

SOCIAL SECURITY COMMITTEE

BENEFIT TAKE-UP

SUBMISSION FROM CHILD POVERTY ACTION GROUP (CPAG) IN SCOTLAND

Summary

A good take-up strategy would aim to:

- Raise and maintain awareness of benefits
- Tackle barriers to claiming through systematic, nationally available programmes linking frontline services with advice services
- Be informed by data, and driven by targets
- Be linked to wider social security aims such as reducing structural barriers to claiming
- Be linked to wider cross-government aims such as child poverty reduction

1. What do we know about how much is unclaimed and why?

We know that take-up rates vary dramatically between benefits. At the top end is child benefit and state pension, with almost everyone claiming their entitlement. The worst performer is working tax credit for households with no children, with more than two thirds of people failing to claim.¹ The take-up rate for the majority of means-tested benefits is relatively low, with around one in five people not claiming their entitlement.² This represents more than £20 billion a year unclaimed across Britain.³ There are no published estimates yet of take-up for universal credit.

While the DWP and HMRC regularly publish take-up rates for (most) means-tested benefits, tax credits and child benefit, there have been no estimates of take-up rates for personal independence payment and none for other disability benefits since a study in 1998 estimated that between a half and two thirds of people potentially eligible for disability living allowance care component, for example, did not claim.⁴

One conclusion from take-up rates is that there are fewer barriers to take-up of simple universal benefits like child benefit, and more barriers to complicated means-tested benefits. Reasons why so

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/763597/Child_Benefit_Child_Tax_Credit_and_Working_Tax_Credit_take-up_rates_2016_to_2017.pdf

² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/757268/income-related-benefits-estimates-of-take-up-2016-17.pdf

³ <https://www.entitledto.co.uk/blog/2018/december/over-20-billion-still-unclaimed-in-means-tested-benefits/>

⁴ http://www.niesr.ac.uk/sites/default/files/publications/021007_143834.pdf

much is unclaimed are relatively well researched in relation to means-tested benefits and lie in the structure and administration of benefits as well as in personal knowledge and behaviour.⁵

Level of knowledge. People who have not heard of a benefit will clearly not claim it. Unsurprisingly, research shows that poor awareness is a reason for not claiming.⁶ Awareness-raising take-up campaigns are necessary. Level of awareness of benefits can be particularly low for some groups. For example, a study in 2011 found that around two thirds of low-income workers did not know that in-work benefits were available.⁷ More research should be done to understand take-up levels for different groups and targeted take-up activity designed.

Misperceptions about eligibility. High levels of awareness of the existence of a benefit does not necessarily lead to high take-up levels. An HMRC study into tax credits take-up showed that awareness was not the issue. Most people had heard of tax credits. What stopped them claiming was that they thought they were not eligible. Most said they would claim if they found out they were eligible.⁸ So the extent to which awareness raising campaigns can improve take-up is limited. Improving take-up must also include identifying potentially eligible individuals and helping them claim, best done by systematic programmes linking frontline services with advice agencies.

Stigma. Stigma affects take-up. Increasing behavioural conditions attached to claiming, and a toxic public debate have led to more stigma.⁹ There is nothing inevitable about stigma. Some benefits have very little, if any, stigma associated with claiming. For example, families are not made to feel ashamed about claiming child benefit, a universal benefit, and the take-up rate is high. Further evidence of reduced stigma when entitlements are universal is seen in a study of a pilot trial in Scotland of free school meals for all children in P1 to P3. This showed that take-up went up significantly when school meals were available free to all pupils rather than just those with the lowest family incomes. Importantly, children who were always entitled but did not claim were more likely to claim when there was universal entitlement for all pupils.¹⁰

Complexity in applications and administration. People have to spend time and effort in applying for benefit and dealing with officialdom. If the amount of money involved makes a relatively small difference to household income, even when there is a need for more money, people are less likely to apply. This has implications for design of benefits generally, but particularly so for grants such as

⁵ See for example <https://www.learningandwork.org.uk/wp-content/uploads/2017/01/Benefit-Take-Up-Final-Report-Inclusion-proofed-June-2014-pdf.pdf>

⁶ Daigneault, P., Jacob, S., and Tereraho, M. (2012) Understanding and Improving the Take-up of Public Programs: Lessons Learned from the Canadian and International Experience in Human Services, *International Journal of Business and Social Science*, 3(1), pp. 39-50

⁷ Turn2Us (2011) Benefit Awareness, Research commissioned from ResearchNow, April 2011

⁸ <https://revenuebenefits.org.uk/pdf/Take-up%20of%20tax%20credits.pdf>

⁹ <https://www.learningandwork.org.uk/wp-content/uploads/2017/01/Benefit-Take-Up-Final-Report-Inclusion-proofed-June-2014-pdf.pdf>

¹⁰ www.iser.essex.ac.uk/publications/working-papers/iser/2012-12.pdf

young carer grant and best start grant, and smaller regular amounts such as Scottish child payment where the balance could more easily be tipped away from making the effort to claim.

