each award is worth £30 per week for 38 weeks. The number of approved applications has steadily declined, from over 35,000 in 2010/11.

	Claiming	5% increased take-up	10% increased take-up	15% increased take-up
	17,020	17,871	18,722	19,573
Cost	£19.4m	£20.4m	£21.3m	£22.3m

Table 9: Current and estimated take-up rates for Healthy Start Vouchers, and estimated costs

²⁰ <https://www.local.gov.uk/about/news/hundreds-thousands-eligible-families-miss-out-healthy-start-vouchers-lga-analysis>

²¹ <https://statswales.gov.wales/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Student-Support/Educational-Maintenance-Allowances-Further-Education/approvedemaapplications-by-lea-awardtype>

There are no published estimates of the number of households eligible for EMA. An evaluation of EMA by the Welsh Government in 2014 suggests there is a “significant overlap” between students receiving EMA and FSM, but that FSM take-up is low amongst sixth form students, partly due to the stigma associated with FSM²². The same report highlights good awareness of EMA among eligible students. We can therefore estimate that the take-up rate of EMA is likely to be slightly higher than that of FSM (72.8%).

If this estimate is accurate, an increase in take-up similar or slightly higher than that for FSM can be expected, in the region of 5-10%.

Welsh Government Learning Grant (further education)

The Learning Grant is worth a total of £1,500 per pupil each school year when studying full time.

There were 3,305 successful applications for the WGLG in 2021/22, at a cost of £3.6m. This has declined steadily over five years, from 5,551 in 2017/18.

	Claiming	5% increased take-up	10% increased take-up	15% increased take-up
	3,305	3470	3,636	3,801
Cost	£3.6m	£3.8m	£4.0m	£4.2m

Table 10: Current and estimated spend on WGLG

There are no published estimates of the number of households eligible for the WGLG. A similar rate of take-up to EMA can be expected, as eligibility is also defined by a household income threshold and enrolment in a course up to Level 3. A target of a 5-10% take-up increase through a common application system would also be reasonable.

Conclusion

The table below summarises the expenditure estimates across each Welsh benefit. We estimate the cost of these combined increases in take-up at between £73m and £75m. A

²² <https://www.gov.wales/sites/default/files/statistics-and-research/2018-12/141023-evaluation-education-maintenance-allowance-en.pdf>

high proportion of this cost will fall to Welsh councils through increased take-up of CTR and FSM. Other costs will be met by the Welsh Government or sourced from the UK Government.

Policy	Current spend	Modelled increase	Modelled spend (lower)	Modelled spend (upper)	Additional spend
Council Tax Reduction (working age)	£176m	38%	£244m		£68m
Free School Meals (secondary)	£15m	5%	£15.8m		£0.8m
Pupil Development Grant	£8.4m	10%	£9.3m		£0.84m
Healthy Start Vouchers	£23m	10%	£25m		£2m
Education Maintenance Allowance	£190m	5 to 10%	£20m	£21m	£1m to £2m
Welsh Government Learning Grant (FE)	£4m	5 to 10%	£4m	£4m	£0.5m
Total	£250m	29 to 30%	£324m	£325m	£73m to £75m

- Increasing the take-up of Welsh rights-based benefits will have financial implications that include increased direct expenditure on benefits for the Welsh Government, as well as increases in income for newly claiming households, administration savings for the Welsh Government and local authorities, and an expected boost to the Welsh economy.
- Take-up increases will vary between benefits due to different existing levels of take-up and awareness and divergent evidential requirements.
- Any increases in take-up from a common application process are likely to be gradual but sustained.

8. Implementation of a more uniform approach

Organisations administering Welsh rights-based benefits hold large amounts of data on Welsh households. Currently these databases are disaggregated with each administering organisation holding records for specified purposes and with specified data sharing permissions. It is likely that low-income households are represented in a number of Welsh benefit databases.

Evaluation of the data held by administering organisations indicates clear opportunities for developing greater commonality across Welsh benefits. The options for implementation can be divided into two approaches: a centralised approach encompassing a central database and/or a central application portal (either replacing existing mechanisms or in parallel), or through developing greater uniformity within current data structures without centralisation. These paths are not necessarily mutually exclusive; uniformity can be developed within current structures whilst a centralised approach is considered as a longer-term option. Development of uniformity in the use of data to increase identification of eligibility could be viewed as the foundation of a longer-term aggregated Welsh database.

A centralised approach to Welsh benefits

The Welsh Government has the opportunity to develop its own centralised database. This would have obvious advantages in that the data would belong to the Welsh Government and decisions around data usage would not be reliant on the UK Government and the DWP. A central database would provide the Welsh Government with significantly enhanced visibility over the support needs of its citizens and would provide a single-household view of aggregated support provided through multiple benefits. It would give the Welsh Government the means to understand its citizens better and to develop a data analytical approach to design of benefits. The advantage for Welsh citizens would be that a centralised database could be used for targeted support and easing of application and verification.

There are a variety of options on how a central database could be populated and how this could work alongside administering organisations:

- Development of a single application portal, with data captured and retained within a central database shared with administering organisations. Data permission for use of data would be included within application.

- Aggregation of current benefit-specific databases into a central database with retention of separate data capture mechanisms. This would require permissions for use of data to be included in all applications and may require DWP to include an intent to claim for all Welsh benefits.
- A merged approach with a central application portal feeding directly into a central database and supplemented by organisational data collected via benefit-specific mechanisms.

It is unlikely that use of a single application portal to create a central database, without supplementation from organisational databases, would be desirable. Currently, CTR application can be automated, without requiring manual application, due to UC data being shared by the DWP. It would be disadvantageous to the applicant, and risk delays to CTR awards, to require application through a Welsh benefits portal. However, for Welsh residents, and the organisations that support them, a single application portal would offer distinct advantages. There would only need to be one application with the automatic award of all eligible Welsh benefits. This is likely to significantly increase take-up of Welsh benefits. A merged approach is therefore likely to be the most feasible and desirable option. This would allow for CTR application to sit outside (or in parallel with) any central application mechanism, but with CTR data feeding into a central database.

Development of a central database would be a long-term solution to implementing a uniform approach to Welsh benefits and would pave the way for flexibility in the development of a Welsh benefits system in the future. Further consideration of this approach would benefit from an in-depth technical study to inform possibilities for design and implementation. Any feasibility study would need to consider data sharing protocols, data sharing permissions, and data governance, in addition to technological considerations around development of a central database and merging of records currently held on disparate databases.

