

Take-up of benefits and poverty: an evidence and policy review

Dan Finn and Jo Goodship

This review concerns the non-take-up of income-related benefits and tax credits in the UK and the ways in which improvements in benefit take-up might contribute to future poverty reduction.

The report explores:

- The extent of and recent trends in the non-take-up of means-tested benefits and tax credits.
- The key factors associated with the non-take-up of benefits and related theoretical explanations of the claiming process and the relationship between benefit take-up, increased income and other outcomes.
- The impacts of take-up services and campaigns delivered by varied levels of UK government and by intermediary organisations involved in the delivery of welfare rights and benefits information and advice.
- The implications of the findings for the design and delivery of interventions that may contribute to future increased benefit take-up and poverty reduction.

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Glossary

AA	Attendance Allowance
AFDC	Aid to Families with Dependent Children*
BAS	Benefits Advice Service
CAB	Citizens' Advice Bureau
CB	Child Benefit
CPU	Child Poverty Unit
CTB	Council Tax Benefit
DLA	Disability Living Allowance
DSDNI	Department of Social Development, Northern Ireland
DWP	Department for Work and Pensions
EITC	Earned Income Tax Credit*
ERs	Eligible Recipients
ENRs	Eligible Non-Recipients
ESA	Employment Support Allowance
GP	General Practice
HA	Housing Association
HB	Housing Benefit
HHLAP	Hackney Health Links Advice Project
HMRC	Her Majesty's Revenue and Customs
IB	Incapacity Benefit
IS	Income Support
IT	Information Technology
JCP	Jobcentre Plus
JSA	Jobseeker's Allowance
LA	Local Authority
LGA	Local Government Association
LHIN	London Health Inequalities Network
MIG	Minimum Income Guarantee
NAO	National Audit Office
NAWRA	National Association of Welfare Rights Advisers
NHS	National Health Service
NRF	Neighbourhood Renewal Fund
ODPM	Office of the Deputy Prime Minister
OECD	Organisation for Economic Co-operation and Development
ONS	Office for National Statistics
PC	Pension Credit
PIP	Personal Independence Payment
RNIB	Royal National Institute for the Blind
SNAP	Supplemental Nutrition Assistance Program*
SP	State Pension
SSAC	Social Security Advisory Committee
SSI	Supplemental Security Income*
TANF	Temporary Assistance for Needy Families*
UC	Universal Credit

*United States of America

Main Findings

According to research undertaken by the New Policy Institute for the Joseph Rowntree Foundation, almost a third of eligible people in the UK in 2009-10 were not claiming the means-tested benefits they were entitled to. Just over half of the estimated £10 billion unclaimed benefits could have been claimed by working age families. Despite service delivery reforms and the progress made in reducing pensioner and child poverty, take-up rates for most income-related benefits declined in the decade to 2009-10. Take-up of tax credits increased after 2003-04 but in 2011-12 H.M. Revenue & Customs still estimated that £3.29 billion in Working Tax Credit and £1.19 billion in Child Tax Credits went unclaimed.

Findings from this review of research literature show that improving take-up of means-tested benefits and tax credits would contribute to poverty reduction, with additional spending targeted at poorer families. The increased income associated with greater take-up could also contribute to improvements in other outcomes, such as health, family well-being and employment participation and retention.

Why people do not claim what they are entitled to is the result of the dynamic interaction between social and economic circumstances, policy reforms, administrative structures and complex eligibility rules. The research findings confirm some well-established factors that continue to shape the claiming process, and that are associated with non-take-up. The most significant of these appear to be the level and accuracy of knowledge about an entitlement and its eligibility rules, linked with the perceived cash value of the benefit when compared to the effort involved in claiming and maintaining entitlement.

Take-up rates are highest where potential benefit payments are high and lowest where people are eligible for relatively small amounts of benefit. The evidence suggests that as means-tested support was extended to cover more pensioners and working age people many may not have made claims because they had higher relative incomes and relatively small entitlements.

Nevertheless a significant number of households had far higher unclaimed entitlements, with evidence suggesting that take-up was undermined by problems with benefit design and service delivery and that it was also explicitly discouraged for some groups. In particular, increased conditionality, and related sanctions, are designed to get people into work as quickly as possible and as a result, make their claims to benefits relatively short-lived. However, a side effect has been that others have become 'disconnected' from the benefits and employment services system.

A further recent factor is likely to have been the character of the public debate and media coverage of welfare dependency, which has increased the stigma attached to those claiming benefits, especially people of working age. Research findings suggest that this stigma is linked to reductions in take-up and a reluctance to claim among potential beneficiaries.

Findings on efforts made to improve take-up demonstrate how changes in benefit design, service delivery and targeted campaigns have helped increase take-up and led to financial gains and additional jobs for poor households, with the greater income increasing expenditure and economic activity in low income communities.

One significant finding is that central Government was able to improve the take-up of Pension Credit and tax credits through benefit simplification, changes in service delivery, and targeted advertising campaigns. This included making better use of existing data on harder-to-reach groups. The review also found evidence 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. Investment in take-up services and campaigns typically generates far more in additional benefit income for poor households than they cost to deliver.

The findings indicate multiple ways in which services and campaigns can be designed and targeted to better address the primary factors associated with non-take-up. Important characteristics of the more effective approaches include:

- Reducing complexity by simplifying the language and content of benefit application forms;
- For some benefits reducing duplication in the information on, and verification of, circumstances required;
- Easing the process of claiming through telephone and digital claims processes, albeit such developments require careful design so as not to create new barriers;
- Making systematic use of feedback from users, advocacy organisations and front line staff, to highlight problem areas in the system, especially where different multiple entitlements interact;
- Ensuring people are informed of entitlements at key 'trigger' points when they become eligible, for example, when registering births;
- Targeting take-up campaigns at those not claiming high-value entitlements, especially amongst harder-to-reach groups and communities;
- Taking information into communities through outreach activities, often in partnership with other trusted intermediaries, such as health workers, and community based organisations.

The findings point to the value of welfare benefits advice being made available through local, trusted, and more accessible settings, including Children's Centres, community and voluntary centres, health care locations and, to some extent, through welfare to work providers.

One of the recurrent findings concerns the importance of easy access to advice services with trained staff that are able to provide independent and authoritative welfare rights information. Such services play a key role in take-up initiatives and when they supplemented the work of other front line staff they were perceived to improve attitudes towards claimants and knowledge of entitlements and the welfare system.

Supporting and encouraging benefit take-up in the new welfare landscape

Means-testing will remain at the centre of the British welfare system and take-up of benefits will be a significant factor shaping the impact that welfare reforms will have on future poverty. In this context, measures to improve take-up will need to be central to anti-poverty strategies.

The introduction of the Single Tier Pension from 2016 may reduce means testing for many pensioners, but even when it is fully implemented up to a third of pensioners will rely on means-tested Pension Credit and support with Council Tax and rent costs. Universal Credit is expected to increase benefit take-up, especially amongst the poorest households, but it seems unlikely that it will not also have negative effects. In particular:

- It will take time for awareness to develop about the new rules, regulations and systems;
- Additional effort will need to be invested to inform potential claimants, front line delivery staff, and intermediary organisations that assist more disadvantaged groups and communities;
- There is a risk that digital delivery may reduce and deter take-up amongst the people who do not have access to computers and/or the skills or capacity to navigate digital channels;
- There is also much uncertainty about the impacts on take-up of tougher conditionality for out-of-work claimants and the future extension of conditionality to cover over a million in-work eligible recipients.

The Government itself clearly has the primary responsibility to ensure that potential claimants are informed of their eligibility, the claims process is facilitated and that services are targeted adequately at the many disadvantaged groups (who the evidence in this report suggests are less likely to claim their entitlements). It is important the Government, and its delivery partners, monitor the differential impact of welfare reform policies on take-up, and make effective use of the insights gained from the many pilots and initiatives that are being tested alongside the gradual implementation of Universal Credit.

It is important to continue annual publication of take-up data, including in future Universal Credit, and for the series to continue estimating take-up of Council Tax support. If take-up rates do not improve as the Government has suggested, it should consider setting an independently assessed indicator giving the level of take-up it wishes to achieve, which would help drive future improvements. The data series should continue to measure the extent to which any increase or fall in take-up of means-tested entitlements affects the number of people in low income households, as measured in the earlier published estimates. The Government might also consider investing some of any unspent means-tested benefits in testing new approaches to take-up.

The UK's devolved administrations and Local Authorities will continue to have an interest in promoting take-up of benefits. However, the devolution of Council Tax support, and some elements of the Social Fund, have changed the incentives of local government. It will be

important to monitor how Local Authorities respond to the devolution, as some may seek to reduce the cost of Council Tax support by discouraging claims and doing less to encourage take-up.

Most Local Authorities, and many social landlords, are preparing for an increased demand for advice and support as a result of welfare reform. Some are developing new services to enable disadvantaged people to cope with changes to benefits – these will cover both how they are paid and the value of benefits. Given the scale of unclaimed benefits it is likely that investment in specialist welfare rights services will have a positive impact on family incomes. Such services can play an important role in providing the information and training to the front line staff that interact with potential claimants. In addition, national charities and voluntary organisations (such as Citizens Advice, Age UK, Cancer Research and Macmillan Cancer Relief) have been at the forefront of benefit take-up campaigns and are well placed to monitor the impact of changes in benefits and service delivery.

The development of Local Support Services for the introduction of Universal Credit could also play a role in helping to trial local methods of identification of non-recipients, developing new advice interventions, and evaluating their impact on increasing take-up rates. Local health services could also consider provision of welfare rights services within healthcare settings and how they signpost service users to more specialist welfare rights advice. The evidence suggests that increased benefit take-up has positive impacts on household income and on some health outcomes, at little cost to the NHS. There is a particular need for cultivating these partnerships as health professionals and clinicians are likely to be encountering more patients in financial hardship and with concerns about their benefit status, especially concerning disability assessments.

Welfare-to-work providers and employers may find themselves playing a more direct role in providing advice and assistance on benefit take-up, especially those delivering the Work Programme. The evidence from the USA suggests that facilitating in-work benefit take-up can assist with the transition into employment and that claiming means-tested financial supports may improve employment sustainability. There may also be less stigma attached to welfare advice and take-up assistance delivered in employment support settings.

Funders and research organisations should continue to draw attention to the non-take-up of means-tested benefits and challenge the myths that reinforce stigma. Further encouragement is needed of policy-related research and public policy debate on the reasons for, and impact of, low take-up. More should be done to stimulate a better understanding of 'what works' in promoting take-up and the dissemination of examples of best practice. Finally, the government should commit to ensuring that the level of take-up of Universal Credit and other means-tested benefits is considered as part of its strategy to reduce child poverty.

1. Introduction

Low take-up is an enduring problem associated with means-tested benefits. According to research undertaken by the New Policy Institute for the Joseph Rowntree Foundation, almost a third of eligible people in the UK in 2009-10 were not claiming the means-tested benefits they were entitled to (Aldridge et al, 2012, p.107). Just over half of the estimated £10 billion unclaimed benefits could have been claimed by working age families. Despite service delivery reforms and the progress made in reducing pensioner and child poverty, take-up rates for most income-related benefits declined in the decade to 2009-10. Take-up of tax credits increased after 2003-04 but in 2011-12 HM Revenue & Customs estimated that 15 per cent of those eligible for Child Tax Credits and 35 per cent of those eligible for Working Tax Credit were still not claiming their entitlements (HMRC, 2013a).

Improving the take-up of means-tested benefits by eligible households would clearly contribute to poverty reduction, with reviews of child and pensioner poverty emphasising that spending what is already allocated for means-tested benefits would be targeted at poorer families (Brewer, 2007; CPU, 2009). Increased income associated with greater take-up is also likely to contribute to improvements in other outcomes, such as health, family well-being and employment participation and retention. Although there are contending views about why take-up rates have fallen, and their significance for all the individuals and households involved; it should be possible to build a wider consensus that households on low incomes should be encouraged to take-up the in-work and out-of-work means-tested benefits to which they are entitled.

In this context the Joseph Rowntree Foundation (JRF) commissioned *Inclusion* to undertake this review of evidence and related literature on benefit take-up. The report considers findings on non-take-up rates, explanations for their prevalence, and the impact of interventions designed to increase take-up. It considers how future welfare policies and interventions in the UK could be shaped to better facilitate benefit take-up and the role that take-up campaigns might play in future anti-poverty strategies. This report complements a number of other JRF reviews, in particular the parallel study undertaken by Gugushvili and Hirsch (2014), which considers issues around benefit take-up in the context of which strategies – ‘means-testing’ or universalism – work best in addressing poverty.

1.1 The literature and evidence review

The primary focus of this review was on the safety-net minimum income supports available for working age and retired people and those on tax credits. The advantages of such targeted and means-tested benefits are that they focus cash transfers on those most in need, and that they tend to be progressive in redistributing resources from rich to poor. They are, however, also characterised by lower take-up rates than other benefits. This is because: minimum income benefits are often complex and difficult to administer; individual and household circumstances

and incomes can fluctuate over short time frames; effective means-testing calls for more or less frequent reporting and adjustments in the level of benefit; and a proportion of eligible claimants may have low value entitlements – amongst other factors.

This study found a diverse range of literature on the take-up of multiple welfare benefits and public services that aim to reduce poverty. However, the studies selected for review concerned take-up of income-related benefits administered by, and on behalf of, the Department for Work and Pensions (DWP) and H.M. Revenue & Customs (HMRC) – in particular, Jobseeker's Allowance (JSA), Income Support (IS), Employment and Support Allowance (ESA), Pension Credit (PC), Housing Benefit (HB), Council Tax Benefit (CTB) and in-work Tax Credits. The study did not consider directly the specific take-up issues arising with the complex benefits involving personal capacity assessments or full-time carers, such as Attendance Allowance (AA), Disability Living Allowance (DLA) and Carers Allowance.¹ Access to these more specialised and high value benefits was, however, the focus of some take-up services and campaigns which are reviewed. Because of time constraints, the review also did not directly consider take-up evidence on other income supports, such as child maintenance, passported benefits and the various grants, bursaries or allowances, targeted at students from low-income households.²

To make the task manageable, the formal search strategy was limited to literature produced since 2005 (although this still generated a great deal of material). In practice it was also necessary to include a number of earlier studies and reports as these contained important findings, and some had initiated and laid the foundations for subsequent work on benefits take-up.

The search strategy comprised identifying specific terms and literature sources, and the criteria against which studies would be included or excluded from the review, based on source date and whether there was an assessment of impact (amongst other things). While the quality of the evidence is described and assessed, the review did not use a formal hierarchy of research methods that would have excluded 'grey literature'. This was the practice of several systematic and critical reviews undertaken on the impact of welfare rights advice on health outcomes (see Adams *et al.*, 2006).

The review protocol included key words to ensure the location of English-language evidence from the UK and relevant OECD countries. Search terms included variations of key words, such as, 'take-up', welfare, benefits, tax credits and advice. Databases searched included EBSCO and ASSIA. In addition to published peer reviewed articles and reports, evidence on benefit take-up was also sought from government and parliamentary websites, and websites of user organisations, independent advice groups and consumer organisations.

¹ Berthoud (2010) assessed take-up of the 'very complex' Carers Allowance and outlines proposals on how it could be estimated.

² Gugushvili and Hirsch (2014) outline findings on the effects such income transfers have on student participation including the observation that because they may be seen as based on the 'merit' of the student admitted to higher or further education they may be less stigmatising than many of the means-tested income transfers targeted at poorer people.

There were over 200 sources identified in initial searches, but after closer scrutiny some 40 publications produced after 2005 were selected, many of which gave evidence on the impact of interventions designed to improve benefit take-up, albeit they used varied assessment methods. We reviewed these publications and findings from other evidence reviews, which considered findings from earlier studies. Given the focus of this study, we also considered a range of literature that sought to identify best practice in facilitating take-up through service delivery and campaigns.

Because the number of studies of benefit take-up from other OECD countries was small, the review team supplemented the searches by contacting four expert academic and policy researchers in the USA and Australia. The Australian colleagues provided some new references but acknowledged that there was limited literature available, most of which had already been identified. The USA colleagues clarified that relevant studies would be more easily identified if we supplemented our searches with 'enrolment', 'disconnection' and 'work supports'. This enabled the identification of a richer seam of studies, including those of Foundation supported pilot programmes which are currently testing new ways of improving take-up.

The first chapter of the report considers, in detail, the latest trends on take-up of the main UK means-tested benefits with comparative evidence on benefit take-up from other countries. The following chapter reviews the factors considered to influence benefit take-up and the related theories that seek to explain how these factors shape differential patterns of benefit receipt and the claiming process. The third chapter reviews the design of varied initiatives and practices that have sought to increase take-up, the findings on their impacts and the design and delivery factors that have been associated with improvements in take-up. The conclusion considers how benefit take-up might be affected by the new entitlement and delivery landscape being created by Universal Credit and other reforms; the implications for JRF anti-poverty strategies; and the opportunities that exist for promoting benefit take-up by independent agencies and other levels of government.

2. Trends in take-up of benefits

This section considers findings on benefit take-up trends in the UK, including findings on different population groups and the characteristics of those most affected. It then briefly reviews comparative findings on benefit take-up rates in other European countries, with some more detailed findings from the USA and Australia.

The UK findings show that benefit take-up and non-take-up rates vary by claimant characteristics, benefit type, and by residential area. Not only does this mean that individual households miss out on financial support they are eligible for but it may also disadvantage particular areas where the population is less likely to be receiving the benefits they are entitled to. This is because only those who are claiming income-related benefits are included in the Index of Multiple Deprivation which is used by central government to allocate public resources to deprived areas (Bramley and Watkins, 2013; Bradshaw and Richardson, 2007).³

2.1 Measuring benefit take-up in the UK

The issue of low benefit take-up has been studied over a longer period and in the most detail in the UK.⁴ This is due to a number of factors, including a long tradition of poverty-related research and the extensive means-testing of British benefits. Estimates of take-up of income-related benefits have been published by the DWP and its predecessors since the mid-1980s, and the report covering 1993-94 was the first to present estimates on a financial year basis. The UK appears to be the sole European country that, since 1997, has published annual official estimates of income-related benefits take-up (Matsaganis *et al*, 2008, p.2).

The annual statistical series is the National Statistics publication, *Income Related Benefits: Estimates of Take-up*, compiled by the DWP. The most recent issue was published in February 2012 and it provides estimates of take-up for 2009-10 (and commentary on take-up over time), based upon administrative data from the DWP and Local Authorities (LAs), and from the Family Resources Survey (FRS) 2009-10 (a continuous survey of around 25,000 UK households) (DWP, 2012b). In addition, HMRC also produces an annual statistics bulletin on *Child Benefit, Child Tax Credit and Working Tax Credit Take-up Rates*. The latest version of this bulletin gives take-up data for 2011-12.

The DWP series measures estimated take-up by caseload and by expenditure, and findings are presented as ranges within which it can be assumed true take-up lies. **Caseload take-up** compares the number of benefit recipients, averaged over the year, with the number who would be receiving benefit if everyone took up their entitlement for the full period.

³ Findings on spatial variations have not, however, been considered robust enough to change the way in which the 'Income Deprivation Domain' of the index is calculated.

⁴ Examples of early studies of benefit take-up in the UK include Kerr, 1982; Blundell *et al*, 1988; Fry and Stark, 1989; Atkinson, 1989; Craig, 1991; Dorset and Heady, 1991; and Corden, 1999.

Expenditure take-up compares the total amount of benefit received per year, with the total amount that would be received if everyone took up their entitlement for the full period of their entitlement. These robust 'ranges of true take-up' account for possible biases that arise in estimating take-up from the available data sources and for the effects of sampling error (DWP 2012b, pp.1-2).