Negative perceptions and experience. Complexity and stigma feed negative perceptions. So also does having a bad experience of the system. CPAG's Early Warning System uncovers high levels of error in benefit administration which leave people confused and fearful.

2. What are the gaps in knowledge/research and how can they be improved?

As noted by the Scottish Fiscal Commission recently, there are 'no data sources that reliably show the number of people eligible for [Scottish] social security support' thus views on take-up 'rely on judgement, rather than being purely data-driven'.¹¹ The Scottish Government has now published provisional take-up figures for best start grant pregnancy and baby payment. The Scottish Government will need data on each form of assistance to drive improvement. It is more difficult to estimate take-up for disability assistance where potential eligibility cannot simply be inferred from existing data sources. However, we would urge that methods are found that will allow the success of the take-up strategy to be measured and take-up activity to be informed by data.

Once source of data will be the 2021 Census. National Records of Scotland has noted 'a new need for data on unpaid carers for future monitoring and evaluation of social security in Scotland' and has indicated its intention to review questions if eligibility criteria change by 2020. For example, questions on hours of care relate to the current eligibility criteria for carer's allowance of 35 hours a week, but do not relate to the young carer grant criteria of 16 hours a week.¹² It is not clear whether the new data need for monitoring disability assistance has similarly informed census questions on long-term health conditions and disability.

Council tax reduction is an area where take-up rates are probably low and interventions needed but there is no data on take-up rates.¹³

There is also a need for more data to monitor and improve benefit processes to make sure processes do not inadvertently become a barrier to take-up. Social Security Scotland has begun gathering a range of data, some of which is published.¹⁴ Building on this, data could be gathered to monitor more closely why people drop out of the system – why claims are refused, why appeals lapse, why people do not go on to appeal against an unsuccessful redetermination. These kind of feedback loops help identify pressure points in the system and inform organisational learning.

¹¹ <http://www.fiscalcommission.scot/publications/occasional-papers/statement-of-data-needs-september-2019/>

¹² https://www.scotlandscensus.gov.uk/documents/census2021/Unpaid_Care_Topic_Report.pdf

¹³ http://www.parliament.scot/ResearchBriefingsAndFactsheets/SB_17-24_Council_Tax_Reduction.pdf

¹⁴ <https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/SocialSecurityforScotland/APRMarch2019>

3. How can the administration of benefits be improved to maximise take-up? Specific examples would be welcomed.

CPAG's Early Warning System evidences a high level of administration error in the UK benefit system. Common issues include:

- Wrongly telling people not to claim at all, or to claim the wrong benefit
- Different government departments and agencies giving contradictory information about whether to claim universal credit
- Underpaying and overpaying people through flawed decision making and processes
- Payment delays

These are compounded by often extraordinary difficulty for individuals to get problems resolved, and can result in people losing considerable sums. There are ways to reduce error.

- Wrong information is often given in areas of particular complexity. Anticipating these pressure points and providing good resources and training to staff could reduce this risk.
- There should be systems set up so that Social Security Scotland is promptly alerted to any similar issues arising in the Scottish system, bringing in data from external agencies working with users of the system.
- As regulations are in development for disability assistance, every care should be taken to avoid introducing barriers to take-up of full entitlement. For example, regulations need to make sure that people getting disability assistance who think they are entitled to a higher rate are always able to appeal if they are refused.

Providing a range of ways to access benefits is particularly relevant to universal credit. Fifteen per cent of universal credit claimants do not have access to the internet at home.¹⁵ The 'Help to claim' service delivered by Citizens Advice helps people lacking digital access or skills to make a universal credit claim, but does not help people maintain the claim after that. Without this support, people drop out of entitlement.

4. How far is it possible for technology to create a more automated system, that uses information gathered for other reasons to award benefits automatically? What would the advantages/disadvantages be of greater automation?

