



Department
for Work &
Pensions

Monitoring the non-take-up of social benefits in Great Britain

11 March 2020

Joanna Littlechild, Head of Surveys
Department for Work and Pensions

Outline

- Introduction and context
- Historic context pre-2012
- Improvements in new methodology
- Challenges of estimating Take-up for Universal Credit
- Any Questions?

About me

- Head of Surveys Branch, Data as Statistics
- Responsible for:
 - Family Resource Survey (FRS) and related outputs
 - Households Below Average Income (HBAI)
 - Pensioners' Incomes Series (PI)
 - Income-related Benefits: Estimates of Take-up
 - Income Dynamics (based on Understanding Society data) (ID)

 - DWP contribution to English Longitudinal Study of Aging (ELSA)
 - DWP contribution to Wealth and Assets Survey (WAS)

UK Code of Practice

- All statistics in the UK are produced under the UK Code of Practice for Statistics.
- The Code provides producers of official statistics with the detailed practices they must commit to when producing and releasing official statistics.
- The Code ensures that the statistics published by government serve the public. When producers of official statistics comply with the Code, it gives users of statistics and citizens confidence that published government statistics are of **public value**, are **high quality** and are produced by people and organisations that are **worthy of trust**.
- Code of Practice available here: <https://www.statisticsauthority.gov.uk/code-of-practice/>

Latest results – published 27 February 2020

Income-Related Benefits: Estimates of Take-up

Data for financial year 2017/18

● Annual

Published: 27 February 2020
Great Britain

Official statistics

This report looks at estimates of take-up for income-related benefits. The benefits covered are Pension Credit (PC), Housing Benefit (HB) and Income Support/Income-related Employment and Support Allowance (IS/ESA (IR)). Take-up refers to the receipt of benefits someone is entitled to and we estimate take-up in two ways, by numbers of people who claim these benefits ('caseload') and by the amount these people claim ('expenditure').

Pension Credit



6 out of 10 of those entitled to Pension Credit claimed the benefit



70 per cent of the total amount of Pension Credit that could have been claimed was claimed

Housing Benefit



8 out of 10 of those entitled to Housing Benefit claimed the benefit



89 per cent of the total amount of Housing Benefit that could have been claimed was claimed

Income Support/Income-related Employment and Support Allowance



9 out of 10 of those entitled to Income Support/Income-related Employment and Support Allowance claimed the benefit



92 per cent of the total amount of Income Support/Income-related Employment and Support Allowance that could have been claimed was claimed

UK Take-up Statistics

Department for Work and Pensions (DWP):

Income-related Benefits: Estimates of Take-up (Next publication 2018/19 stats in October/November 2020)

<https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2017-to-2018>

Her Majesty's Revenue and Customs (HMRC):

Child Benefit, Child Tax Credit (CTC) and Working Tax Credit (WTC) take-up rates

<https://www.gov.uk/government/statistics/child-benefit-child-tax-credit-ctc-and-working-tax-credit-wtc-take-up-rates-2017-to-2018>

What is Take-up and how is it measured?

- Take-up refers to the receipt of income-related benefits someone is entitled to. There are some people who are entitled to benefits but not receiving them.
- An income-related benefit is a benefit where a potential claimant's income is taken into account when deciding whether they are entitled to the benefit. This income can include income from savings or earnings.
- Caseload: Over a one-year period, the average number of benefit recipients who received each benefit compared to the number if everyone entitled to the benefit had claimed it.
- Expenditure: Over a one-year period, the average amount of a benefit claimed multiplied by the total number of people claiming it, compared to the total amount if everyone entitled to the benefit had claimed it.

Take-up Statistics – What are they and what are they not?

