

Quids for Kids - Policy briefing

Why benefit take-up?

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“Child poverty is the scar that demeans Britain” Gordon Brown March 2008

“We can end poverty – I mean it” David Cameron April 2008

“It isn't good enough when the very number of days you spend on this planet are determined by the place and circumstances of your birth” Nick Clegg March 2008

1.0 Introduction

Local councils are responsible for working with local partners to improve the lives of local people. They lead local area agreements. The economic welfare of the areas they work in is a top concern, particularly when the economy is slowing down and jobs are being lost. Getting benefits to those people who are entitled is essential to support both the people themselves and the local economy. The Local Government Association (LGA) and the Child Poverty Action Group (CPAG) believe that there is a moral imperative to support families with children, but also believe that a focus on benefit take-up is an effective way to improve the wellbeing of local areas.

The LGA ran a campaign to encourage take-up work to support children in 2003-4 called “Quids for Kids”. The need to support children and tackle child poverty has not gone away and is likely to become more important in a time of economic recession. LGA and CPAG have worked together to up-date the campaign materials and revive the Quids for Kids identity.

2.0 What is benefit take-up work?

Take-up work is any activity that encourages people to obtain their full entitlement to financial support. The aim is to increase the number and level of awards of social security benefits and tax credits, and to maximise claimants' incomes in order to reduce hardship. It is important not to undermine this overall aim with conflicting messages about the relatively small number of fraudulent claims.

Take-up work doesn't have to be a one-off campaign; it can be ongoing. It can be carried out and supported by a great range of people and groups in a great number of ways, integrated into their everyday responsibilities and activities.

This briefing sets out, the political background to the child poverty target, the advantages to local people and your council of increasing benefit take-up, and activities that are happening nationally. It provides information to support your benefit take-up work and to help you make the case for take-up campaigns.

The Child Poverty Action Group is a source of expertise on child poverty and how it affects families. With Inclusion they have created the child poverty toolkit which gives you access to information on poverty and outcomes for children in your area which supplements this national overview.

<http://www.childpovertytoolkit.org.uk/Home>

3.0 The national target to end child poverty

In March 1999, Tony Blair pledged to end child poverty within a generation, later setting the target date as 2020. On the road to this historic goal, the Government committed itself to cut child poverty by a quarter between 1998/99 and 2004/05, and by half by 2010/11.

'Our historic aim will be for ours to be the first generation to end child poverty forever, and it will take a generation. It is a twenty-year mission, but I believe it can be done.'
Tony Blair, 18 March 1999

There is wide political support for tackling child poverty. The three major British parties are signed up to the 2020 goal.

The Government missed its first child poverty target of reducing child poverty by a quarter between 1998/99 and 2004/05. In 1998/99 the number of children in poverty was 3.4 million by the Government's key measure (relative low incomes before housing costs). This needs to fall to 1.7 million by 2010/11 if the official target to halve child poverty is to be reached.

To reflect the importance of the national target, the government has included an indicator on child poverty in the national indicator set (NIS) for local government in England. National Indicator number 116 is "Proportion of

children living in poverty” (defined as the proportion of children who live in households where out of work benefits are received - jobseeker’s allowance, incapacity benefit, income support and pension credit). The data will be collected by the Department for Work and Pensions and reported annually at single tier and county level.

As at summer 2009, the government has introduced a child poverty bill which proposes a national statutory child poverty target, a child poverty commission and new duties for councils and local partners.

CPAG’s ‘Poverty in the UK a summary of the facts and figures’ provides an excellent summary of the figures on child poverty and what poverty means for families.