A non-centralised approach

There is the opportunity to introduce a variety of measures that increase uniformity across Welsh benefits within current structures and without a centralised approach. This approach has advantages in that many of the measures can be achieved relatively quickly and can build on current practices. It would not deliver all the advantages of a standalone database or centralised application portal but could deliver greater uniformity across Welsh benefits and ease application for Welsh citizens.

Measures can be introduced to provide uniformity across different features of benefit administration: identification of eligibility, application for benefits, and verification of information. Recommendations are provided throughout this report and are drawn together in Appendix 4.

For implementation purposes, recommended actions are divided below into those that can be implemented relatively swiftly (quick wins) and those that may take slightly longer to implement.

Short-term implementation

Introduction of a uniform approach to identification of eligibility and targeting of support

- This would be a relatively straightforward measure to implement as the building blocks already exist. A uniform approach could optimise the use of the UCDS, use already existing eligibility identification tools (such as the LIFT dashboard), and build on current good practice within Welsh councils and other organisations. This would need to be developed with the Welsh Government in partnership with the WLGA and Welsh councils. A uniform approach would be facilitated by central guidance from the Welsh Government on the sharing of UCDS data for benefit take-up purposes. A uniform approach to the use of council data to identify eligibility to Welsh benefits could form the foundation of an aggregated Welsh benefits data in the future.
- The Welsh Government and organisations administering Welsh benefits should develop a common approach to using a Wales-focused benefit calculator to identify eligibility to Welsh benefits, in addition to UK-wide benefits.

Introduction of greater uniformity of application for Welsh benefits

- Welsh benefit application forms can be made visually more uniform through the incorporation of common design elements and digitalisation of current paper-based applications. All application forms could be changed to capture permissions to use data to apply for all Welsh benefits and to signpost to all Welsh benefits at the point of application. Capture of permission for application to all Welsh benefits paves the way for automation of application for any benefit with overlapping eligibility criteria.

Introduction of a uniform approach to automation of CTR application

- Current practices differ across Welsh councils, and this may impact negatively on some Welsh citizens. Increasing uniformity of automation for the application for CTR would be relatively straightforward and have a positive impact on a large number of households. The main obstacle to automation of application is the interpretation of the intention to claim CTR that is made at the time of application for UC. CTR regulations are within the remit of the Welsh Government, which could include within these regulations an explicit acceptance of the UC intention to claim as a claim for CTR. In parallel, the Welsh Government could work in partnership with Welsh councils to develop a common approach to CTR automation across Wales.

Introduction of a common approach to risk in the verification of evidence

- Organisations administering Welsh benefits have different approaches to risk. In some instances, applicants need to provide information that is checked against a data portal of previously verified information. Other organisations will accept DWP or HMRC data without data input or verification. Organisations administering Welsh benefits are charged with the administration of public funds and so are rightly risk adverse. It would assist organisations if the Welsh Government issued guidelines on verification of evidence and approach to risk for different data types, from different sources, which could be implemented across Welsh benefits and across organisations administering Welsh benefits.

Undertake a review of current data capture requirements

- There is not a uniform approach to requesting data from the applicant that is already accessible to the organisation (e.g., through the UCDS or through data verification portals with DWP and HMRC). Organisations that administer Welsh benefits could usefully review their data capture requirements with the aim of minimising input and duplication of data. Organisations would need to work to agreed common guidelines.

Longer-term implementation

Amendment of regulations governing Welsh benefits

- Regulations for Welsh benefits lie in the power of the Welsh Government. The Welsh Government could usefully consider uniformity within regulation design. Greater commonality of eligibility criteria across benefits would pave the way for a single set of

data capture requirements across Welsh benefits, thereby easing application. The Welsh Government could also consider amending the CTR scheme design to align with UC so that it allows for greater automation of assessment and award.

Work towards greater visibility over low-income Welsh citizens

- Current datasets held by organisations administering Welsh benefits only capture a proportion of low-income households. The Welsh Government could make representations to the DWP that sharing of wider UC data on Welsh residents is proportionate, to cover those households that are not eligible for CTR. Greater visibility over low-income Welsh citizens would facilitate wider identification of eligibility for Welsh benefits and targeting of support.

Include a Welsh benefits indicator within UK-wide benefit applications

- The majority of low-income householders across the UK claim either UC or Pension Credit. The Welsh Government should make the case to the DWP for inclusion of an indicator to claim Welsh benefits for all Welsh citizens within UK-wide benefit applications. Inclusion of such an indicator would pave the way for greater data sharing and automation of application for Welsh benefits.

Introduce a common automated approach to FSM

- FSM data capture requirements map closely with the UCDS. The Welsh Government could capitalise on this and, in partnership with Welsh councils and the WLGA, explore the possibility of a uniform approach to automating both application and assessment of FSM. This would require capturing of permission to use data and introducing a streamlined data share between councils for applicants with out of authority education.

Ease data verification

- The Welsh Government could work towards developing a single portal for evidence verification with the DWP and HMRC to be used by all administration organisations. It could explore the possibility of additional verification portals for sensitive data including with the Home Office and Social Service departments should be explored.

9. Conclusion

The provision of Welsh benefits makes a considerable difference to Welsh citizens. For an individual household, Welsh rights-based benefits can increase household income by up to £4,000.

The totality of Welsh benefits has a wide reach, encompassing health, education, and Council Tax. This range of Welsh benefits is administered by a variety of public sector organisations and, unsurprisingly, has led to a lack of uniformity in Welsh benefit administration. There is a recognition amongst organisations administering Welsh benefits, as well as stakeholders, that this can result in confusion for claimants.