In July 2012, the Government published a consultation on the future of this series, setting out a proposal to cease its publication (DWP, 2012a). Critics pointed out that such a move would deprive policymakers and analysts of essential evidence for evaluating benefit effectiveness with several organisations, such as Age Concern suggesting the data was central to the work they carried out in encouraging service users to claim their entitlements. As a result of this critical response, the DWP has decided to continue to publish the series, and indicates that in future this will include take-up data on UC; albeit the phased and fundamental change this will make to benefit entitlements will impair trend analysis over time. The DWP is consulting also with the Department for Communities and Local Government on the feasibility of measuring and publishing the take-up of locally delivered Council Tax Support, which replaced CTB in April 2013 (DWP, 2012a). The DWP has indicated that the next issue of the means-tested benefit series will cover the years 2010-11 and 2011-12 combined but publication will, at the earliest, be at the end of 2014⁵, which means a near three year gap in the series. It is not yet clear that the DWP will then continue to publish the data on an annual basis.

2.2 Take-up trends in the UK

Variable take-up between different types of benefits is in part an inevitable consequence of differences in their objectives, design and the eligible groups they are targeted at, with some having a lower attainable take-up rate than others. Table 1 gives information on the take-up of the main UK benefits and tax credits for 2009-10. It confirms a long established finding, in that non-take-up is most significant for the income-related benefits, where it varies between 80 per cent and 65 per cent: but is less of a problem for non-means tested benefits, with the 'universal' Child Benefit (CB) and the contribution-based State Pension (SP) having take-up rates of almost 100 per cent.

The data shows that non-take-up rates of income-related benefits are significant in all cases, but particularly high for JSA, CTB, PC and WTC, where a third or more of those eligible are not receiving the benefit. Take-up rates are higher if measured as a share of the total value of benefits that people are entitled to; indicating that people with higher entitlements are more likely to claim the benefit. This finding is consistent across the different types of benefits. DWP analysts suggest that people with lower levels of entitlement may choose not to claim because of the disproportionate effort and transaction costs involved, or it could be that such people are less well-informed and likely to think that they may not be eligible.

⁵ Email correspondence with the DWP in January 2014.

It is important to note that findings from DWP point-in-time estimates of take-up should be considered in the context of the dynamic processes involved in deciding to make a claim for a benefit and for it to be awarded. In particular, at any one time a proportion of eligible non-recipients may have only recently become eligible, others will be at an early stage in the claim process, and some may have other options and may, for example, be anticipating a change in circumstances, such as, having another job that will be starting shortly.

In combination the most recent estimates on non-take-up of the main UK means-tested benefits indicate that in 2009-10 there was between £7.52 billion and £12.31 billion left unclaimed, representing non-take-up by expenditure of between about 16% and 23% (DWP, 2012b). Given the current public and Ministerial attention given to tackling fraud and error in the benefit system, it is worth noting that in the same year for which these non-take-up totals were estimated the DWP calculated that some £3.3 billion of benefit expenditure had been overpaid due to fraud (£1.1 billion), claimant error (£1.2 billion) and official error (£1 billion) (DWP, 2013a, Table 3.3).

Table 1: Benefit and Tax Credit Take-up 2009-10 (Sources: Baumberg 2012; DWP 2012b; HMRC 2012)		
	<i>Take-up (share all cases)</i>	<i>Take-up (share total expenditure)</i>
Income Support-Employment & Support Allowance	77-89%	82-92%
Jobseeker's Allowance	60-67%	61-70%
Housing Benefit	78-84%	84-90%
Council Tax Benefit	62-69%	64-71%
Pension Credit	62-68%	73-80%
Basic State Pension	97%	97%
Child Benefit	95-96%	95-96%
Child Tax Credit	79-83%	82-92%
Working Tax Credit	59-63%	79-86%
Notes: IS-ESA and JSA are only for income-based versions of the benefits, not contribution-based versions. HB includes Local Housing Allowance. Ranges reflect both sampling uncertainty (as these estimates are based on estimated eligibility from representative sample surveys) and uncertainty around non-sampling biases.		

In Figure 1, we have presented the published DWP *caseload* data⁶ in chart form separately for each income-related benefit to show linear information on trends by household type over the time period for which the data is given (DWP 2012b, pp. 191-201). The charts show that take-up for most of the key income-related benefits declined over the time-periods for which data is given. The fall in take-up has been sharpest for JSA, HB and CTB. It is important to note the significant changes in levels and types of employment over the periods concerned, especially the increase in unemployment-related benefit caseloads that followed the recession, but the DWP report gives little insight into how these might have impacted on take-up.

There are important variations in trends by household type across the different benefits, which are considered below:

⁶ Based on the median point of the DWP's estimates of the range of caseload take-up for each benefit in each year.

- *Income Support and Employment Support Allowance (Income-Related)*: In 2009-10 there were 2.09 million recipients claiming £9.08 billion of IS/ESA (IR). The number of people that were entitled to but not claiming these benefits was between 260,000 and 620,000 and the total amount unclaimed was between £0.75 billion and £2.04 billion.⁷

The trend data suggest that between the years 1997-98 and 2009-10 there was a decrease in take-up of IS and ESA from 91.5 per cent to 83 per cent for all recipients; 97 per cent to 87.5 per cent for couples with children; 92 per cent to 83 per cent for singles with children; and 85 per cent to 79.5 per cent for the other groups (DWP 2012b, pp.34-38).

- *Jobseeker's Allowance (Income-Based)*: In 2009-10, there were 910,000 recipients claiming £3.01 billion of JSA. The number of people that were entitled to but not claiming JSA (IB) was between 440,000 and 610,000 and the total amount unclaimed was between £1.28 billion and £1.95 billion. By family type, take-up by couples with children was highest on both caseload and expenditure measures.

The trend data suggests that between the years 1997-98 and 2007-08 there was a marked decrease in caseload take-up, although there was a subsequent increase following the recession-related increase in unemployment. Between 1997-98 and 2009-10, caseload take-up had still fallen: from 77.5 per cent to 63.5 per cent for all JSA recipients; no real change for couples with children; 80 per cent to 64.5 per cent for single males and 67 per cent to 56.5 per cent for single females without children (DWP 2012b, pp. 144-146).

- *Housing Benefit*: In 2009-10, there were 4.07 million recipients claiming £16.60 billion of HB. The number of people that were entitled to but not claiming HB was between 0.75 million and 1.14 million and the total amount unclaimed was between £1.85 billion and £3.10 billion. By family type, couples with children had lower take-up than pensioners, singles with children and non-pensioners without children. These results held on both the caseload and expenditure measures of take-up.

The general overall trend for HB since 1993-94 shows a reduction in caseload take-up. For example there was a fall from 92 per cent to 81 per cent for all HB; 90 per cent to 82.5 per cent for pensioners; 94 per cent to 80.5 per cent for non-pensioners; for couples with children, a fall from 93 per cent to 65.5 per cent; 95 per cent to 90 per cent for singles with children; and for non-pensioners without children, take-up had fallen from 94 per cent to 79.5 per cent (DWP, 2012b, pp.91-96).

- *Council Tax Benefit*: In 2009-10, there were 5.19 million recipients claiming £4.23 billion of CTB. The number of people estimated to be entitled yet not claiming was between

⁷ In the DWP's statistical bulletin estimates of take-up are presented as a range, within which it can be confident true take-up lies. The size of the ranges reflect the DWP's estimate of the effects of both sampling and non-sampling error. More information on this is available in the DWP (2013a) data release.

2.34 million and 3.20 million and the total amount unclaimed was between £1.70 billion and £2.42 billion. By family type, take-up was higher amongst non-pensioners compared with pensioners, when analysed by either caseload or expenditure. Couples with children had a lower take-up rate than singles with children and non-pensioners without children for both caseload and expenditure rates.

The analysis shows a general decrease in CTB caseload take-up over time – from 75.5 per cent to 67.5 per cent (DWP, 2012b, p.119). This falling trend was true for all groups except non-pensioners without children, for whom take-up has appeared to be stable since 1993-94. The decrease for pensioners was from 71.5 per cent to 57.5 per cent; for non-pensioners 81 per cent to 76.5 per cent, for couples with children 76.5 per cent to 55.5 per cent; and 88 per cent to 84.5 per cent for singles with children (DWP, 2012b, pp.120-124).

Pension Credit: PC data showed that in 2009-10 there were 2.62 million pensioners claiming £7.64 billion of PC. The number of pensioners that were estimated to be entitled but not claiming was between 1.21 million and 1.58 million and the total amount unclaimed was between £1.94 billion and £2.80 billion. PC was designed to improve low take-up rates that had characterised the predecessor benefits it replaced. Between 2003-04 and 2009-10, there was evidence of a small increase in caseload take-up: from 62 per cent to 65 per cent for all PC; 75 per cent to 76.5 per cent for 'Guarantee Credit' (GC) only; 68 per cent to 76.5 per cent for GC and Savings Credit (SC)⁸; and from 41 per cent to 45.5 per cent for SC only (DWP 2012b, pp. 67-70). Despite a steady reduction in pensioner poverty in the 2000s, the PC non-take-up rate of around a third of those eligible has, according to the DWP, proved 'fairly resilient', despite efforts by successive governments to encourage pensioners to take-up their entitlement (DWP, 2011, p.21).

The DWP series gives further data on the average and median weekly amounts of the various benefits that went unclaimed. There were significant differences in the relative value of unclaimed benefits, with the median value of unclaimed IS/ESA at £64, of whom some 75 per cent had a weekly entitlement of more than £20 a week; £45 for HB, of whom 80 per cent of pensioners and just over 70 per cent of non-pensioners had a weekly entitlement of more than £20 a week; and £50 median weekly value for JSA. By contrast the median weekly value of unclaimed PC was £22, of whom 50 per cent had a weekly entitlement of more than £20 a week; and for CTB the median value was £14, with just over one in five nominally entitled to more than £20 a week.

⁸ The Guarantee Credit tops up weekly income to a 'standard minimum guarantee' (£145.40 a week for a single person, £222.05 for a couple, in 2013-14). The Savings Credit provides an additional amount for those aged over 65 who have accumulated some savings for their retirement. The maximum SC for a single person in 2013/14 is £18.06 a week (Thurley, 2013).

**Figure 1: Take-up of main UK income related benefits over time
(caseload data: DWP, 2012b)**

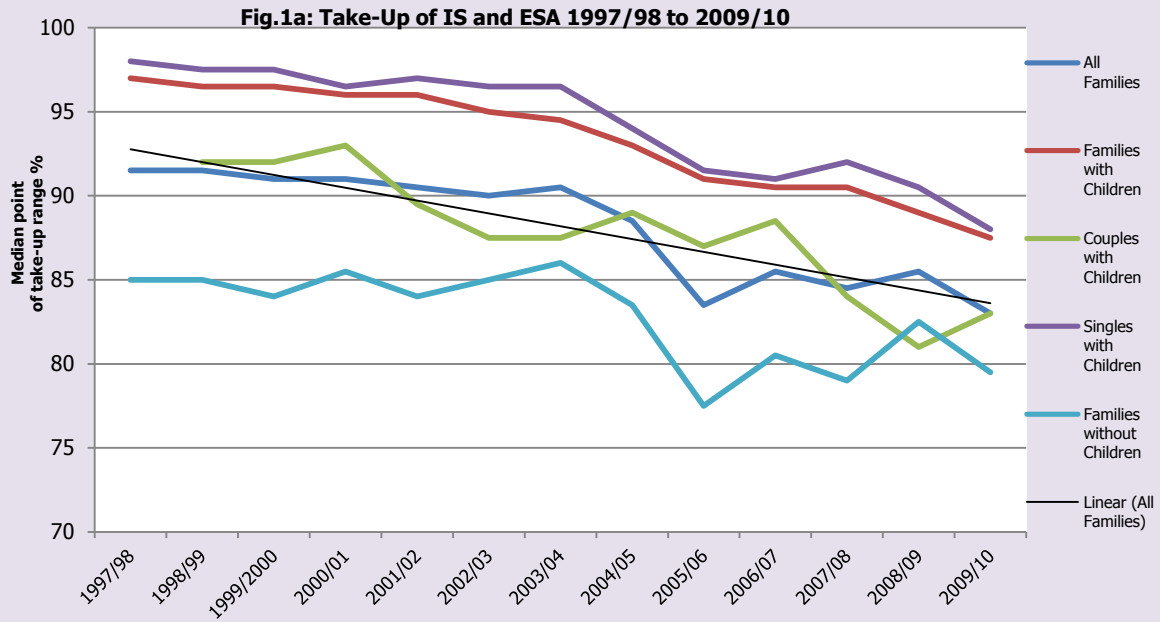


Fig.1b: Take-Up of Jobseekers Allowance (JSA) - 1997/98 to 2009/10

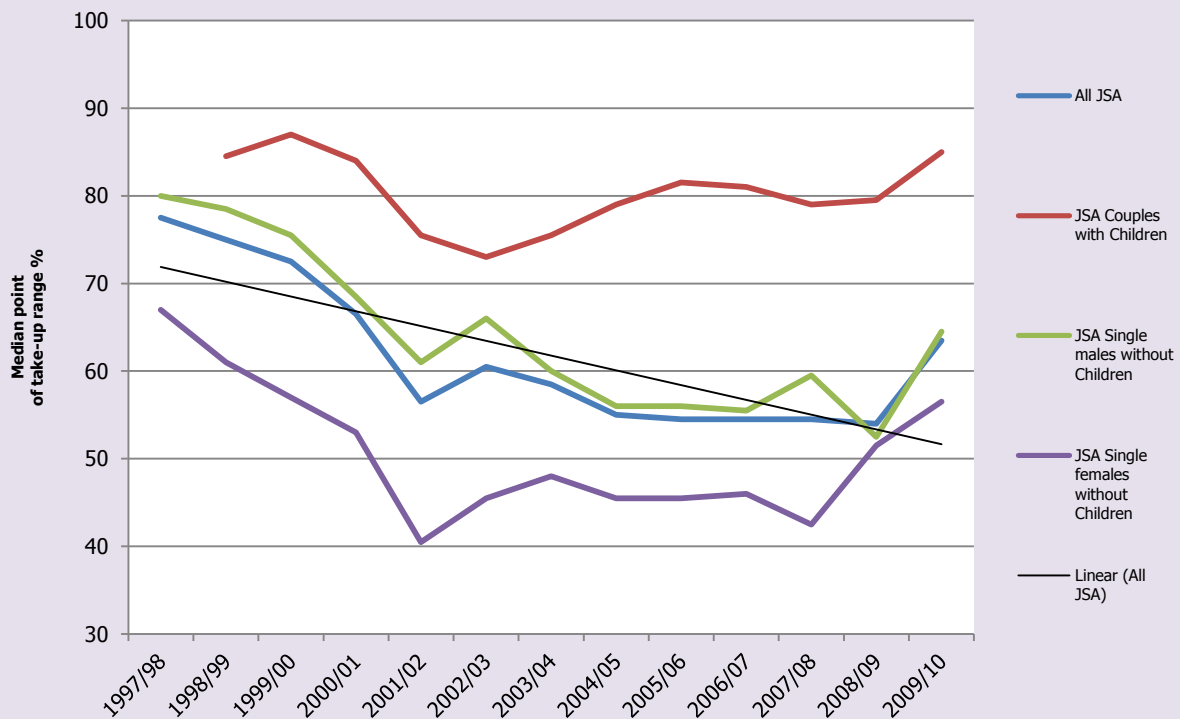


Fig.1c: Take-Up of Housing Benefit (HB) - 1993/94 to 2009/10

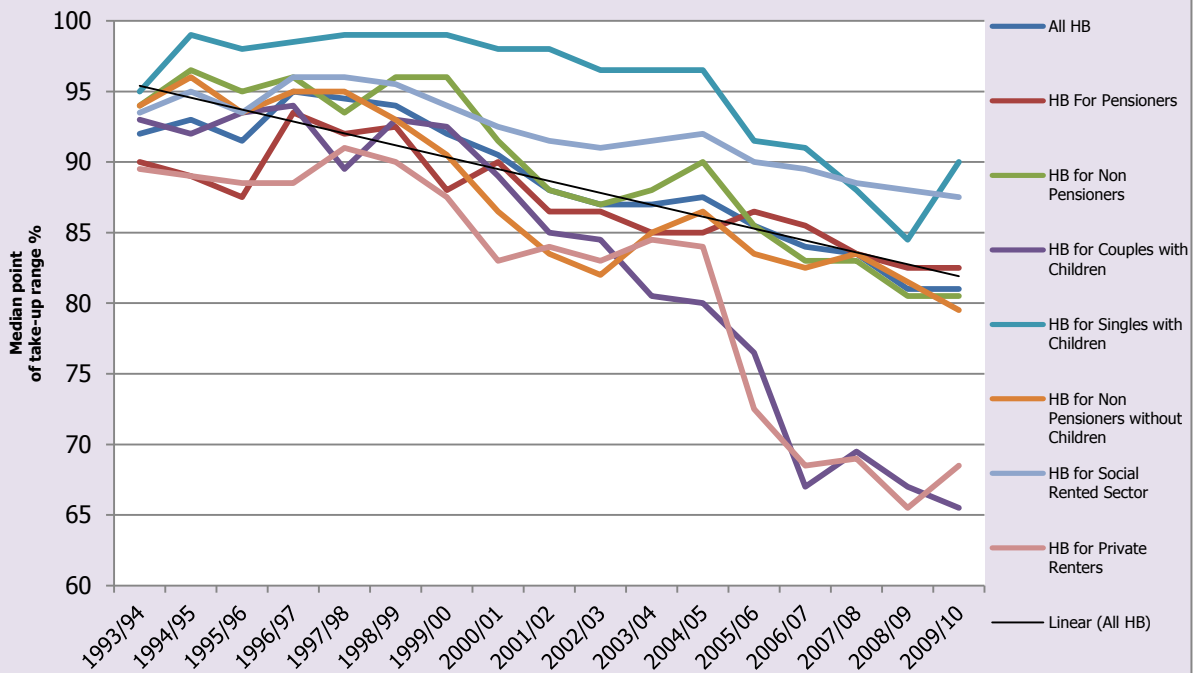
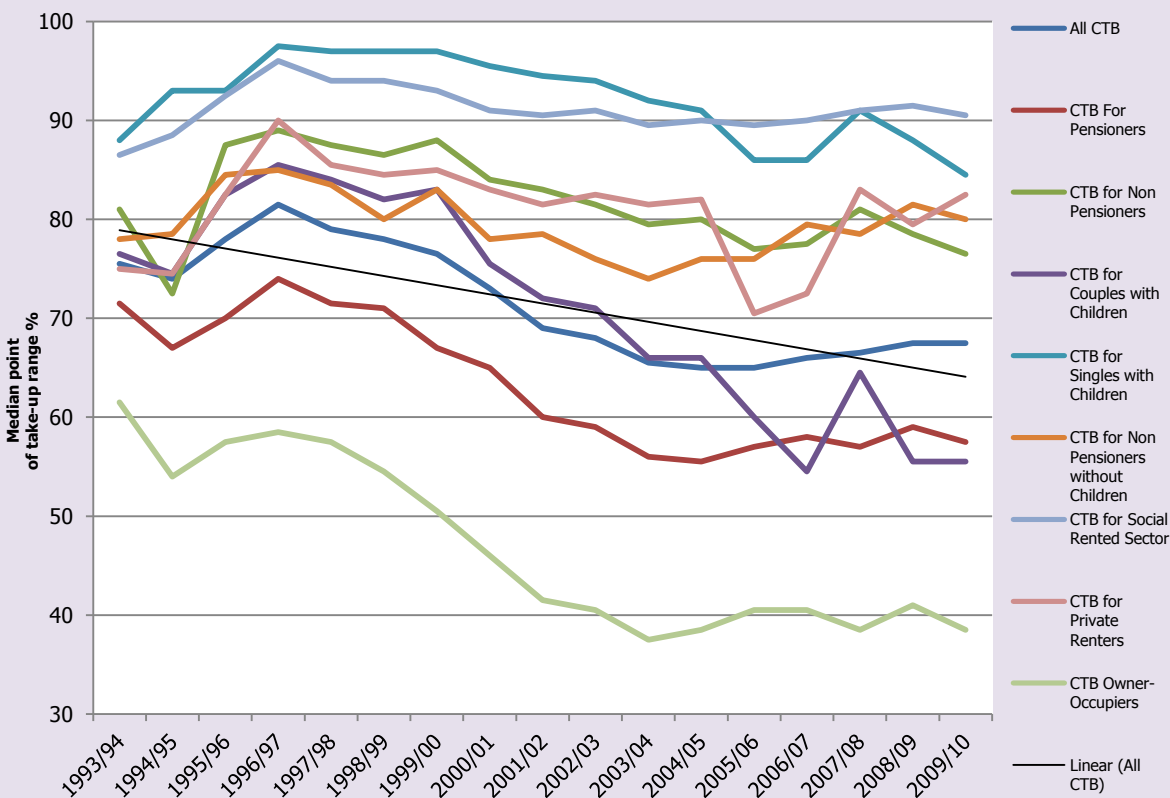
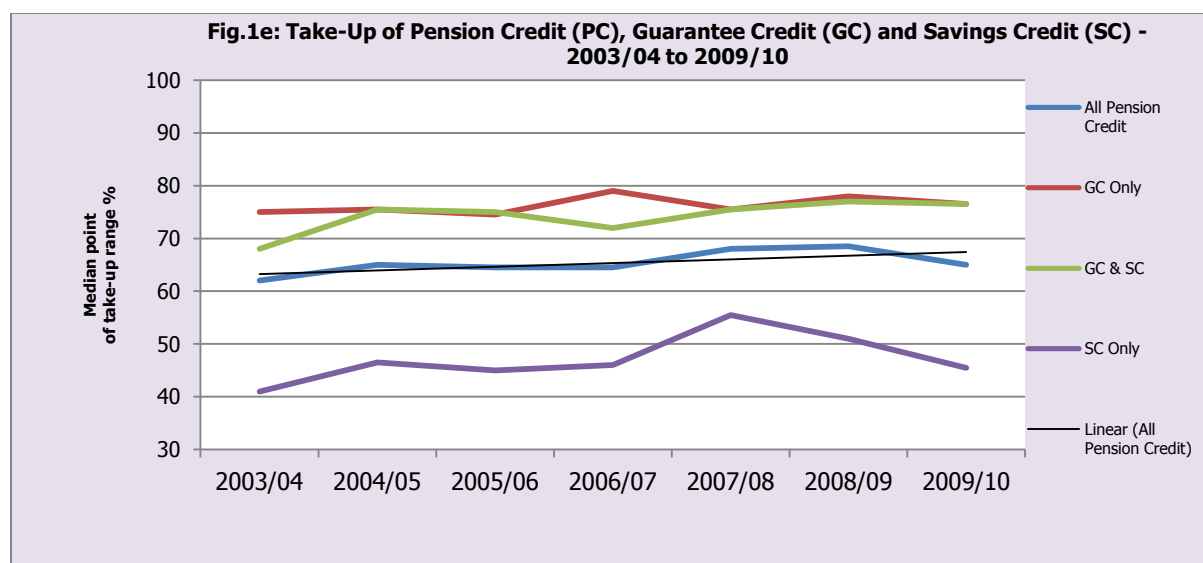