<http://www.cpag.org.uk/povertyfacts/index.htm>

4.0 Why take-up matters to people in your area

4.1 Take-up supports your local economy and creates jobs

In an economic recession, benefit take-up both provides a safety net for the poorest and also helps to put spending power back into the local economy. The LGA has highlighted action on household income as one very good way councils can help local people. In its report “Global slowdown: local solutions” (2008) it said that when times are hard, councils need both to kick start the economy and to provide a safety net for people in need. More information on action councils can take in the recession is available on the LGA’s web site:

<http://www.lga.gov.uk/lga/core/page.do?pageId=1743526>

Benefit take-up puts extra spending power into the area as increased benefit income is usually spent quickly on local goods and services; in particular housing, food, transport and leisure. As incomes increase, people increase their spending on basic utilities including heating, lighting and water and can afford to save for large items such as new bedding, a fridge, a Hoover or essential housing repairs. Supporting family income is a good way of creating extra jobs and contributing to regeneration programmes.

The New Economics Foundation carried out a number of pilot studies on ways to keep money circulating in the local economy, especially important at a time of economic strain. Two councils, Newham and Lancashire looked at benefit take-up. They found that “because their target populations were on low incomes, the increased income was spent on additional necessities, most of which were bought in the local area at local stores”. Newham estimated that for every £1 of working families tax credit claimed an extra 78p was generated for the local economy.

“The welfare benefit take-up campaigns illustrate very clearly that programmes such as Working Families Tax Credit and Income Support

are not merely 'welfare'. They can be effective strategies for healthy economic development in your community.”

“The money trail, measuring your impact on the local economy” New Economics Foundation and the Countryside Agency, 2002.

http://www.neweconomics.org/gen/z_sys_PublicationDetail.aspx?PID=128

A study of the economic impact of the Glasgow City Council Welfare Rights Service estimated that the work of the Unit had created 280 jobs in Scotland in 2002-3 and that 180 of these were in Glasgow.

The impact of welfare spending on the Glasgow economy, The Fraser of Allander Institute, University of Strathclyde, 2001.

<http://www.glasgow.gov.uk/en/Residents/GettingAdvice/WelfareRights/Regenerationreport>

4.2 Take-up reduces pressure on other local services

Increasing take-up reduces pressure on other public services – education, health and social services – by easing long-term poverty and the demand that poverty creates for services. A lack of income has wide effects on people’s lives and ability to participate in their local communities. They include poor physical and mental health, increased risk of premature death, feelings of constant worry and stigma, inability to afford basic necessities such as fresh food and heating, and forced exclusion from ordinary social life.

Children who grow up in poverty will make more demands on public services. While it is difficult to disentangle these costs precisely, it is possible to look at some of the likely impacts. A study in 2008 published by the Joseph Rowntree Foundation looked at the costs to public services of child poverty.

Estimates of the cost of child poverty by service in England and UK in 2006/07

| Service | England £million | | UK £million | | Share of expenditure % | |
|---------------------------------|---------------------|-------|----------------|-------|---------------------------|------|
| | Low | High | Low | High | Low | High |
| Personal social services | 2,414 | 2,414 | 2,849 | 2,849 | 71 | 71 |
| Acute healthcare | 1,009 | 1,009 | 1,211 | 1,211 | 2 | 2 |
| Primary healthcare | 730 | 730 | 859 | 859 | 5 | 5 |
| School education | 2,300 | 2,300 | 2,888 | 2,888 | 10 | 10 |
| New social housing | 527 | 1,166 | 748 | 1,654 | 37 | 98 |
| Housing and council tax benefit | 0 | 3,757 | 0 | 4,420 | | 32 |

| | | | | | | |
|---------------------------|--------------|---------------|---------------|---------------|----|----|
| Decent homes investment | 0 | 1,477 | 0 | 1,697 | | 31 |
| Police & criminal justice | 1,060 | 2,502 | 1,240 | 2,927 | 5 | 12 |
| Fire and rescue | 724 | 724 | 926 | 926 | 33 | 42 |
| Local environmental | 338 | 675 | 395 | 790 | 11 | 22 |
| Area based programme | 405 | 405 | 477 | 478 | 43 | 43 |
| Total | 9,506 | 17,159 | 11,593 | 20,699 | | |

The difference between the low and high figures represent the difference between the most cautious interpretation of the figures and a less cautious interpretation. So, the estimated total cost to public services in England of child poverty is estimated as between £9.5 billion and £17 billion.

