



Deven Ghelani  
Policy in Practice

# Agenda

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1. About Policy in Practice
2. Your Objectives
3. Council Tax Support
4. Profiling DHP support
5. Engaging local residents
6. Contact details and next steps





*We help people toward  
independence by making  
the welfare system simple  
to understand.*

# Introductions and Objectives



# The challenge

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*"I can't see whether the people being clobbered by reductions in council tax support, or under-occupation are the same people that have been clobbered by other reforms."*

*Steve Carey, Leeds City Council*



# WELFARE REFORM ROADMAP TO 2020

## APRIL 2016

- + Personal allowance raised to £11,000
- + Higher rate tax threshold raised to £43,000
- + National Living Wage set at £7.20 p/h
- + Social sector rents reduced by 1% p/y for 4 yrs

- JSA, ESA Work-Related Activity Group and Income Support rates frozen for 4 yrs
- Child Benefit rates frozen for 4 yrs
- Housing Benefit applicable amounts and LHA rates frozen for 4 yrs
- Tax credits income rise disregard halved to £2,500
- Work allowances lowered or cut under UC
- Family Premium eliminated from Housing Benefit
- Minimum Income Floor for self-employed earners under UC uprated to NLW

## AUTUMN 2016

- + New minimum wage rates for 16-24 year olds from 1 Oct 2016
- Benefit Cap set at £23,000 (London) or £20,000 (elsewhere)

## APRIL 2017

- + Personal allowance increased to £11,500
- + Higher rate tax threshold increased to £43,600
- + NLW set at £7.50 p/hr for over 25
- + Taper rate of UC reduced to 63% from 65%

- Family element/first child premium, and child elements after 3+ children, eliminated for new births or claims on UC and tax credits
- New ESA Work-Related Activity Group claimants get same rate as JSA recipients
- 18-21 year olds lose auto entitlement to housing support under UC
- 18-21 year olds on UC get support at start of claim; must earn or learn after 6 mths

## SEPT 2017

- + Free childcare entitlement doubled from 15 to 30 hours for parents of 3 & 4 year olds

## APRIL 2018

- Mortgage Interest Support becomes a loan

## APRIL 2019

- New social tenancies from April 2016 and all UC claimants see max Housing Benefit limited to LHA rate

## APRIL 2020

- + Personal allowance increased to £12,500
- + Higher rate tax threshold increased to £50,000
- + National Living Wage likely to rise to £8.80 p/h

# The impact of welfare reform policies

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One policy, many people



Many policies, one person



Governments may know how one policy affects many people. We can show how all policies combined affect one person.



# Policy in Practice's approach

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Your Housing Benefit /  
Council Tax data



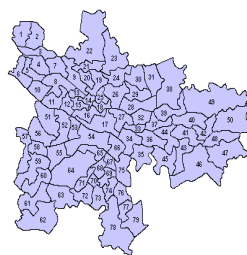
1. Use local data and  
insights to inform better  
decision making

Our Universal Benefit  
Calculator



2. See the impact of  
different models together  
with ongoing welfare  
reforms

Rich, detailed impact  
assessment: who is  
impacted and what are  
the Council-wide effects?



3. Inform Council Tax  
Support decisions





“Mrs Jones at 73 High Street will be affected by all welfare changes combined by £15.62 per week today and £42.25 by 2020 and she has high barriers to work”



# Council Tax Support

Councils have to balance the need for cost reductions with the needs of their most vulnerable residents.

We help you to model:

- The cost / impacts of your current CTRS scheme
- The cost / impacts of your current CTRS scheme uprated to the following year
- The cost / impacts of other CTRS schemes you're considering

		SUMMARY OF SCHEME OPTIONS			
		Baseline current scheme	70% support	70% with protection for vulnerable households	Banded scheme for Universal Credit
YOUR LOCAL PRIORITIES		Current scheme (max 85%) uprated by 3.99% for 2017/18	Maximum council tax support set to 70% for all working age households	Maximum council tax support set to 70% with protection for disabled households	An income banded scheme designed to control administration costs under UC
	Total cost of scheme	£3,905,581	£3,109,242	£3,405,259	£2,891,593
	Support to working age households	£1,396,046	£1,192,385	£1,304,554	£1,078,396
	Estimated savings £	not applicable	- £203,662	- £91,492	- £317,650
	Estimated savings %	not applicable	- 5.2%	- 2.3%	- 8.1%
	Annual loss in support to working age households	not applicable	- £165.58	- £74.38	- £258.25
	Number households losing more than £5 per week	5	246	195	427
	Implications and impact	The Living Wage and personal tax allowance mean that the cost of support increases by less than the rise in liability	Households in receipt of higher levels of council tax support in higher banded properties, larger families and owner occupiers are impacted the most <b>OPTION 1</b>	Households in larger properties are impacted the most, unless in a protected group (lone parent with children under 5, disabled or a carer) <b>OPTION 2</b>	Assesses gross income from earnings and benefits, but doesn't take into account family size or other needs <b>OPTION 3</b>