Fig.1d: Take-Up of Council Tax Benefit (CTB) - 1993/94 to 2009/10





Pensioner families made up a bigger share of the total group of non-recipients but the amounts unclaimed by many are relatively small compared with those for working age families. Nevertheless, it was estimated that nearly one in five pensioners were not claiming PC alone, which is worth over £50 a week. An earlier analysis of non-take-up of HB, CTB and the predecessor benefits of PC between 1997 and 2000, found that 36 per cent of pensioners in a representative sample failed to claim their entitlement to at least one of the benefits, but only 16 per cent failed to claim amounts worth more than 10 per cent of their disposable income (Hancock et al, 2004, p. 279).

Separate data published by HMRC (2013a) provides information on trends in take-up of tax credits and Child Benefit. This series includes longer-term comparisons over time between the four different systems of in-work support that have been targeted at low income families with children since 1974-75. While there are problems with data comparability, the findings show a significant increase in take-up over the period, reflecting changes in the design, delivery and coverage of in-work benefits, changing patterns of employment, and knowledge of the support available. There was a marked increase in take-up by working families after Working Tax Credit (WTC) and Child Tax Credit (CTC) replaced Working Families Tax Credit in 2003, attributable to increased coverage and generosity and to growing awareness of entitlements. Nevertheless the central estimates for take-up in 2011-12 show the amount of WTC unclaimed was £3.29 billion and that £1.98 billion of CTC was unclaimed (HMRC, 2013a, Table 1a).

The 2011-12, central estimates for caseload and expenditure show over 90 per cent of eligible families with children were receiving their tax credits. Despite a small increase, the take-up of WTC remained low amongst eligible households without children where, on the central estimate, 37 per cent of the eligible caseload of singles without children (44 per cent on expenditure) and 25 per cent of eligible couples without children (31 per cent on expenditure) were claiming the credits they were entitled to. Central estimates on the modelled annual value of tax credit entitlements show that, amongst families with children, some 120,000 were not

claiming annual entitlements valued at between £2,000 and £4,000, with 180,000 foregoing annual entitlements of over £4,000. Half a million were foregoing annual payments of less than £1,000. Amongst families without children, 360,000 were not claiming entitlements of less than £1,000; 750,000 were not claiming between £1,000 and £2,000; and 520,000 were foregoing annual modelled entitlements of £4,000 or more.

Overall, for 2011-12 the central estimate of the Child Tax Credit caseload take-up rate was 85 per cent and for WTC it was 65 per cent; increasing respectively from 79 per cent and 56 per cent in 2003-04. The central estimate of the Child Tax Credit take-up rate by value was 93 per cent and for WTC was 84 per cent; increasing respectively from 87 per cent and 78 per cent in 2003-04 (HMRC, 2013a, Table 1a).

Another HMRC series on 'finalised awards', puts these take-up trends in context with caseload data. This showed that annual entitlement to tax credits has risen over time, increasing from around £16bn in 2003-04, to over £29bn in 2011-12. In 2011-12, 1.45 million out-of-work families were receiving CTC; 3.69 million working families were receiving tax credits, of whom 2.69 million received both WTC and CTC; and 540,000 low paid workers without children were receiving WTC, (increasing from some 160,000 in 2003-04) (HMRC, 2013b, p.8). The number of families receiving tax credits had gradually risen from 5.74 million in 2003-04, to 6.31 million in 2010-11, but had dropped to 5.67 million in 2011-12; primarily as a result of policy changes restricting eligibility. The value of annual tax credit awards varied significantly, with over 1.6 million worth more than £7,000 per annum, and about 1.2 million worth less than £1,000 per annum.

2.3 Further analysis of UK benefit take-up and trends in low income households

The DWP take-up series examines trends over time by 'benefit unit' or roughly by household type and tenure but the data given on ethnicity, disability, age and region is limited, usually covering only a twelve-month period. These 'further analysis' tables give some indication of the reasons why people do not take-up the specific income-related benefits to which they are entitled, but DWP analysts warn that due to uncorrected biases any findings should be treated with caution. Data is also only given for the main claimant rather than other family members.

There are some consistent themes across the different benefits with owner occupiers and pensioners, especially those with occupational pensions, less likely to be claiming income-related benefits for which they may be eligible. A significant proportion of eligible people working more than 16 hours a week were not claiming HB; and JSA take-up rates amongst young single men and women were low, especially amongst potential claimants living with parents or step-parents. Although non-recipients were more likely to be eligible for only small payments, there are significant numbers of eligible people who are not claiming higher value entitlements.

Benefit linking rules were important, with more people receiving linked benefits where qualification for a main benefit, such as IS, automatically qualified the person for benefits such as HB or CTB. Take-up of most benefits was higher amongst people living in social housing, with lower levels of CTB and HB reciprocity in London and amongst black and minority ethnic (BME) groups, possibly linked to their greater likelihood to be in private rented accommodation. There was also a greater probability that eligible claimants would be receiving different benefits if there was at least one disabled person in the household.

Amongst pensioners it was reported that a greater proportion of those who were divorced, widowed or separated were more likely to be receiving PC, suggesting that pensioners without their former partners are likely to feel more vulnerable and therefore be in contact with the relevant services (DWP, 2012b, p.59). It was also found that pensioners with other sources of benefit income were more, rather than less likely to be claiming PC; suggesting that those with higher benefit income may be more aware of their entitlement through contact with the benefit system and therefore more willing to claim (*ibid*, p.61).

The DWP 'further analysis' tables also present data for each of the benefits showing the proportion of those receiving or not receiving the benefits for which they are eligible in relation to whether they are living in a 'low income household'. The low income definition covers households below 60 per cent of contemporary equivalised median income. The data in Table 2 shows that in all benefit categories, except JSA⁹, there was a greater proportion of eligible non-recipients, especially of pensioners, living in households below the median poverty line. Improving benefit take-up in such households could clearly contribute to poverty reduction, with independent reviews of child and pensioner poverty emphasising that, by definition, much of the additional spending induced by higher take-up would go to poor households (Brewer et al, 2007; CPU, 2009).¹⁰

The DWP data sheds little light on the non-take-up rates of a wide range of disadvantaged groups, from those in black and minority ethnic (BME) communities, through to young care leavers, or those with particular disabilities or health problems. There is, however, other literature and findings on the particular barriers experienced by many such groups, albeit the information is often based on small samples or particular case studies. This case study literature contains valuable evidence on the particular barriers experienced by the highly disadvantaged groups studied. The varied insights and findings from this work have been important in the targeting of take-up campaigns, especially those targeted at elderly BME people, care leavers and others, some of which are considered later.

⁹ The JSA data is likely to reflect the fact that so many non-recipients are young and single, and often still living in the family home.

¹⁰ A review for the Child Poverty Unit reported that in 2006-07 there were an estimated 400,000 children living in poverty as a result of families not claiming all the benefits and tax credits to which they were entitled. This implied that every 10% increase in take-up of income related benefits and tax credits could have then lifted 40,000 children out of poverty (CPU, 2009, p.1).

Table 2: Percentages of Eligible Non-Recipients (ENRs) and Eligible Recipients (ERs) of main income-related benefits below 60% of contemporary median income 2009-10			
<i>Benefit</i>	<i>ENR ER</i>	<i>Before Housing Costs (BHCs) %</i>	<i>After Housing Costs (AHCs) %</i>
IS and ESA	ENRs	68	76
<i>All families</i>	ERs	37	67
PC <i>Overall</i>	ENRs	66	54
	ERs	28	27
HB <i>Pensioner</i>	ENRs	38	62
	ERs	9	26
HB <i>Non-pensioner</i>	ENRs	48	80
	ERs	43	73
CTB <i>Pensioner</i>	ENRs	46	37
	ERs	23	24
CTB <i>Non-pensioner</i>	ENRs	63	69
	ERs	48	74
JSA	ENRs	65	71
	ERs	63	76
Source: DWP, 2012b			

The DWP data series reports few significant differences in take-up rates across British regions, apart from London, where a higher proportion of poor people live in private rented accommodation, with lower take-up of HB and CTB. Other studies have considered spatial variations in benefit take-up and, after accounting for population differences, find evidence of a distinct area effect for particular benefits with PC take-up, for example, being lower in more affluent areas (Bradshaw and Richardson, 2007). Other research finds low take-up rates in remote rural areas, especially in Scotland, although this particular study did not find that rural poverty was “more marked overall” (Bramley and Watkins, 2013, p. 10).

The devolved administrations and LAs have published more or less detailed information on take-up rates and the benefit income foregone in their particular areas, but much of the data given is also derived from the Family Resources Survey and DWP data series.¹¹ Nevertheless, the Scottish and Northern Irish Governments, the Welsh Assembly and many LAs have undertaken research which has generated other information on benefit take-up and led to specific policy actions which are considered later.

¹¹ The Scottish Government pays DWP for a boost to the Family Resource Survey in order to bring the total sample in Scotland up to around 4,200 households and to ensure coverage of remote parts of Scotland which have a sparse population.

2.4 Take-up trends in other countries

All OECD countries provide more or less adequate means-tested benefits designed to secure a minimum level of resources for those living on low incomes, variously described in the research literature as social assistance, 'welfare', or minimum income schemes. The European Commission has identified non-take-up of minimum income benefits as a factor that reduces their adequacy and has recommended it be carefully monitored, whilst acknowledging the limited national and comparative evidence available (European Commission, 2008; 2013).

The review identified a number of comparative studies that reviewed minimum income benefit take-up. Much of the comparative evidence concerns entitlement programmes, as in the UK, where eligibility and access rights are legally defined. This feature of entitlement benefits allows the target population to be identified and take-up rates to be estimated. The evidence on which national take-up studies are based, however, is acknowledged to be fragmented, drawing variously on disparate administrative and survey data. Detailed information on take-up rates is only available from a small number of other OECD countries, with many of the individual studies identified in recent reviews dating from the 1990s and earlier. The only exception is the USA, where there is a wide range of literature comparable to that available in the UK.

In the more recent comparative reviews, by Hernanz *et al.* (2004), Matsaganis *et al.* (2008), Fuchs (2009), and Bargain *et al.* (2010), the authors highlight the extent of variation and the different ways in which take-up of welfare benefits is measured, with the more comprehensive studies using varied sources of administrative and survey data. Studies which rely solely on survey data risk potentially greater bias in their take-up measures due, in large part, to misreporting and measurement errors (of benefit receipt and-or factors used to assess theoretical eligibility). In some studies, analysts are better able to control for bias through econometric techniques. One recent study used administrative time-series data to derive more reliable estimates of take-up (Bargain *et al.*, 2010) with other studies utilising detailed European microdata (Matsaganis *et al.*, 2008; Fuchs, 2009).

Hernanz *et al.* (2004), considered studies which dated from the early 1970s, though most were undertaken in the 1990s. Many of the studies concerned benefit take-up in the UK and USA, with a small number of studies, usually no more than one, from France, Germany, the Netherlands, Denmark and Canada. The estimates of take-up typically spanned a range of between 40 per cent and 80 per cent in the case of social assistance and housing benefit programmes, and between 60 per cent and 80 per cent for unemployment benefits. Several of the individual country studies reviewed are included in subsequent comparative reviews, and the Hernanz study also continues to be cited in recent reports, such as in a World Bank Discussion Paper on social protection (Neubourg *et al.*, 2007) and reports on the European Commission's strategy for the 'active inclusion of people excluded from the labour market'.

In a more recent study, Matsaganis *et al.* considered and compared evidence on benefit take-up rates within different European countries, including from Southern Europe, but noted "that in

most EU countries the issue has not been studied very extensively, or not at all” (2008, p. 12). Table 3 illustrates the findings from the studies in the ten European countries they identified, supplemented by findings from two other country studies identified in this review. The results again show that take-up was low for the programmes assessed in nearly all the different countries, ranging between 33 per cent and 88 per cent.

Matsaganis *et al.* (2008) analysed take-up in more depth in five countries;¹² each of which was selected to reflect different welfare regimes. The researchers used the EUROMOD tax-benefit model to estimate the effects of non-take-up on target efficiency and on the performance of social assistance benefits in reducing the relative number of people with income below the European ‘at risk’ of poverty line. In terms of anti-poverty performance, non-take-up of benefits was found to increase poverty rates compared to the counterfactual of perfect targeting. This effect was most significant with respect to a poverty line measured at 40 per cent of median income, “suggesting that the negative impact of non-take-up is more pronounced towards the bottom of the income distribution”. They suggested that even if their methodological approach might overstate the effects of non-take-up, the findings were “strong enough to suggest that policy interest in the non-take-up of social benefits should be encouraged further” (2008, p.13).

Fuchs also used detailed European microdata, including from EU-SILC, to compare take-up of social assistance in Austria (2003 data), Germany (2002 data) and Finland (2002 data), with estimated potential entitlements simulated with tax/benefit microsimulation models, including EURMOD. The study included varied statistical tests, and it found that the results for all the scenarios calculated “suggest that in all three countries at least half of those households eligible to social assistance did not claim” (2009, p.5).

This review also identified a small number of studies of benefit take-up in Australia. The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) records and publishes how much money is paid through Centrelink annually, but it does not report estimates of how many people are eligible to claim but do not claim. An early Departmental study concerned with the quality of data on low income families revealed that approximately 1.3 million eligible people were missing out on some form of government benefit (Johnson and Scutella, 2004, p.68) but in the period since there appear to have been no significant government policy initiatives aimed to increase take-up rates. There are no official estimates of take-up rates or trends, equivalent to those in the UK that have been published. Independent studies, such as those undertaken by Mood (2006), have utilised administrative and survey data to establish that non-take-up rates were significant for particular benefits (including ‘Parenting Payment’). A more recent analysis of four key benefits – Parenting Payment, Carer Allowance, Disability Support Pension, and Bereavement Allowance – revealed that in 2008, more than 168,000 Australians were not taking-up benefits (worth A\$623 million) to which they had an entitlement (Centrelink, 2008, p.24; Baker, 2010, pp.3-4).¹³

¹² France, Poland, Portugal, Sweden and the UK

¹³ Baker (2010) cites a 2008 study from the ‘Beneficiary Advocacy Federation of New Zealand Inc’ which suggested that less than a third of eligible recipients were reported to be actually receiving their entitlements.

