

## **SOCIAL SECURITY COMMITTEE**

### **BENEFIT TAKE-UP**

#### **SUBMISSION FROM POVERTY AND INEQUALITY COMMISSION**

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

The evidence about the amount of benefits that is unclaimed is weak. UK estimates of take-up rates are available for some benefits, ranging from 60% take-up for pension credit to 93% take-up for child benefit, but this information is not available for all benefits and not available for Scotland.

Research into the reasons why people do not claim benefits has identified a number of reasons, including<sup>1</sup>:

- Awareness that the benefit exists
- Perceptions of being ineligible for benefits
- Complexity of benefit rules
- Complexity of the application process
- The costs of claiming (time, effort, travel, etc.) compared to the value of the benefit to the individual – this takes account of both the amount of the benefit, the duration it is likely to be received for and the individual's pre-benefit income
- Stigma about claiming (certain kinds of) benefits

There may be a complex interaction between these factors, and they may interact in different ways for different people. While the research suggests that take-up rates are highest where potential benefit payments are high, some households are not claiming relatively high entitlements. Some groups of people such as black and minority ethnic people, young people, disabled people and some older people may be less aware of the benefits they could be entitled to.

Pension credit, for example, has an estimated take-up rate of 60% suggesting 4 out of 10 pensioners who are eligible are not claiming. Up to £3.5 billion is not being claimed across the UK. Research for the DWP in 2012 found that 65 per cent of respondents who were potentially eligible said that they did not claim because they did not think they were eligible.<sup>2</sup>

---

<sup>1</sup> Finn, D. & Goodship, J. (2014) *Take-up of benefits and poverty: an evidence and policy review*, Centre for Economic and Social Inclusion

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

<sup>2</sup> Radford, L., Taylor, L. & Wilkie, C. (2012) *Pension Credit eligible non-recipients: Barriers to claiming*, Department for Work and Pensions, Research Report No 819  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/214374/rre\\_p819.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/214374/rre_p819.pdf)

An earlier Pension Credit take up study, where samples of potentially eligible non-recipients were either paid their estimated Pension Credit awards for a short period or referred to potentially receive a visit and assistance with the claims process, found that only 8.6% of those receiving the payment and 13.1% of those in the visits group went on to successfully claim following the intervention. The study found that some respondents continued to feel they would not be eligible, even when they were told they could be. Inertia and forgetfulness were also a barrier in some cases, and some respondents were resistant to claiming because of past negative experiences of the benefits system or worries that they might have to pay money back if they were overpaid.<sup>3</sup>

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

Simplifying applications form and automating top-up payments based on qualifying benefits could help maximise take-up. Involving people who claim benefits in designing the application process and forms will be crucial in reducing barriers relating to complexity. The work that is being carried out with the Social Security Experience Panels is very important in trying to do this.

For the forthcoming Scottish Child Payment recipients will be required to make an application for the payment, rather than receipt of the payment being automated for those who are entitled to it due to receiving qualifying benefits. This requirement is likely to have an impact on take-up but the Commission recognises that the Scottish Government has made this decision to enable it to get payments to families as quickly as possible. We welcome the Scottish Government commitment to combine the application form with the Best Start Grant and Best Start Foods application and that in the longer term it is looking at whether it could automate Best Start Grant and Best Start Foods payments for those receiving the Scottish Child Payment.

**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.**

**and**

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

It is likely that different, targeted, approaches will be needed for different benefits and different client groups given the specific barriers they face will vary. This is likely to require a combined focus on benefit design, service delivery and targeted campaigns. Given many benefits remain reserved there may be a limit to what action can be taken on benefit design and service delivery for reserved benefits, but there should be opportunities to learn about what does or does not work as the Scottish Government's approach to devolved social security is implemented.