Findings from this research indicate that optimizing the use of data can inform a more uniform approach. Organisations administering Welsh rights-based benefits hold substantial amounts of data on Welsh households with this data currently held in disaggregated benefit-specific databases. As each organisation only collates data relevant to a specific benefit, these datasets do not map readily to each other or with the primary externally provided dataset, the UCDS (except for CTR and FSM). Although this lack of commonality presents challenges to a more uniform approach, there are a number of positive aspects that support greater uniformity:

- The regulations governing Welsh benefits are set by the Welsh Government, so it is within its power to introduce regulatory amendment to facilitate greater uniformity. The most obvious examples being the introduction of greater uniformity across eligibility criteria and the explicit acceptance of the UC CTR intent to claim as an application for CTR.
- The rollout of Universal Credit provides an opportunity to use verified data on households in receipt of Universal Credit to support a common approach to Welsh rights-based benefits. The sharing of UC data by the DWP with Welsh councils provides an opportunity to develop a uniform approach to identification of potential eligibility for Welsh benefits. It can also be used to automate a considerable proportion of applications for Council Tax Reduction and Free School Meals.
- Organisations administering Welsh benefits hold a great deal of data on low-income households. There is the opportunity to aggregate this data, or to share data more efficiently across organisations, to facilitate a uniform approach to benefit take-up, application and verification of evidence. Aggregation of data would enable the Welsh Government to have greater visibility over its low-income citizens and to have a holistic

view of aggregated benefit support to a single household. It would support the development of a Welsh benefits system through analytical evidence and through data-led design of additional support measures.

This research has identified a number of measures that capitalise on these positive aspects to increase uniformity across Welsh benefits. It identified two main paths that the Welsh Government could consider in implementing a more uniform approach: encompassing a central database and/or a central application portal or introducing greater uniformity of approach within current structures. These are not mutually exclusive and there is the opportunity to introduce greater uniformity within current structures whilst evaluating a more centralised approach.

The key measures that could be taken to introduce more uniformity are set out in the preceding chapter. Some of these measures will have significant impact on the lives of Welsh citizens. Specifically, using data to implement a more uniform approach to identification of eligibility for Welsh benefits and as a result drive take-up, and secondly the development of a uniform approach to automation of application for CTR which would align CTR start date with that of UC, and so prevent the build-up of CT arrears.

Current administrative procedures have been developed for internal efficiency and to work with current IT provision. Implementation of recommendations made in this report would require a partnership approach between the Welsh Government, Welsh councils, and representatives of the relevant departments within the NHS and Welsh education system. This would enable organisations to identify where central guidelines, or legislative change, would be useful to facilitate implementation. Examples are provided in the report, such as the provision of guidance around risk and guidance on data protection legislation. A partnership approach will enable further useful support from the Welsh Government to be identified.

There will be a cost impact of any resulting increase in benefit take-up but much of this can be offset against the benefit to local economies and prevention of crisis, as well as administrative savings made by amalgamating application processes and maximising automation. A suggestion of a phased approach to implementation of recommendations is provided in the preceding chapter. A phased approach will allow the financial impact of change to be measured and adjusted over time.

There are clear advantages to introducing a more uniform approach to Welsh benefits. For the Welsh citizen it will result in a less complex and time-consuming path to accessing benefit support, leading to greater take-up of benefit and maximisation of income. For

organisations administering Welsh benefits, uniform guidelines and regulatory amendment will simplify decisions on administration and facilitate automation. For the Welsh Government, a more uniform approach will pave the way for the development of a more holistic benefit offer to its citizens.

Appendix 1: Characteristics of Welsh rights-based benefits

Free School Meals (KS2 – 4)

Objective	To provide free school meals for children from low-income household in maintained schools in Wales from Key Stage 2- Key Stage 4:
Administration	Local authority
Application	Online or through an application form to the local authority. In some instances, councils will invite applications from households receiving CTR or HB.
Eligibility	Households are eligible for FSM KS2 – 4 if they receive any of the following benefits: <ul style="list-style-type: none">• Income Support• Income-based Jobseeker’s Allowance• Income-related Employment and Support Allowance• Support under Part VI of the Immigration and Asylum Act 1999• Child Tax Credit (with an annual income less than £16,190)• Guarantee element of Pension Credit• Working Tax Credit run-on - paid for 4 weeks after you stop qualifying for Working Tax Credit• Universal Credit with net household income of less than £7,400 (£616.67 monthly) Where income varies it is typically averaged over the previous 3 assessment periods.
Verification	The Department for Education in England has developed an online electronic checking system (ECS) which allows a person's eligibility for be checked using their date of birth and national insurance number. For parents who receive support under Part VI of the Immigration and Asylum Act 1999, the National Asylum Support Service (NASS) number is used to check eligibility. The Welsh Government pays for local authorities in Wales to use this system. Where a claim cannot be verified the applicant is requested to furnish income information

Healthy Start Vouchers (including Welsh top-up)

Objective	<p>Financial support to buy healthy food for low-income households with infants and during pregnancy.</p> <p>Vouchers allow for the purchase of milk, fruit, and vegetables at the following rates:</p> <ul style="list-style-type: none">• £4.25 each week of pregnancy (from the 10th week)• £8.50 each week for children from birth to 1 year old• £4.25 each week for children between 1 and 4 years old
Administration	NHS Business Services Authority (administration of Healthy Start vouchers for England and Wales)
Application	<p>Digital application to the NHS for most claimants:</p> <ul style="list-style-type: none">• Online application for households receiving Universal Credit or Child Tax Credit.• All other applications are made via email or phone directly to the NHS. <p>Email application for those with NRPF to the Department of Health & Social Care (DHSC)</p>
Eligibility	<p>At least ten weeks pregnant, or have a child under four, and the applicant or their partner are in receipt of:</p> <ul style="list-style-type: none">• Income Support• income-based Jobseeker's Allowance• Income-based Employment and Support Allowance• Child Tax Credit and household income is £16,190 or less, but not Working Tax Credit.• Universal Credit if household income is £408 or less per month.• Pension Credit• Working Tax Credit run on with income below £16,190. <p>Households not in receipt of benefits can also get vouchers if:</p> <ul style="list-style-type: none">• The applicant is under 18 and at least 10 weeks pregnant,• The household has a child aged under 4, and has no recourse to public funds, and the household has earnings of less than £408 per month.
Verification	Undertaken by the NHS Business Services Authority or DHSC (if NRPF)

For online applicants there is automatic verification against DWP and NHS records.