Table 3: Literature on Take-up in European Countries			
Country	Author-s	Date	Evidence on Take-up
Austria	<i>Fuchs</i>	2007	Estimated take-up of SA (<i>Hilfe zur Sicherung des Lebensunterhalts</i>) in 2003 at 44% in terms of numbers claiming the benefit, and 52% in terms of the amount of benefit claimed (over-payment estimated at 32%).
Belgium	<i>Van Parys & Struyven</i>	2013	Only 57.5% of unemployed young men (18-25 yr- olds) registered with VDAB Service in 2009 (and thus accessing benefits).
Denmark	<i>Hansen & Hultin</i>	1997	Only 67% of those eligible for housing benefit in 1992 claimed it; special scheme for pensioners, 85%.
Finland	<i>Bargain et al</i>	2007	Used administrative data to compare eligibility-actual receipt of social assistance (<i>Toimeentulotuki</i>) by working age families 1996-2003. Take-up was low (50-60%) and declined during the period.
France	<i>Terracol</i>	2002	Estimated take-up of minimum guaranteed income (<i>RMI</i>) at 52%, but due to a measurement error in income under-reporting in programme participation, this estimate was revised to 65%.
	<i>Chastand Vanlerenberghe</i>	1991 1992	Similar figure of 67% found. Concluded take-up of <i>RMI</i> was 91% or even more (later criticised on methodological grounds).
Germany	<i>TEK</i>	1981	Investigation into take-up of general social assistance (<i>Sozialhilfe</i>) estimated it at 67% for 1973.
	<i>Hauser et al</i>	1981	Estimated lower figure of 52% for same year, and lower still (39%) for 1963.
	<i>Hauser & Semrau</i>	1990	Found average rate of take-up of social assistance 1969-83 was 70%.
	<i>Ripahn</i>	2001	Found that in 1993 <i>Sozialhilfe</i> was claimed by no more than 37% of those eligible for it.
	<i>Kayser & Frick</i>	2001	Found same figure (37%) for mid-point estimate for 1996.
	<i>Behrendt</i>	2002	Used Luxembourg Income Study data and found take-up rate of 50% in 1995.
	<i>Fric & Grohamberg</i>	2007	Revealed take-up of social assistance in 2002 was approximately 33% in terms of numbers claiming benefit, and approximately 43% in terms of the amount of benefit claimed, while over-payment of benefit was estimated at 13%.
Greece	<i>Bruckmeier and Wiemers</i>	2010	Found rates of non-take-up after 2005 SA reform of 41% (persistent rate) and 50% (temporary rate)
	<i>Mitrakos & Tinios</i>	2005	Estimated take-up of family benefits in 1994-2001 - using Household Budget Survey data, and estimated take-up of third child benefit at 68%, and large family benefit at 32% in 1999. However, using European Community Household Panel data for the same year led to very different estimates: 43% for third child benefit and 75% for large family benefit. Over the entire period, estimate of take-up ranged from 31%- 52% in the case of third child benefit, and from 65%-87% for large family benefit.
	<i>Matsaganis & Flevotomou</i>	2008	Estimated take-up of pensioner social solidarity supplement <i>EKAΣ</i> in 2004-05 between 59%-71% in terms of numbers claiming benefit, while over-payment of benefit was estimated at between 10% and 23%.
	<i>Matsaganis, Levy & Flevotomou</i>	2010	Non-take-up of pension (by uninsured elderly) ranged from 28.9-48.2%
Ireland	<i>Callan et al</i>	1995	Estimated take-up of <i>Family Income Supplement</i> in 1994 between 23%-29% by caseload, and between 43%-57% by expenditure.
	<i>Callan & Keane</i>	2008	Found take-up of <i>Family Income Supplement</i> in 2005 was 30% in terms of numbers claiming, and approximately 36% in terms of amounts claimed.
Nether-lands	<i>Lucassen & Priemus</i>	1977	Estimated the rate of take-up of housing allowances in the 1970s at 76%.
	<i>van Oorschot</i>	1991	Found the lower rate of take-up of the same benefits (24%-55%) prevailed in 1976-81.
	<i>Vrooman & Asselberghs</i>	1994	Estimated take-up rate of 72%-81% for social assistance (<i>ABW</i>).
Nether-lands	<i>van Oorschot</i>	1996	Found that take-up of housing allowances seemed to improve after 1991 (found to be as much as 93% among social assistance recipients in the city of Amsterdam in 2002 by a research consultancy).
	<i>Finnvold</i>	2009	Found variations in take-up within families across geographical regions, ranging from 1.5 to 10.5 recipients per 1000 children under nine years with chronic illness.
Portugal	<i>Rodrigues</i>	2008	Estimated take-up of minimum guaranteed income (<i>RMG</i>) in 2001 at 72%.
Spain	<i>Levy</i>	2008	Estimated take-up rates of means-tested benefits to the elderly in Spain at 34%-40% and 76%-80% for non-contributory pensions and pension supplements respectively in 2004.
	<i>Matsaganis, Levy & Flevotomou</i>	2010	Estimates of non-take-up of pension supplement benefit <i>complementos por minimos</i> ranged from 19.9-24.1% by caseload, and 7.3-9.1% by expenditure. For the non-contributory pensions <i>pension de jubilacion no contributiva</i> non-take-up ranged between 40.2-65.5%

The source of most comparative literature on benefit take-up was the USA which, in addition to the UK, has an equally strong tradition of poverty-related research. The US welfare system also comprises a large number of national programmes that offer means-tested support to those in need, including: Temporary Assistance for Needy Families (TANF); 'Food Stamps', now known as Supplemental Nutrition Assistance Program (SNAP); Medicaid and health insurance for children; and, Supplemental Security Income (SSI) that provides cash assistance to the aged, blind and disabled. Estimates of take-up rates in the US vary by study, type of benefit, and subgroup of eligible participants but every year billions of dollars in benefits and other services go unclaimed by eligible candidates (Kleven and Kopczuk, 2011; Rosenbaum and Dean, 2011; Purtell *et al.*, 2012).

Take-up or enrolment rates are reported to the U.S. Congress. The most recent report on *Indicators of Welfare Dependence* (DHHS 2013, Indicator 4) showed take-up rates over time for the three most substantial means-tested cash and nutritional assistance programs: TANF, Food Stamps, and SSI. The estimates are based on administrative data and microsimulation models and they show that in an average month in 2009, only 32.3 per cent of families eligible for TANF assistance, 64.6 per cent of households eligible for SSI and 72.2 per cent of adults eligible for SNAP were estimated to have enrolled and received benefits.

There was significant variation in how take-up rates for the three benefits had changed over time. The SSI enrolment rate had remained broadly stable; the SNAP rate had increased from a low of 47.6 per cent in 2001, and the 32.3 per cent take-up rate for TANF had plummeted from an estimated 84 per cent who had been receiving the previous entitlement-based 'Aid for Families with Dependent Children' (AFDC) in 1994.

Even during and after the 'Great Recession', many states' TANF programmes responded inadequately - or not at all - to the sharp rise in unemployment; leaving large numbers of families in hardship. This performance contrasts sharply with SNAP, where between December 2007 and December 2009 the number of participants rose by 45 per cent, as the number of unemployed people doubled and they and other households lost income. By contrast, in 16 states, TANF caseloads rose by less than ten per cent, and in six states, caseloads actually fell (Pavetti and Shott, 2011).

One important comparative factor is that whilst SNAP continues to be a federal entitlement programme, in 1996 TANF was changed to a cash limited block grant system that gave states great discretion in designing and implementing work-first welfare reforms, with strong incentives to reduce caseload numbers. Although there are many factors that are different from the UK, this change in funding is analogous to the recent 'localisation' of Council Tax Support and elements of the Social Fund; where a demand-driven centrally financed entitlement benefit has been replaced by a more discretionary form of support financed by a cash limited local budget.

Another relevant factor is likely to be improvements in service delivery where some states and many local agencies have sought to improve take-up, especially of entitlement programmes

such as SNAP. This has included efforts to simplify enrolment processes for some programmes by reducing paperwork, dropping complicated and unnecessary rules and providing alternative pathways to coverage beyond going to the welfare office, especially through the use of telephone and digital service delivery channels. There was much literature on such 'alternative' developments, but as an earlier authoritative report on developments in Food Stamp delivery found, there were few impact evaluations "identifying the effect of alternative methods in program[me] access, decision accuracy or administrative costs" (GAO, 2007).

Other studies report mixed take-up impacts of changes in service delivery. For example, a study of the introduction of online filing of tax returns found an associated increase in tax credit take-up: albeit this was likely to have been associated with the intermediaries that are often used in the U.S. tax preparation industry (Kopczuk and Pop-Eleches, 2007). By contrast, an evaluation of Unemployment Insurance related service delivery changes, found that increased take-up in some states was not related to the introduction of telephone and internet claiming and the assumed reduction in 'transaction costs' associated with such technologies (Ebenstein and Stange, 2010).

It is important to note also, that much of the attention given to take-up or 'enrolment' activity in the USA reflects both the intense 'work first' focus of their limited 'safety net' income assistance programmes and the fragmented nature of many other supports available to low income households. In addition to the core benefits above, this also includes a diverse system of federal and state funded in-work tax credits, financial assistance with health insurance and child care subsidies and so on. These other means-tested supports are also characterised by differential take-up rates. An earlier US government study reported that take-up rates for the Earned Income Tax Credit (EITC) varied between 63 per cent and 96 per cent depending on the number of children in the family; and that Medicaid take-up rates varied between 74 per cent and 79 per cent (USGAO, 2005).

In the USA, the categorical emphasis of welfare reform on increasing employment rates and decreasing caseloads, especially of lone mothers, has been paralleled by an increase in efforts to ensure that working poor families claim the cash benefits and services they are entitled to. In this context there has been growing interest in improving take-up of what, in the U.S. context, are characterised as 'work supports', rather than out-of-work welfare. Indeed several Foundations have recently committed to funding demonstration programmes in 'Work Support Strategies' where nine states are testing new approaches between 2011 and 2015. The programmes vary but the nine states have reviewed policies and delivery and are making efforts to redesign their delivery processes, take advantage of new technologies, and use data matching to generate improvements in enrolment, retention and delivery of financial and other work supports to eligible low paid workers (Rosenbaum and Dean, 2011). It will be useful to monitor evaluations of the design and effects of these 'take-up' initiatives as they are implemented in the pilot states (see <http://www.urban.org/worksupport/>).

2.5 Conclusion

It is not feasible to benchmark take-up rates across countries due to the limited number of studies available, the differences in target groups and benefit entitlements, and the varied reliability and comparability of the data available on take-up. Nevertheless, the evidence available from other OECD countries indicates that non-take-up of minimum income means-tested benefits is a common problem, even in those countries with comparatively generous welfare benefit levels, as in several Nordic countries. Despite differences, the comparative research points to many explanatory factors that are similar to those identified in the UK. These factors include information deficits; complexities associated with eligibility rules and application procedures; the marginal financial gains that may be on offer; and the 'stigma' associated with claiming means-tested benefits. Research findings on these factors are considered in detail in the following chapter.

3. Explaining patterns of take-up

This chapter reviews findings from a diverse group of studies and reports, mainly but not exclusively from the UK, that have analysed the reasons for differential take-up of welfare benefits and, in particular, the factors underlying non-claiming behaviour. It then considers theoretical models that have sought to integrate empirical findings on take-up and the claiming process in ways which seek to better inform the efforts that policy makers and practitioners implement to improve take-up rates.

The studies reviewed identify a consistent set of factors associated with the non-take-up and take-up of particular benefits. These include the financial value and duration of benefits; information costs (awareness of benefits and costs in acquiring more information about eligibility and application); administrative costs (such as the length and complexity of the claiming process); and, social and psychological factors (stigma, pride and attitudes).

3.1 Awareness and Perceived In-eligibility

One of primary barriers to accessing benefits is the lack of information and knowledge of relevant payments, eligibility rules and how to claim such benefits (Currie, 2004; Talbot *et al.*, 2005; Bunt *et al.*, 2006; Cohen-Cole and Zanella, 2008). In their comparative study Daigneault *et al.* (2012) found that in the 82 studies reviewed, poor awareness was identified as the most important factor that impacted on take-up rates. They concluded that the more knowledge an eligible individual has of a benefit, the more likely they are to make a claim (2012, p.46).

Awareness of particular benefits is influenced by many factors including; the length of time a benefit has been implemented and the different ways in which it is available, eligibility rules and major design changes (that may have been communicated to potential recipients).

Low levels of awareness can be affected by literacy levels, and whether someone is a non-native English speaker; level of education; general awareness levels and patterns of claiming within cultural-social networks; and, the differential availability of independent support to assist in lodging a claim (Cohen-Cole and Zanella, 2008; Allmark *et al.*, 2010). Awareness of means-tested benefits is often low amongst pensioners who have never previously encountered the benefits system (NAO, 2006; WPC, 2009).

Levels of awareness of benefits can be particularly low among members of disadvantaged groups. These groups include young people (Youth Access, 2011) and ethnic minorities (Moffatt and Mackintosh, 2006), with new or elderly migrants particularly disadvantaged in terms of knowledge of the benefit system; due in part to language and English literacy issues (Dragos *et al.*, 2010; PSI, 2010). There is evidence that amongst some groups, such as pensioners, some people expect that they will be informed about their potential entitlements (NAO, 2006). There is also some evidence of the false belief, especially among recent migrants, that different parts

of the welfare system will communicate with each other to ensure entitlements are given (Allmark *et al.*, 2010; Rosenbaum and Dean, 2011).

People with mental health issues, physical disabilities, and long-term illnesses are also likely to be less aware of the state assistance to which they are entitled. Macmillan Cancer Support (2004), for example, found that many people with terminal diagnoses were unaware of the assistance to which they were entitled. This research also revealed that in areas where there was a high claim rate for other benefits, take-up of DLA and AA was higher (even when there was a low incidence of cancer); perhaps because of greater general awareness of how the benefit system works. People from more affluent backgrounds were, however, often unaware that benefits exist or were unsure where to go for information. The study noted that although health professionals were not benefits advisers, many did try to help those in their care. However, the information they provided was sometimes incomplete or inaccurate (2004, p.3).

Research undertaken by the charity Turn2Us (2011) investigated why a sample of 774 low-income workers (with annual incomes of £12,150 or less) and 768 people of pensionable age, who were eligible for welfare benefits, were not claiming them. The report found that poor awareness led to low take-up, even where there was significant need:

- Around two-thirds of low income workers did not know that in-work benefits are available (despite 44 per cent having had their working hours reduced, and 48 per cent facing either a pay freeze or pay cut).
- 8 in 10 of those potentially eligible were not claiming Pension Credit, despite a quarter of those surveyed struggling to pay their household bills; a third having difficulties covering their housing costs; and one in ten having to skip meals.
- Over 90 per cent of those surveyed were aware that PC existed, but believed they did not qualify for it.

Lower awareness levels are also associated with poor information and perceived ineligibility. This misperception can lead many potential recipients to decide neither to pursue information about eligibility criteria nor to make an application for benefits. Perceived ineligibility has been found to be “a powerful barrier for many” people that are actually entitled to assistance (Bunt *et al.*, 2006, p.13). In the UK, perceptions of ineligibility are high amongst owner-occupiers and amongst pensioners with private occupational pensions.

There is much evidence that even when in receipt of particular benefits, many claimants may have only a limited understanding of eligibility rules and how they may, for example, be influenced by taking up employment (see Turley and Thomas, 2006, for findings on claimant knowledge of HB and CTB).

3.2 Complexity

This factor concerns the difficulty or complexity of the benefit eligibility rules and of the steps required to claim entitlements. Gathering, understanding and mastering benefit application procedures imply costs in terms of time and effort, which may deter would-be applicants if their expected gain is low, or if the procedure is too complex and fragmented (Hernandez *et al.*, 2004, p.18). The degree of complexity in identifying and understanding benefit qualification rules is a significant secondary barrier after people become aware of the existence of assistance relevant to their circumstances (Horner and Morrow, 2006; Zedlewski, 2002; Remler and Glied, 2003; Welsh Assembly, 2008; Dragos *et al.*, 2010; Youth Access, 2011; Daigneault *et al.*, 2012). Where individuals are already uncertain about their eligibility, the complexity of the criteria to be understood and negotiated has been found “to reinforce their belief that they were probably not entitled” (Bunt *et al.*, 2006, p.19). That said, complexity has been found to be a significant deterrent only where ineligibility was preconceived. Applicants who believed they had a ‘reasonable chance’ of receiving a benefit were more likely to persist, likening it to any other bureaucratic process. Without this informed perspective, there is the additional “risk of poor outcomes for those who are not well placed to manage complexity” (Harmer, 2009, p.19).

Complexity in the benefits system may also be exacerbated by: administrative and technological inefficiencies (Horner and Morrow, 2006; JRF, 2008); official terminology and language (Welsh Assembly, 2008, p.17; Dragos *et al.*, 2010, pp.21-23), high transaction and related costs (such as multiple face-to-face interviews and inconvenient office locations and office hours) (USGAO, 2005); previous bad experiences of claiming; and fear of intrusive questioning (JRF, 2008; DSDNI, 2012, p.17). Some particular groups and individuals can be disproportionately affected by complexity, such as members of minority ethnic groups (Bernard and Pettigrew, 2003) and mental health service users (Davis, 2003) – for similar reasons to those outlined earlier.

3.3 Financial Benefit and Transaction Costs

Economic incentives are important for take-up: the pre-benefit income and/or the estimated value of a benefit are strongly related to the probability of take-up. This finding is probably the single most robust result in the literature (Hernanz *et al.*, 2004; Currie, 2004; Hancock *et al.*, 2004; Mood, 2006; Pudney *et al.*, 2006; Hernandez *et al.*, 2007). Zantomio’s econometric study of PC take-up amongst pensioner households in the 2002-03 and 2004-05 FRS surveys found that in the UK, an increased probability of claiming was “particularly prominent for the £10-£20 per week range”, and that the impact of this incentive was much stronger than the lowering of transaction costs associated with the service delivery reforms which were implemented at the same time (2008, p.20).

If a potential applicant believes that the amount to be gained from making a claim for a benefit is too low and therefore not worth the effort involved in making and seeing through an application, or if they are concerned that in making such a claim it may impact negatively on

their eligibility for and/or the level of other assistance that they are already receiving, then they are less likely to claim (Hernanz *et al.*, 2004; Scottish Government 2011).

The literature suggests that potential recipients take into consideration both the value of the benefit in question and its expected duration, and that this 'financial calculation' is an important factor in determining whether an application is made. Standard cost-benefit reasoning favoured by economists suggests that agents will participate in a programme if the potential gains of claiming the benefit are high enough to offset 'information costs'. This is determined largely by the relative generosity of the monetary benefit and the expected duration of the entitlement.

Hernanz *et al.*'s review (2004) reported that the strength of this finding holds only when the personal characteristics of the potential beneficiary, and in particular incomes from other sources, are held constant. This is important, as the propensity to claim may depend on the *relative* value of benefits rather than their *absolute* amount: for individuals with relatively high income, receiving the benefit is not likely to make a big difference in welfare terms. Accordingly, low levels of take-up for some benefits might reflect the relatively high income (relative to the benefits offered) of some individuals within the target population. This appears to be the case, for example, with unemployment insurance, which early research in the USA found was largely taken up by workers with low incomes and long expected spells of unemployment, with high-income workers less likely to claim even though they were usually entitled to higher benefits (McCall, 1995). Such calculations may also help explain why many second earners in the UK, especially women, do not claim the non-means tested JSA to which they may be entitled.

The tax system also plays a crucial role in determining the effective (take-home) value of welfare benefits. Changes in tax policies can affect take-up of welfare programmes through modifications in the effective amounts of benefits. This is important as often, in designing changes to the tax system, little attention has been paid to the side-effects on other elements of the welfare system (Hernandez *et al.*, 2004, p.18).

3.4 Pride and Stigma

There is some evidence in the research that, for some groups, non-take-up may be attributable to individual perceptions of need, as against eligibility, and pride in being self-reliant. Perceived or experienced stigma can also dissuade people from applying for assistance despite being entitled (Currie, 2004; Whelan, 2010, Baumberg *et al.*, 2012). The significance of this stigma is confirmed in many take-up studies and its manifestation is particularly strong in those cultures in which there is a strong work ethic and regard for self-reliance and responsibility (Baker, 2010, p.7). The perception in such a cultural environment is that people receiving assistance are not 'pulling their weight', which leads to an almost instinctive identification of means-tested benefits with 'residual groups' (Mood, 2006, p.447). Quantitative and qualitative evidence suggests that stigma is playing a role in explaining non-take-up of UK benefits and tax credits. For instance, around one in four respondents to a MORI survey of over 2,400 people commissioned by the charitable organisation 'Elizabeth Finn Care' gave at least one stigma-related reason for delaying or not claiming. This study suggested that non-take-up of out-of-

work UK means-tested benefits had “risen concurrently” with increased stigma, whilst take-up of tax credit had improved - partly owing to a reduction in perceived stigma (Turn-2-Us, 2012, p.84).

The degree of stigmatisation generated by a welfare benefit will depend on its rules and method of delivery, with some schemes less stigmatising than others (for example, unemployment insurance *versus* means-tested minimum income programmes) (Hernanz *et al.*, 2004, p.20).

Greater targeting of a welfare benefit to specific groups may make these groups even more exposed to stigmatisation (Engels and Sellin, 2000). A study of the take-up of free school meals¹⁴ in Scotland found that when eligibility was briefly extended to all young children in a particular age group, take-up also increased amongst those parents and children who had already been eligible for the previously means-tested benefit (Holford, 2012). The research attributed this increase in take-up to a ‘positive peer effect’ and diminution in perceived stigma and their results suggested that “in a typical school a 10 percentage point rise in peer-group take-up would reduce non-participation by about a quarter”.