- Currently covers three benefits: Pension Credit (PC), Housing Benefit (HB) and Income Support/Income-related Employment and Support Allowance(IS/ESA).
- What they are not:
 - Statistics on numbers in receipt of benefits. DWP publishes other statistics on this
 - Due to the differences in benefit systems, it is not possible to provide estimates for Northern Ireland (only figures for Great Britain are reported)
 - Cover a lower level than Great Britain.
 - Cover non-private households – so exclude communal establishments
 - Provide reasons for non-take-up
 - Not the evaluation of any specific initiative to support take-up of benefits

Take-up Statistics – Uses

- Increase awareness/take-up of benefits – the take-up statistics and further analysis tables are often used to help increase the awareness of benefits and target areas with low take-up.
- Policy Development – the statistics are used in policy development by DWP, local authorities, the Scottish Government.
- Estimating workload – DWP’s forecasting division use the take-up statistics to help understand trends in benefit receipt and to validate assumptions used when forecasting benefit caseload and expenditure.
- Briefings and ad hoc queries – the take-up statistics are used in ad hoc queries such as parliamentary questions and feed in to ministerial briefings.
- Lobbying – the statistics are used for lobbying by external users.
- The take-up team answer queries from a range of users including charities and local authorities.

Pension Credit campaign launches

- A new DWP campaign launches today (10 February) which encourages couples and individuals over State Pension age to check whether they're eligible for Pension Credit.
- Pension Credit provides help to people on low incomes and could give them access to assistance with housing costs, council tax and heating bills. The campaign aims to get people to think about Pension Credit as we know people with low incomes might be missing out.
- The campaign includes a short, animated video that will be shown in GP waiting rooms, in Post Offices and to Facebook users over State Pension age.
- Keep your eyes peeled for our campaign advertising and if you work with customers over State Pension age, or those supporting someone that is, please encourage them to find out more.
- There's more information at [gov.uk/pension-credit](https://www.gov.uk/pension-credit) (link is external), including a simple calculator to help them check.

Reasons for non take-up

- Trying to explain the reasons for non-take-up is difficult and we do not have the data in our modelling to do this.
- But it is useful to outline some of the broad factors that have been found to have an effect to help put the results included here into context.
- Take-up may be affected by factors such as the attractiveness of the benefit, lack of awareness of the benefit or application procedure, lack of awareness of entitlement, the perceived stigma of receiving a benefit or other factors.
- See the links below:
<https://www.eurofound.europa.eu/publications/report/2015/social-policies/access-to-social-benefits-reducing-non-take-up>
<https://www.eurofound.europa.eu/access-to-benefits-in-times-of-crisis>
- Referring to this research helps the readers of the publication see the wider context.

Historic context pre-2012

- Take-up statistics have a long history
- National Archives website – publications going back to 1990
- But were published before the internet age

- Oldest report I found was the technical note for take-up 1987 – published in July 1991
- And this includes some comparisons over time going back as far as the 1970s
- So there has been a long interest in the take-up of benefits
- Different sources, different methodology, different benefits over time
- For example the take-up stats 1989, published in 1993, was the first Department for Social Security (DSS) estimate of the benefit reforms which came into effect in April 1988
- But broad principles apply – compare the estimates of eligible non-recipients with the numbers in receipt of benefit from admin data
- So analysis in this area continues to evolve now

Consultation 2012

- In 2012 a consultation took place to cease the publication of the Income-Related Benefits: Estimates of Take-up statistics.
- The outcome of the consultation was that these statistics should continue to be published.
- The consultation is available here:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/183947/formal_irbtu_response.pdf

Re-introduction of Take-up

- The statistics were re-introduced in 2013 with a revised methodology.
- Covering four benefits: Pension Credit (PC), Housing Benefit (HB), Income Support/Income-related Employment and Support Allowance (IS/ESA) and Income-based Jobseeker's Allowance (JSA).