It is possible to increase take-up using data-matching to identify eligible people and invite them to claim. This was the approach taken by West Lothian Council in 2017/18. They identified 2000 families from their housing benefit and council tax reduction data who would be entitled to school clothing grants and sent pre-completed forms to be signed to release the payment. 1358 were

¹⁵ DWP (2019) Claimant service and experience survey 2017 to 2018, Table 17. Data available at <https://www.gov.uk/government/publications/dwp-claimant-service-and-experience-survey-2017-to-2018>

returned and then a further 110 when a reminder was sent.¹⁶ While a huge step forward, still over a quarter of families did not claim.

We know that people are stopped from claiming because they think they are not eligible. Other pressures also make claiming difficult – eg, mental health problems, or simply being worn down. One response is not to require an application at all.

Glasgow City Council has taken automation a step further and used their housing benefit and council tax reduction data to identify families entitled to school clothing grants so that no claim or signature is necessary and the grant is paid automatically. This resulted in 5400 more families receiving benefits they were entitled to.¹⁷

These examples demonstrate that a more automated system is possible for some types of benefit and can have significant advantages in ensuring that families receive their entitlements. More automation of local benefits should feature in every local child poverty action plan.

We are pleased that the Scottish Government is committed to automating awards where possible, and carer's allowance supplement is fully automated. For now, though applications are required for other Scottish benefits and there will be accumulating evidence of where they could be improved. This should be a priority for Social Security Scotland to seek continual improvement of form design and application processes.

5. What can we learn from previous campaigns to increase take-up? Specific examples of projects or approaches that improved benefit take-up, particularly those that were evaluated, would be welcomed.

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Awareness raising. DWP's initial awareness raising campaign when pension credit was launched in 2003 was judged a success by the National Audit Office with 80 per cent of people over pension age

¹⁶ <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=11446&mode=pdf>

¹⁷ Annex E, <https://www.gov.scot/publications/local-child-poverty-action-report-guidance/>

having heard of pension credit. This used data-matching techniques to target potentially eligible people, and used direct mail, TV and press advertising.¹⁸

We can learn from previous campaigns how to combine effective take-up with communicating positive messages about social security. For example, the recent Scottish Government 'You've Earned It' campaign could have inadvertently encouraged a view that you need to earn benefit entitlement, rather than it being a right that we all enjoy. The Frameworks Institute and Joseph Rowntree Foundation have produced a toolkit to help communicate positively about poverty.¹⁹

Ahead of the launch of best start grant, Social Security Scotland's communication and marketing activity led to a large number of applications as grants first became available. However, there is much more to be done to make sure all eligible families apply. Provisional data reports an estimated take-up rate for best start grant of 53 per cent for first births.²⁰ Following on from communications and marketing campaigns, there should be systematic programmes linking frontline services with advice, building on the examples below.

Tackling barriers to claiming. There are examples of very effective take-up activity locally. For example, health visitors and midwives in NHS Greater Glasgow and Clyde systematically refer families in pregnancy and early years to local advice agencies who are funded to deliver income maximisation to these clients – Healthier Wealthier Children. This involves embedding routine questions about money into the work practices of health staff, and creating referral mechanisms that ensure families are not left to make their own appointments. This has been evaluated and achieved impressive financial gains for clients.²¹ Asking people about money as a routine feature of providing a service, not only increases take-up, it may also normalise benefit claiming thus reducing stigma.

Another approach to overcoming barriers to take-up and reach groups who are less likely to claim is to locate welfare rights advice in services that families regularly visit, such as GP practices and schools. An evaluation of the pilot Deep End Advice Worker project showed £850,000 of unclaimed benefit delivered to patients in two GP practices in the east end of Glasgow in less than two years.²²

Evidence demonstrates that initiatives like these at the local level are very effective at increasing take-up.

¹⁸ NAO (2006) Progress in tackling pensioner poverty: Encouraging take-up of entitlements, Report by the Comptroller and Auditor General, HC 1178-1, London: National Audit Office

¹⁹ <https://www.jrf.org.uk/our-work/talking-about-poverty>

²⁰ <https://www.gov.scot/publications/social-security-scotland-act-2019-benefit-take-up-strategy-october-2019/>

²¹ http://www.equalitiesinhealth.org/public_html/documents/HWC_final_report_FINAL_updated_Aug_2012.pdf

²² https://www.gcph.co.uk/latest/news/729_deep_end_advice_worker_pilot_project_evaluation_published ; <https://www.edinburghnews.scotsman.com/news/in-depth-how-edinburgh-plans-to-tackle-hidden-poverty-divide-1-4734136>

We welcome the new Scottish Benefits Take-up Fund to help charities and the third sector promote take-up. There is enormous scope to replicate these ways of working across Scotland.