Further impact assessment by band, tenure, household type and economic status on each scheme is available, ready for consultation



# Council Tax Support

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Zoe Charlesworth  
Policy in Practice

Council Tax Support schemes have taken some time to drive real innovation.

- Changing the maximum award and the taper rate
- Savings limits, band restrictions, minimum payment, HB regs
- Introduction of an element of conditionality
- Protection for vulnerable groups
- Minimum income floor for self-employed

As Universal Credit is implemented, its crunch time – to stop tinkering with schemes and look at bolder change.

- Admin savings are key - 15%-30% of total scheme costs
- Running a UC scheme in parallel may be more politically acceptable
- LA's are split: UC claimant scheme may be there to support the aims of UC, or provide support to claimants hit by UC. Does your scheme support you're your anti-poverty strategy?
- Thought needs to be given to the administration of monthly income changes under UC – ignore for six months? Use a rolling average? Set a de minimis amount? What do your software providers say?



# Council Tax Support

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- North Herfordshire had a surplus of £500,000. Our modelling helped them to eliminate this without creating an overspend in the next two financial years.
- A group of Leicestershire district authorities used our analysis to show the cumulative impact of reforms on residents to the county, and agreed a lower than planned cut in Council Tax Support.

“We were up against extremely challenging deadlines and needed to put CTRS scheme options together quickly. Policy in Practice won the tender because of their clear and unique approach, experience, detailed understanding of welfare reform impacts and excellent team. Their work and flexibility in delivery scores 10 out of 10.

The fact that the work has been produced in such a short space of time, and to such high quality standards, is particularly impressive.”

Steve Hill, Tower Hamlets Council

# Profiling DHP demand

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*“You may want to profile your caseload to identify certain groups among those potentially affected by the changes, and establish the level of demand among those groups. you may want to carry out a more detailed assessment for your area.”*

The targeting and take-up of these schemes is not straightforward.

- Are DHPs getting to those who need it the most?
- Are the same households applying for multiple types of support?



# Understanding your low income households

## 1. Snapshot

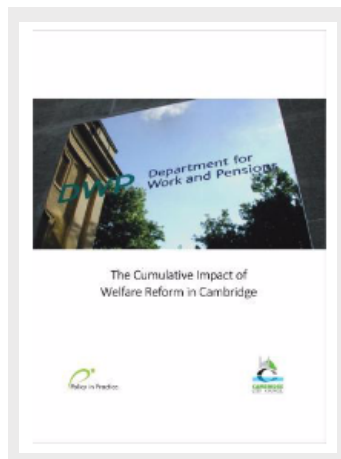
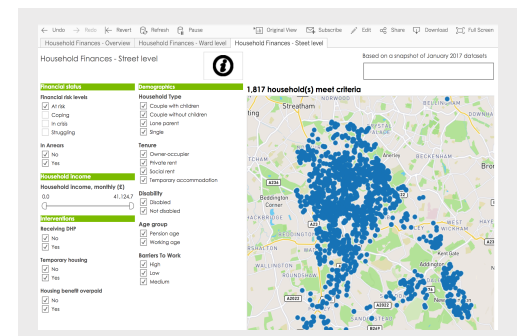
MS Excel Dataset  
Comprehensive  
Report  
Meetings  
One off

## 2. Refresh

Snapshot plus:  
Refreshed dataset  
every 3 months  
Key numbers  
worksheet on each  
refresh  
Carried out over 12  
months

## 3. Dashboard

Refresh plus:  
Online, interactive,  
cloud based  
dashboard  
Ability to export  
data into MS Excel  
Quarterly refreshed  
data  
Optional extras  
Always on

The image is a screenshot of an MS Excel spreadsheet. It contains a table with multiple columns including 'reference', 'period', 'month', 'household type', 'benefit type', 'age group', 'gender', 'employment status', 'disability', 'housing benefit', and 'income'. The data is organized in rows, with some cells highlighted in green and others in red, likely indicating different categories or statuses.

