



Policy in Practice

Best practice ways to help
low-income households

Wednesday 26 January 2022

Housekeeping

- Audio check
- Please ask questions throughout
- Download and a short survey
- Aim to finish by 11.45
- Slides and recording will automatically follow
- Follow us on Twitter [@policy_practice](https://twitter.com/policy_practice)



We believe in the
power of technology
and data to
change lives



Policy in Practice: What we do



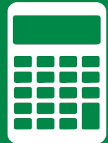
Policy

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



Analytics

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



Software

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



Agenda

- The impact of the pandemic and rising living costs on indebtedness
- A view from the frontline with Keith Thorne of Citizens Advice Caerphilly Blaenau Gwent
- How you as advisors can make a difference
- Questions and Answers



Today's speakers



Janet Harkin
Chief Marketing Officer
Policy in Practice



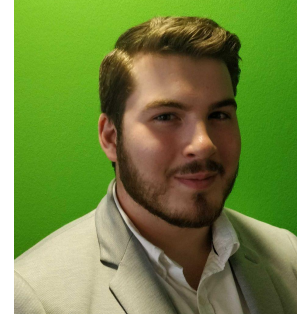
Deven Ghelani
Director and founder
Policy in Practice



Keith Thorne
Service Manager
Citizens Advice
Caerphilly Blaenau
Gwent



Genevieve Hampson
Benefit and Budgeting
Calculator Product
Manager
Policy in Practice



Ed McNamara
Software Account
Manager
Policy in Practice



Poll: Are you seeing the impact of rising living costs on the frontline?



Over to Deven



2022: The challenges ahead for low income families

- **Rising living costs, particularly energy bills**, puts more pressure on low-income families
- **A fair and equitable recovery is needed**; the financial burden is falling on low-income families
- **Debt and access to benefits** to engage low-income families who are already struggling

Recent reports look at the adequacy (or otherwise) of the social security system:

- The [Resolution Foundation](#) found that higher benefit spending was driven by the rising spending on 'additional costs' (children, housing, disability) as the 'replacement rate' continued to fall
- The [Joseph Rowntree Foundation](#) released its annual poverty statistics, also finding that the basic rate of benefits was at its lowest for thirty years, and policies such as the two-child limit, benefit cap, under-occupation charge and the LHA cap had a bigger impact on driving poverty
- [COVID realities](#), found that people don't have any resilience left and are making impossible trade-offs. The experts by experience [commission on social security](#) launches this afternoon.



2022: the challenges ahead for low income families

Rising energy costs

- The energy price cap now affects three quarters of households, who are now paying £1,277 per year for fuel
- The price cap will rise in April. The announcement on 7 February is expected to be a 50% increase, to almost £2,000 per year
- The number of households spending at least 10% of their budget on energy bills, will triple overnight in April to 27%, affecting an additional 4 million households

The impact on debt

- The [Health Foundation](#) found that nearly 25% of the poorest fifth of families experienced an increase in debt
- Over 1 in 10 Universal Credit claimants have money deducted from their benefits for debt repayments
- Twice as many people experiencing problem debt report poor health than those without problem debt



The policy response so far is inadequate

Pressures facing low income families

- Loss of £6bn for people on UC and Tax Credits; no support under legacy benefits
- Council tax is underclaimed, and leaves most working age households with a liability
- LHA Freeze; Under-occupation; Benefit Cap leave renters facing a shortfall
- Benefits uprating: 3.1%; Cost of living: 6%

The policy response is short-term and piecemeal

- Local Welfare Assistance and a web of discretionary support
- Council tax support
- Discretionary Housing Payments
- Passported benefits
- Warm Home Discount, Social tariffs and lower cost utilities