A DWP study into PC take-up examined attitudes among those who were eligible but did not claim. It found that while only 1 per cent indicated the main reason they had not claimed PC was because they felt bad asking for benefits or help from the Government, on further questioning 62 per cent agreed that they did not like ‘asking’ for benefits (Radford *et al.*, 2012, p.10). An earlier DWP omnibus survey of over 2,000 pensioners found that while 81 per cent of pensioners had heard about PC, two-thirds reported doing nothing to pursue a claim, with 35 per cent saying that “nothing could be done to convince them to claim” (Talbot *et al.*, 2005, p.6). After prompting, however, a significant proportion of this group indicated that they might claim if they had received a phone call or received a home visit, suggesting that policy interventions may reduce perceived stigma and negative attitudes to take-up.

At the implementation level, the behaviour of welfare officials towards claimants may also be perceived as humiliating or stigmatising. This seems to be particularly likely when an administration acts both as a welfare provider and as fraud controller (Hernanz *et al.*, 2004, p.20; Baumberg *et al.*, 2012).

A key factor contributing to the stigma attached to claiming or receiving benefits concerns media coverage and the association of many benefits with the ‘undeserving poor’ and fraudulent claiming. In a detailed study of media coverage undertaken for ‘Elizabeth Finn Care’, Baumberg *et al.* (2012)¹⁵ found that fraud tends to receive far more attention and that the political debate and coverage in much of the press conveys highly negative images of benefit

¹⁴ In the UK almost 300,000 of the approximately 1.1 million children eligible for free school meals, worth up to £400 a year, do not participate (Holford, 2012).

¹⁵ The Baumberg *et al.* (2012) study analysed UK and international literature on stigma and drew on data from three original pieces of research: a large-scale opinion poll conducted in May 2012 by Isos MORI; a series of focus groups held during summer 2012; and an analysis of national newspaper coverage from 1995 to 2011.

claimants. Attitude surveys show that the public, including potential benefit recipients, now see claimants as less deserving than they did 20 years ago, with noticeable shifts in opinion in the late 1990s and early 2000s. Negative media coverage is linked to stigma – with people who read more stigmatising newspapers perceiving higher levels of fraud and thus greater personal stigma – as evidenced in national surveys and related focus groups. Baumberg *et al* (2012), suggested that the political debate about benefits, most recently concerning ‘strivers and skivers’, contributed to stigmatising media coverage. They also found that there was less stigma attached to tax credits, and speculated whether the introduction of UC may further reduce stigma by bringing together benefits for the ‘deserving’ (the in-work poor) and ‘undeserving’ poor (such as, unemployed jobseekers).

3.5 Personal Characteristics and Changes in Circumstances

Personal characteristics and claimants’ circumstances have been found to influence decisions whether or not to take-up benefits. Amongst other evidence reviews, Daigneault *et al.* (2012) found that the socio-economic characteristics of potential claimants – such as age, gender, education, annual income, and ethnicity - were identified as significant explanatory variables in a wide range of national take-up studies.

As previously considered, for many members of minority ethnic groups, language and English literacy issues have been found to affect take-up (Moffatt and Mackintosh, 2006). Cultural or group-specific norms unrelated to ethnicity can also influence take-up (Dragos *et al.*, 2010). If claiming benefit is common in a group, and if people within that group identify and interact more with each other than with others, the norms against take-up can weaken and the propensity to claim a benefit may increase. Conversely, norms against benefit reciprocity may be stronger for people with higher education or those in low unemployment areas, because it is likely to be less common among those with whom they relate (Currie, 2004; Hernanz, 2004). Such effects may, of course, be mainly reflections of perceived stigma, but others who claim benefits are, however, likely to affect an individual’s knowledge about the existence and entitlement rules of these benefits, because information about benefits may spread through personal contacts (Mood, 2006, p.446). Daigneault *et al.* (2012) found that positive support and help in a potential claimant’s social network and community was found to increase programme take-up to a small degree.

The presence and number of children, at least young children, has also been found to increase take-up propensity. This is likely to be explained by an increase in the perceived need for the benefit when the well-being of children is considered, as well as being triggered by contact with services (Currie, 2004; Hernanz *et al.*, 2004).

In earlier research, van Oorschot (1996) and Corden (1999) drew attention to the relationship between take-up and ‘significant events’ or changes in circumstances (such as losing a job, retirement, having a child), which could act as a trigger to qualify and apply for benefits;

especially if other services also provide targeted take-up information (by contrast other changes in circumstances, or the failure to report them, can result in loss of eligibility). Those who face a more gradual change in their circumstances may not benefit from such 'triggering' effects. Among pensioners in particular, a more gradual erosion of private sources of income (such as occupational pensions that are not regularly uprated), or less noticeable changes in the generosity of means-tested income thresholds might not trigger awareness of the benefits that could be claimed (Scottish Government 2011, p.38).

3.6 Programme Rules and Sanctions

While the factors outlined so far can influence the decision of individuals to take-up benefits, Hernanz *et al.* (2004, p.21) point out that take-up is also affected by administrative rules, which can vary greatly both across benefit entitlements and between countries. In particular, means-tested benefits usually impose the heavier administrative burden on both applicants (they typically need to provide detailed information about incomes, assets and family characteristics) and benefit officials (complex evaluation of applications, frequent eligibility checks, and so on) (Pudney *et al.*, 2006; Whelan, 2010). By contrast, child-family benefits are, in many countries, quasi-universal and are paid to all families with a certain number of members and/or to families with children below a certain age, regardless of their income (until recently the situation with Child Benefit in the UK). Both submitting and processing applications for these benefits is relatively simple and the timing of eligibility checks is quasi-automatic - for example, when children reach the maximum age of entitlement.

Consideration of the impact of administrative rules is important because it draws attention to benefit design, as well as the characteristics of non-claimants when seeking to assess causes for low levels of take-up. For example, the degree of stigmatisation associated with a benefit payment can also be related to its administrative rules. Benefits that require recipients to continuously report on their circumstances and behaviour, as in fortnightly 'signing' at JCP offices, may generate more stigma than those that only require a one-off application before transferring money directly to the recipients.

The effect of variable treatment by benefits staff, and of sanctions within the benefit system, is far less studied as a determinant of take-up rates. Bargain *et al.* (2010, p.14) suggest that in the USA 'administrative hassle' may be a screening device used to discourage some people on higher incomes or with access to alternative means, such as family support, from entering the benefits system. From the 1990s, many US states have implemented explicit 'diversion' policies as part of their welfare reforms, where administrative procedures and work requirements make it more onerous for poor parents to claim TANF. Such policies may include administrative barriers, including a requirement that applicants register for work and search for a job before their benefit claim may be approved. Under such policies, case managers are also sometimes given flexibility to offer lump-sum payments to enable families to manage short-term emergencies, rather than accepting them into ongoing cash welfare payments for which they may be eligible (Green Book, 2008, p.7-22).

In a review of evidence on the impacts of sanctions within conditional benefits systems, Griggs and Evans suggested that further research was needed into the effects that sanctions have on, among other things, levels of take-up (2010, p.5). This proposal is now highly relevant in the UK, where there is growing concern about the cumulative impact on take-up of JSA of the stricter benefit regime implemented by Jobcentre Plus (JCP). Between 2006 and 2012, the number of JCP referrals to sanctions and actual sanctions each increased by two thirds, although the overall claimant count had increased by just under 30 per cent.¹⁶ In the 12 months to October 2012 the number of referrals to sanctions increased to 1.6 million and actual sanctions to 800,000; up from 540,000 and 290,000 respectively in 2006 (MacInnes et al, 2013, p. 92). Some of the increase may have been attributable to administrative changes but the data to June 2013 confirms a sharp rise in the number of people who are dropping their JSA claim having been referred to a sanction; up to 50,000 a month from 10,000 a month in 2007. There is no data on whether these people have found work and, if not, what income they are surviving on, because loss of JSA may also include automatic loss of HB. The stricter benefit regime that has been pursued by JCP over a long period, and that intensified further from October 2012, is helping drive the increased divergence between the household count level of unemployment and the numbers who are claiming JSA, which has occurred over the same period (Bivand, 2013). It may also be that this regime, and associated mandatory employment programmes, may have contributed to the falling rate of JSA take-up by young people aged under 25; the group who are most likely to be sanctioned.

3.7 Theoretical framework and models of take-up

A number of approaches have been developed to integrate findings on the various factors influencing benefit take-up, both at the theoretical and empirical levels, so as to produce more systematic accounts and conceptual models of claiming behaviour.

Early analysts developed the concepts of 'thresholds', 'tradeoffs' and 'triggers', and these insights were integrated in the conceptual framework developed by van Oorschot (1998) and subsequently refined by Corden (1999). This framework approach illustrates how non-recipients become recipients of a benefit by passing through three stages. At the '*threshold*' stage, the non-recipient must not only become aware of the benefit programme, but must also perceive themselves as eligible, must not have any strong attitudinal barriers against claiming, must perceive a need for the benefit and should not be in an unstable situation. After that, at the 'trade-off' stage, the non-recipient considers submitting a claim but weighs the costs and benefits that it implies. Basically, the same factors as those for the threshold stage apply, with the addition of perceived utility of making a claim. If the non-recipient arrives at a positive net outcome, then he or she makes a claim (the application stage). After claiming, the non-recipient becomes a recipient only if they do not withdraw from the process and if their claim is not rejected by the benefit agency. A non-recipient could re-enter the process through a change in

¹⁶ Between August 2006 and August 2013 the number of JSA claimants had increased by just under 30%, from 929,000 to 1.3 million.

circumstances or triggers, such as acquiring new information about a benefit programme (van Oorschot, 1998, p.116-119).

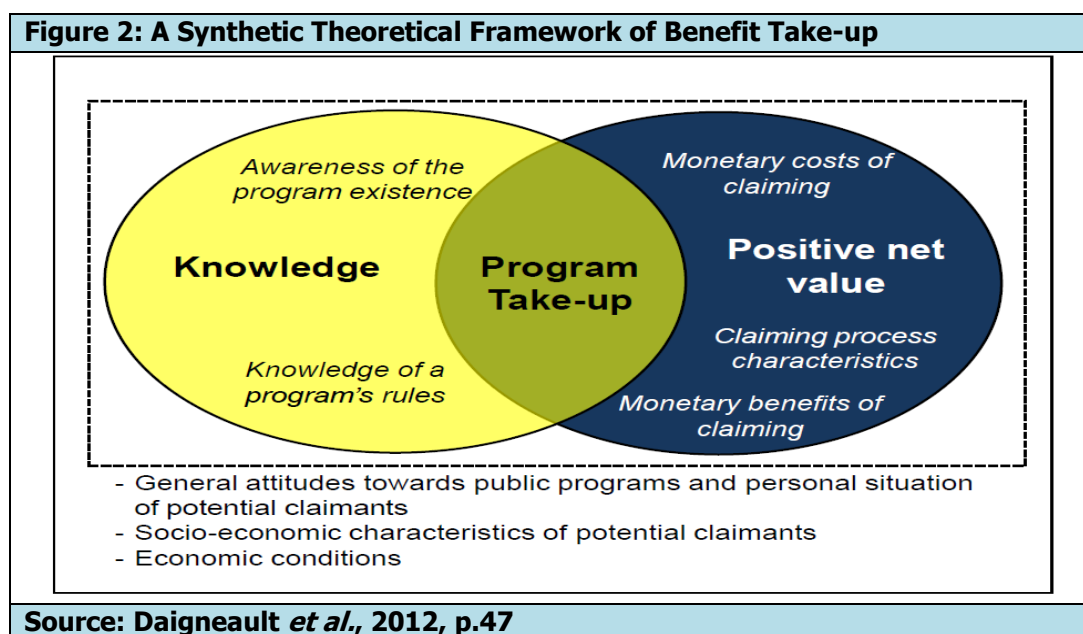
While comprehensive and well-grounded in the empirical literature, Daigneault *et al.* (2012, p.41) questioned the usefulness of van Oorschot's model for non-academic audiences. This was because of its complexity, which suggests a need for a simpler, synthetic, practice-oriented model that identifies key driving factors of benefit take-up on which policy-makers and practitioners can focus planning and implementation work.

In their study, Daigneault *et al.* (2012) synthesised findings from studies of take-up across several OECD countries with the aim of developing a simple theoretical framework for explaining benefit take-up, based on the weighting of importance of the factors that affect take-up, derived from the findings of the 82 take-up studies that they assessed, and outlined in Table 4 below.

Table 4: Prevalence Index of Factors Affecting Program Take-up	
Factors	Arithmetic Mean (n= the 82 studies assessed)
Basic knowledge about the program (including awareness)	65%
Claiming process characteristics (including length and complexity of the process and relationships to claiming process of other programs)	56%
Socio-economic characteristics of potential claimants	44%
Costs and benefits anticipated by potential claimants (explicitly stated as such)	26%
Unstable situation of potential claimants	23%
Negative social pressure and stigmatization	22%
Potential claimant's attitudes (including attitudes towards state and public services)	21%
Perceived eligibility	16%
Potential claimant's need for the program	12%
Claim rejected by the state	12%
Peer support and guidance relative to a program	5%
Withdrawal from the process after claiming	4%
Other factors	11%
Source: Daigneault <i>et al.</i>, 2012, p.46	

The take-up explanatory framework devised by Daigneault *et al.* (2012, p.47) highlights two overarching factors derived from their analysis of factors' prevalence and interaction: namely, 'knowledge' of the benefit or entitlement and 'positive net value'. 'Positive net value' represents the difference between the potential gain from the benefit against the multiple monetary and non-monetary transaction costs incurred in the claiming and maintenance process. Critically, the value of a benefit is to be found not only in its monetary value and duration, but also in its relative value for the potential claimant. In brief, the model suggests that take-up is most likely to occur if the potential claimant has knowledge about the benefit and sees value in it. It is still possible for take-up not to occur if a claim is denied by a benefit agency, or if a claim is withdrawn.

Figure 2 below represents personal and contextual factors that may affect claiming and take-up. Although not as comprehensive and dynamic as the framework proposed by van Oorschot (1998), Daigneault *et al.* (2012) contend that their framework explains take-up in a simple, clear and focussed way, and therefore should have more utility in guiding the actions of public policy-makers and welfare practitioners.



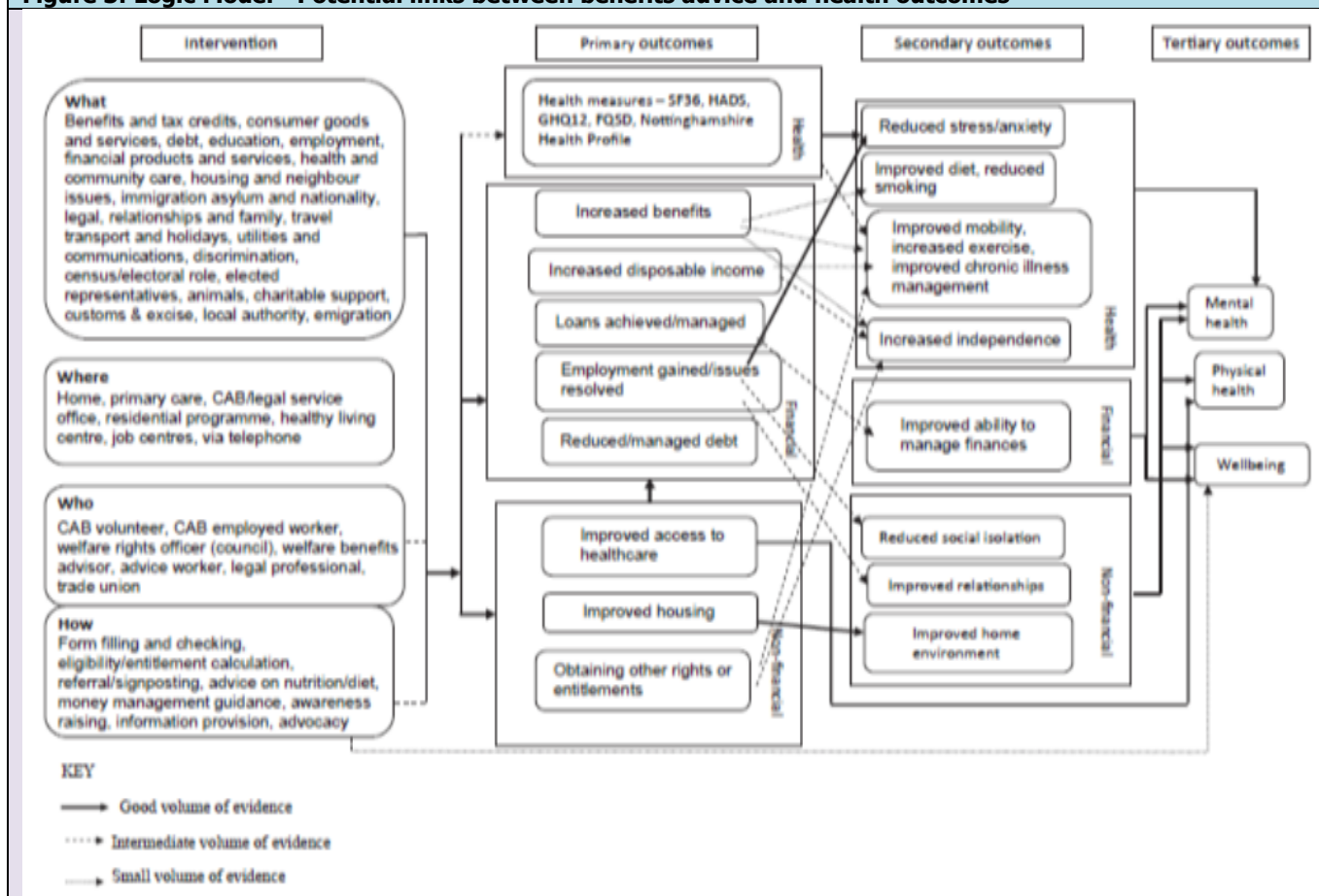
A different analytical approach involved the development of an explicit 'logic model' that Allmark *et al.* (2012) used in an evidence review to explore the relationship between the provision of benefit advice services and improvements in health outcomes. Such logic models are common in 'programme theory evaluation' and in this context the model was expressed diagrammatically, and so was to be read from left to right. It illustrated pathways between welfare advice inputs, strategies and outputs, and short-term, intermediate and longer-term outcomes. This review had been undertaken partly in response to findings from an earlier systematic evidence review in which Adams *et al.* (2006) found that despite other benefits, there was little evidence that welfare rights advice led to measurable health or social benefits.

In response, Allmark *et al.* (2012) developed a conceptual, or logic, model that also made use of qualitative evidence underpinning potential (rather than only proven) causal pathways between the provision of advice services and improvements in health outcomes. They utilised the logic model to synthesise the data that they collected from 87 selected studies "using the underlying principles of the systematic review process", but the only quality standard for inclusion was that the study was published in a peer-reviewed journal. The model they developed (see Figure 3) identifies how primary outcomes of advice services, especially financial gain, can lead towards improved health for recipients. For example, a reduction in debt had a strong link to reduced stress or anxiety, and it therefore had a positive impact in improving mental health.

The authors suggested that such model building had benefits both for practitioners and researchers. For practitioners, it provided a graphic representation of where evidence has been reported for associations between factors which may influence decisions regarding the organisation and funding of service provision. It could also help practitioners to identify and develop linkages within existing services. For example, the finding that those with fewer financial concerns might smoke less, might encourage practitioners to combine the offer of a welfare benefits check-up with a stop smoking service. For researchers the model gave strong indications of where more rigorous research might best be directed to further test the causal chain between increased benefit income and health outcomes.

This methodological approach may have a wider value for researchers reviewing existing studies and those investigating the relationship between take-up, income maximisation and other longer term outcomes. These could include employment placement and retention, family stability and well-being, and child health or progress in education.