The new Take-up Methodology aimed to provide:

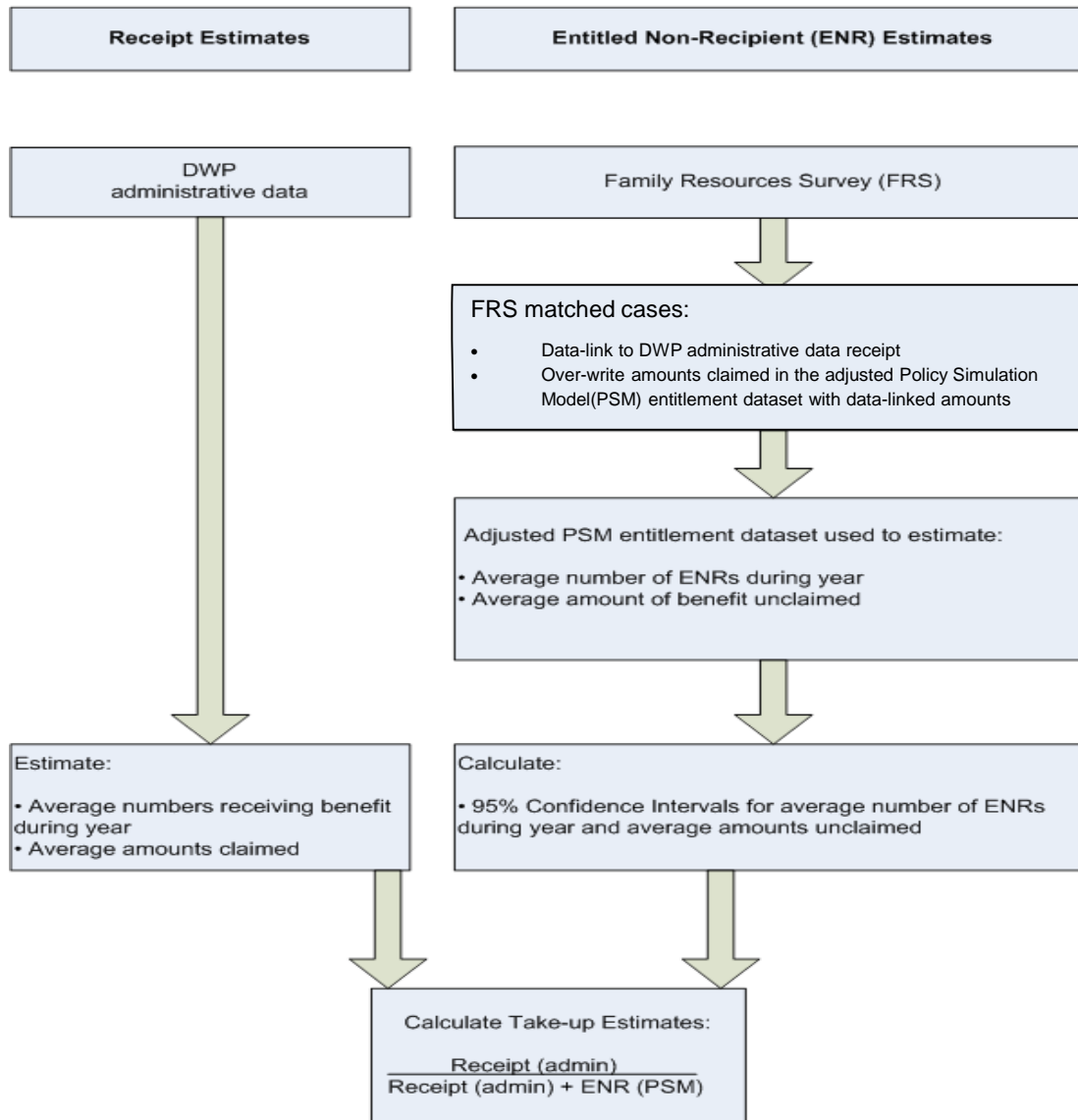
- A more transparent process for estimating of income-related benefit take-up, compared to the previous one
- Relevant sub-groups and usable point estimates for policy-makers, whilst presenting confidence intervals to reflect uncertainty
- Make better use of survey-admin data linking
- Reduced staff resourcing and expertise to produce the publication
- Faster processing to produce more timely releases

