



# **Older people and benefit take-up: making an impact**

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# Summary of Age Concern's recommendations

## A cross-government strategy

- There should be a co-ordinated cross-government strategy on take-up for older people starting with the aim of maximising take-up of all benefits and setting out the different initiatives to achieve this.
- While DWP is the lead government department there should be closer working with other government departments especially the Department of Health given the link between health and income and the regular contacts health professional have with older people. Tackling pensioner poverty should also be built into the local government performance framework.

## A more joined up and automatic system

- There should be a goal to introduce automatic payments of income-related benefits and we would like to see pilots to test feasibility as soon as possible.
- In the mean-time there are administrative changes that could be made such as introducing a single claim line for Pension Credit, Housing Benefit and Council Tax Benefit.

## Partnership working and evaluation

- We welcome the commitment of the DWP and PDCS to work in partnership with organisations such as Age Concern. Initiatives should be piloted and evaluated and the DWP should consider funding voluntary organisations to deliver services where this is shown to be the most effective approach.
- More generally it is important that administrative changes and initiatives to tackle take-up are monitored and evaluated in order to ensure progress to reduce numbers missing out on entitlements.

## 1. Introduction

Many older people on low incomes are concerned about paying fuel bills or other costs and would be only too delighted if they won a few hundred pounds on the lottery or at bingo. Yet each year many of these same people are missing out on far higher sums of state benefits which are theirs by right. Millions of pounds are unclaimed despite ongoing efforts by the Department for Work and Pensions (DWP), local authorities and voluntary organisations such as Age Concern to encourage and help people receive their entitlements. This paper looks at the background to the

problem, what is currently being done by Government and others, and sets out recommendations which we believe could make real a difference<sup>1</sup>.

We welcome comments on the paper and hope it will make a contribution to tackling this continuing concern.

## 2. The extent of the problem

Each year the DWP publishes estimates of the take-up of income-related benefits. The latest edition indicates that up to £5 billion of Pension Credit, Housing Benefit and Council Tax Benefit was unclaimed by pensioners in 2006-07. Some of the main figures are given in the table below<sup>2</sup>.

### Non-take-up of income related benefits by pensioners in 2006-07

	Numbers entitled but not receiving benefit	Proportion entitled but not receiving	Total amount of money unclaimed	Average amount unclaimed
Pension Credit	1.3 – 1.8 million	33% - 41%	£2.0 – £2.8 billion	£28.40 a week
Council Tax Benefit	1.7 – 2.1 million	39% - 45%	£1.1 – £1.5 billion	£13.30 a week
Housing Benefit	200,000 to 350,000	11% – 18%	£380,000 – £770,00	£39.50 a week

Notes: Due to difficulties providing a single estimate figures are given as a range within which it is assumed actual take up lies.

There are no similar figures for other benefits such as Attendance Allowance, Disability Living Allowance or Carer's Allowance which are also often unclaimed – in particular many local Age Concern advice services identify many people who are entitled but not claiming Attendance Allowance. Entitlement to these allowances can increase the levels of income-related benefits that people receive or bring them into entitlement for the first time.

There are also one off lump sums from the discretionary social fund and non-DWP support which are sometimes linked to benefit receipt or low income such as help

<sup>1</sup> The Pensions Disability and Carers Service kindly supplied some comments on this paper particularly around their work.

<sup>2</sup> *Income related benefits estimates of take-up in 2006-07* DWP, 2008.

with health costs (eg glasses and dental treatment) and energy efficiency measures. It is not within the scope of this paper to talk specifically about take-up of these types of support although once people are discussing their financial situation with an adviser we would expect a holistic service to look broadly at financial support and services available.