We need both a long term and medium term policy response

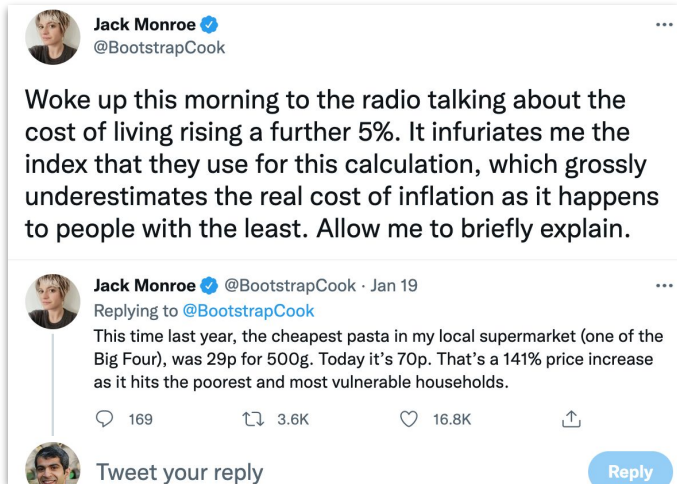
- Long term: Invest in housing and energy security
- Medium term: Remove distortions in the benefit system and ensure core support is adequate

You can take **practical steps now** to increase take-up of and better target support



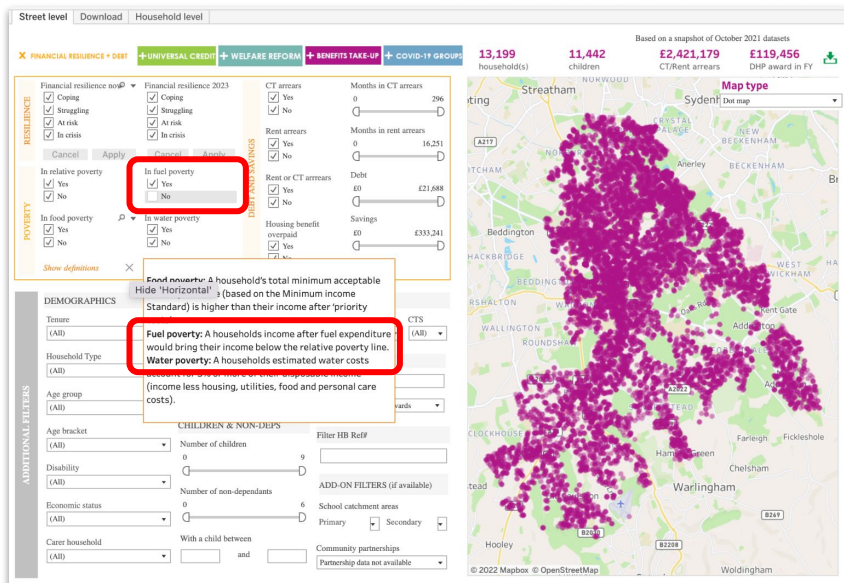
The impact of frontline experience

An impactful blog from [@bootstrapcook](#) highlights the higher impact of inflation on the lowest income households, and [@DebtCamel](#) has helpful advice for debt advisors when inflation is rising



Practical support to help low income families

Fuel poverty



Street level Download Household level

Based on a snapshot of October 2021 datasets

13,199 households 11,442 children £2,421,179 CT/rent arrears £119,456 DWP award in FY

RESILIENCE

Financial resilience 2023

Coping Struggling At risk In crisis

POVERTY

In relative poverty In fuel poverty In food poverty In water poverty

DEMOGRAPHICS

Tenure (LAB) CTS (LAB)

Household Type (LAB)

Age group (LAB)

Age bracket (LAB) Number of children 9 Filter HB Ref#

Disability (LAB) Number of non-dependants 6 ADD-ON FILTERS (if available)

Economic status (LAB) School catchment areas Primary Secondary

Career household (LAB) With a child between Community partnerships Partnership data not available

CHILDREN & NON-DEPS

Fuel poverty: A household's income after fuel expenditure would bring their income below the relative poverty line.
Water poverty: A household's estimated water costs (income less housing, utilities, food and personal care costs).

Universal Credit and debt

Universal Credit - Supporting households using the Data Share

OVERALL CASELOAD

34,163 total UC claimants in authority (DWP) of which 14,660 also claiming CTS, making detailed data is available.