Social Security Scotland is building a network of locally-based staff who will provide one-to-one support with applications. This is a great opportunity to improve take-up of Scottish benefits and an opportunity not to be missed to improve take-up of other financial support such as council tax reduction where take-up rates are low.

Link to wider aims. When pension credit was introduced, it was in the context of a commitment to reduce pensioner poverty. Take-up activity for pension credit still left many people not taking up their entitlement. Take-up of pension credit stands at 64 per cent. Reforms to pensions have introduced a basic state pension rate set above pension credit levels, meaning fewer people in future will need to claim means-tested pension credit. This shift away from pension credit in turn increases the take-up rate overall for pensioner benefits, and the higher pension levels reduce poverty.

The Scottish child payment has been introduced explicitly to contribute to the end child poverty strategy. Take-up strategy should also align with these aims.

6. Are different approaches required for different benefits and different client groups?

The overall approach is likely to be the same – awareness-raising and tackling barriers to claiming through systematic links between frontline services and advice services – but tailored for different groups of potentially eligible people. For example, families can be helped to claim best start grant when they register a birth, as currently happens in Glasgow. Or primary schools could work with local advice services to help families claim best start grant school-age payment.

People may learn about benefits through family, friends and trusted professionals. This suggests that widespread awareness-raising is worthwhile even for types of assistance aimed at a relatively small group, such as young carer grant.

7. What kinds of eligibility criteria ensure better take-up?

One of the simplest benefits is child benefit. It requires a claim, but once awarded continues unchanged until the child grows up. It is universal and not means-tested. When a family has a baby, they claim child benefit, with very few exceptions. The link is clear and easy to communicate. The take-up of child benefit is very high at 93 per cent and was even higher at 97 per cent before the complication for higher earners was introduced.

Simpler eligibility rules can mean less evidence required from people and easier forms to complete. For example, in the process of developing regulations for young carer grant, the Scottish Government simplified the age limit and definition of care. This simplification should mean simpler

evidence requirements and less form filling, which should have the effect of reducing barriers to claiming. Similar opportunities should be sought to simplify eligibility conditions for other benefits without, of course, compromising rights or clarity. More targeted benefits have more complex eligibility criteria – eg, disability criteria. If there cannot be a single clear link between a person’s situation and their benefit entitlement, it is better that eligibility criteria are fully and clearly defined in regulations. That provides more certainty about claiming and respects people’s rights.

8. How might the development of Scottish social security impact on take-up of both reserved and devolved benefits?

There is an exceptional opportunity for Social Security Scotland locally-based staff to make a real difference. Locally-based staff will be helping people to understand what Scottish benefits they are entitled to and helping them to complete application forms. For some Scottish benefits, there is only entitlement for people who also get a UK qualifying benefit. Staff will regularly meet people who are not getting the UK qualifying benefit they need and staff will need to be equipped to respond. A response could be to equip staff with a high quality benefit eligibility checker covering UK and Scottish benefits to enable them to identify potential eligibility. This could be particularly effective in combination with referral mechanisms with local advice agencies to follow through with a benefit check and help to claim.

The increasing complexity of the system will make it more difficult for DWP staff to give appropriate information to people in Scotland. For example, CPAG’s Early Warning System has cases of DWP not taking into account Scottish carer’s allowance supplement when giving information to universal credit claimants about whether or not it is worthwhile claiming UK carer’s allowance. DWP advice is losing carers significant sums of money and impacting on take-up of carer’s allowance supplement.

Currently, UK disability and carers’ benefits passport people to higher amounts of UK benefits. People are expected to report awards starting and stopping themselves, but there are also systems in place for DWP, HMRC and local authorities to share information. This information sharing is often what leads to a higher amount being awarded (or an overpayment being avoided). This information sharing needs to evolve to include Social Security Scotland to make sure take-up of passported UK entitlements in these circumstances does not fall.

Other aspects may drive increased take-up. For example, if someone has not been claiming universal credit because the amount they would receive may be marginal or the claims process offputting, they may now seek to claim if it means also gaining Scottish child payment.

9. Are there other questions you think the Committee should consider as part of this inquiry?

The Committee could explore the way in which the Scottish and UK Governments work together on take-up. While each delivery agency will focus on take-up of its own benefits in terms of research,



analysis, and national campaigns, there should be sharing of information and insights. At the level of work with individuals that involves take-up – eg, information giving by staff, referrals to advice agencies – there should be no barrier to offering a holistic service. The aim should be that irrespective of who delivers and funds social security, governments should play a full role in maximising take-up.

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