### 3. Non take-up – also a public concern

If older people are missing out on their rights to financial support this can clearly have an impact on their standard of living. However it is also an issue for wider public and Government concern:

- **Poverty reduction** – after a number of years of falling poverty rates the number of pensioners in poverty increased by 300,000 in 2006-07 on a before housing costs basis (200,000 after housing costs). Increased benefit take-up would help the Government achieve the aims set out in Public Service Agreement 17 ‘To tackle poverty and promote greater independence and well being in later life’.
- **Promoting health and well being** – higher incomes can enable people to have a healthier lifestyle for example enabling people to have a better diet and heat their home to an adequate temperature. Research has shown that welfare benefits advice in health care setting can improve the well-being, mental health and quality of life of service users<sup>3</sup>.
- **Meeting bills** – local authorities benefit because if people have higher income they can more easily meet their costs including council tax and care services.
- **More money going into the local community** - when older people have more money they are likely to spend it in their local community boosting the local economy.

### 4. Why don't people claim the benefits they are entitled to?

Research on this issue, along with anecdotal evidence from those working with older people, shows a number of reasons why people do not claim the benefits which are theirs by right.

- **Awareness** – because people must make a claim they need to know of the existence of benefits and how to go about obtaining these.
- **Lack of perceived eligibility** – people will not pursue a claim if they do not think they will be entitled to help. Some make incorrect assumptions – for example they may believe they are ineligible for help because they are a

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<sup>3</sup> *Just what the doctor ordered – welfare benefits advice and healthcare* Age Concern, 2008.

homeowner or have a private pension.<sup>4</sup> Even if they have a general understanding of who can qualify some people want to be sure that they will be entitled in their particular circumstances before going ahead. Given the complexities of the systems it can be hard to know this in advance.

- **The process** – people may be put off by the idea of being asked many questions, completing long forms or having to provide detailed personal information. Some groups may face particular difficulties due to disability or because English is not their first language. If a claim has been turned down in the past they may be reluctant to try again even if their circumstances have changed.
- **Attitudes** – some older people do not claim because their pride will not let them ask for help or they have negative perceptions about benefits. Others will say they do not need additional help even if they have a very low income.

These issues are inter-related and the barriers will work together in different ways. For example someone whose income has suddenly fallen perhaps due to bereavement may feel they have to ask for help even if they have very negative views about claiming. Another person may be just about managing on a low income but assumes they would not qualify for benefits so decides it would not be worth the effort of claiming. However if an adviser checks their entitlement and tells them they are likely to qualify for say £10 a week they may put in a claim.

## 5. An ongoing problem

There is near 100 per cent take-up of benefits such as the state pension and child benefit. These are well known, have clear basic criteria, and have a straightforward claiming process without a means-test or the need to supply detailed personal information. However there has always been a problem with take-up for means-tested benefits.

Pension Credit was introduced in 2003 – its forerunners were Minimum Income Guarantee (1999 to 2003), Income Support (1988 to 1999), Supplementary Pension (1966 to 1988), and, at the start of the welfare state National Assistance (1948 to 1966). Despite changes in rules and names, active work by welfare rights advice agencies and (from 1997 onwards) the Government, estimated take-up levels have remained broadly similar with a quarter to a third missing out.

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<sup>4</sup> *Understanding the relationship between the barriers and triggers to claiming Pension Credit.* DWP, 2006.

## Take-up of benefits by pensioners<sup>5</sup>

	1987 <sup>6</sup>	1992	1996-07	2001-02	2006-07	
	Supplementary Pension	Income Support	Income Support	Minimum income guarantee	Pension Credit	Pension Credit guarantee <sup>7</sup>
Take-up rate	74%	65%-77%	61%-70%	63-72%	59-67%	68%-78%

Going back even further a DHSS study of social security claimants in 1979 found attitudes to claiming benefits differed between people<sup>8</sup>. Some said they might be entitled to benefits but had not applied. The reasons for not applying are familiar – uncertainty about eligibility, having had a previous claim refused, and concern about having to give personal details to support a claim.