Help with Health Costs

Objective	<p>To help with health costs that fall outside free NHS provision.</p> <p>Including:</p> <ul style="list-style-type: none">• NHS dental treatment• Eye tests• The cost of glasses and contact lenses• The cost of travel to and from hospital for NHS treatment
Administration	<p>NHS Business Services Authority (administration for England and Wales)</p>
Application	<p>Households in receipt of means-tested benefits (including Universal Credit) do not need to apply but show their benefit award notice. Universal Credit claimants need to show income below the threshold in the previous or current assessment period.</p> <p>Those not in receipt of means tested benefits have to complete a PDF HCW1 and return to the NHS</p>
Eligibility	<p>Applicants must have capital of no more than £16,000 (£24,000 if the applicant is in a care home).</p> <p>In addition, applicants are assessed for low-income. This is similar to a means tested benefit assessment with “needs” compared to income. However, it differs from mainstream means-tested benefits in that housing costs and Council Tax costs are taken into account.</p> <ul style="list-style-type: none">• Households in receipt of legacy means-tested benefits have automatic eligibility for full costs.• Households in receipt of Universal Credit will in effect need to have earnings of £435 or less in the last Universal Credit assessment period or less than £935 and their Universal Credit includes the child element, limited capability for work (LCW) element, or limited capability for work and work-related activity (LCWRA) element. <p>For couples, the net earning threshold applies to combined net earnings.</p> <p>Households with income below needs will receive a certificate to provide full help with care costs</p>

Households with income above needs will be provided with a certificate stating the percentage of costs that will be met.

Verification NHS Business Services Authority has access to DWP benefit data to verify applications.

Education Maintenance Allowance

Objective To support low-income residents (aged 16-18) in further education through provision of a weekly payment of £30.

Administration Student Finance Wales (part of The Student Loans Company) acting as an agent of the Welsh Government

Application Completion and return of a paper EMA application form or online PDF form. Application forms are available from:

- School and colleges
- www.studentfinancewales.co.uk/ema
- Job Centres
- Careers Wales

Eligibility Applicants must be aged between 16-18 and meet the following:

- They are a UK national and meet Welsh residency requirements.
- Attend an eligible school or college in the UK.
- Study full time at school or college, for at least 12 hours per week on an eligible course that lasts at least 10 weeks.
- Household gross income is £20,817 or less, or household gross income is £23,077 or less and there are other young people in the household who qualify for Child Benefit
- The applicant meets the school or college's attendance, performance, and behaviour requirements.

Verification Student Finance Wales confirms household income with HM Revenue and Customs. If this is not possible, the applicant is contacted to supply evidence.

Welsh Government Learning Grant (Further Education)

Objective To encourage more people aged 19 or over to continue with their education.

Full time students can receive support of up to £1,500 a year

	Part-time students can receive support of up to £750 a year. The level of support is determined by banded levels of household income.
Administration	Student Finance Wales (part of The Student Loans Company) acting as an agent of the Welsh Government)
Application	Completion and return of a paper EMA application form or online PDF form. Application forms are available from: <ul style="list-style-type: none"> • School and colleges • www.studentfinancewales.co.uk/ema • Job Centres • Careers Wales
Eligibility	Applicants must be 19 or over and meet the following: <ul style="list-style-type: none"> • They are a UK national and meet Welsh residency requirements. • studying at a school or college involved in the WGLG FE scheme. • The course must be for at least 275 hours during the academic year. • The student must attend a participating school or college and the course must lead to a nationally recognised qualification. • Household gross income must be £18,370 or less
Verification	Student Finance Wales confirms household income with HM Revenue and Customs. If this is not possible, the applicant is contacted to supply evidence.

Pupil Development Grant (Access)

Objective	To support households on low-incomes to meet the costs of school (e.g., uniforms, equipment, transport). Support is up to £200 per school year per child.
Administration	Local Authority
Application	Online or through an application form to the local authority.
Eligibility	Similar to FSM eligibility criteria. Households are eligible if they have a school age child and receive any of the following benefits: <ul style="list-style-type: none"> • Income Support • Income-based Jobseeker's Allowance • Income-related Employment and Support Allowance

- Support under Part VI of the Immigration and Asylum Act 1999
- Child Tax Credit (with an annual income less than £16,190)
- Guarantee element of Pension Credit
- Working Tax Credit run-on - paid for 4 weeks after you stop qualifying for Working Tax Credit
- Universal Credit with net household income of less than £7,400 (£616.67 monthly)

Where income varies it is typically averaged over the previous 3 assessment periods.

Verification Accessed through FSM verification procedure. An application is required for FSM to determine eligibility for the Pupil Development Grant (Access).

Council Tax Reduction (working-age)

Objective To provide a reduction in the Council Tax (CT) charge for low-income households. Support can be up to 100% of the Council Tax charge.

Administration Local authority

Application Online or paper CTR application to the local authority
 For households in temporary or supported accommodation a joint application can be made for Housing Benefit and CTR. Some councils accept the DWP Universal Credit New Claim Data Share as an application for CTR. These councils will request any further information that has not been captured within the Universal Credit data share. Other councils accept the DWP New Claim Data Share as an intention to apply for CTR but will still require a completed application form.

Eligibility Assessment is by comparison of net household income against a needs measure. The assessment differs for household in receipt of legacy benefits and those in receipt of Universal Credit.
 If a household has income below the defined needs level, the maximum CTR is set at 100% of liability (after deductions for non-dependants. If they have income above the needs level support is reduced by 20% for each £ that income exceeds needs.

Verification Local authorities vary in how much evidence they require from the claimant. Typically, councils verify income and savings automatically

through the Universal Credit data share or manually through a shared benefit information system with the DWP (searchlight). The applicant is asked for evidence that is not visible in the DWP data.

Appendix 2: Data Requirements for Welsh Benefits

Council Tax Reduction

Category of Data	Data requirement
Personal Information of applicant	Applicant name Applicants dob Applicant NI number Partners personal info (as above)
Partners information	Name DOB NI number Relationship to applicant
Address details	Applicant address Applicant postcode Previous address Date of move to current address
Council Tax	Council Tax reference number
Contact details	Telephone Email
Children	For each child: Child name Child DOB Child gender Relationship to applicant and partner Child benefit in payment Child disability Child blind Childcare costs Childcare establishment
Other adults in household	For each non-dependant: Relationship to applicant Non-dependant name Non-dependant DOB Non-dependant employment status Non-dependant earnings Non-dependant disability/blind status Non-dependant student status Non-dependant NI number Non-dependant marriage status Non-dependant parental status
Nationality status and Recourse to public funds	For applicant and partner: Nationality Date entered UK Visa status
Disability	For applicant and partner: Disability benefits received Does someone receive carers allowance to care for you Blind
Employment of applicant and partner	For applicant and partner and for each employment: Type of work employer's name and address start date payroll, employee or staff number? Whether temporary How often paid How many hours a week Earnings (net) Pension contribution SMP/SSP/SPP
Hospital	For applicant and partner: If in hospital