Full datashare information available for 77% of these 14,660 households.

38% in work (5,492 households) vs 34% in work on legacy system

4.5% social or council tenant (650 households) vs 30% on legacy system

NEW HOUSEHOLDS ON UNIVERSAL CREDIT

New households may benefit from early support. The UC Datashare gives more and earlier insight in to this cohort. Hover over numbers to see definitions and further breakdowns where appropriate.

- 134 new UC households in November 2020
- 74 UCDS within last 3 months but no CTS link yet
- 98 UCDS with no CTS link yet (over 3 months)
- 235 left legacy system last month but no UC CTS claim yet

New UC claims by month

IMPACT OF THE BENEFIT CAP

907 households are impacted by welfare reform, primarily the benefit cap which reduces the overall resources available to households with specific circumstances.

- 412 not in work with low barriers to work
- 251 earning close to benefit threshold (£617)
- 240 families with more than 2 children
- 4 receiving ESA LCW/LCWRA
- 0 child disability element
- 0 carers allowance or carers element

29% UC and benefit capped

MONITORING ISSUES WITH 5-WEEK WAIT & DEDUCTIONS

Information is available on those who took advance payments and are still making repayments. Households whose housing element goes to landlords may also benefit from dedicated support.

- 111 currently on the 5-week wait
- 2,058 first month advance
- 328 short term advance
- 195 budgeting advance
- 515 other deductions
- 2,394 housing element paid to landlord

Poll: What is the biggest source of stress for your customers who are in debt?



Over to Keith





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Blaenau Gwent
Caerphilly
Blaenau Gwent

Citizens Advice Caerphilly Blaenau Gwent Specialist Debt and Financial Capability Services

Advice at the HEART of the community

Health and Poverty in Caerphilly and Blaenau Gwent

A report by Citizens Advice Caerphilly Blaenau Gwent
November 2021



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Blaenau Gwent
Caerphilly
Blaenau Gwent

Caerphilly households with dependent children made up:

- **49%** of debt clients with mortgage, rent and Council Tax arrears
- **46%** of debt clients with fuel, water and telephone arrears
- **44%** of debt clients advised on Debt Relief Orders
- **42%** of debt clients advised on Bankruptcy

Blaenau Gwent households with dependent children made up:

- **37%** of debt clients with mortgage, rent and Council Tax arrears
- **33%** of debt clients with fuel, water and telephone arrears
- **45%** of debt clients advised on Debt Relief Orders
- **19%** of debt clients advised on Bankruptcy

Advice and information from our service lifts individuals and families out of poverty by increasing income and helping them to manage problem debt.

Our Debt Service specifically reaches out to people in poverty.