### Measuring non-take up

While the take-up estimates given above are widely used it is worth noting that there are some differences in views between customer insight specialists in the Pension, Disability and Carers Service (PDCS) and researchers in DWP about the number of pensioners who are entitled but not claiming Pension Credit. PDCS conducts a range of data matching activity to derive assumptions about households and individuals who could be eligible to Pension Credit, whilst the DWP estimates are based on information derived from the national Family Resources Survey and administrative data. These approaches can produce different outcomes.

It would be valuable to draw these views together so that all could share the best possible view of the numbers of eligible non-recipients to Pension Credit at national, regional and local levels. This would help develop the most effective approaches to take-up including looking at ways of targeting efforts to increase take-up for example by focussing areas where there appears to be high numbers of older people missing out.

<sup>5</sup> All figures come from the DWP/DSS Income related benefits estimates of take-up series. Prior to 1994 estimates were based on the Family Expenditure Survey and will not be directly comparable with later estimates which are based on the Family Resources Survey.

<sup>6</sup> The figures for 1987 were presented as single point estimates.

<sup>7</sup> Pension Credit introduced a new element – the ‘saving credit’. The rate of take-up of guarantee credit is more directly comparable with previous benefits.

<sup>8</sup> *Social security claimants – a survey among customers of a local social security office* OPCS, 1979

## 6. DWP approaches to tackling take-up

In the past governments have tended to see their responsibility as providing support and information about entitlements. This changed in 1997 when older people were actively encouraged to claim Income Support. This followed the Labour Party's manifesto pledge: 'We will examine means of delivering more automatic help to the poorest pensioners - one million of whom do not even receive the Income Support which is their present entitlement'<sup>9</sup>. Since then the Government has done much to promote benefits and there was a major (although ultimately unsuccessful) push to meet a Public Service Agreement target which came into effect in 2005 to get 3 million older people receiving Pension Credit by 2006. While initiatives produced many claims, particularly to begin with, returns started to fall and the Pension Service Business Plan for 2007-08 stated 'it would not represent value for money to repeatedly press unwilling eligible people to take up entitlement'. More recent approaches have focussed more on benefits in general rather than solely focussing on Pension Credit.

There are a number of ways that the DWP can encourage take-up. On one hand the onus can be mainly or entirely on the individual – for example this is the case if forms and leaflets are simply made available to those who enquire or there is general advertising or publicity about benefits. This kind of approach is helpful to raise awareness and will reach some people but will miss many others.

At the other end of the spectrum a system of automatic payments puts the onus mainly on the DWP – for example the majority of winter fuel payments are made automatically without older people needing to claim. This is considered later on. In between these two approaches are a number of other ways of reaching people.

Below is a summary of the types of approaches where DWP is more proactive in trying to reach people:

- **Targeted written information** eg letters sent to people identified as likely to be entitled to benefit encouraging claims using messages appropriate to the target group.
- **Targeted personal contacts** telephone calls or home visits from DWP to those who appear entitled to benefits.
- **DWP takes services out to people** eg benefits adviser visits local community centre/mobile advice unit to give information/promote claims.
- **Using trigger points:** information about the range of benefits is provided when an individual contacts the DWP for other reasons eg to claim their state pension or report the death of partner.

The above initiatives have generally been supported by DWP press office activity and local publicity and the campaign themes are changed over time to reflect barriers to claiming identified by ongoing customer research activity.

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<sup>9</sup> The commitment in the previous manifesto to increase the basic state pension no longer featured. Increasing take-up was a way of increasing pensioners' incomes - targeting help on the least well off was considerably less expensive than an across the board increase.

## 7. Approaches by other organisations

National voluntary organisations including Age Concern, Help the Aged and some disability organisations produce information about benefits, run helplines and publicise benefits. For example Age Concern has produced a book on benefits *Your Rights* since 1973, has a range of paper and web based materials and runs an annual benefit take-up campaign with national and local publicity. Last year we estimate that local Age Concerns helped older people claim £100 million pounds of benefits. An on line calculator has also proved popular with around 34,000 people using this in the first 8 months.