Improvements in New Methodology

Key improvements included:

- The key strength of the methodology introduced for the 2013/14 analysis (and also retrospectively applied to 2009/10 and 2012/13) was that it made more use of existing administrative data alongside data from the Family Resources Survey (FRS) and Policy Simulation Model (PSM) to estimate take-up.
- PSM was fully used to model entitlement.
- Transparent processes such as data-linking and reallocation of take-up groups were used to correct for benefit confusion, under-reporting of receipt and amounts paid etc. (compared to the previous intricate Error Framework).
- Point estimates and confidence intervals for each sub-group were estimated (compared to previous unusable ranges).

Summary of New Methodology



Strengths of the new methodology

- The FRS was data linked with DWP administrative data and where a match was made for a record, its reported amount of receipt for a benefit on the FRS was overwritten with the amount in receipt as recorded on the administrative data. This helped address some of the benefit undercount on the FRS.
- Although all estimates were subject to some analytical assumptions, the methodology minimised these. As a result of the changes more accurate estimates could be produced.

Limitations of new methodology

- There is general uncertainty in estimates, especially in those of entitled non-recipients (ENRs) of benefits, given the complexity of estimation. The FRS, used in the estimation of ENRs, is not designed specifically to measure entitlement criteria to the same extent as an application for a specific benefit. It is a multi-purpose household survey.
- The estimates of ENRs are based on PSM data, which is modelled survey data, and are therefore subject to sampling variation and other forms of error associated with a sample survey. These include reporting errors, under-reporting, systematic bias and random sampling error.
- It is not possible to perfectly model ESA eligibility because there are no data available for the PSM to use on the outcomes of individual Work Capability Assessments or doctors' certificates that people would have if they applied to claim ESA.

Methodology Developments in 2017/18

- There were four methodological changes applied to the Income-Related Benefits: Estimates of Take-up 2017/18 publication.
- Improvements to the modelling of State Pension receipt.
- Pension Credit (PC) calculations now take into account mixed-age couples working-age benefits (Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA) and Income Support (IS)). A mixed-age couple is one where one member is aged above the PC qualifying age, and the other is aged below the PC qualifying age.
- Savings information is now taken into account in capital calculations.
- Support for Mortgage Interest (SMI) entitlement is removed from estimated IS and PC entitlement amounts.

Methodology Developments in 2017/18

- These changes provide an improved approach to estimating eligibility of caseload and expenditure take-up which:
 - reduce the estimated number of Entitled Non Recipients (ENRs) and;
 - reduce the estimated unclaimed amount.
- For example, for 2017/18, it is estimated that these changes affect the estimated PC take-up rate by approximately 2 percentage points (increase) for caseload and 4 percentage points (increase) for expenditure. Changes to HB and IS/ESA are more minimal (increase is less than 1 percentage point) for both caseload and expenditure. The exact scale of the effect could vary between years.

Data linking (prior to 2017/18)

- Where those FRS survey respondents consent to data-linking to administrative data we produce datasets of admin based receipt amounts by benefit unit for:
 - Retirement Pension
 - Pension Credit
 - Disability Living Allowance
 - Attendance Allowance
 - Housing Benefit
 - Income Support
 - Income-related Employment Support Allowance
 - Job-Seeker's Allowance – Income-based
- Data linking to administrative data provides a more precise estimate of entitlement caseload and by correcting for under-reporting of both receipt and amounts and benefit confusion and results in more accurate take-up estimates.