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Caerphilly
Blaenau Gwent

Advice at the HEART of the community

FOLLOWING
COVID DEBT
ENQUIRIES
DROPPED

50%

2019/20

WE HELPED

1,565

PEOPLE

2020/21

WE HELPED

857

PEOPLE

IN QUARTERS

**1, 2 & 3 OF
2021/22**

WE HELPED

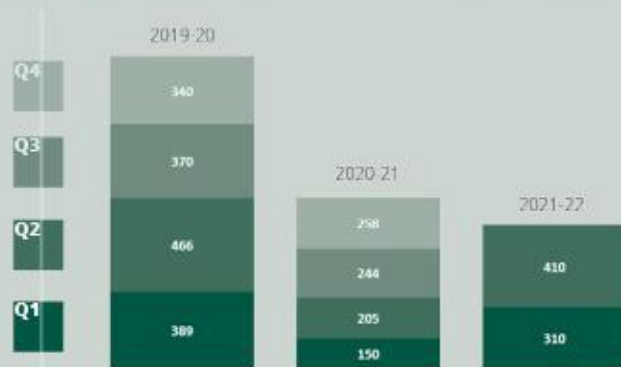
1,307

UP BY OVER

152%

COMPARED TO
LAST YEAR

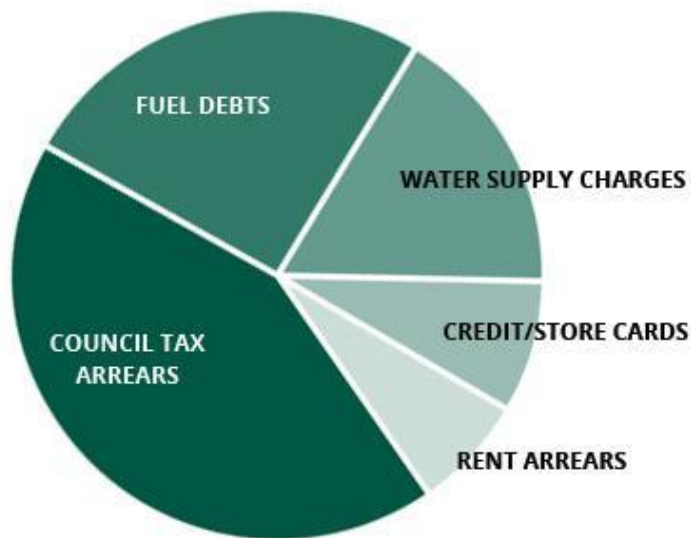
DEBT ISSUES ARE INCREASING SHARPLY



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Advice at the HEART of the community

TOP FIVE DEBT ISSUES



WE HAVE A TEAM OF SPECIALIST FINANCIAL CAPABILITY ADVISERS WHO:

- WORK WITH PEOPLE, WHOLE FAMILIES AND SUPPORT STAFF
- TAILOR SUPPORT TO INDIVIDUALS AND THEIR NEEDS
- HELPS BREAK THE CYCLE OF BAD SPENDING HABITS
- IMPROVE THEIR OVER-ALL MENTAL & PHYSICAL WELL-BEING

THE POLICY AND PRACTICE CALCULATOR CAN HELP US TO:

- ACCURATELY ASSESSING INCOMES AND EXPENDITURE ✓
- SET REALISTIC BUDGETS FOR PEOPLE AND THEIR FAMILIES ✓
- UNDERSTAND HOW MONEY IS BEING SPENT ✓
- BREAK THE CYCLE OF BAD SPENDING ✓
- PROVIDE SCENARIOS TO PREPARE PEOPLE FOR CHANGES ✓
- IMPROVE OVERALL MENTAL AND PHYSICAL WELL-BEING ✓

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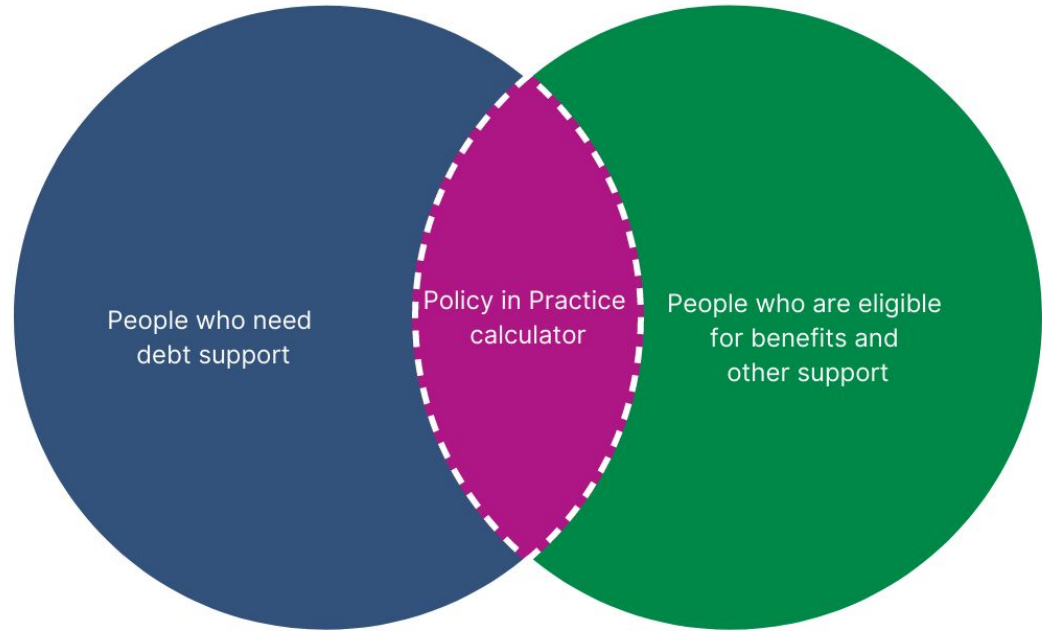
Advice at the **HEART** of the community