Figure 3: Logic Model - Potential links between benefits advice and health outcomes



Source: Allmark *et al*, 2012

3.8 Conclusion

Patterns of non-take-up of benefits and tax credits are the result of the dynamic interactions between social and economic circumstances, policy reforms, administrative structures and different eligible population groups. The findings from the studies reviewed confirm the enduring relevance of a range of well-known explanatory factors that continue to shape the claiming process and that are associated with non-take-up. The most significant of these factors appears to be the level and accuracy of knowledge about an entitlement and its eligibility rules, linked with the perceived cash value of the benefit net of the transaction costs involved in claiming and maintaining entitlement. Other critical factors concern other features of the design and delivery of means-tested benefits, such as the complexity and method of making a claim, perceived stigma, and the interaction of these factors with the attitudes, circumstances and behaviours of potential recipients and those administering the benefits system. It is also important to note that the significance and interaction of these different factors will vary in explaining the non-claiming behaviour of particular social groups and the effectiveness of policy interventions and campaigns that seek to improve take-up.

In assessing and analysing the factors involved in non-take-up, the research studies have also generated insights into how the design and delivery of benefits could be improved, with varied and sometimes detailed policy proposals on how benefit take-up might be improved. The following chapter considers how national and local policy makers, and other intermediaries, have drawn on such insights and proposals and sought to improve take-up rates, through initiatives that have addressed both the structure and delivery of benefits and the attitudes of potential claimants.

4. The impact and design of take-up initiatives

This chapter reviews findings on the design and impacts of national changes in benefits and service delivery, mainly introduced by the previous Labour Government, that have sought to improve take-up, amongst other objectives. It also considers some of the more targeted take-up services and campaigns designed and delivered by lower tiers of government and by a wide range of intermediary bodies and voluntary organisations.

The evaluation literature on these take-up initiatives is diverse but the studies selected for more in-depth review were those that tested the efficacy of particular approaches to improving take-up and/or gave estimates, derived from primary or secondary research, on the impact of take-up initiatives on the financial circumstances and well-being of service users. The chapter also considers findings from other studies that evaluated the impacts that improved benefit take-up had on other outcomes, specifically on health and on employment placement and retention.

4.1 How take-up impacts are estimated

The primary method used in most take-up studies for assessing impact was to record the characteristics of service users, identify the benefits claimed and then calculate the financial value of the additional resources received. This information was typically collected through ad hoc surveys completed by service users or recorded by front line staff and service providers. The validity of such evidence was underpinned by 'good practice' guidance that Citizens Advice and the 'National Association of Welfare Rights Advisers' have published on how service providers and their staff should record the benefit income they have helped secure.¹⁷

An important convention, adopted by most agencies and evaluators, was that where a service or campaign generates additional weekly benefit income, one year's gain is recorded regardless of the length of time the benefit is actually received (which could be shorter, for example, for an unemployed claimant but might also be far longer for other claimants, such as carers and pensioners).

A further method for assessing the additional impact generated by improvements in household income involved the use of economic 'multipliers', which allowed evaluators and programme providers to estimate the secondary impacts of improved take-up on local economies in low-income areas. The seminal study on such a 'local multiplier' was published by the New Economics Foundation (NEF) in 2002, and their econometric tool continues to be available on their website.

¹⁷ CAB's, for example, are expected to differentiate between *Known outcomes*, where an adviser has taken a client's issue through to completion; *Anticipated outcomes*, where the adviser can reasonably assume, given the client's situation and the advice provided, an outcome will occur; *Established outcomes*, where the CAB follows up with a sample of clients after advice has been provided, to establish their outcome.

The original NEF study refers to research undertaken with the London Borough of Newham and Lancashire County Council on different welfare benefit take-up campaigns. It found that in Newham, for example, each additional £1 of benefit or tax credit income spent generated £1.77 in the local economy (2002, p.24). Findings from the NEF 'LM3 calculator', as it is called, are often cited, with several subsequent reports applying a general 'rule of thumb' local multiplier assumption of 1.7 for the additional local income generated by benefit take-up services and campaigns. Another approach was applied by The Fraser Allander Institute (2003) of Strathclyde University, which was commissioned to assess the local impact of welfare spending generated by Glasgow City Council Welfare Rights Services. The Institute applied its economic 'Scottish Input-Output' model and reported that 250 additional jobs would have been created by the £10.795m benefit income generated by the welfare rights service in 2002-03, of which 180 would have been in Glasgow.

The evidence base for the estimates given on the impact of take-up services and campaigns is limited to studies such as those above and the methods and results have not been subject to rigorous review. This review also found few other evaluations that made use of control and treatment groups. An earlier take-up review undertaken for the Scottish Government pointed out that in the absence of such evaluations it is difficult to attribute the actual contribution that take-up interventions made to the improvements recorded in many studies. Most of the typically small-scale control group studies undertaken were associated with measuring the impacts of welfare rights advice delivered in healthcare settings.

Only one study had made explicit use of 'programme theory evaluation'. This was an evaluation of 'Local Authority Child Poverty Innovation Pilots', which included the objective of improving benefit take-up, and which is considered later (Mason *et al.*, 2011).¹⁸

4.2 Take-up services and campaigns delivered by central government

The previous Labour Government was committed to securing reductions in pensioner and child poverty and it introduced successive reforms to the design and delivery of benefits and tax credits that aimed, amongst other things, to improve levels of take-up. One of the most successful reforms in these respects was the introduction of PC in 2003, which was associated with an increase in benefit take-up and implemented by the then recently created and separate Pensions Service. PC was more generous and the claiming and re-claiming process was simplified.

¹⁸ This approach involves clarifying the 'theory of change' inherent in particular programmes and interventions before assessing their impacts on the outcomes intended. Developing a theory of change is intended to provide a clear, concise and convincing explanation of what a programme or intervention does, the impact it is intended to have, and how the outputs of what it does will achieve the outcomes for its particular target group in the delivery context in which it is implemented. It is regarded by organisations, such as NESTA, as a prerequisite for effective evaluation, especially of relatively small-scale programmes – see, www.nesta.org.uk/publications/standards-evidence-impact-investing

It was significant that the Government had set an explicit Public Service Agreement take-up target for PC, with the aim of having 3 million households receiving PC by 2006, and 3.2 million by 2008 – calculated as an effective target take-up rate of some 70 per cent (Dornan, 2006, p.80).¹⁹ By 2007, PC was being paid to around 2.7 million households, around a million more than the predecessor Minimum Income Guarantee (MIG).

The Pension Service was formally launched on 1 April 2002, replacing over 400 social security offices as the means of delivering state pensions and benefits to pensioners. The service introduced a telephone based claims system supplemented by a 'Local Service', which was comprised of Local Information Points, often delivered in partnership with other organisations, and a home visits team. From its creation, the Pensions Service took a proactive approach to take-up, unlike the previous Benefits Agency. Over time the Service coordinated applications for PC with other possible benefits and it developed Joint Teams with LAs, with the intention that home visits to older people would be undertaken by people able to advise on the full range of benefits that a person might be able to claim.

In 2006, the National Audit Office (2006) undertook a major review of the impact that these reforms had on encouraging pensioner take-up of entitlements. The NAO reported that the initial PC marketing campaign, which had cost some £22 million, had worked well. The campaign was designed specifically to target potential claimants and it used sophisticated data-matching techniques and made extensive use of direct mail, TV and press advertising to promote awareness and generate take-up of PC. It succeeded in raising awareness, as at least 80 per cent of pensioners had heard of PC, compared with only 24 per cent recognition for the predecessor MIG, and research showed that the media campaign was a significant contributing factor. The advertising campaign was judged to be twice as cost-effective in increasing take-up as the previous MIG campaign, with every £1 spent leading to an additional £55 in benefits paid out. A key change in strategy was to position PC in people's minds as an entitlement, rather than a benefit. Around 75 per cent of PC claims were successful, compared with 45 per cent of claims arising from the MIG campaign which was also a good indication that the message conveyed was more accurately targeted.

After a marked initial growth in the number of claimants receiving PC, take-up had reached a plateau and by 2005-06 the Pensions Service had changed its approach in an effort to encourage harder-to-influence pensioners to apply. This was in response to continued evaluation of, and learning from, earlier phases of marketing, the accumulation of better data on non-recipients and greater understanding of impacts of increasing take-up. In particular, DWP research had increased understanding of the pensioner population not claiming entitlements, enabling differentiation by common characteristics, with subsequent initiatives including some highly-targeted and localised marketing activity directed at areas with relatively low take-up of PC.

¹⁹ This specific numerical target was dropped under the subsequent 2007 Comprehensive Spending Review and replaced by a more general indicator measuring the reduction of "the percentage of pensioners in low income" (defined as below 60% median income after housing costs).

Despite such initiatives, PC take-up subsequently improved only at a slow rate, local service provision was uneven and it appeared that, despite efforts to improve awareness, a significant group of pensioners remained resistant to submitting claims. In 2007, the Pensions Service reported that over a quarter of eligible non-recipients had not applied because they considered that they had enough to live on (PAC, 2007, p.8). In January 2009, the DWP reported to the Work and Pensions Committee that since the start of the PC campaign in 2003, a total of 735,298 apparently eligible non-recipients (some of whom may have been contacted on six or more occasions) had asked the Pensions Service not to contact them again (WPC, 2009, p.36).

This finding prompted further targeted and innovative approaches, which included testing whether automatically paying a benefit to an apparently eligible pensioner for a period before they had to submit a claim might be effective. This rigorous control group study tested two ways of improving PC take-up (Radford *et al.*, 2012).

The experiment used existing data held by the Pensions Service and it paid a sample of 2,000 randomly selected individuals their estimated PC for 12 weeks without them having first claimed (known as the Payment group). A further 2,000 sample who were deemed eligible were referred instead to DWP Visiting, an operational team that provided face-to-face assistance to vulnerable groups, to potentially receive a visit and assistance with claiming PC (the Visits group). The quantitative study concluded that the increases in take-up associated with both approaches were 'marginal' and costly. Subsequent take-up of PC was considered low in both study groups, with 8.6 per cent of the Payment group and 13.1 per cent of the Visits group subsequently making a successful claim. These rates compared with 2.9 per cent of such claims being made in the same period by the remainder of the eligible non-recipient population. Cost benefit analysis established that unconditionally paying apparently eligible people for 12 weeks cost around £3,800 for each successful award of PC achieved, and the DWP Visiting service cost about £600 for each successful award.

Qualitative research with the Payment group participants who did not make a claim when prompted found a number of factors involved. Some respondents remained of the view that they would not be entitled, despite being told that they might be eligible, and even though they needed the money. Others were passive and forgetful but said that they may have responded if they had received more reminders. Others were resistant because of the demands of the claims process, a concern they might have to pay money back and previous negative experiences with the benefit system.

These findings indicate how difficult it may be to overcome entrenched negative perceptions, passivity and views of not needing the money, amongst eligible non-recipients even when they may need the additional income.

In contrast with studies of pensioner take-up, many of the studies of national reforms in the design and delivery of working age benefits tend to consider take-up indirectly, with a far greater focus on the impacts that service and benefit changes have had on promoting transitions into employment.

In this context, the most relevant body of work concerned the delivery of in-work benefits. The role of JCP and other welfare to work intermediaries are considered later, but over the past decade HMRC also commissioned a number of research studies, which investigated reasons for the differential take-up of tax credits and explored a range of ways in which the claims process could be improved. One study, for example, asked actual and potential service users to identify ways of increasing WTC take-up, with respondents suggesting national and local advertising campaigns, greater promotion of WTC through JCP and LAs and providing information on WTC through employers (McApline and Thomas, 2008). The findings from these studies helped HMRC improve 'customer insight', and they enabled policy makers to better shape reforms in the design and delivery of tax credits that subsequently simplified the system, helped reduce stigma and improved take-up amongst families with children.

4.3 Take-up services and campaigns delivered by devolved administrations and local government

The review uncovered diverse reports and strategy documents on benefit take-up produced by and for the devolved administrations and local government. Although such lower tiers of government have little control over the basic design and eligibility rules of cash benefits and tax credits, they have control of significant levers through which to improve take-up including the many advice and information services and diverse take-up initiatives they have funded and delivered. These levels of government also have a particular interest in increasing benefit take-up, with their strategy documents typically identifying this as one of the levers through which they can meet their strategic objectives and statutory responsibilities. These responsibilities include seeking to reduce child poverty, increasing income amongst their poorer households and bringing more spending power into their local economies.

The Welsh, Northern Ireland and Scottish Governments have each analysed benefit and tax credits take-up and developed policy interventions within the context of their national poverty reduction strategies (Welsh Assembly, 2008; DSDNI, 2012; Scottish Government, 2011b). The evaluations of the related take-up programmes they have implemented typically assess impacts in terms of comparing the original budgets and targets against benefit and tax income subsequently claimed by service users, with some considering the multiplier impacts of the additional income generated.

In Northern Ireland, for example, the take-up report from the Department of Social Development (DSDNI, 2012) outlined that since 2005, more than £4.4 million had been invested in a range of 'evidence-based approaches', which had generated additional annual benefits and arrears repayments of over £50 million for more than 15,000 people. Those groups identified as being most vulnerable to poverty and likely to have unclaimed entitlement had been targeted: older people, people living with disability or illness, carers and families. Over the period there had been a steady increase in take-up of means tested benefits by older people as well as a reduction in pensioner poverty levels. The report suggested that the additional investment in benefit take-up activities supplemented and added value to more routine service delivery. This included funding benefit specific publications; an online Benefit

Advisor tool; and, targeted benefit entitlement checks delivered face to face through the Department's local offices and in partnership with voluntary organisations (2012, pp.12-13).

An evaluation of the Welsh Government's investment in HB and CTB take-up between 2008 and 2011 sought to discern impact through a comparison of changes in regional reciprocity rates (KPMG, 2012). The Welsh Government had allocated £4.5 million over the period to fund actions by LAs, with many of the councils utilising their grants to promote take-up through targeted advertising and through recruiting benefit take-up officers. These officers made home visits, trawled data and revisited cases of previous unsuccessful claimants in order to identify and target potential claimants. Most of the Welsh LAs considered that their take-up activities had had a positive impact, although these views were based on anecdotal evidence or evidenced simply by increases in caseload. The "need for greater monitoring of results was a key learning point" (KPMG, 2010, p. 6). The evaluators sought to discern impact by contrasting trends in HB and CTB reciprocity in Wales with the North East of England but acknowledged that it was hard to control for the impact of other factors, such as the recession. Nevertheless while both regions witnessed increases in HB and CTB reciprocity, the increases in Wales were greater which suggests that the take-up scheme had some additional effect (2010, pp.2-3). Another claimed outcome was 'clear evidence' that LAs had taken a more focused and planned approach to take-up activities from 2008 and it was likely that the additional funding from the Welsh Government had acted as a catalyst for this.

Evidence on the benefit and tax credit take-up initiatives of local government were also derived from a diverse range of project reports, evaluations and strategy documents that contained more or less information on their impacts. A significant finding was that in England, as in the other UK countries, a growing number of LAs had been making a transition from funding diverse but often uncoordinated projects and services which help facilitate benefit take-up towards the formulation, design and implementation of integrated 'income maximisation strategies'. The strategies found, and briefly reviewed, vary but they typically combine practical and immediate steps to improve household income, including benefit take-up, and are often linked with other services, especially those targeted at money management and debt reduction. These strategies have often developed alongside, or are defined within wider strategies that LAs have developed to reduce child or pensioner poverty and promote financial inclusion.

There are significant variations but the multi-agency 'financial inclusion' strategy implemented by Plymouth City Council gives a good insight into what is included in such approaches and how their impacts are assessed. The Plymouth strategy emerged from an analysis of developments and challenges, and followed local consultation in 2009. The key aims were to maximise take-up of welfare benefits and tax credits with an emphasis on in-work benefits; reduce problem debt; provide accessible and high quality financial inclusion services; reduce fuel poverty; and maximise opportunities for delivering financial inclusion through partnership working. To achieve those aims, the Council pledged to undertake a series of specific actions over three years, including the introduction of a number of welfare benefits and tax credit take-up initiatives (2010, p.2). A review of achievements up to 2010-11 found that an estimated additional £34.50 a week had been secured for over 5,000 people, which amounted to a total of

£9.1million of benefit for local people who were previously not claiming or receiving their full welfare benefit and tax credits entitlement (Plymouth City Council, 2010).

A comprehensive evaluation of another LA's take-up related services was undertaken for Sandwell Council by Local Economy Solutions and MEL Research (2010). The objective was to assess the impact of the Council's debt and benefits advice on individuals, their families and the wider economy. The analysis was based on more than 5,000 records relating to benefits advice provided by the Welfare Rights Unit in 2009-10. The evaluation found that more than £230,000 in additional on-going weekly payments to residents was generated, equating to an average weekly additional payment of about £46 for each case. In addition, more than £2 million was generated for residents in terms of one-off or arrears payments for benefits. Assuming additional benefit income was maintained for a year, these payments, together with the arrears reclaimed, equated to more than £14 million generated on behalf of residents, which was at least 14 times the annual cost of running the service (2010, p.2).²⁰

The evaluation also sought to identify the impact that the increase in benefit income had on the local economy. A survey of a selected sample of clients captured data on the expenditure patterns of 49 respondents finding that an estimated 94 per cent of additional income generated through benefits advice was spent locally. This was higher than the frequently cited NEF 1.7 'multiplier effect'. Using both multipliers it was estimated that the total amount generated within the Sandwell economy, as a result of advice provided during 2009-10, was between £24 million and £28 million, and this additional expenditure would have supported an additional 500 jobs (2010, pp.2-3).

The evaluation gave further findings on service user impacts. A telephone survey of welfare rights clients found that respondents were far more likely to see an improvement, rather than a worsening, in all of the following aspects of their lives, as a result of advice received and additional income secured: health; levels of stress; relations with family and friends; ability to buy essential things such as food and clothing; ability to buy other non-essential items; ability to undertake leisure activities; ability to travel; and, overall quality of life (2010, p.3).

It was noticeable that many of the LA take-up initiatives identified through the review were small-scale, and often funded through time-limited budgets, such as the Neighbourhood Renewal Fund and successor Working Neighbourhoods Fund. Several such projects are identified in the 'Take Up Matters' report which was published by an expert working group convened by the Child Poverty Unit (2009). The projects and practices identified exemplify good take-up practice across a wide range of LA services but the evidence on their impacts is largely anecdotal and, at best, it comprises output indicators, such as, increased service contacts and caseload changes, with some estimates of increases in benefit income.

²⁰ In a separate report, considered in more detail later, Macmillan Cancer Support (2012) highlight another way in which LAs derive value from benefits take-up work. In 2006 the formula for calculating the allocation of grants between LAs was changed to take into account the percentage of adults aged under 65 in receipt of DLA. The underlying formula is complex, but essentially the greater this percentage, the greater the allocation of the grant. It was estimated that as much as £1,492 in additional grants could be allocated to LAs for every additional person who successfully claims DLA.

One exception was the more sophisticated evaluation of the national 'Local Authority Child Poverty Innovation Pilot' (Mason et al, 2011), which funded ten small scale projects in England between 2009 and 2011. These projects tested innovative activity designed by local areas to tackle child poverty, each of which was expected to address at least one of five themes. One theme concerned 'raising family income' through the improved take-up of benefits and tax credits. Other themes included improving parental employment and narrowing the outcome gap between children in low income families and their peers.

The evaluation included the development of a detailed logic model from the aims and 'theory of change' of each pilot, with an assessment of key features and achievements, costs and outcome impacts. The report identified and explored effective practice in reducing child poverty and, amongst other things, found a high demand from parents for financial advice and support. It also found that the quick provision of additional financial resources can alleviate the immediate and medium term impacts of household poverty and assist parents to more effectively engage in a 'progression pathway', which can lead to longer term and sustained outcomes such as employment (Mason et al., 2011).

Another significant lesson from these local pilots was that parents may be reluctant to divulge details of their finances to advisers who they do not know. Yet, financial advice including benefits checks and 'better off in work calculations' require specialist skills and knowledge that more general family support staff are unlikely to have. Sensitive approaches are therefore required to promote the benefits of welfare advice and financial inclusion services and, once referred, supporting parents to access this provision is more likely to lead them to benefit from it.