	Date of entering hospital
Student	For applicant and partner: Full time or part time Course Educational establishment Academic year Student income (loan and grant)
Caring	For applicant and partner: Receipt of carers allowance Non-receipt but eligibility
Benefits received by applicant or partner	Type of benefit Who receives the benefit Date of claim Frequency of payment Amount
Self-employed income of claimant and partner	For each self-employment type: Date started Type Taxable income
Other income received by applicant or partner	For each income type: Type of income Frequency of payment Amount
Capital or savings of claimant and partner	For each capital, savings, or investment type: Type Amount

Free School Meals (KS2 – KS4)

Category of Data	Data requirement
Personal Information of applicant	Applicant name Applicant DOB Applicant NI number Asylum Support number
Partner	Partner name Partner DOB Partner NI number Partner Asylum Support number
Parent not at address	Partner name Partner DOB Partner NI number Partner Asylum Support number
Address details	Applicant address Applicant postcode
Contact details	Telephone Email
Children	For each child: Child name Child DOB Child gender Relationship to applicant and partner
School information	Current School School from September
Benefits received by applicant or partner	Whether in receipt of any of: IS, income based JSA or ESA, PC UC under £7,400 Y/N CTC under £16,190 WTC run-on Pupil claiming benefits in their own right (Y/N) Who receives the benefit

	Date of claim Frequency of payment Amount
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Healthy Start Vouchers

Category of Data	Data requirement
Personal Information of applicant	Applicant name Applicant DOB Applicant NI number
Partners information	Name DOB NI number Relationship to applicant
Address details	Applicant address Applicant postcode Previous address Date of move to current address
Contact details	Telephone Email
Children	For each child: Child name Child DOB
Pregnancy	Pregnant Y/N Due date
Nationality status and Recourse to public funds	Recourse to public funds (Y/N)
NRPF	Whether they have a British child under 4 and household net earnings of under £408
Parent details if under 19	Parent name Parent DOB Parent NI number Relationship to claimant
Parent' partner details if under 19	Parent name Parent DOB Parent NI number Relationship to claimant
Parent's benefit if under 19	Whether in receipt of any of: IS, income based JSA or ESA, PC UC with net earnings of below £408/month CTC under £16,190
Benefits received by applicant or partner	Whether in receipt of any of: IS, income based JSA or ESA, PC UC with net earnings of below £408/month CTC under £16,190

Help with Health Costs

(data requirement is the same as for CTR but also requires rental information and Council Tax charge)

Category of Data	Data requirement
Personal Information of applicant	Applicant name Applicants dob Applicant NI number
Partners information	Name DOB NI number Relationship to applicant
Address details	Applicant address Applicant postcode Previous address

	Date of move to current address
Council Tax	Council Tax reference number
Contact details	Telephone Email
Children	For each child: Child name Child DOB Child gender Relationship to applicant and partner Child benefit in payment Child disability Child blind Childcare costs Childcare establishment
Other adults in household	For each non-dependant: Relationship to applicant Non-dependant name Non-dependant DOB Non-dependant employment status Non-dependant earnings Non-dependant disability/blind status Non-dependant student status Non-dependant NI number Non-dependant marriage status Non-dependant parental status
Joint tenancy	Name of joint tenants Relationship Proportion of rental costs
Rental costs	Amount of rent Whether fuel is included Meals included Whether just one room
Owner costs	Mortgage payable
Student accommodation costs	Amount of rent Whether fuel is included Meals included Whether just one room Whether rent payable in holidays
Other housing costs	Ground rent Service charges
Council Tax costs	Council Tax liability
Care Home	In a care home Assessed for costs by LA
Nationality status and Recourse to public funds	For applicant and partner: Nationality Date entered UK Visa status
Disability	For applicant and partner: Disability benefits received Does someone receive carers allowance to care for you Blind
Employment of applicant and partner	For applicant and partner and for each employment: Type of work employer's name and address start date payroll, employee or staff number? Whether temporary How often paid How many hours a week Earnings (net) Pension contribution SMP/SSP/SPP
Hospital	For applicant and partner:

	If in hospital Date of entering hospital
Student	For applicant and partner: Full time or part time Course Educational establishment Academic year Dates of each term Academic year Overseas student Residency in vacations Student income (loan, grant, overseas, parental, bursary)
Caring	For applicant and partner: Receipt of carers allowance Non-receipt but eligibility
Benefits received by applicant or partner	Type of benefit (including Housing Benefit and CTR) Who receives the benefit Date of claim Frequency of payment Amount
Self-employed income of claimant and partner	For each self-employment type: Date started Type Taxable income
Other income received by applicant or partner	For each income type: Type of income Frequency of payment Amount
Capital or savings of claimant and partner	For each capital, savings, or investment type: Type Amount
Outgoings (apart from housing and CT)	Disability adaption loan

Education Maintenance Allowance

Category of Data	Data requirement
Personal Information of applicant	Applicant name Applicant DOB Gender Place of birth Applicant NI number
Third party application	Name Address Postcode Telephone number Email address Whether student has a bank account Student authorisation Bank details of 3 rd party
Parent 1 information	Name DOB NI number Relationship to applicant
Parent 2 information	Name DOB NI number Relationship to applicant
Student address details	Student address Student postcode
Student contact details	Telephone Email

Student previous address details	For the past 3 years: Address Postcode Dates of residency
Student Bank details	Account name Account sort code Account number
Student College/School	Name Campus Address Postcode
Independent living	Whether living with parent/guardian Reason for independent living (care, detention, independent benefit claim)
Nationality status and Recourse to public funds	For applicant and partner: Nationality Passport details Family member of UK national EEA settled status Expiry date pre-settled status Working or previous work details of student Working or previous work details of family members Date entered UK Visa status Refugee/Asylum status
Benefits received by parents	Type of benefit (including Housing Benefit and CTR) Who receives the benefit Date of claim Frequency of payment Amount
Self-employed income of parents	For each self-employment type: Date started Type Taxable income
Other income received by parents	For each income type: Type of income Frequency of payment Amount
Capital of parents	For each capital, savings, or investment type: Type Amount
Household income	Whether income is below £20,817 Whether income is below £23,077
Student sibling details	Name DOB Whether child benefit is received by parents in respect of the sibling
Parental signatures	

Welsh Government Learning Grant (Further Education)