Over to Genevieve



Software that combines income and debt support

- Income maximisation should be at the heart of debt advice
- Holistic advice, not multiple conversations and repetitions
- People should not need to be experts in the complex benefit system or debt legislation to understand what steps to take



Standard Financial Statement (SFS)

- Income maximisation and debt support in one place for the first time
- A clear guide through complex support to help people boost their income and better manage debt
- Advice and action plans, not just statements

Debts

Debt 1

Debt type: Rent arrears | Creditor name: ABC Housing Association

Amount owed: £ 1000 | Repayment offer: £ 50 | Payment cycle: Monthly

Status: Offered Agreed

Debt 2

Debt type: Money you owe to friends and family | Creditor name:

Amount owed: £ 50 | Repayment offer: £ 0 | Payment cycle: Monthly

Status: Offered Agreed

Override on Financial Statement? (tick if yes) CCJ? (tick if yes)

Add another debt

Notes

Policy in Practice

STANDARD FINANCIAL STATEMENT

Name: | D.O.B.: | Application: Single Joint | Contact/team name: | Partner: (if applicable) | Agency: | Partner D.O.B.: (if applicable) | Agency address: | Address: | Membership codes number: | Case reference number: | Date of review: (if applicable) | Employment: Unemployed | Partner's employment: Unemployed

Dependent children: Under 16: 0.00 | 16-18: 0.00 | Other dependants: | Number in household: 1.00 | Number of vehicles in household: 0.00 | Housing tenure: No housing costs/Live with parents | Please confirm you have considered (or discussed with an adviser) the use of any assets to make lump sum payments | Tick to confirm

Overview

	Amount(£)	Notes
Total income	324.84	
Total outgoings	0.00	
(Income - outgoings)		
(Savings contribution)		
Debt admin fee (if applicable):		
Total available for priority creditors		
Total available for non-priority creditors		

Monthly Income

	Amount(£)	Notes
Earnings		
Salary or wages (take home)	0.00	
Partner salary or wages (take home)	0.00	
Other earnings (including self employment)	0.00	
Total salary and wages per month	0.00	

Benefits and tax credits

	Amount(£)	Notes
Universal Credit	324.84	
Jobseeker's Allowance (income based)	0.00	
Jobseeker's Allowance (contribution based)	0.00	
Income Support	0.00	
Working Tax Credit	0.00	
Child Tax Credit	0.00	
Child Benefit	0.00	

Utilities support schemes

- Calculates eligibility for and value of recommended tariff
- Ability to share information with water supplier for quick review and award
- Usual calculator benefits and budgeting advice alongside water tariff

The image displays three overlapping screenshots of utility websites, each highlighting a different support scheme:

- Top-left screenshot:** Shows the 'WaterHelp and WaterSure' page from Northumbrian Water. The page title is 'WaterHelp and WaterSure' and it includes a sub-header: 'If you're finding it hard to pay your bills, we want to do all that we can to help.' The breadcrumb trail is: Home > Help and advice > Account and billing > Financial support > WaterHelp and WaterSure.
- Top-right screenshot:** Shows the 'SupportPlus' page from Northumbrian Water. The page title is 'SupportPlus' and it includes a sub-header: 'We have three SupportPlus tariffs available, and they may be able to reduce your bill by 50%.' The breadcrumb trail is: Home > Services > Extra Support > Financial support > SupportPlus.
- Bottom screenshot:** Shows the 'Extra Care Support' page from Anglian Water. The page title is 'Extra Care Support' and it includes a sub-header: 'We understand that bills aren't always the first thing on your mind.' The breadcrumb trail is: Home > Advice > WaterCare > Extra Care Support.