4.4 Take-up services and campaigns delivered by independent welfare rights and other voluntary organisations

Many take-up initiatives are delivered through welfare rights and advice services, including Citizens Advice Bureaux, that aim to inform people about their entitlements, facilitate their capacity to access benefits, and enable service users to maximise their benefit income. Some of these diverse services are funded by central and local government with others funded by national voluntary organisations. In addition to providing their own front line services, such specialist welfare rights organisations play a vital role in taking referrals from other voluntary and statutory organisations and in providing outreach services in diverse settings in local communities.

The impacts of such welfare rights advice services, and of the take-up campaigns they have delivered, have typically been assessed in terms of additional income generated (Wiggan and Talbot, 2006). In an early review of the financial gains generated by 68 out of the 102 CABs who had run take-up campaigns, Citizens Advice (2003) reported estimates that some gained £85 for each £1 spent in running costs, with an overall estimated total gain of £13 million in unclaimed benefits. This study highlighted the importance and cost effectiveness of targeting those groups who were most likely not to be claiming the benefits for which they were eligible,

especially elderly people, people with disabilities, carers, low income families and BME communities.

In their annual report for 2010-11, Citizens Advice published detailed estimates of increased benefit income generated by their mainstream advice services, much of which concerns take-up. Although such a report is designed to 'showcase' the work of CABs, the data merits consideration. In that year, administrative information collected by CABs themselves showed that they had given support and advice to 690,000 clients who had raised more than 2.2 million benefits and tax credit issues. Half of all advice concerned clients' eligibility and entitlements to unclaimed benefits and tax credits. According to Citizens Advice, it recorded over £256 million worth of benefits and tax credit gain, with average back payment per client of benefits or tax credit of £2,100, and average ongoing annual benefits or tax credit gain per clients of £5,600. The report extrapolated - on the basis of other research showing that one third of CAB benefit clients achieved an outcome - an estimate that at least 142,000 benefit clients achieved a gain in 2010-11. According to Citizens Advice, this equated to a total of £748 million, which was 0.6 per cent of all benefits claimed in England and Wales in the same period (2012).

The Citizens Advice report also highlights other outcomes generated from increased benefit income, including extra spending in local economies, and reductions in pressure on other statutory services. For example, it was pointed out that CAB support with form filling, accounting for one in ten or 200,000 benefit issues dealt with had reduced the administrative burden on organisations such as JCP, by ensuring the information is completed correctly before submission.

Take-up services and campaigns are often delivered by other charitable and voluntary organisations either directly, or in combination with or through mainstream welfare rights services. Several studies have assessed the impact of some of these campaigns. Wiggan and Talbot (2006), for example, cite a review of a three year (2000-2003) welfare rights take-up project in Yorkshire and Humberside, run by the Royal National Institute of the Blind (RNIB) to improve take-up of benefits amongst the visually impaired. In the RNIB campaign, staff and volunteers from almost 90 different organisations were involved with many agencies including local CABs, societies for blind people, LA welfare rights units, Age Concern groups and voluntary advice centres in publicising the campaign, distributing material and providing advice sessions. The results showed that two thirds of the 1,733 individuals who received advice about their entitlements required further support in making claims (one third were already receiving their full entitlements) and of these, 53 per cent were aged 60 and over, with a large number making claims for DLA.

The monetary impact was substantial with RNIB estimating that around £916,000 per year of additional income (April 2000-January 2003) was received by people with sight difficulties and their carers. Just over half of this figure was through awards for DLA and AA, with the remainder made up of a range of other benefits. The RNIB estimated that, provided the people who were awarded extra benefit claimed for three years on average, then £44 would have been raised for every £1 of funding spent on the campaign.

Macmillan Cancer Support (2012) have also assessed the impacts of the local benefits advice and take-up services they deliver (abbreviated as BAS) to help people with terminal diagnoses of cancer to claim the income-related benefits to which they are entitled. These services provide specially trained benefits advisers who can assist people to claim the support that they are entitled to in order to remain as independent as possible. In 2011, the charity's network of face-to-face benefits advisers reached around 95,000 people affected by cancer, identifying around £160 million in benefits for them. It was estimated that for every £1 spent on Macmillan supported benefits advice, on average £14 was claimed back in benefits.

The evidence review of the local BAS summarised findings from seven separately published economic and quality impact case studies of individual BAS services. It found that each BAS generated income for service users, ranging from £584,053 to £4,691,690 per year. Community-based BAS were additionally found to alleviate the strain of travel costs associated with hospital attendance. BAS also helped free up the capacity of healthcare professionals to focus on their core clinical workloads, contributing to estimated productivity gains of between £13,475 and £108,434 per year for healthcare professionals. In addition, it was estimated BAS delivered savings for other local services of between £63,320 and £511,212 by reducing debt-related mental health issues. On an annual operational basis, every £1 invested in BAS was estimated to have generated between £12.11 and £29.87 of monetised benefits to service users, between £0.32 and £0.55 of monetised benefits to the healthcare system, and between £1.13 and £4.40 of monetised benefits to wider local services (Macmillan Cancer Support, 2012).

4.5 The impact of welfare rights advice given in NHS healthcare settings

Since the 1980s, a growing body of studies have investigated and reported on the impacts of welfare rights advice and information given in healthcare settings (HLAP, 2002, pp 9-10). In 2008, research commissioned by Age Concern found that such services were extensive, with a survey finding that 889 GP surgeries in England were providing welfare rights and benefits advice (WBA), of which many were linked to Citizens Advice (2008, p.9). This amounted to 10.5 per cent of the 8,433 general practices in England (probably an underestimate given not all the sampled services responded to the survey). Distribution of services across England was variable and appeared to be reducing, with Citizens Advice reporting a 33 per cent decline in GP-linked services from 2005. Survey responses were also received on approximately 200 other WAB services in hospitals, mental health and other health-care settings (2008, p.6).

Given the increased interest and funding invested in welfare rights advice in health care settings, Adams *et al.* (2006) undertook the first systematic review of the evidence. The review included 55 studies, but it characterised most as 'grey literature' and of 'limited scientific quality'. The main research design for much of the evidence was derived from before and after studies which did not have matched control groups and the outcome variables studied varied widely.

The review found that most welfare advice assessed was delivered by CAB workers or LA welfare rights officers, and delivered in primary care - with around a third of studies offering advice in clients' homes. Few studies had restrictive eligibility criteria or referral procedures. There was evidence that welfare rights advice delivered in healthcare settings led to worthwhile financial benefits, with a mean financial gain of £1026 per client seen in the year following advice amongst those studies reporting full financial data. There was considerable variation in the gains reported, and many studies identified that their data were incomplete, with a number of claims still 'pending'. The more effective services tended to be where health workers were both supportive of the advice service and aware of appropriate clients to refer to advice workers (Wiggan and Talbot, 2006).

There was less robust evidence of health improvements as a result of welfare rights advice. The overall assessment of the review was that in quantitative studies, the instruments used to assess health impacts largely relied on self-assessment; included non-specific scale measurements of general health; sample sizes were small; and few statistically significant differences were found and those established tended to relate to measures of psychological or social, rather than physical health. Follow up was limited to a maximum of 12 months, which is probably too short a period to detect changes in health following changes in financial circumstances. Qualitative methods were commonly used to assess both clients' and staff's perceptions of the impact of the advice, revealing that the advice was generally welcomed with extra benefit income gained commonly reported as being spent on household necessities and social activities.

Two more recent reports utilised evidence-based hierarchies to review subsequent studies on the health impacts of welfare rights advice. In a 'critical' review, Dobbie and Gillespie (2010) considered the health benefits of wider financial inclusion services, which found that income maximisation remains the central concern of most of the research they identified. They reaffirmed Adams *et al.* (2006) conclusion that while the impact of the welfare advice given on improving income was proven, there was still little hard evidence on its health effects.

In another systematic review health researchers assessed studies published between 2006 and 2010. They found the evidence continued "strongly to show financial benefits, less strongly, mental health benefits, and very weakly, physical benefits" (CLAHRC-SY, 2012, p.1). In particular, "the evidence suggests that advice targeted at groups likely to be under claiming benefits, such as the elderly disabled, will improve the financial position of most and the welfare and mental health of some" (p.18). In that context, they concluded that GPs and those commissioning health care interventions should consider the use of welfare rights advice for targeted groups, especially as it was likely to be cheap, (because it was primarily delivered by CAB volunteers), and also because the cost would largely fall on the DWP, thereby improving health-related outcomes without significant consequences for the NHS budget.

Recently, Allmark *et al.* (2012) undertook another evidence review which drew on a broader range of studies than utilised in the other health-related systematic reviews. They stressed in particular that although the other reviews had found no measured effect on physical health

from improved welfare benefit income; this was due more to an absence of evidence for the effect, rather than evidence for absence of the effect. This review instead developed a 'logic model' (see earlier discussion) and utilised the available evidence on potential as well as proven impacts of welfare advice interventions on health outcomes (Allmark *et al.*, 2012, p.2). The reviews key findings, based on 87 reports and articles that met their inclusion criteria (i.e. they had been subject to peer review) are summarised in Table 7 below.

Table 7: Key Impact Findings from Review of Evidence of Welfare Rights Advice in Healthcare Settings – Impact Model by Allmark *et al.*, 2012

	<i>Primary Outcomes</i>	<i>Secondary/Indirect Outcomes</i>
<i>Health</i>	Little quantitative evidence of direct physical health gains, but some qualitative evidence of such improvements, and more evidence in terms of gains made in mental health and emotional well-being.	Spending of increased income on certain items that resulted in health improvements, such as food; increased mobility (for example, taxis); additional domestic services such as cleaners and gardeners; large household items such as fridges; and personal items.
<i>Financial</i>	Most commonly reported financial benefits arose from previously unclaimed benefits and debt management advice.	Increased ability to manage financial affairs (with resultant reductions in stress, depression and thus improvements in emotional well-being).
<i>Non-Financial</i>	Other benefits included free prescriptions and dental treatment; council tax exemption; respite care; meals-on-wheels; disabled parking permits, aids and adaptations around the home; and community care alarm schemes.	Reduction in social isolation, improvements in family and other relationships and an improved home environment.
Source: Allmark <i>et al.</i> , 2012, pp 4-5		

4.6 Take-up initiatives and Welfare to Work providers

Rigorous evaluation evidence shows that working tax credits and other financial supplements paid to low paid workers have contributed to increased employment outcomes, greater employment retention and reduced in-work poverty (Gregg, 2012). In this context, one of the increasingly important functions of Jobcentre Plus and other front line welfare to work intermediaries has been to ensure that users who they assist to place in work, take up any in-work benefits and other support services they are entitled to. Despite the significant role such welfare to work intermediaries may play in improving benefit and tax credit take-up rates, there has been little direct attention given to this aspect of their work in the UK literature on take-up

initiatives. There was also little insight into the ways in which such intermediaries interact with welfare rights and information services.²¹

JCP personal advisers are required to encourage people to take up work and are expected to advise them on the overall package of support that is available on the transition to work. A key part of this service should include a 'better off calculation', which includes raising awareness and providing information on tax credits. Several evaluations have reported that when received many service users have appreciated such advice and it has played a role in their decision to take employment (Hasluck and Green, 2007).

One qualitative DWP evaluation specifically considered the role played by JCP advisers in communicating information about tax credits (Franses and Thomas, 2004). The research was commissioned in the wake of major tax credit changes in 2003, when JCP was expected to support HMRC in delivering and raising awareness about the new system. It involved interviews with 48 front line advisers and 100 service users. The research found significant variation in adviser behaviour and levels of knowledge on the tax credit system. Specialist advisers working with particular groups, such as lone parents or disabled people, had greater expertise on tax credits and were more likely to discuss them at interviews. Some groups, such as childless over-25 year olds, were unlikely to have such a discussion. The evaluation concluded that there was scope to increase service user engagement by making tax credits and 'better off calculations' a standard part of the advisory interviews.

In a context where take-up of HB and CTB amongst people in work is low, a DWP qualitative study reported little knowledge amongst out of work and in-work claimants, and JCP and Local Authority staff about how both benefits might operate as in-work benefits and work incentives (Turley and Thomas, 2006). JCP advisers largely attributed the situation to the complexity of both benefits, with those interviewed calling for more information for potential claimants and for greater training for staff to enable them to promote HB and CTB as in-work benefits.

This review for JRF also found some descriptive assessments of different ways in which other welfare to work intermediaries sought to integrate benefits advice with employment assistance but the evidence on take-up impacts was limited. The data given on one take-up initiative cited by the Child Poverty Unit (2009) was typical. It concerned the work of the 'Mayor's Workplace Employment Project' at the London Borough of Newham. The project was established in 2007 to ensure that local residents, especially the long term unemployed, were able to access the jobs being created through local regeneration projects. The project provides access to skills training and job placement and it is supplemented by on-site availability of specialist benefit advice and support. This includes an experienced HB officer who works exclusively on the project and is based alongside a team of employment advisors, supplemented by a CAB advisor who is available two days per week. This means that issues with HB and CTB can be quickly resolved, issues with rent arrears investigated and HB administration systems immediately utilised. The service includes a 'better off in work' calculation and individuals are given a

²¹ Early evidence suggests assistance with meeting initial work expenses and with claiming tax credits is a core element of the in-work services targeted at Work Programme participants (Newton et al, 2012, chapter 10).

guarantee that they will be paid a HB top up for up to one year if they find themselves worse off in returning to work. Unfortunately there was no information given on the impact of the service or of the role played by the integrated benefits advice available.

The Child Poverty Unit take-up report (2009) also cited a low cost £50,000 project delivered by 'Working Families', a charity that helps working parents and carers and provides basic advice on the benefits and tax credits that they may claim. The charity undertook major marketing activities in a particular locality for three months in 2008. This involved mailings to around 6,000 employers, business support organisations and trade associations, providing take-up information to be distributed via company intranet sites, messages in wage slips and posters, as well as individual distribution to employees and staff induction packs. Workplace outreach visits also took place in 2008 and 2009. During these visits employers encouraged employees to speak to the advisor. Working Families subsequently received over 1,000 calls on their helpline regarding tax credits that could be attributed to the outreach activity. The 'key learning' was considered to be that employers can successfully promote tax credits using printed information and that employees were more likely to accept information from people they know, for example, union or staff representatives.

In contrast with the UK, the review uncovered more detailed findings on take-up activity undertaken by U.S. welfare to work intermediaries. These studies report on various services that have been developed and tested, which combine employment placement, retention and advancement services with take up of financial and service-based work supports, such as child care (Sherwood, 2009). One such programme, the 'Work Advancement and Support Centre' (WASC), was subject to a five-year random assignment evaluation. The programme offered participants employment retention and advancement services, combined with easier access to work supports. Both services were delivered by co-located teams of workforce and welfare staff in three 'One-Stop Career Centres' in different states. Services were provided to randomly allocated workers for two years between 2005 and 2010. The work support services comprised:

- **Education about available work supports.** Staff used a web-based tool called the 'Work Advancement Calculator', which used household information to identify all the benefits for which participants appeared to be eligible and to calculate the likely effect of these benefits on household income; and
- **Simplified procedures to apply for work supports.** Staff assisted participants with applications for all programmes, reduced the amount of documentation required across different programmes, extended the interval between recertification for benefits, and offered nonstandard office hours.

The final evaluation reported that the programme increased workers' receipt of work supports, although the effects varied substantially across the three sites. The largest effects were in San Diego, which had the lowest work support receipt rates at baseline. In that site in Year 2, for example, WASC increased Food Stamp receipt by 8 per cent and child care subsidy receipt by 14 per cent. Significant implementation findings suggest that offering access to work supports along with advancement services proved to be more convenient for low-wage workers and

helped to reduce the stigma sometimes associated with applying for these benefits. In addition, many workers were drawn to the programme because of the advancement services it provided, suggesting that simply offering easier access to work supports by itself might not attract many low wage workers who would nonetheless be eligible (Miller et al, 2012, ES-6).

A further approach in the U.S. has entailed intermediaries engaging directly with employers to enlist their assistance in enabling their low paid workers access unclaimed work supports and thereby helping employers meet challenges in 'recruiting, retaining, and advancing' such staff (The Finance Project, 2005). A Ford Foundation sponsored evaluation, 'Bridging the Gap' (BTG), tested how employers in a low paid sector might assist with take-up. The demonstration project involved a partnership between the National Human Services Assembly (NHSA), (which works with non-profit employers delivering social and care services), with SeedCo's 'Earned Benefits' technology (see Figure 4).

Figure 4: Seedco's EarnBenefits (www.earnbenefits.org)

Seedco is a national non-profit organisation that works with local partners to create economic opportunities for disadvantaged job seekers and low-wage workers. Seedco's flagship asset building program is an innovative work supports initiative, EarnBenefits, which it develops and implements through partnerships with employers, faith and community-based organisations, government agencies and foundations. EarnBenefits uses a state of the art technology tool – EarnBenefits Online (EBO) – which facilitates take-up of a range of income-enhancing public and private benefits, such as tax credits, Food Stamps, health insurance, and bank accounts.

EarnBenefits was launched in New York City in 2004 and was initially delivered in partnership with the United Way of New York City and supported by the Annie E. Casey Foundation. EarnBenefits has since expanded and has been delivered at varied sites in Atlanta, Baltimore, Buffalo, Connecticut, Louisville, Memphis and Tulsa.

Source: Center for Working Families (2005) CWF *EarnBenefits* Evaluation/Learning Paper (with Seedco), at <http://www.aecf.org/upload/PublicationFiles/FES3622H5026.pdf>

The demonstration project tested two related hypotheses:

- The HR function in non-profit human services employers can be used to help low-paid employees enrol in financial and other work supports for which they are eligible.
- Employer-based delivery of work support services can both increase employee enrolment and enhance employer performance, related to employee engagement, absenteeism, productivity and turnover.

The project was evaluated by an external consultant through a mixed-methods impact evaluation that examined programme usage, efficacy and outcomes (NHSA, 2013).

Over a two-year period, 10 per cent of the individuals whom agencies had employed in low-paid positions were screened in six sites. Of the 1,029 screened employees, 86 per cent (883) were eligible for new or additional work supports and with the pilot's assistance 232 employees

began receiving new work supports. The estimated financial value of the additional work supports gained was estimated to be about \$587,000 per year, which averaged about \$2,500 per year for each enrolled employee and their household. This level of additional support was meaningful to the project participants who, when questioned, reported less worry, better concentration at work, less work time lost, and improved ability to care for their health. Employees who participated in the project also had high levels of employee engagement.

One significant finding concerned the wider financial instability experienced by many of the lower paid workers participating. This resulted in frequent changes in housing, financial, phone and child care arrangements, which hampered efforts to apply for in-work supports. There were also some difficulties with the bureaucracies delivering the various services.

The evaluation found a 'moderate business case' for non-profit human services employers to support the provision of work support services. The evaluation 'conservatively' estimated that if non-profit employers screened 100 low-paid employees a year for work supports they could realise cost-savings of about \$19,600 from increased productivity, as well as reductions in absenteeism, turnover and lost work time. These cost-savings would partially offset the same employer's projected costs of about \$54,300 for delivering work support services, yielding a net annual cost of about \$34,700. The benefits for the 100 employees screened would be an estimated \$57,000 per year in work supports.

The evaluation concluded that the impacts of such employer delivered screening could be enhanced through a number of steps such as the employer offer of a menu of wider 'financial wellness' supports that include:

- In-house screening to prioritise employees who are most likely to qualify for work supports.
- Targeting high-value work supports, which included Food Stamps, tax credits and health insurance.
- New or expanded partnerships with external organisations, such as credit unions or local non-profits who might offer tax preparation services.
- Assistance with opening bank accounts and accessing quality, non-predatory financial products.