Some local authorities have welfare rights services and some run very targeted projects for example using Housing and Council Tax Benefit to identify those who appear to be missing out on Pension Credit and then writing, ringing or visiting to help with claims. Local authorities and voluntary organisations also reach people by linking with care assessments and taking benefits information into places where older people are, such as GP surgeries or sheltered housing complexes.

### Reaching out to people

Some groups can be described as 'hard to reach'. In fact the majority of these are already being reached by public services or are in contact with community bodies – it is the DWP that is having difficult reaching them. For example most of those entitled to benefits will have a GP and on average older people visit their GP around 7 times a year<sup>10</sup>. So rather than the DWP encouraging people to contact them or going out to offer services, benefits advice can be linked to contacts the individual is already making. Approaches include:

- **Trusted contacts help identify need and refer:** those who are already in contact with older people, or providing a service, (eg doctor, community worker) can identify those who may be entitled to support, encourage the person to seek help and make a referral. The trusted contact needs some broad understanding of what might be available but does not need to be an expert around benefits.
- **Referrals within organisations:** Organisations including Age Concern and local authorities may provide benefit information but also a range of other services. So for example an older person may already be in contact with Age Concern about care services, buying home insurance or seeking help for a friend or relative. In discussions on these other issues financial needs may be identified.
- **Piggy backing on other services and promotions:** the promotion of other services or offers including social events can be used as an opportunity to provide information and advice on benefits. For example this can include services provided by private organisations such as utility companies and using opportunities such as digital switchover to provide information.

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<sup>10</sup> *Health Survey for England 2005* Dept of Health, 2007.

## 8. So why has take-up not improved?

The figures in the table above, looking at Pension Credit and its forerunners, show that despite all this work over a long period of time the problem still exists and indeed take-up levels seem little changed over many years. Although according to the estimates the proportion of those entitled to but not receiving to Pension Credit (or its predecessors) have stayed the same there was a large increase in the numbers claiming after the introduction of Pension Credit which brought more people into entitlement through the introduction of the savings credit and removal of the capital limit. However there seems to be a continual core element of people who cannot be reached through awareness and promotional activity – some have been contacted directly by the PDCS but tell them they do not wish to discuss their position.

Some of these missing out may have made an informed decision not to claim – perhaps because they are aware that they will only be entitled to small amounts – but others will refuse to take action for reasons such as those outlined above – not believing they will be entitled. And there are others for whom it is particularly difficult for the PDCS to reach – for example people who have disabilities or for whom English is not their first language.

It is also important to be aware that there needs to be continuous efforts to encourage benefit take-up because all the time new people are becoming entitled and many are leaving the caseload. The current PDCS business plan states that it will secure at least 250,000 new successful Pension Credit claims. This is broadly in line with the numbers who are expected to leave the caseload during the years.

## 9. Current DWP initiatives

Current DWP initiatives that could have an impact of take-up include:

### **Administrative changes:**

- From October there has been a more automatic process for claiming Housing Benefit and Council Tax Benefit at the same time as claiming Pension Credit by telephone. People can now claim Housing and Council Tax Benefit at the same time as Pension Credit without the need to sign and return a claim form.
- Simplification of processes eg a pilot where local Pension Service staff take claims for Pension Credit and Carer's Allowance at the same time. Easier processes may help with take-up by ensuring fewer people give up navigating complicated systems.

- Transformation of Pension Centres enables people claiming their state pension to be asked about Pension Credit.

### **Partnership working**

- PDCS has established a new Partnerships and External Relations team to work more effectively in partnership with other organisations at national, regional and local levels to better identify customers in need and to improve service delivery to meet those needs.
- Age Concern Scotland, DWP and the Scottish Executive are running a pilot project to encourage benefit take-up by providing support through local pensioner organisations.
- The Partnership Fund provided one and two year grants to organisations working in partnership with the Pension Service and others to carry out projects which encouraged take-up of benefits and access to other support. The project has now finished and no further funding is available.
- DWP is working to refresh the Government's Ageing Strategy and draw on learning from the Linkage Plus programme of partnership pilots, with a view to bringing out key success factors and best practice and supporting wider implementation.