The public service costs of child poverty, Glen Bramley and David Watkins, Joseph Rowntree Foundation 2008.

<http://www.jrf.org.uk/child-poverty/publications.asp#publiccosts>

For councils who provide key public services, and lead other public agencies through local strategic partnerships (LSPs), it is looking at benefit take up in the context of all the public services the partners have to provide. Investment now in benefit take up, linked to other measures to alleviate poverty and reduce worklessness, can reduce the pressures on these public services.

4.3 Take-up supports better outcomes for children and families

While there are many factors that will influence a person’s health during their life, the link to income is well established. Poverty affects people’s physical health, for example through poor diet or poor housing. It also affects mental health causing loss of self-esteem, stress and depression. A recent Department of Health report into tackling health inequalities links a range of mental and physical health problems to people’s economic and social circumstances. It emphasises the importance of action taken in childhood to improve health into adult life, and for future generations.

“While other factors such as biological or genetic predisposition or age influence the prevalence of ill health, there is a pattern of reduced life expectancy and higher levels of illness, which is linked to socio-economic status and the gradient between socio-economic groups.”

Health Inequalities: progress and next steps DH 2008

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_085307

Equally there is a strong association between lower income and poorer educational attainment. Children receiving free school meals do markedly worse at school than those not eligible. In 2007 33.5 percent of children eligible for free school meals achieved 5 or more A*-C grades at GCSE compared to 62.8 per of those not eligible. Poverty during childhood contributes to low educational attainment and also causes future poverty as people who are less skilled have fewer chances of finding well paid work.

<http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000759/index.shtml>

4.4 Benefit take-up and local area agreements

In June 2008 in England, all single and upper tier councils worked with district councils and local partners to negotiate local area agreements (LAAs) with central government. Each agreement includes up to 35 “designated targets” which are negotiated with government (plus often other specifically local targets). These designated targets are selected from the National Indicator Set. Forty five areas selected NI 116 “proportion of children living in poverty” as a target.

Even if child poverty is not a specific target in your LAA, there will be many other targets that concern the wellbeing of people in your area and are driven to some extent by poverty. These are the targets which will be priorities for joint action between the major public agencies in your area. It is worth making the link between these and your benefit take up work – showing how supporting families with children can benefit the wider community. Some popular targets in LAAs which relate to poverty are:

- 15-18 year olds who are not in education, employment or training (selected in 115 areas)
- Under 18 conception rate (selected in 106 areas)
- Number of affordable homes provided (selected in 102 areas)
- Obesity among primary school children in year six (selected in 99 areas)
- Stopping smoking (selected in 89 areas)
- All age, all cause mortality rate (selected in 86 areas)

Further information on who has chosen what target is available on the IDeA website

<http://www.idea.gov.uk/idk/core/page.do?pagelId=8399555>

5.0 Why take-up matters to your council

5.1 Your council and performance assessment

In autumn 2009 all councils will receive comprehensive area assessments (CAA – arrangements for the assessment will vary according to the type of council). CAA will require councils and their partners to demonstrate that they

understand and are responding to the needs of their communities, particularly the most vulnerable. A well thought out and targeted take-up campaign which improves the lives of people in need in your area, and contributes to better outcomes for them, is one very good way of demonstrating that your council is meeting your community's needs.

The Audit Commission will inspect council benefit services specifically and assessing take-up work will form part of the inspection. The Audit Commission states that:

“Housing and council tax benefit make a vital contribution to the local economy. Where income to vulnerable households is maximised, economic hardship is reduced. This increases the amount of money available to be spent in the local area, which, in turn, supports the local economy.”

Linked to the development of CAA, the Audit Commission will be focusing more on community outcomes in their benefit services inspection and less on process.