# Analysis for one local authority

Average application rate: 21%

Average award rate: 88%

“Having a consistent policy is important, but local authorities are good at administering payments.

“The main issue is not the application process...

“it is raising awareness of DHPs among people that need it the most, and encouraging them to take action.”

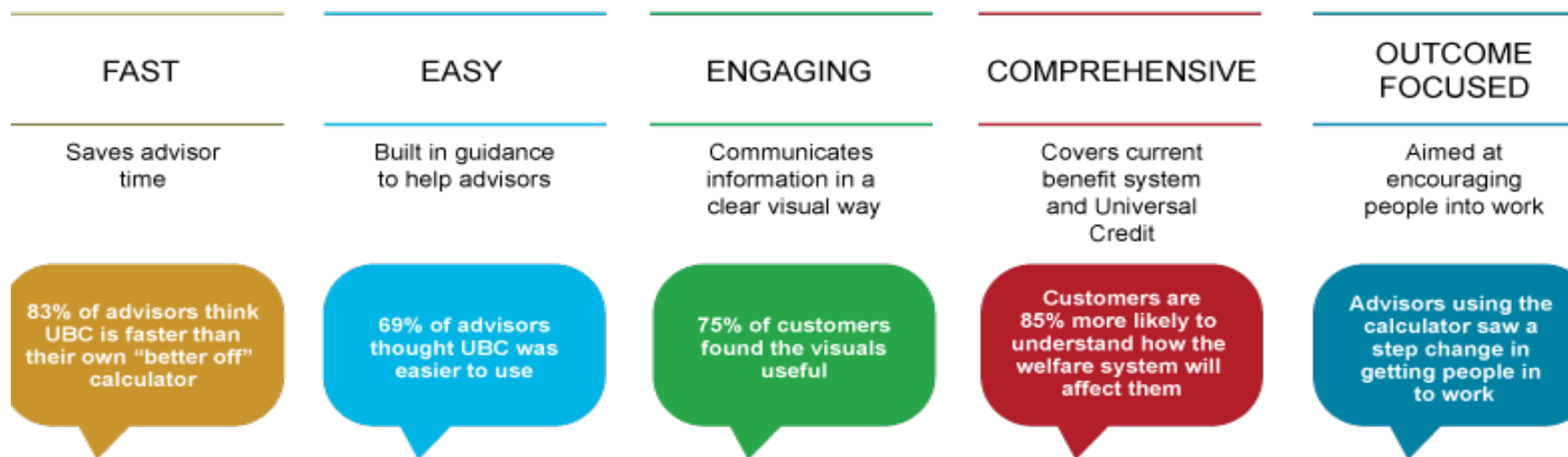
Table 8.1.3: Impact of welfare reform on DHP claimants, both successful and unsuccessful								
Welfare Reform	Total Islington	Total DHP claimants	Application rate	DHP awarded			DHP not awarded	Award rate
				All claimants	Awarded < £1,000	Awarded ≥ £1,000		
Under-occupation charge (no. affected)	2160	596	27.6%	537	365	172	59	90.1%
Average weekly reduction in HB	-£ 23.27	-£ 26.35	N/A	-£ 24.23	-£ 22.41	-£ 28.04	-£ 24.41	N/A
Benefit cap at £26,000 (no. affected)	195	21	10.8%	10	5	5	11	47.6%
Average reduction in HB	-£ 53.26	-£ 65.33	N/A	-£ 58.68	-£ 84.94	-£ 32.43	-£ 61.86	N/A
LHA cap	1,170	119	10.2%	96	45	51	23	80.7%
Average weekly rent shortfall	-£ 62.26	-£ 56.79	N/A	-£ 56.92	£ 47.86	£ 64.91	-£ 55.36	N/A
High or medium impact in 2015	3,077	673	21.9%	597	388	209	76	88.7%

One in every five of the most needy households receives an award



# Benefit and Budgeting software

- **Comprehensive:** The widest set of national and local policies modelled by any commercially available calculator, updated automatically through the cloud.
- **Fast & Effective:** Advisors have more time to work with residents who are engaged, making them more likely to take up support.
- **Action oriented:** Guidance to support your residents toward independence
- **Flexible:** Self-service or advisor led, online or offline, current system or Universal Credit