### **Marketing and publicity**

- DWP direct mail shots continue to be targeted at older people who, from information held, appear likely to be entitled to benefits.
- Publicity was carried out in advance of changes to backdating rules. A new 'Single Proposition' campaign for implementation from January 2009 which seeks to work more closely with partner organisations to coordinate take-up activity and develop greater cooperation and innovation from April 2009 onwards.

### **Research**

The DWP have published a body of research on take-up over recent years and are carrying out further work to look at ways to overcome barriers to take-up.

### **Other broader initiatives that have potential impact on benefit take-up**

**Transformational Government** - this is described as a cross-government strategy to 'design public services that focus on the customer, that are joined up around their needs, and that are delivered professionally'. This includes 'Tell us once' pilots round birth and bereavement.

**DWP change programme** - work to transform DWP service through improvements in technology and other areas.

## **10. Age Concern's recommendations**

The good work currently carried out nationally and locally needs to continue. But alone this may do little more than maintain the status quo for the reasons set out above. Age Concern is supportive of the work that is being carried out within the DWP and PCDS to make systems work better and to improve the take-up of benefits. We think the broad approaches being set up by the Government are right but recommend:

### **A more co-ordinated approach across Government**

- There should be a co-ordinated approach on take-up for older people starting with the aim of maximising take-up of all benefits and setting out the different initiatives to achieve this.
- While DWP is the lead government department there should be closer working with other government departments especially the Department of Health given the link between health and income and the regular contacts health professionals have with older people. Tackling pensioner poverty should also be built into the local government performance framework.

### **Co-ordinating take-up activity**

The information in this paper lists a range of government initiatives but probably does not include all activities. Although organisations such as Age Concern enjoy good relations with many parts of the DWP it can be difficult to maintain a good overview of all the initiatives and to see how these fit together. We believe it would be useful to have a strategy setting out how the goal of maximising benefit take-up could be achieved through a combination of methods including administrative change, partnership working and publicity. Information about initiatives should be set out on the DWP website so for example partner organisations could easily find out about current direct mailings, planned advertising on a national or local level or know when administrative changes are due to come into effect. The DWP consider that the merger of the Pension Service and Disability and Carer's Service and their Change Programme initiatives will bring about a more joined up approach.

### **A cross-government approach**

Public Service Agreement 17 – 'Tackle poverty and promote greater independence and wellbeing in later life' is led by DWP. The Department of Health is also involved and it is important that it sees the aim of tackling poverty as a shared responsibility in addition to its role to on the indicators around improving healthy life expectancy and independent living. Health care staff are often in contact with older people missing out on benefits and other sources of help. They do not need to be experts on the benefits systems but with a basic awareness of benefits and other support they can then be 'problem identifiers' referring to known agencies for further help. Our

research on welfare rights advice in health care settings found such systems work best when there are good relationships between and health care staff and showed the positive impact such initiatives can have<sup>11</sup>. This links in with the Department of Health's commitment to improve access to information through Information Prescriptions.

Age Concern was disappointed that the 198 national performance indicators for local areas do not include one on pensioner poverty (although there is an indicator on child poverty). In the short term local authorities should adopt voluntary indicators and we welcome the work DWP has done to provide local level data to enable them to monitor take-up. Tackling pensioner poverty should be built into future performance indicators for local authorities as part of work on the Ageing Strategy and renewal of local area agreements from 2010 onwards.

### **A more joined up and automatic system**

- There should be a goal to introduce automatic payments of income-related benefits and we would like to see pilots to test feasibility as soon as possible.
- In the mean-time there are administrative changes that could be made such as introducing a single claim line for Pension Credit, Housing Benefit and/or Council Tax Benefit.