“We place greater emphasis on service outcomes and contributions to area-based priorities, such as tackling poverty, inequality and reducing worklessness. Our approach focuses on the perspective of service users and local citizens, and places far less emphasis on process.”

More information on benefits inspection is available here:

<http://www.audit-commission.gov.uk/benefits/index.asp?CategoryID=ENGLISH^576>

5.2 Your council as an employer

Councils in England and Wales employ over 2.25 million people, which equates to nearly 9% of the workforce of the whole economy. It is estimated that there are thousands of local authority staff missing out on their right to extra weekly money. According to examples provided by HMRC (Her Majesty's Revenue and Customs), a 35 year old admin officer, who is single parent with one child, working 30 hours a week with weekly childcare costs of £120 and earning £15,500 could be entitled to an additional £8,395 a year or year or £161 a week.

Promoting take up to the work force demonstrates that the council is a responsible employer. There are numerous low cost examples of councils promoting awareness of tax credits and benefits through salary mailings, staff newsletters and intranet sites. This approach is now being sponsored by HMRC in their tax credit take-up initiative with local councils. The LGA, HMRC and a range of councils are working in partnership to increase working tax credit take-up amongst local government employees.

Pilots in local authorities will trial a range of publicity materials, funded by HMRC, which will seek to raise awareness of entitlements amongst staff.

Each local authority will be developing its own scheme, based on their knowledge of their workforce.

Learning from the pilots will be shared with other authorities and could inform work on take-up in the wider community. The participating authorities include Durham, Leeds, Manchester, Nottinghamshire and Tameside.

The project ran from December 2008 to February 2009 and its impact will be evaluated in March and April 2009, using a range of national and local data.

6.0 What is being claimed and who is missing out – facts and figures

| Type of benefit | Caseload take-up range | Average amount unclaimed per claimant per week |
|--|------------------------|--|
| Income support | | |
| All client groups | 81-90% | £46.30 |
| Non-pensioners without children | 74-87% | |
| Non-pensioners with children | 87-94% | |
| Jobseeker's Allowance | | |
| All client groups | 49-60% | £49.00 |
| Couples with children | 74-88% | |
| Single males | 50-61% | |
| Single females | 40-52% | |
| Pension credit | 59-67% | £28.40 |
| Housing benefit | | |
| All client groups | 81-87% | £44.00 |
| Non-pensioners | 79-87% | |
| Pensioners | 82-89% | |
| Housing benefit by tenure type | | |
| LA and RSL landlords | 87-92% | |
| Private tenants | 63-74% | |
| Council tax benefit | | |
| All client groups | 63-69% | £12.90 |
| Non-pensioners | 73-82% | |
| Pensioners | 55-61% | |
| Council tax benefit by tenure type | | |
| LA and RSL tenants | 87-93% | |
| Private tenants | 67-78% | |
| Owner occupiers | 38-43% | |
| Disability allowance and attendance allowance | 40-60% | |

| | | |
|--------------------------------------|--------|--------|
| Child and working tax credits | | |
| Child tax credit | 80-84% | £29.31 |
| Working tax credit | 59-63% | £38.29 |
| Free School Meals | 80% | |

These figures are for the UK as a whole, one way to understanding the local impact is to show how many people may be losing out on average for each 1,000 claimants.¹ Reworking the figures shows:

- **Income support.** On average for every 1,000 families with children claiming income support, a further 105 families were missing out on an average of £52.50 per week. So for every 1,000 families with children claiming income support, local areas were missing out on an average of £286,575 per year in unclaimed benefits.
- **Housing benefit.** On average for every 1,000 non-pensioner claimants of housing benefit (with and without children), a further 205 claimants were missing out on an average of £46.40 per week. So for every 1,000 claimants receiving housing benefit, local areas were missing out on an average of £494,188 per year in unclaimed benefits.
- **Council tax benefit.** On average for every 1,000 non-pensioner claimants of council tax benefit (with and without children), a further 290 claimants were missing out on an average of £12.20 per week. So for every 1,000 claimants receiving council tax benefit, local areas were missing out on an average of £184,181 per year in unclaimed benefits.
- **Jobseeker's allowance.** On average for every 1,000 non-pensioner claimants of jobseeker's allowance (with and without children), a further 835 claimants were missing out on an average of £49.00 per week. So for every 1,000 claimants receiving jobseekers allowance, local areas were missing out on an average of £2,127,229 per year in unclaimed benefits.
- **Child tax credit.** On average for 1,000 families with children claiming the child tax credit, a further 220 families were missing out on an average of £29.31 per week. So for every 1,000 families with children claiming child tax credit, local areas were missing out on an average of £334,579 per year in unclaimed tax credits.
- **Working tax credit.** For every 1,000 claimants receiving Working Tax Credit (with and without children), a further 639 were missing out on an average of £38.29 per week. So for every 1,000 claimants of Working Tax Credit, local areas were missing out on an average of £1,273,031 per year in unclaimed tax credits.

Data sources:

¹ This is imperfect: it assumes average take up whereas rates varies locally – for instance it could be that areas with high caseloads also have higher take up rates, in which case these estimates will overestimate the amount unclaimed in some areas, whilst underestimating it in others, so these figures are illustrative only. Analysis uses the same data as the table but some figures have been reworked.

Income support, jobseeker's allowance, pension credit, housing benefit, council tax benefit

Income Related Benefits. Estimates of Take-Up in 2005/06. Department for Work and Pensions, 2008.

http://www.dwp.gov.uk/asd/income_analysis/jun_2008/0607_Publication.pdf

Disability living allowance and attendance allowance

First Findings from the Disability Follow-up to the Family Resources Survey, P Craig and M Greenslade, Department of Social Security, (now DWP), Research Summary No 5, 1998.

Child and working tax credits

Child and Working Tax Credit take-up rates 2005-6, HMRC.

<http://www.hmrc.gov.uk/stats/personal-tax-credits/cwtc-take-up2005-06.pdf>

Free school meals (calculated from table 1.9)

Education and Training Statistics for the United Kingdom: 2008, Department for Children, Schools and Families

<http://www.dcsf.gov.uk/rsgateway/DB/VOL/v000823/index.shtml>

7.0 Why people don't claim

The benefits and tax credits system is large, complex, and administered by a number of agencies. Many people eligible for benefits and tax credits don't claim what they are entitled to. Furthermore those who are most at risk are the people least likely to take any action and seek help to resolve disputes about their legal entitlements.

Without advice services and action to encourage people to claim, some people will miss out. Research has confirmed the barriers to obtaining full entitlements that advice workers know to exist:

- Fears of stigma, humiliation and loss of independence
- Ignorance of, and misconceptions about, the benefits available
- Mistrust of government agencies that administer the system
- Perception that making a claim is not worth the effort
- The length and complexity of claim forms and practical problems of language and literacy
- Frequent changes to rules and regulations
- Expectation that benefit agencies would have told potential claimants of their entitlement
- Concern that claiming additional benefits will reduce current entitlement
- Concern that claiming benefit will have an affect on residency status
- Information that is difficult to understand
- The standard of decision making by DWP and HMRC is not universally high

- Inability of central government agencies to advise competently across the complex array of benefits and tax credits
- DWP and HMRC do not have effective systems to identify eligible claimants, and have been shown even recently to have limited experience of benefit take-up.
- Fear of being thought to be fraudulently claiming or previous experience of being turned down.

Research on barriers to take-up for families with disabled children was published by CPAG, “Out of Reach: benefits for disabled children” CPAG, 2006. Based on interviews with parents, this report identifies barriers to accessing benefits for a disabled child:

46% believe they have missed out because they’ve not been told they could apply.

43% had not claimed DLA or took more than 2 years to find out their child could be entitled.

39% had been put off applying because of claim forms.

30% have not had advice about benefits entitlement in over a year.