While employer involvement in the take-up of work supports and in-work benefits may be effective in enabling more of the working poor claim their entitlements, it can also be controversial. This is especially the case in the USA, where large corporations, such as McDonalds and Walmart, have been criticised by trade unions, local politicians and 'living wage' advocates for encouraging their low paid employees to enrol on work support programmes, such as Food Stamps.²² The interaction between the public costs of in-work supports and the

²² See, for example, Barry Ritholtz, Bloomberg blog on 'How McDonald's and Wal-Mart Became Welfare Queens', 13 November, 2013 at www.bloomberg.com/news/2013-11-13/how-mcdonald-s-and-wal-mart-became-welfare-queens.html

wage-setting behaviour of low wage employers is attracting increased attention. For example, one recent U.S. study found that up to half of the families of front-line fast-food workers are enrolled in one or more work support programmes, including tax credits and Food Stamps, compared to 25 per cent of the workforce as a whole (Allegretto *et al.*, 2013). Such concerns have also been raised in the UK, where campaigns to raise the minimum wage and for a 'living wage' have highlighted that the growth in in-work poverty has taken place alongside the expanded coverage of tax credits.

4.7 'What works' to increase take-up of benefits

The findings on the impacts of the various initiatives reviewed demonstrate how both changes in benefit design and service delivery, and more targeted take-up services and campaigns have helped increase take-up, generate financial gains for poor households and create additional jobs for low income communities. For many of the individuals involved, their increased income was found to contribute to related improvements in their circumstances, including reductions in stress and debt and improvements in mental health and well-being. Improvements in household income and family stability could also facilitate engagement with other services. There is also some evidence that improvements in the take-up of in-work benefits can contribute to job entry and retention and help ameliorate in-work poverty.

One of the more significant findings is that, when it gives take-up greater priority, central Government can (and previously has) done much to improve take-up, both through benefit design and simplification, changes in service delivery and general and targeted advertising campaigns, including those making better use of existing data on harder-to-reach groups. There were limits, however, to the efficacy and cost effectiveness of some of the national take-up changes that were tested, with, for example, diminishing returns found from making multiple approaches to potentially PC eligible pensioners.

While benefit entitlement and eligibility rules are set nationally, the review found considerable evidence that initiatives taken at the local level, whether by LAs themselves or by local public and voluntary agencies, are among the most effective ways of increasing benefit take-up. In addition to targeted and often time-limited campaigns, the devolved administrations and many other tiers of local government have now embedded their benefit advice and take-up services within wider income maximisation, financial inclusion and anti-poverty strategies.

While some evaluations directly tested the efficacy of particular approaches to improving take-up, the findings and insights generated in this literature indicate that there are multiple ways in which services and campaigns can be designed and targeted to better address the primary factors associated with the non-take-up of means-tested benefits and tax credits.

Some important characteristics of the more effective approaches to improving benefit take-up included:

- Reducing complexity with public agencies, simplifying the language and content of benefit application forms, and for some benefits, reducing duplication in the information on, and verification of, the circumstances required.

- Easing the process of claiming through the telephone and digital claims processes, albeit such developments require careful design so as not to create new barriers.
- Using 'trigger points' for the receipt of other services or benefits to promote benefit take-up. Examples included, benefit checks undertaken by social landlords with new tenancy agreements; when children were given local authority statements of special educational needs; or when elderly people applied for care assistance.
- Improving information and awareness of welfare benefits especially amongst harder-to-reach groups through better publicity i.e. making use of local agencies and local media and advertising campaigns (including the use of posters, leaflets and even advertising on prescriptions), targeted bus routes and pay slips. Such benefit take-up material is often targeted at locations that possible recipients use frequently, for example, libraries, leisure centres, hospitals, GP and dental surgeries and shopping centres.
- Taking information into communities through outreach activities, often in partnership with other organisations, which could include 'roving' advice sessions (through mobile libraries, benefit buses), video linked advice sessions and home visits.

There were also positive impacts associated with the delivery of take-up and support services by advisers drawn from the social group with whom they would be working, who were more successful in raising awareness leading to an increase in eventual claims. This is often because such advisers have the linguistic skills required (or the help of professional/local translators), understand local cultural attitudes towards claiming benefits, and are better able to empathise with members of the local community and the problems they face (CAB, 2003; Moffatt and Mackintosh, 2006).

It was noticeable that many of the local and targeted take-up and income maximisation strategies were informed by research findings. They also involved a greater use of data to target take-up activity at groups or communities most at risk of non-take-up and with potentially high value entitlements. There were, however, significant constraints on data sharing between many organisations, due to privacy legislation, and this limited the extent of targeting activity that was possible.

Another feature of take-up services and campaigns was partnership working with other trusted intermediaries, such as health workers, and community based organisations that are closer to potential claimants and using these vectors to inform claimants about their entitlements and how to access support in making claims. Research evidence suggests some particular success in using such approaches to engage with minority ethnic communities.

The research findings also point to the value of welfare benefits advice being made available through local, trusted, less stigmatised and more accessible settings; including Children's Centres, community and voluntary centres, health care locations and, to some extent, through welfare to work providers. Such advantages are even greater for welfare advice delivered in healthcare settings (HLAP, 2002; Abbott and Hobby, 2005):

- The service is local and accessible compared to high street CABs or town hall advice centres; home visits could be arranged and advice workers in GP surgeries facilitate access for people who would otherwise be effectively excluded due to age, poor health, poverty, lack of transport, or psychological barriers from visiting mainstream advice services.
- Research suggests that service users prefer a setting which is familiar, non-stigmatising and nearer to home. Premises are often better than those of other advice services', appointment systems that are more efficient and have shorter waiting times.
- The stigma of claiming is further reduced because the service is legitimised, for example, if a GP recommends that an elderly person makes a benefits claim, the resistance to claiming is reduced.

Additional benefits are that delivery through diverse local settings is likely to promote knowledge of wider advice services amongst other professionals and service workers, available. It could also improve their confidence to give more accurate information and make appropriate referrals.

The health-related evidence also suggested that the presence of an advice worker in a GP surgery serves as a resource for health professionals when dealing with health related benefits claims, such as DLA. Access to welfare rights experience and knowledge was found to save time for GPs completing forms and ensuring correct claims are submitted, thereby increasing the efficiency of health related claims and appeals through proximity and team work.

One of the key findings, and a recurrent theme throughout the take-up literature, concerns the importance of access to, and the availability of, services with trained staff able to provide independent and authoritative welfare rights information, advice and support. Such services and advisers play a key role in take-up initiatives and when they supplemented the work of other front line staff in diverse service settings, they were perceived to improve attitudes towards claimants, knowledge of the welfare system and the support given to potential recipients in determining eligibility.

5. Conclusion

In the past decade major reforms to cash benefits and delivery agencies changed the landscape of the British welfare state. Income-related in-work and out-of-work benefits were redesigned to help reduce child and pensioner poverty and to increase incentives to work and save. The value of pensioner and child benefits increased whilst the value of working age benefits did not (MacInnes et al, 2013). The strategy succeeded in targeting more resources on poor families and pensioners but also had the effect of bringing many more low paid workers and pensioners within the scope of means-tested benefits.

National agencies were reorganised and new service delivery models were introduced, which involved far greater use of telephone and digital channels for managing communications and benefit transactions. The purpose, design and availability of front line offices changed and 'back office' administrative systems were rationalised into larger contact and benefit delivery centres, where standardised 'scripts' guide the day-to-day interactions with benefit claimants. After a period of reorganisation and investment, from 2007 the DWP and HMRC experienced reductions in staff levels and changes to operating models and work practices.

Over this period, there were significant efforts by the DWP and HMRC to promote benefit take-up amongst priority groups, particularly pensioners and working families with children. These efforts included reductions in complex benefit and tax credit eligibility rules; advertising and take-up campaigns; the more inclusive design of telephone and internet services; outreach services and working with local partners; more careful wording, presentation and translation of forms and standard communications; improving the environment of front line Jobcentres; and targeting home visits at harder-to-reach pensioners. At the same time, LAs delivered diverse take-up services and organised take-up campaigns, albeit many were funded on a short-term basis. Welfare rights and voluntary organisations also played a vital front-line role in delivering advice and information services that helped people navigate complex benefits and eligibility changes and promoted benefit take-up.

Although there was some success in increasing take-up rates of PC and of tax credits, take-up rates declined for most means-tested benefits, with the fall most significant for JSA, HB and CTB. The findings from the studies reviewed in this report give some insight into why such take-up rates have changed. These factors concern the dynamic interactions and relationships between the design, eligibility for, and objectives of, the individual benefits; the priorities and working practices of delivery agencies; and the attitudes, circumstances and cultures of different claimant groups.

One factor, paradoxically, may have been the increased relative generosity of some cash benefits for pensioners and families, with more claimants feeling better off and able to 'get by' and less inclined to claim additional means-tested support, such as CTB. Another factor concerns increased coverage and generosity with a now wider eligible group of potential beneficiaries who may have been unaware of their entitlements, or who may not have made claims because they had higher relative incomes and relatively small entitlements.

There are, however, other less positive explanations and it should be emphasised that significant groups of people in low income households continued not to claim the benefits to which they had an entitlement and which, if received, could have improved their living standards and lifted many out of poverty. These other factors contributing to low take-up included the negative impact of policy changes. The most obvious concerned rapid changes made in entitlements, rules and delivery systems; complex claiming processes; and poor connections between the DWP, HMRC and LAs. Over the period, parliamentary inquiries and reports from independent agencies continued to criticise the impact of many of these changes on disadvantaged service users and on take-up rates. Key areas highlighted were continuing complexity in the benefits and tax credit system, reliance on poorly developed ICT systems, weak coordination of services, and the reduced options available for face-to-face contact to discuss and apply for benefits (Finn et al, 2008).

Take-up was also discouraged for some groups. In particular, increased conditionality, and related sanctions, are designed to get people into work as quickly as possible and as a result, make their claims to benefits relatively short-lived. However, a side effect of this 'stricter benefit regime' has been that others have become 'nudged' into economic inactivity. Little is known of how this latter group has fared and whilst some are able to 'get by', and others able to draw on their savings or the help of other family members, others may now be 'disconnected' from benefits and the employment services system.

A further related factor is likely to have been media coverage and the character of the public debate about welfare dependency, which increased public stigma attached to those claiming benefits, especially people of working age. Research findings suggest that this development was linked to reductions in take-up and a reluctance to claim among potential beneficiaries.

5.1 The impact of Coalition Government policies on benefit take-up

From 2010, the Coalition Government has enacted new legislation and embarked on further changes to the design and delivery of the benefits system. It has also begun to implement a wide range of austerity-driven cuts in the financial value and coverage of many individual benefits. At the same time service delivery agencies and LAs are absorbing major cuts in their budgets whilst implementing new Government programmes. Many of the changes anticipated have not yet been fully implemented but it is likely that over the next decade benefit take-up will be further affected by radical change in the welfare landscape; with some reforms likely to encourage take-up but others likely to discourage it and/or make it more difficult, especially for more disadvantaged service users.

The introduction of the Single Tier Pension (STP) from 2016 will improve take-up and begin to remove many older people from the means-tested system, as more pensioners qualify for a full state pension in their own right and benefit from the more generous 'triple-lock' uprating of the STP. The share of pensioners eligible for PC will fall from just under half (45 per cent) currently; but even by 2050, around a third of older people will still qualify (DWP, 2011, p.21). The PC is

not, however, protected by 'triple-lock' uprating and the reduction in its coverage and importance to policy makers may risk further stigma of income-tested PC for the poorest pensioners, and a reduction in take-up efforts. Gugushvili and Hirsch (2014) emphasise that take-up will remain important as the means-tested system, including PC and support with Council Tax and rent costs, will continue to be an important safeguard for existing and future poor pensioners.

Universal Credit for working age people has been designed to improve work incentives but also as a single benefit, paid to households on a monthly basis, predominantly through digital channels. It is intended to reduce complexity and make reporting and managing changes in circumstances easier. The Government anticipates that the greater simplicity of UC will itself lead to a "substantial increase in the take-up of currently unclaimed benefits, with most of the impact being at the lower end of the income distribution". The final DWP Impact Assessment estimates that the entitlement gain from improved take-up under UC "for the bottom two deciles are £25 and £22 per month respectively" and that there "are no groups for whom a reduction in take-up under UC is anticipated" (DWP, 2012c , p.5 and p.15). In steady-state the estimated net impact of the UC entitlement changes and increased take-up is to increase benefit expenditure by around £2.3bn (much of which is recouped from other UC related savings).

It will be important to monitor whether these assumptions about UC are fully realised. In particular, the evidence shows that take-up is influenced by benefit awareness and, at its most basic, it will take much time for UC awareness to develop as the new rules, regulations and systems will be unfamiliar to potential claimants, front line delivery staff, and the intermediary organisations and social networks that assist more disadvantaged recipients make claims. There is also a clear risk that digital delivery may reduce and deter take-up amongst the many people in poor households who do not have access to computers and/or the skills or capacity to navigate digital channels (Tarr and Finn, 2012). There is also much uncertainty about the impacts on take-up of tougher UC conditionality for out-of-work claimants and the extension of conditionality to over a million in-work UC recipients, who will be assessed as capable of 'doing more' (Garaud and Oakley, 2013). In future, Government Ministers may choose, for example, not to interpret non-take-up amongst working age people as a problem but as a signal that they are more effectively reducing welfare dependency.

The Government's UC implementation plans have become mired in controversy and have encountered early difficulties, especially in the development of the digital delivery system. However the intention is still to gradually roll out coverage to some eight million households, with full implementation anticipated within five years. The DWP is also working with LAs and Social Landlords to pilot different ways of enabling more disadvantaged claimants manage the behavioural and financial transition to the new system. In particular, it expects LAs in partnership with Jobcentre Plus, to take the lead in developing 'Local Support Services' that will help claimants who need short term assistance manage the transition to UC and provide longer term support for claimants with 'complex needs' (DWP, 2013b). Such services will vary but they are likely to play an important take-up role in enabling potential claimants' access their

entitlements. Although DWP has now committed to support such partnership formation until 2020, and the Government has provided some other temporary additional support for advice agencies; it is anticipated that in the longer term additional demands for support with assistance in getting access to welfare benefits should be borne by LAs.

Although LAs will continue to have an interest in promoting take-up of most national means-tested benefits, the devolution of Council Tax Support, and some elements of the Social Fund, have changed their incentives. In particular, the CTB budget was cut by 10 per cent and the sum devolved to LAs is now cash limited and unresponsive to future caseload changes. LAs are required, however, to offer the same levels of support to pensioners and war pensioners previously available under CTB. In 2013-14, most LAs reduced the support available, with over 70 per cent introducing charges for working age claimants (NAO, 2013). Paradoxically, the new funding system meant that the financial burden placed on working age claimants was higher in those LA areas where CTB take-up by pensioners had previously been highest. It will be important to monitor how LAs respond to the change in funding as, amongst other options, they will be able to reduce the cost of Council Tax support by discouraging claims and doing less to encourage take-up.

5.2 Supporting and encouraging benefit take-up in the new welfare landscape

Means-testing is going to remain at the centre of the British welfare system and take-up of cash benefits and other services will be a significant factor shaping the impact that austerity measures and welfare reforms will have on future poverty. In this context, measures to improve take-up will remain central to anti-poverty strategies.

The Government itself clearly has the primary responsibility to ensure that potential claimants are informed of their eligibility, the claims process is facilitated and that services are targeted adequately at the many disadvantaged groups who the evidence in this report suggests are less likely to claim their entitlements. It is important the Government, and its delivery partners, monitor the differential impact of welfare reform policies on take-up and make effective use of the insights gained from the many pilots and initiatives that are being tested alongside the gradual implementation of UC.

The Government has committed to continue publication of take-up statistics on means-tested benefits, including in future UC, and it is important to continue estimating take-up of Council Tax Support within this series. If take-up rates do not improve as the Government has suggested, it should consider setting an independently assessed indicator giving the level of take-up it wishes to achieve and which would help drive future improvements. The data series should continue to measure the extent to which any increase or fall in take-up of means-tested entitlements affects the number of people in low income households, as measured in the earlier published estimates. The Government might also consider investing some of any unspent means-tested benefits in testing new approaches to take-up, especially amongst groups who are not claiming high-value entitlements.

The work of scrutiny and challenge bodies, such as Select Committees, will remain vital to ensure that benefit take-up is considered when reviewing welfare reforms, drawing attention to problems and make recommendations for change.

The UK's devolved administrations and many LAs have led the way in developing take-up campaigns and services and this will continue to be an important lever that they have for tackling household poverty and generating additional local income and expenditure, especially in low income communities. Most LAs and many social landlords are considering and preparing for the increased demand for welfare rights information, advice and support that is being generated by current benefit cuts. These demands are likely to intensify further during the long transition to and full implementation of UC. Although creating an extra impost on limited resources, councils need to consider sustaining and, where possible, increasing their investment in specialist welfare rights services. Such specialists can play an important role in regularly updating the more general information and training given to many other front line staff who interact with members of the public, especially disadvantaged groups, and who may need information, advice and support on benefits and welfare rights issues. Such activities should be considered within the updating of the anti-poverty, income maximisation and financial inclusion strategies that many LAs have developed, and those councils who have not developed such strategies should be encouraged to do so.

National charities and voluntary organisations – such as Citizens Advice, Age UK, Cancer Research and Macmillan Cancer Relief – are uniquely placed to promote take-up and monitor the impact of changes in benefits and in DWP service delivery. Many such organisations may also be in a position, through locally-based offices, to help trial identification methods of eligible non-recipients, new advice and support interventions at a local level. They could then evaluate their effectiveness in terms of increasing take-up rates.

NHS-related delivery organisations and GP consortia should also consider the further provision of welfare rights advice and support services within healthcare settings and how they work with and refer service users to more specialist welfare rights advice. The evidence suggests increased benefit take-up has positive impacts on household income and on some health outcomes, at little cost to the NHS. There is a particular need for cultivating these partnerships as health professionals and clinicians are likely to be encountering more patients in financial hardship and to be expected to provide assistance and intervene on benefit-related issues, especially those concerning disability assessments.

Welfare-to-work providers and employers may find themselves playing a more direct role in providing advice and assistance with benefit take-up, especially those delivering the Work Programme. The evidence from the U.S. suggests that assisting with in-work benefit take-up can assist with the transition into employment and claiming tax credits and that UC and other means-tested financial supports may improve employment sustainability. There may also be less stigma attached to welfare advice and assistance with take-up that is delivered in employment support settings.

Local voluntary and community organisations are in the unique position of working closely with members of a particular community, and of having detailed knowledge of the welfare needs of local individuals and groups. As such, they continue to be well-placed to identify eligible non-recipients of welfare benefits, help to raise awareness of benefits, and advise and support people through the claims process – whether independently or as part of a partnership with a local authority. Like LAs, however, few of these organisations undertake impact assessments of the services they provide. This may be due to lack of the requisite expertise and resources, and therefore the development of a simple evaluation tool for these organisations to use may help them to identify the value of the welfare rights and benefit take-up work they do.

This review located many publications from local government, intermediary organisations and voluntary agencies that had undertaken their own reviews and identified evidence on good practice in terms of providing welfare benefits advice and support services, and promoting benefit take-up by eligible non-recipients. This literature includes many targeted and high-quality 'good practice guides' aimed at reducing barriers and improving benefit take-up for specific client groups, such as minority ethnic communities, young care leavers, health service users, older people, housing association tenants, and so on. There may be value in creating an on-line portal and warehouse where such best practice guides and related 'take up' evaluations could be stored and accessed.

Further encouragement is needed of policy-related research and public policy debate on the reasons for and impact of low take-up. More should be done to stimulate a better understanding of 'what works' in promoting take-up and the dissemination of examples of best practice. Finally, the government should commit to the annual publication of the DWP's future benefit take-up statistics for UC and other means-tested benefits. It should also ensure that the level of take-up is considered as part of its strategy to reduce child poverty.

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