### **Automatic payments**

For income-related benefits we would ultimately like to see payments paid automatically based on information already held by HMRC and DWP and any other available sources. A staged programme is needed to achieve this goal. The first step is to test the reliability of this information and establish clear safeguards to protect personal data. It may be that there will be some people with more straightforward affairs for whom benefits can be awarded automatically whereas others who may need to provide further information<sup>12</sup>. In taking forward work on automatic payments there may need to be an acceptance that benefit entitlement does not need to be worked out to the last penny. Part of the programme of work needed will be to look at an acceptable threshold of accuracy.

Automatic payments could be tested with specific groups. For example Help the Aged has put forward proposals to make automatic payments after bereavement. People who have been widowed could be given an interim payment of Pension Credit and then encouraged to claim to get ongoing help. This could provide immediate support at a difficult time and show the benefits of applying for additional support.

### **Administrative changes**

While proposals to pilot automatic payments are developed there are a number of changes that could be introduced within the current system. The first two aim to

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<sup>11</sup> *Just what the doctor ordered – welfare benefits advice and healthcare* Age Concern, 2008.

<sup>12</sup> For example this could be in line with the Pension Credit rapid review process where people identified as having straightforward circumstances are not needing to undergo a full review when their assessed income period ends.

address the problems caused by a system whereby Pension Credit is administered by the PDCS and Housing Benefit and Council Tax Benefit (HB/CTB) by local authorities.

**A single claim line:** We believe the telephone claim line should be extended so that it can be used by older people wishing to claim HB/CTB but not Pension Credit. We welcome the changes that now allow those claiming Pension Credit by telephone to also claim HB/CTB but if the line could be used to claim any or all of the three benefits this would make the system easier to promote and understand. It could increase take-up of not only of HB/CTB but also Pension Credit as some who ring the line worried about their council tax bill might also find they were eligible for Pension Credit.

**Information passed from local authorities to PDCS:** Secondly if people claim HB/CTB directly from their local authority then they should also be asked if they wish to claim Pension Credit and if so information should be passed to the PDCS to assess entitlement. Currently although information is passed from PDCS to local authorities the system does not work the other way around.

**Joint Pension Credit and Carer's Allowance claims:** The complexity of systems for those with additional needs such as carers is one factor which can limit take-up. We have previously recommended administrative and regulation change to simplify claims for older carers who will not be entitled to Carer's Allowance due to overlapping benefit rules. Any changes to make benefits easier to understand and apply for are likely to help take-up.

### **Partnership working and evaluation**

- We welcome the commitment of the DWP and PDCS to work in partnership with organisations such as Age Concern. Initiatives should be piloted and evaluated and the DWP should consider funding voluntary organisations to deliver services where this is shown to be the most effective approach.
- More generally it is important that administrative changes and initiatives to tackle take-up are monitored and evaluated in order to ensure progress to reduce numbers missing out on entitlements.

We welcome the willingness of the DWP to work with partner organisations such as Age Concern and Help the Aged and we support the work being developed by the new PDCS team. In order for joint working to be effective partners need to be involved at early planning stages and there needs to be a clear understanding of the different roles and strengths of government and non-government organisations. For example while there is much that can be done through joint initiatives it is also essential that older people have access to independent information and advice. This may be because they want an independent opinion or help with challenging a decision or because they need practical support with the claim process but prefer to receive this from a trusted voluntary organisation rather than a government department.

Many local voluntary organisations would like to do more around take-up but their lack of resources can mean it is difficult to cope with current demand. For example some local Age Concerns have declined to take part in take-up campaigns due to

concerns about dealing with additional enquiries. Initiatives should be piloted and evaluated and the DWP should consider funding voluntary organisations to deliver services where this is most effective. We welcome the Scottish pilot referred to in this paper and look forward to seeing the report of this project.

More generally this paper has described a range of initiatives, including administrative changes, which are intended to improve take-up. It is essential that there is monitoring and evaluation of the different initiatives including, where appropriate, comparisons of different interventions, in order to develop systems and projects which can maximise the incomes of older people currently missing out on entitlements.

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