In supporting people to take up benefits, it is important to make the links between access to benefits and access to employment, in-work benefits and longer-term security. This is a complex area, but there are examples of successful take-up campaigns linking benefits and employment in the good practice case studies. Carrying out ‘better off calculations’ is an important part of enabling claimants to take employment by showing them how a combination of tax credits and other in-work benefits such as housing and council tax benefit will make them better off in work. It is also crucial to link benefit advice to advice and support to find employment, training and childcare.

This toolkit includes a Top Tips for running successful take-up campaigns and Good Practice case studies. These highlight tried and tested ways to overcome barriers to take-up and give examples where local authorities and third sector organisations have imaginatively increased take-up of benefits and tax credits.

8.0 Who should you target?

When doing benefit take-up work you will need to decide where to focus your efforts. How you do this will depend on what you want to achieve and the priorities for action in your area. You may have a particular concern about geographical areas or particular groups of people. CPAG highlights the following groups as being at particular risk of poverty:

| | Risk of being poor % | Proportion of all poor children % |
|---|----------------------|-----------------------------------|
| Children with lone parents | 52 | 40 |
| Children without a parent in work | 80 | 41 |
| Children in large families (3 or more children) | 43 | 38 |
| Children in families affected by disability | 41 | 31 |
| Children living in social rented accommodation | 59 | 40 |
| Pakistani/ Bangladeshi children | 67 | 8 |
| All | 31 | 100 |

Note these figures are for income poverty, measured after housing costs. They cover the UK and are from 2007/08. See “Households below average incomes”

<http://research.dwp.gov.uk/asd/hbai/hbai2008/contents.asp>

9.0 National context

9.1 The Child Poverty Unit

The Government believes that ending child poverty is a moral and social imperative, and a key component of ensuring the future success of the UK.

Government action is described in detail in the 2004 ‘Child Poverty Review’ and again in ‘Ending Child Poverty: Everybody’s Business’, which was published alongside Budget 2008.

The Government are committed, over the next decade, to tackle child poverty by:

- increasing employment and raise incomes;
- improving the financial and material support for families;
- tackling deprivation in communities; and
- improving poor children’s life chances.

In order to eradicate child poverty by 2020, the Government has embarked on a renewed drive on child poverty for the next decade. This drive, led by the Child Poverty Unit (jointly DCSF Department for Children, Schools and Families, DWP Department for Work and Pensions, HM Treasury), will draw on new ideas and approaches to ensure sustainable progress is made – taking action to make things better immediately for today’s poor families in a way that will tackle child poverty for the long term.

The Unit’s mission is to make child poverty everybody’s business. They work in partnership with stakeholders within and outside government to drive the

changes needed to eradicate child poverty by 2020 and ensure that no child has their childhood or life chances blighted by poverty. One of the Child Poverty Unit's work streams is to ensure local services deliver effectively: Increasing knowledge, understanding and evidence of what works on the ground and increasing capacity, engagement and effective action across a range of local services.

9.2 Government take-up initiatives 2003-8

DWP and HMRC have initiated partnerships with local authorities and third sector organisations such as Citizens Advice to tackle low take-up of benefits and tax credits.

HMRC funded third sector organisations to deliver tax credit take-up projects from the introduction of Child and Working Tax Credits in 2003 until 2006. Examples of these are in the *Quids for Kids* Good Practice case studies documents available from the Child Poverty Toolkit website (www.childpovertytoolkit.org.uk)

Between 2003 and 2008 the Department for Work and Pensions focused on take-up of pension credit and other benefits for older people. DWP had a Public Service Agreement target for pension credit take-up and initiated the Partners against Poverty national working party to invite local authority welfare rights units and national charities such as Help the Aged and Age Concern to assist in reaching pension credit take-up targets.

DWP published an evaluation, http://www.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_441.asp

Helping older people engage with benefits and services: an evaluation of the Partnership Fund by Rosalind Tennant, Stephen Webster, Meg Callanan, Joanne Maher and William O'Connor