Category of Data	Data requirement
Personal Information of applicant	Applicant name Applicant DOB Gender Marital status Place of birth Applicant NI number
Repeat application	Whether there has been a previous grant Academic year of previous grant Course of previous grant Reference number of previous grant
Third party application	Name Address

	Postcode Telephone number Email address Whether student has a bank account Student authorisation Bank details of 3 rd party
Parent or partner 1 information	Name DOB NI number Relationship to applicant
Parent or partner 2 information	Name DOB NI number Relationship to applicant
Student address details	Student address Student postcode
Student contact details	Telephone Email
Student previous address details	For the past 3 years: Address Postcode Dates of residency
Student Bank details	Account name Account sort code Account number
Student College/School	Name Campus Address Postcode
Course details	Course name Course level/qualification Course start date Course end date Course grant
Independent living	Whether living with parent/guardian Reason for independent living (care, detention, independent benefit claim)
Nationality status and Recourse to public funds	For applicant and partner: Nationality Passport details Family member of UK national EEA settled status Expiry date pre-settled status Working or previous work details of student Working or previous work details of family members Date entered UK Visa status Refugee/Asylum status
Benefits received by student	Type of benefit (including Housing Benefit and CTR) Who receives the benefit Date of claim Frequency of payment Amount
Self-employed income of student	For each self-employment type: Date started Type Taxable income
Other income received by student	For each income type: Type of income Frequency of payment Amount
Capital of student	For each capital, savings, or investment type: Type Amount

Benefits received by parents or partner	Type of benefit (including Housing Benefit and CTR) Who receives the benefit Date of claim Frequency of payment Amount
Self-employed income of parents or partner	For each self-employment type: Date started Type Taxable income
Other income received by parents or partner	For each income type: Type of income Frequency of payment Amount
Capital of parents or partner	For each capital, savings, or investment type: Type Amount
Parental or partner signatures	

Pupil Development Grant (Access)

Category of Data	Data requirement
Personal Information of applicant	Applicant name Applicant DOB Applicant NI number
Address details	Applicant address Applicant postcode
Contact details	Telephone Email
Children	For each child: Child name Child DOB Current School School year Relationship to applicant and partner Whether living in household
Looked after child	Whether the child is a looked after child Local authority with responsibility
FSM	Whether in receipt of FSM (not universal)
Benefits received by applicant or partner	Whether in receipt of any of: IS, income based JSA or ESA, PC UC under £7,400 Y/N CTC under £16,190 WTC run-on Pupil claiming benefits in their own right (Y/N) Who receives the benefit Date of claim Frequency of payment Amount
Support Required	Type of equipment support required
Bank details	Account name Account sort code Account number

Appendix 3: Data supplied through the Universal Credit Data Share (UCDS)

Data category	Data item	
Applicant ID	user_nino	
	partner_nino	
	user_dob	
	partner_dob	
	user_gender	
	partner_gender	
Residency/visa status	record_type	
	user_residency_status	
	user_employment_status	
	user_uk_for_2_years	
	user_education_training	
	user_in_work	
	user_has_savings	
	user_other_ben_ex_cb	
	user_other_income	
	user_lead_carer	
	partner_residency_status	
	partner_employment_status	
	partner_uk_for_2_years	
	partner_education_training	
	partner_in_work	
	partner_has_savings	
	partner_other_ben_ex_cb	
	partner_other_income	
	partner_lead_carer	
	Income (type & amount)	user_other_income_ver
		partner_other_income_ver
		user_other_ben_ver
partner_other_ben_ver		
user_jsa_contrib		
user_es		
user_carers_allow		
user_bereavement_allow		
user_widowed_mothers_allow		
user_widowed_parents_allow		
user_widows_pension		
user_maternity_allow		
user_non_uk_bens		
user_iidb		
user_incapacity_ben		
user_sda		
user_state_pension		
user_other_income_am		
partner_jsa_contrib		
partner_es		
partner_carers_allow		
partner_bereavement_allow		
partner_widowed_mothers_allow		
partner_widowed_parents_allow		
partner_widows_pension		
partner_maternity_allow		
partner_non_uk_bens		

	partner_iidb
	partner_incapacity_ben
	partner_sda
	partner_state_pension
Address, tenure & housing costs	partner_other_income_am
	address_type
	address_verified
	postcode
	property_verified
	property_effective_date
	number_of_rooms
	rent
	rent_freq
	service_charge
	service_charge_freq
	site_rent
	site_rent_freq
	mooring_fee
	mooring_fee_freq
	watering_license
	watering_license_freq
	other_prop_charge
	other_prop_charge_freq
	rent_free_weeks
	joint_tenants
	shared_ownership_scheme
	linked_to_landlord
	rent_to_owner
	social_or_la
In care/looked after	in_la_care_when_16
Benefit start date	claim_start_date
	new_claim_submission_date
	dep_effective_date
Savings	savings_verified
	savings
	deemed_capital
	deemed_cap_date
	deemed_cap_reason
	total_savings
Child details (10x)	dep_ver
	dep_dob
	dep_gender
	claimants_get_cb
Non-dependant info (x10)	nondep_ver
	nondep_dob
	nondep_gender
	nondep_pcnonmeans
UC award amount & elements	payment_date
	payment_start_date
	payment_end_date
	standard_allowance
	housing_element
	child_element
	disabled_child_element
	childcare_element
	carer_element
	lcw_lcwra_element
	unearned_income
	net_earnings_deducted

ben_cap_reduction
transitional_protection
monthly_uc_payment
deduct_court_fine
deduct_fraud_penalty
deduct_conditional_sanction
deduct_first_month_advance
deduct_short_term_advance
deduct_budgeting_advance
deduct_mortgage_int_arrears
deduct_rent_arrears
deduct_gas_arrears
deduct_water_arrears
deduct_ct_arrears
deduct_child_support
deduct_flat_rate_maint
deduct_social_fund
deduct_hardship_payment
deduct_dwp_admin_pens
deduct_hb_admin_pens
deduct_dwp_normal_op
deduct_tc_normal_op
deduct_hb_normal_op
deduct_dwp_fraud_op
deduct_tc_fraud_op
deduct_hb_fraud_op
deduct_dwp_civil_pen
deduct_hb_civil_pen
deduct_integration_loan_arr
deduct_eligible_loan_arr
deduct_manual_landlord
deduct_oo_service_charge_arr
deduct_electricity_arr
deduct_for_landlord
deduct_manual_nonmonthly
deduct_manual_split
deduct_managed_nonmonthly
deduct_managed_split
deduct_not_known
user_gross_earnings
user_ni
user_income_tax
user_pens_contrib
user_pens_not_contrib
user_net_earnings
partner_gross_earnings
partner_ni
partner_income_tax
partner_pens_contrib
partner_pens_contrib
partner_pens_not_contrib
partner_net_earnings
termination_date
termination_reason

Earnings information

End of claim information

Appendix 4: Summary of findings and recommendations

Findings and recommendations from this report are drawn together in this appendix.