---

<sup>3</sup> Radford, L., Holland, J., Maplethorpe, N., Kotecha, M. & Arthur, S. (2012) *Evaluation of the Pension Credit payment study: Research Summary*, Department for Work and Pensions  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/191749/795and796summ.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/191749/795and796summ.pdf)

It is important that any campaigns use positive, rights-based language and are clear that this is about people getting what they are entitled to, in order to challenge any stigma around claiming benefits.

The review of benefit take-up by the Centre for Economic and Social Inclusion found that initiatives taken at the local level, whether by Local Authorities or by local voluntary agencies, are among the most effective ways of increasing benefit take-up.<sup>4</sup> Identifying “trigger” points where people become eligible for benefits and developing actions at those points can be effective: for example, when parents make an appointment to register a birth, Glasgow City Council will check whether they are eligible to apply for the Best Start Grant and help them complete the application when they come to their registration appointment.<sup>5</sup>

Making welfare advice available in trusted settings can also increase take-up of advice amongst those who might not engage otherwise with welfare advice services. There is evidence, for example, that providing money and welfare advice services within health care settings, such as GP practices, enable advice agencies to engage with client groups who would otherwise not engage with their services while also having a positive effect on patient health and reducing the pressure on health services.<sup>6</sup> In Edinburgh welfare rights advice has been available to families in primary schools and high schools.

The case of the recent announcement that a free TV licence will only now be available to pensioners over 75 who are receiving pension credit is interesting. This has had the consequence already of raising the number of applications for pension credit by around a quarter in the four weeks after the announcement.<sup>7</sup> While unfortunately this has been driven by people fearing that they will lose something they value, there may be learning about how to encourage people to take up benefits by making more positive links to other opportunities or benefits that they value.

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

Some of the new Scottish social security payments are top-ups to existing benefits or require people to be in receipt of a qualifying reserved benefit. This means that there is a risk that those who are eligible for, but not taking up, reserved benefits may lose out twice. If, however, information about new or top-up benefits such as the Scottish Child Payment or the Carer’s Allowance Supplement, encourages people to check their availability for qualifying benefits then this could increase take up of both reserved and devolved benefits.

---

<sup>4</sup> Finn, D. & Goodship, J. (2014) *Take-up of benefits and poverty: an evidence and policy review*, Centre for Economic and Social Inclusion

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

<sup>5</sup> <https://www.glasgow.gov.uk/article/24122/New-Birth-Registration-Scheme-Makes-it-Easier-for-Babies-to-Have-the-Best-Start>

<sup>6</sup> <http://www.healthscotland.scot/population-groups/children/child-poverty/local-actions-to-reduce-child-poverty/financial-inclusion-referral-pathways/overview-and-benefits-of-referral-pathways>

and <http://www.improvementservice.org.uk/welfare-advice-and-health-partnerships.html>

<sup>7</sup> Thurley, D. (2019) *Pension Credit – current issues*, Briefing Paper Number CBP-8135, 12 August 2019, House of Commons Library <https://researchbriefings.files.parliament.uk/documents/CBP-8135/CBP-8135.pdf>

This should be one of the aims of any campaigns to raise awareness of new or top-up benefits.

The Commission is aware of the view that if the Scottish Government makes efforts to encourage people in Scotland to take up the reserved benefits to which they are entitled, for example through a take-up campaign, then under the fiscal framework it will be required to cover the costs of additional take-up. The Commission is deeply concerned that this might be the case. These are benefits that people are entitled to and therefore the assumption should be that take-up of up to 100% is included within the expected costs to the UK Government.

Uncertainty on this issue could make it difficult for the Scottish Government to take the full action it should take to promote uptake of both reserved and devolved benefits. It is vital that there should be no restrictions on encouraging people to claim what they are entitled to, as such restrictions inhibit the development of effective take-up campaigns that have the capacity to reduce or mitigate poverty. The Commission therefore recommends that this issue should be clarified between the Scottish and UK governments as soon as possible. Assurances should be asked for from the UK Government, if necessary, that it will not seek reimbursement from the Scottish Government for additional costs related to people in Scotland taking up the reserved benefits to which they are entitled.