How we can do more to help

- Provide broad advice
- Share current and relevant information
- Initiate budgeting conversations
- Hone in on significant / priority areas
- Empower clients to make decisions and act



Alerts

5 things to consider

- ▶ [Severe disability premium](#)
- ▶ [Number of children for benefit purposes](#)
- ▶ [Transitional protection](#)
- ▶ [Severe Disability Premium - migration to Universal Credit](#)
- ▶ [Temporary increase to Universal Credit](#)

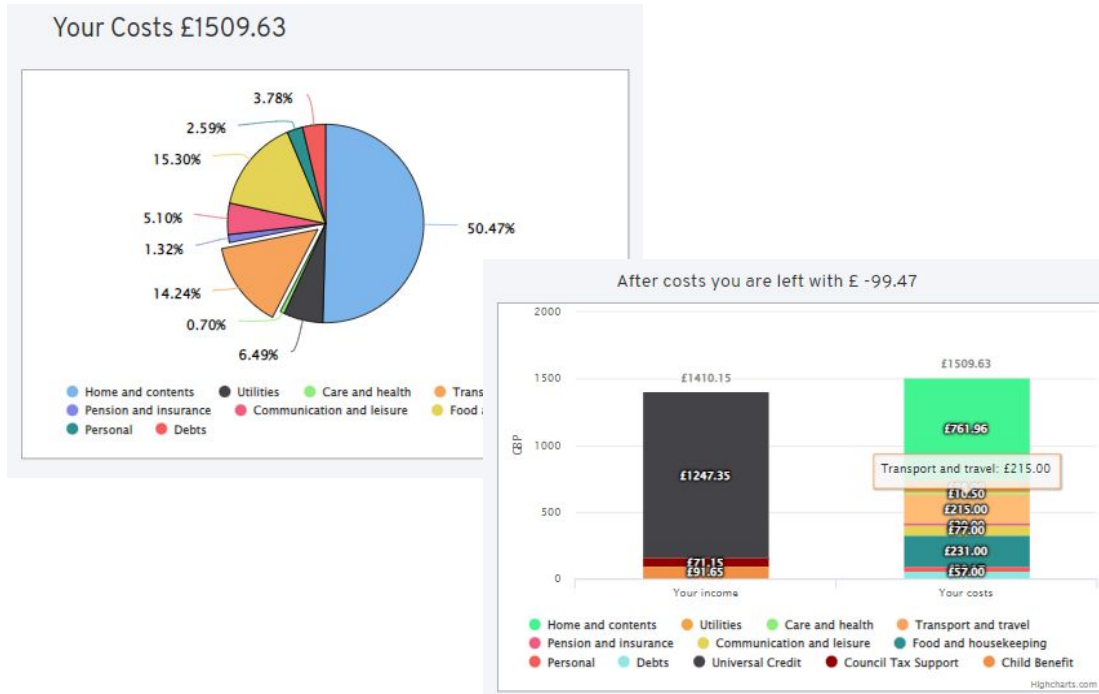
10 additional support

- ▶ [Blue Badge Scheme](#)
- ▶ [Disabled Person's Concessions](#)
- ▶ [Warm Homes Discount for Non-pensioners](#)
- ▶ [Free Prescriptions](#)
- ▶ [Help with water costs](#)
- ▶ [Food Vouchers](#)
- ▶ [Reduced price wifi tariff](#)
- ▶ [Single Persons Discount for Council Tax](#)
- ▶ [Priority Services Register](#)
- ▶ [Your income and Coronavirus \(COVID-19\): see what support you might get](#)

- Covers national, local, public, private, income, expenditure and other support topics, for example
 - SDP
 - Council tax reduction
 - Utility social tariffs and discounts
 - PSR and Blue Badge Scheme
- Only relevant alerts show, based on information entered into calculator
- Kept up to date with news and policy changes