Chapter 3: A data overview of Welsh rights-based benefits

Summary of Findings

- Welsh rights-based benefits vary greatly in their eligibility criteria, application, administration, and verification processes. This reflects the need to collect different data for different support objectives.
- There is no incidence of a Welsh benefit's data capture requirements mapping fully to that of another benefit. Data partially overlaps for a number of benefits; however, each benefit also requires its own benefit-specific data.
- The data capture requirements for the majority of Welsh rights-based benefits do not map fully with UC data supplied by the DWP to Welsh councils. UC data is most similar to CTR and FSM data requirements and is likely to be useful in developing a common approach to these benefits.
- The UC dataset contains more information, on more households, than datasets used for the assessment of individual Welsh benefits.

Recommendations

- The Welsh Government should consider introducing greater commonality of eligibility across benefits to pave the way for the development of single set of data capture requirements across Welsh benefits.
- Development of a common approach to Welsh rights-based benefits should optimise the use of overlapping data between benefits. The most comprehensive source of this data is the UCDS data held by Welsh councils.

Chapter 4: The role of data in developing a common approach to identifying eligibility

Findings:

- Data is already held by organisations administering Welsh benefits that could be used for a common approach to identification of eligibility for other Welsh benefits.
- There are a number of examples of good practice by councils that could form the basis of a common approach to identification of eligibility and benefit take-up across all Welsh councils
- A common approach by councils is partially stymied by differing legal interpretations of the framework governing the use of data for take-up purposes.

- If the DWP were to share data on all Universal Credit households with councils, or the Welsh Government, this would allow identification of eligibility across a wider group of residents.
- Simplified eligibility criteria, applicable to all Welsh benefits, would assist in the identification of eligibility and targeting for take-up purposes.
- Currently the UCDS is the most useful dataset to identify eligibility for additional benefits. If the Welsh Government were to introduce a common application portal at some point in the future, this would enable the Government to use its own data to identify eligibility without reliance on data shared by the DWP
- Organisations administering Welsh benefits vary in the extent to which they use benefit calculators to identify eligibility to Welsh benefits.

Recommendations:

- The Welsh Government and Welsh councils should develop a common approach to identifying eligibility building on current good practice work of councils.
- The UCDS is currently the most useful dataset for identifying eligibility for benefits and the Welsh Government should optimize its use in developing a common approach to identification and targeting of support.
- The Welsh Government should issue legal guidance to Welsh councils clarifying the use of the UCDS for benefit take-up.
- The Welsh Government and Welsh councils should consider adoption of a software tool to assist with take-up of Welsh benefits. This could be through the development of current tools (such as Policy in Practice's LIFT dashboard) to identify eligibility for Welsh benefits, or through development of a separate Welsh benefits identification tool.
- To drive take up of Welsh benefits, the Welsh Government and organisations administering Welsh benefits should develop a common approach to using a Wales-focused benefit calculator to identify eligibility to Welsh benefits, in addition to UK-wide benefits.

Chapter 5: The role of data in developing a common approach to application for Welsh benefits

Findings:

- The current application processes across Welsh benefits lack cohesion and do not present as part of a Wales-wide benefit system.
- A common application form encompassing the data requirements for all Welsh benefits would simplify application. This would need to be digital given the amount of data required. Some Welsh Benefits currently use a paper application and would need to move to a digital approach.
- A common approach to application could be developed without a common portal. This could be achieved through common design, a move to digital application across all Welsh benefits, and common signposting to tie Welsh benefits together.
- In the absence of a single application portal, it is worth considering streamlining application through automation. Currently, the most relevant dataset for this purpose is the UCDS.

- Using the UCDS to automate application for CTR is simpler than for other Welsh benefits, as an intention to apply is included within the UCDS. Councils currently differ in their approach to automation of application.
- For all other Welsh benefits, the permission of the applicant may be needed for using UC data to automate application. This would require capture of permission within the UC application.
- There is the opportunity to go beyond automation of application to increased automation of assessment through use of the data in the UCDS for both FSM and CTR. Councils currently differ in their approach to this.

Recommendations:

- The Welsh Government should evaluate the possibility of introducing a single digital application channel for all Welsh benefits.
- In the short-term the Welsh Government could work with administrative organisations to develop a common approach to application including design elements, digitalisation, and signposting.
- The Welsh Government should consider amending the CTR regulations to include explicit acceptance of the UC intention to claim as a claim for CTR in order to facilitate a common approach to CTR application across Wales.
- The Welsh Government should work with the DWP to include an indicator of intention to claim Welsh benefits within the UC application. Inclusion of this indicator would allow expansion of automation of application to other Welsh benefits. This would be less relevant should the Welsh Government introduce a common application portal.
- The Welsh Government and Welsh councils should work in partnership to develop a common approach across Welsh councils to automation of both application and assessment of CTR
- The Welsh Government should consider amending the CTR scheme design so that it allows for the development of automation and reduces the need for additional data capture and manual intervention in CTR assessment.
- The Welsh Government should explore the possibility of automating both application and assessment of FSM. This would require capture of permission to use data collected for other purposes, and a streamlined data share between councils for applicants with out of authority education.

Chapter 6: The role of data in a common approach to evidence verification for Welsh benefits

Findings:

- Different organisations administering Welsh benefits use different verification methods and have differing approaches to risk.
- In some instances, applicants for Welsh benefits are asked to provide information that can be verified through other data sources
- Current application forms typically gather information that is checked against a further source of this information: the data portals with HMRC or DWP. Requesting this information from the applicant may therefore be unnecessary.

Recommendations:

- The Welsh Government should develop a single portal for evidence verification with the DWP and HMRC.
- Development of a common approach to verification of information with the Home Office and Social Service departments should be explored.
- The Welsh Government should issue guidelines on verification of evidence and approach to risk.
- For all Welsh benefits, evidential requirements that are requested directly from the applicant should be examined to see if they continue to be required or can be met through other data sources.