Example of FRS under-reporting in 2017/18

Benefit received	Ungrossed percentage	Grossed number ¹ (1,000s)	Grossed percentage	Number ¹ (1,000s)	Percentage ²	Percentage difference ²
Income Support ^{3,4,5}	2	600	2	580	2	4
Pension Credit ^{3,4,5}	4	1,200	4	1,690	5	-28
Housing Benefit ⁶	13	3,900	11	4,370	13	-11
Council Tax Reduction ^{6,7}	14	4,100	12	4,830	14	-14
All Benefit units	100	33,800	100	33,800	100	

Tax credit received	In-work benefit units					
Working Tax Credit ⁸	8	1,500	7	2,040	9	-28
Child Tax Credit ⁸	10	2,000	9	2,420	11	-16
All in-work Benefit units	100	21,500	100	21,500	100	

Benefit received	Adults					
State Pension ^{3,9}	28	11,300	23	11,640	23	-3
Widow's Benefit ¹⁰	..	..	..	..	..	..
Jobseeker's Allowance ³	1	400	1	440	1	-10
Incapacity Benefit or Severe Disablement Allowance ¹⁰	..	..	..	..	..	..
Attendance Allowance ³	2	800	2	1,430	3	-46
Carer's Allowance ³	2	700	1	830	2	-13
Employment and Support Allowance ³	3	1,400	3	2,320	5	-42
All Adults	100	49,700	100	49,700	100	

Improvements in FRS data linking in 2017/18

- The FRS tested a new approach to obtaining agreement to link respondents' data to administrative data from January 2017 to April 2017. The new approach replaces an explicit Yes/No question in the FRS questionnaire with an up-front statement that DWP will link respondents' information to administrative records held by the department.
- The trial was a success and the new method was implemented from May 2017 onwards. This change means that the number of cases available for data linking has increased in 2017/18.
- This methodological change means that more administrative data can be used in the production of the estimates, improving their accuracy.
- There was also a change of approach to the actual data linking process.

Improvements in FRS data linking in 2017/18

- Matching FRS data to the administrative data held by DWP was not a trivial exercise due to inconsistencies in the personally-identifiable-information (PII) recorded for survey participants and that were held by the department, e.g. miss-spelling of names. A deterministic ‘fuzzy-match’ between PII recorded on the FRS and that held by DWP on the customer-information-system (CIS) was performed. Match-keys were assigned in descending order to pairs of records, based on a hierarchy derived from a key’s uniqueness score on CIS.
- Approximately 80 per cent of the FRS respondent cases met the criteria to be data linked in 2017/18. Benefit units in this group were categorised as FRS matched cases and the remaining benefit units were categorised as FRS unmatched cases in the PSM entitlement dataset.
- Together these two developments mean that we have an increased amount of linked data which completes our understanding as to the number of entitled non-recipients for a benefit where benefit under-reporting has occurred in the FRS. This has an effect on the mean/median amounts unclaimed. The actual effect on the take-up estimates will depend on the observed data for each survey year.

Universal Credit – What is it?

Universal Credit replaces six legacy benefits and tax credits for working-age households:

- Child Tax Credit
 - Housing Benefit
 - Income Support
 - income-based Jobseeker's Allowance (JSA)
 - income-related Employment and Support Allowance (ESA)
 - Working Tax Credit
-
- It was first launched in 2013 in certain pathfinder areas of North West England and it was available to all Jobcentres (i.e. roll-out completed) in Great Britain by December 2018.

Universal Credit – What is it?

- By the time we complete moving legacy benefit claimants to Universal Credit, we expect Universal Credit will boost employment by an estimated 200,000; lifting people out of poverty and generating £8 billion in economic benefits every year. (UC Business Case Summary p3/4)
- Moving people to Universal Credit extends the benefits to legacy claimants. It's the next phase of Universal Credit in 2020-24 and will open up work, allowing people to increase their hours without the penalties they would normally be subject to with Tax Credits.
- As planned, the testing of moving legacy claimants to Universal Credit began in July 2019. The goal of the pilot is to learn as much as possible and to increase numbers as slowly and gradually as necessary. Testing the system and processes will allow DWP to make sure we can provide the best possible service to those claimants who will need to move to Universal Credit from their legacy claim as planned, by the end of 2024.