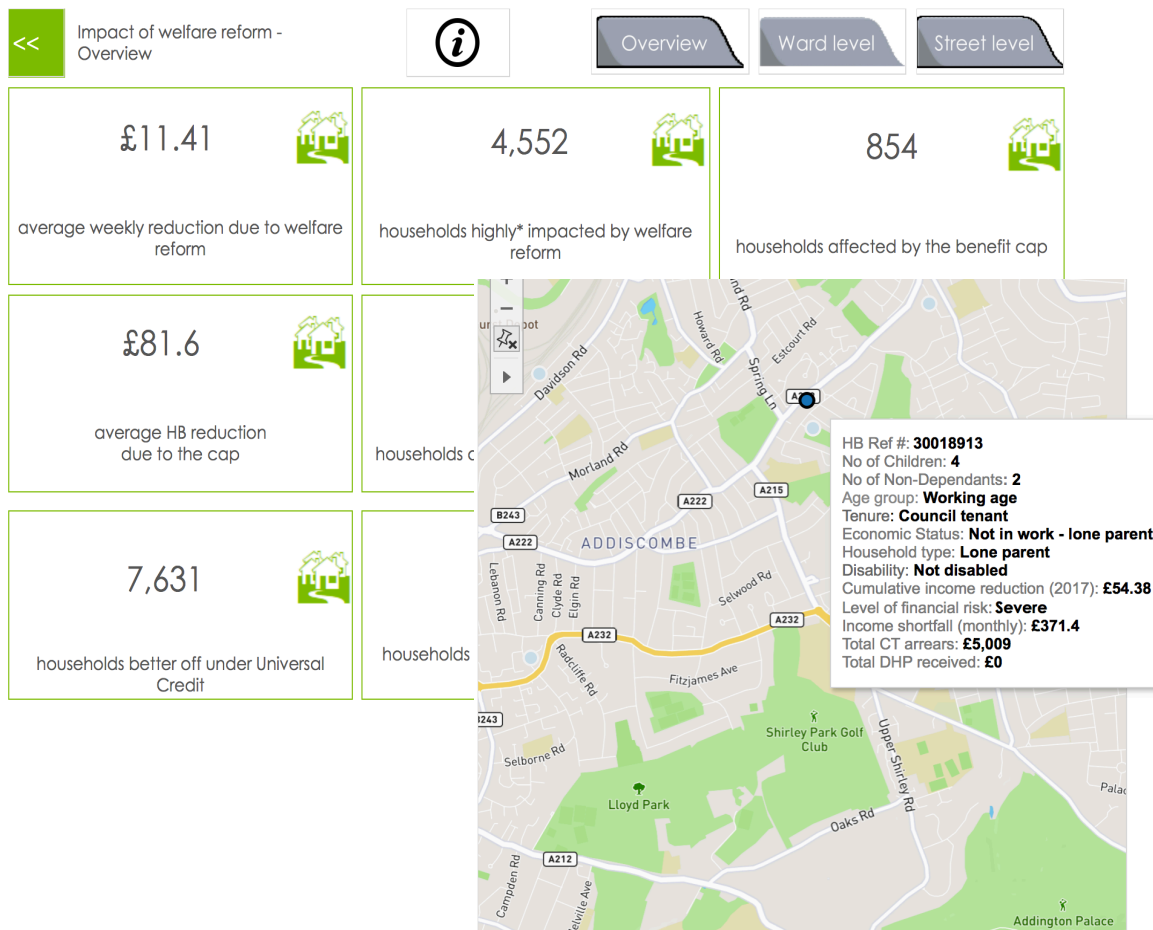
# Online poverty dashboard

## See your data:

- Powerful data for both operational use and policy discussions.
- Accessible to all staff
- Clear use cases built in

## Benefits

- **Visibility:** See households that the council have limited engagement with (e.g. in-work, private rented sector).
- **Updates:** Refresh your data to embed use and target support.
- **Forecast:** Policy modelling to get support to people before they really need it.
- **Drill-down:** Compare / Dissect the impacts by ward, household or characteristics at a click of a button
- **Track:** The ability to track how individual household circumstances are changing over time



# UNIVERSAL BENEFIT AND BUDGETING CALCULATOR 3.0

4,190

number of equations and conditions in  
the UBBC 3.0 calculator

60

possible benefit  
actions

possible signposting to  
support actions

49

2

pages in typical  
action plan

30

help alerts

95

roll over tool tips

lines for in  
depth  
calculations

25

4

lines for  
summary  
calculations

34,000

real cases we tested to  
validate *our* calculations  
versus *actual* entitlements

# Contact us

Deven Ghelani  
deven@policyinpractice.co.uk  
07863 560677

Jade Alsop  
jade@policyinpractice.co.uk  
07551 165172

hello@policyinpractice.co.uk  
office 0330 088 9242