Appendix 5: The use of Universal Credit data by local authorities: governance

Introduction

1. As set out earlier in this report, DWP shares Universal Credit data with local authorities for various purposes, and local authorities can then use that data for those and other purposes. The main way in which data is shared by DWP is the Universal Credit data share (UCDS), which provides a daily feed of information on those claimants who have applied for council tax reduction (CTR) or expressed an interest in applying.
2. The data sharing between DWP and local authorities is governed by:
 - data protection principles,
 - legal gateways that permit the sharing and use of personal data, and
 - DWP policy on what data is shared and its view of local authority responsibilities, as set out in a detailed Memorandum of Understanding.
3. While it is of course important to protect against the improper use of personal data, each of these governance strands is intended to be enabling rather than restricting. They are considered here in turn.

Data protection principles

4. Any processing of personal data is subject to the principles set out in the Data Protection Act 2018 and the UK GDPR.²³ The following principles are the most relevant to the proposal to introduce a uniform approach to Welsh rights-based benefits:
 - a) **Lawfulness** (personal data shall be processed lawfully, fairly and in a transparent manner in relation to the data subject). This principle can be satisfied in a number of ways. If there is a 'common application portal' or similar common approach (see page 31), it would be possible to obtain consent from the applicant for data to be used to establish eligibility for all Welsh benefits. Otherwise, it would be possible to justify the use of data on the basis that it is being shared and used in furtherance of a public task.²⁴ The processing of data would be fair because it would be in line with the reasonable expectations of the applicant.
 - b) **Purpose** (personal data shall be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes). Although 'purpose limitation' can be considered restrictive, it can be

²³ This is the UK version of the EU General Data Protection Regulations (GDPR), as amended and incorporated into UK law by the European Union (Withdrawal) Act 2018 and associated Exit Regulations. It sits alongside the Data Protection Act 2018.

²⁴ Article 6(1)(e) of the UK GDPR, gives a lawful basis for processing where: "processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller."

strongly argued that all the components of the Welsh rights-based benefit system have the common objective of identifying people who need help and provide appropriate support. It is therefore 'not incompatible' with the original purpose, which in the case of UCDS is to help administer CTR applications.

- c) **Data minimisation** (personal data shall be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed). One of the key aims of the common approach to Welsh benefits is to improve take-up of the various benefits available. Data can be used to identify those most in need of support, but to do this requires looking at a large cohort of Universal Credit claimants, matching with other data, and undertaking analysis such as that provided by the Policy in Practice Low-Income Family Tracker (LIFT) dashboard. It can therefore be argued that using a large database of low-income residents is proportionate in data protection terms. Indeed, DWP has said it has no objection to the use of databases such as LIFT.
5. Other data protection principles cover matters such as accuracy, access, storage and security, and there are no reasons why these could not be met in a common approach to Welsh benefits.
 6. In her foreword to the ICO data sharing code of practice²⁵, the Commissioner emphasises that the code is designed to be enabling: "in the sphere of public service delivery... efficient sharing of data can improve insights, outcomes and increase options for recipients". This seems to encapsulate exactly the drivers behind a uniform approach to Welsh benefits and the data protection principles do not seem to present any barriers.

Legal gateways

7. As well as needing a general lawful basis for data sharing under the data protection legislation, public bodies should also be able to demonstrate that there are legal gateways that allow data to be shared and used for specific purposes.
8. The Welfare Reform Act 2012 and the Social Security (Information sharing in relation to Welfare Services etc.) Regulations 2012 allow DWP to share benefits data with local authorities, who can hold and use the data for a wide range of specific purposes set out in the legislation. The overall objectives of the regulations (and accompanying documents such as the explanatory memorandum and privacy impact assessment) are, first, to make it easier for individual claimants by avoiding the need to repeat information they have already provided; and secondly to provide support and advice for vulnerable people who may for example be affected by new benefit rules or at risk of homelessness. Again, these objectives are reflected in the proposals for a common approach to Welsh benefits.
9. The provisions of the Act and the regulations should be taken together as the regulations define the broad intentions set out in the Act. The purposes for which DWP data can be shared and used include: administering a council tax reduction scheme, supporting troubled families, determining eligibility for a healthy start scheme (all Welsh rights-based

²⁵ [Information Commissioner's Office - Data sharing: a code of practice](#)

benefits) and discharging statutory homelessness functions. There are separate legal gateways that allow DWP social security data to be used for the take-up of certain social security benefits²⁶ and for determining eligibility for free school meals²⁷ (another Welsh rights-based benefit).

10. Although there are no specific legal gateways that allow Universal Credit data to be shared and used for the take-up of educational grants, it would be possible to amend the regulations quite easily.
11. There are legal gateways for sharing and using DWP data for many Welsh benefits and DWP has recently changed its policy to make this easier, as described below.

DWP policy

12. The regulations governing the use of data, quoted above, can be interpreted narrowly, limiting the circumstances where data provided for one purpose can be re-used for another purpose. A Memorandum of Understanding between DWP and local authorities, updated annually, sets out the purposes for which data can be used without further permission and the arrangements for submitting requests for other uses.
13. However, in November 2022, DWP announced a policy change. It has allowed local authorities, as single data controllers, to make their own decisions on the use and re-use of the available DWP data, after taking appropriate legal advice locally. They must notify DWP of what they intend to do, and they must quote a legal gateway that allows them to do it. But provided they are not planning to do anything with the data that would bring the Department into disrepute, DWP will note re-use requests and allow local authorities to proceed.
14. The Information Commission Office has said that one of the functions of a data controller is to determine 'the purposes for which and the manner in which any personal data are, or are to be, processed'.²⁸ So the DWP policy change has given local authorities, including Welsh authorities, more flexibility to decide themselves what the data is used for. Provided there is a legal gateway, there is no barrier to local authorities using DWP data in support of a common approach to Welsh benefits.

Conclusion

15. There is evidence that DWP is serious about extending the scope of data sharing to facilitate initiatives to help low-income families maximise their income. Data protection principles and the legal gateways present few, if any, barriers and it is likely that DWP would be receptive to any proposals the Welsh Government wished to make in furtherance of a common approach to Welsh benefits.

²⁶ Sections 7B of the Social Security Administration Act 1992

²⁷ Section 110 of the Education Act 2005

²⁸ [ICO guidance on controllers and processors](#)