Universal Credit – UC versus legacy system

- There are £2.4 billion of unclaimed benefits not going to the people who need them, because they are unaware that they are entitled to them or how to claim. Universal Credit makes sure that welfare payments reach those who need them most. When we complete moving legacy benefit claimants over to Universal Credit, an estimated 700,000 more people will get paid their full entitlement because of Universal Credit.
- £2.4bn is DWP estimate of the amount of money that will go additionally to claimants from the integrated nature of Universal Credit, which replaces six benefits. For instance, some individuals may have claimed Housing Benefit but not Jobseeker's Allowance, despite being eligible for both. UC claimants will make one claim for one benefit rather than the multiple claims required for legacy benefits, with housing costs forming part of UC.
- The figures have been calculated by DWP Analysts using survey data to estimate how many individuals are in this situation and the additional payments they will receive under Universal Credit.

Universal Credit – support

- The Department does all it can, through its information providing services, to ensure that people are aware of the benefits to which they may be entitled and how to claim them:
- Visibility and accessibility; to make it visible to those most likely to need it, advice is available in English and Welsh, different formats, and different locations.
- Location: In addition to Jobcentre Plus offices and Pension Centres, these include local authorities, law centres, Citizens Advice, post offices, doctors' surgeries, libraries, the internet, community groups, welfare rights groups, advice centres, and various voluntary organisations who all share information on what assistance is available.
- Online Guides & Stakeholders; DWP works closely with Government Digital Service to publish information on Universal Credit, New Style Jobseeker's Allowance and New Style Employment and Support Allowance, in the form of benefit guides and supporting content on www.gov.uk.

Universal Credit – support

- DWP has a programme of activity aimed at improving orientation for customers and partners, as part of this we have a strand looking at Improving Access to Advice. Within this strand we are working to improve the content on various websites including GOV.UK and Understanding UC amongst other websites.
- These changes include using different formats such as step by step content layout, videos and/or brigading information into landing pages which are easier to navigate.
- Escalation Process: We have also introduced and are continually improving a process for escalation, where 3rd party support organisations need urgent information quickly for critical cases where other routes have failed – to support them we have provided direct line numbers for contacts they can talk to.
- Targeted Communication: Using the evidence base from the escalation activity has helped us to provide targeted communication to audiences that need it, for example we now have a proactive push of useful/topical advice to landlords aimed at helping to build their confidence when their tenants on UC.

Challenges of estimating Take-up for Universal credit

- As UC is being rolled out it will affect the take-up estimates in the future as eligibility for current benefits changes.
- In DWP statistics: Statistics on Job Seeker's Allowance (JSA) take-up are no longer published as there is no practical way to distinguish between JSA and Universal Credit at entitlement level at this point in the UC rollout schedule. The last statistics on JSA Take-up were for 2015/16.
- The 2017/18 publication of tax credit take-up rates was the last in the series of publications due to UC-related data issues from 2018/19 onwards.
- HMRC have said: Due to the introduction of Universal Credit, this is the final year for which tax credit take-up statistics will be released. Child Benefit take-up rates will be published alongside the Child Benefit geographical statistics in the first half of 2021.

Challenges of estimating Take-up for Universal Credit

- There are specific challenges in creating a UC take-up measure and interpreting and communicating its results within the scope of the Code of Practice for Statistics (Trustworthiness, Quality, Value).
- The challenges include:
 - Roll out schedule – different types of claimants at different times and geographical coverage
 - New administrative data systems and admin data availability
 - The number of UC cases being picked up in the Family Resources Survey, the data source of this publication
 - Identifying UC eligibility. It is currently difficult to assess eligibility. UC and legacy benefit eligibility are indistinguishable
 - This is likely to continue for some time
 - Time lags in the data for analysis

Challenges of estimating Take-up for Universal Credit

- Following our recent publication of take-up stats we now need to develop a roadmap so we have a better idea when in practice we expect to be able to publish UC take-up statistics in the future.
- Hope we'll be able to say more about future plans when we publish our next take-up statistics in October/November 2020.
- Any questions?
- Contact the DWP Take-up team
- IRB.TAKEUP@DWP.GOV.UK