Budget breakdown and visualisations



- Quickly interpret budget with cost breakdown by category
- Visualise totals, surplus or shortfall
- Focus on significant spends or identify 'quick wins'

Researched comparisons

- Objective comparables to initiate sensitive conversations in a non-judgemental way
- Based on the ONS Family Resource Survey
- Annually updated to adjust for inflation
- We may update more regularly for significant events, for example electricity and gas costs adjusted for price hike and removal of price cap

Compare costs with similar households

[Find out more](#)

Compared to similar households, you could save £ 362.00

Furniture	You spend £ 66.27 per month more than similar households
Public transport	You spend £ 178.33 per month more than similar households
Internet	You spend £ 28.77 per month more than similar households
Groceries	You spend £ 88.63 per month more than similar households

Possible cost savings

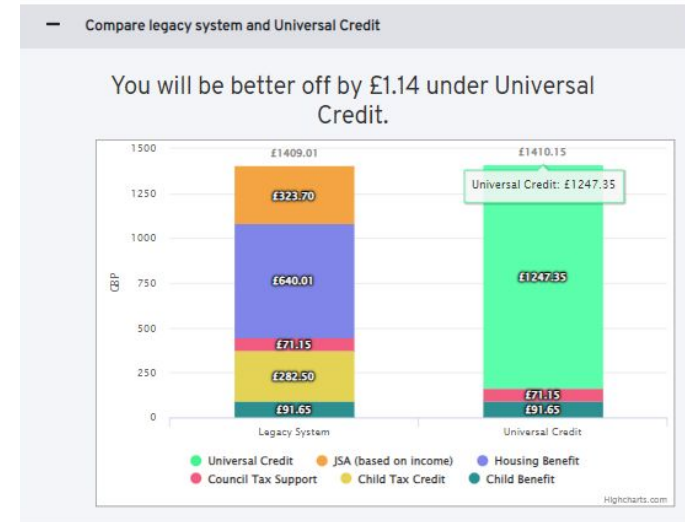
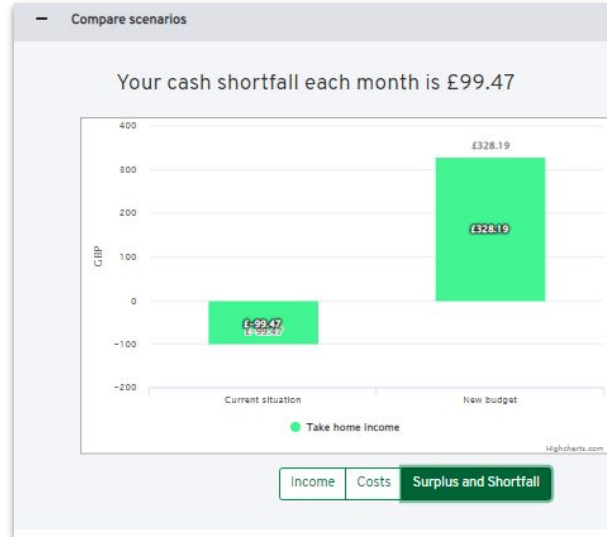
You spend the following on personal items. You may wish to consider if you can make savings on these items.

Internet	You spend £11.54 per week, or £ 50.00 per month, or £ 600.00 per year
Packet	You spend £ 2.31 per week, or £ 10.00 per



Bespoke scenarios and comparing benefit systems

- Create hypothetical scenarios to show the budget impact and incentivise action
- Directly compare income under legacy benefits to Universal Credit



Questions and answers



Next steps

- Download: product brochure
- Watch: short product videos
 - [Benefit and Budgeting Calculator](#) to support budgeting and maximise income
 - [LIFT](#) to identify vulnerability, target support and track change

Take our very short survey when the webinar ends to:

- Give us feedback (thank you) and ask further questions of our speakers
- Request a follow up call to talk about how the solutions shown could help you
- Auto register for our next webinar: **Using data analysis to get ahead of the cost of living crisis** on Wed 23 Feb from 1030 to 1200.



5 minute look at the Benefit and Budgeting Calculator



Thank you

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