



CPAG RESPONSE TO DWP CONSULTATION ON PROPOSED CESSATION OF INCOME-RELATED BENEFIT TAKE-UP STATISTICS

Introduction

1. Child Poverty Action Group (CPAG) works to prevent and relieve poverty among children and families with children. We have particular expertise in the functioning of the social security system through our welfare rights, training and policy work. Each year we author and publish *The Welfare Rights Handbook*, the authoritative guide to social security in the UK.
2. The OECD has commended the UK government in the past for collecting information on benefit take-up.¹ We have serious concerns about DWP's proposal to cease production of the estimates of take-up of a number of income-related benefits. We are even more worried at the prospect of the Department not producing take-up estimates for universal credit (UC). We organise our views below in line with the questions set out in the consultation.

Do you use information from the 'Income-related benefits: estimates of take-up'?

3. Yes – the series provides us with critical information that we use in our policy and welfare rights work when analysing the effectiveness of different types of benefits.
4. In November 2011, for example, CPAG provided expert evidence to the Public Accounts Committee about the problems associated with means-tested benefits. The series provided vital information supporting our contention that heavy means-testing depresses take-up, thereby undermining the effectiveness and efficiency of certain benefits.²

¹ V Hernanz, F Malherbet and M Pellizzari, Take-Up of Welfare Benefits in OECD Countries A Review of the Evidence, OECD 2004

² See <http://www.cpag.org.uk/sites/default/files/CPAG%20note%20for%20PAC.pdf> for CPAG's written submission to the PAC.

What would be the effect of not having this information?

5. The very rationale for means-tested benefits is that they get to those who most need them. If we have no reliable information on take-up, it is simply impossible for government to assess the truth of this assertion and much more difficult to assess the effectiveness of government policies. It would make governments less accountable for policy decisions.
6. Take-up statistics are also an invaluable proxy for the burden placed on low income families and individuals when claiming different benefits. As a recent NAO report on means-tested benefits has stressed, the government needs to be more, not less, cognisant of claimants' experiences when designing benefits if value for money is to be achieved.³

Have you any views or comments on the proposal to discontinue the statistics?

7. CPAG would like the statistics to continue to be produced in their current form. We are surprised that repeating well-established procedures that generate the take up figures occupies as much staff time as the Department asserts. But regardless of whether this is the case, we believe that the take-up statistics are more, not less, important at a time when claimants are subject to intense pressures, and the social security system is being subject to such an extensive shake-up.
8. Should the series cease as suggested, the last take-up data available will be for 2009/10, resulting in a gap of at least five years before information on universal credit (UC) take-up will be captured (assuming information is gathered for the first full year of UC operation 2014/15). It seems reasonable to assume that such data will not be available until 2016/17.
9. Two consequences of this long gap in data are immediately apparent. First, we will not know how low income individuals and families are behaving during a period of economic and political pressure: will the effects of the recession, for example, increase take-up rates or is the increasing stigmatisation of benefit claimants driving down take-up? In the absence of the series, we will be unable to explore these questions.
10. Second, our ability to make key assessments about the effectiveness and efficiency of the new system under UC will be seriously compromised. The government argues that the comparative simplicity of UC will lead to increased take up, which in turn will underpin reductions in child poverty.⁴ Without the baseline data, or indeed data itself on take-up of UC, we will be unable to evaluate whether UC is delivering on its key objectives.

If you are not in favour of the main proposal, which if any of the options do you prefer and why?

11. In light of the arguments above, we strongly support the first option to continue to publish the statistics in their current form, and that take-up statistics should be published for UC and any other new benefits going forward.

³ Report by the Comptroller and Auditor General, , *Means tested benefits*, HC 1464 Session 2010–2012 NAO 2011

⁴ See DWP, *Impact Assessment: Universal Credit*, DWP October 2011 available at <http://www.dwp.gov.uk/docs/universal-credit-wr2011-ia.pdf> for further details

12. We can see little value to option 2, producing data that is not up to National Statistics standards, as this cannot be used to inform the types of analysis we have already indicated.
13. As we assert in paragraph 10, the full series captures essential data that will provide a critical baseline for assessing UC. Consequently, we cannot agree with the proposal in option 3 to continue collecting only data on pension credit (PC) based on the argument that PC is affected to a lesser extent by the introduction of UC than other benefits in the series. If anything, information on those benefits that will be rolled up into UC is arguably more, not less, important than PC and council tax benefit which will continue operating outside the UC regime.

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