

## **Benefit Take-up and Tackling Poverty**

*Introduction*

*Evidence review on uptake*

*Evidence review on participation*

*Conclusions*

*References*

*Annex A*

*Annex B*

*Endnotes*

*(logic models in models attachment)*

## ***Introduction***

1. One of the major policy strands of *Achieving Our Potential*<sup>i</sup> aims at reducing Scottish income inequalities by maximising the incomes of households containing the poorest people. While the income maximisation-tackling poverty link appears clear, it is useful to articulate the links to ensure that potentially useful policies are not overlooked, nor are the perverse effects of some policies not accounted for. The high level logic model for 'Tackling Poverty' generally sets out the role that increasing benefit uptake needs to play. This section of analysis focuses on how increasing benefit uptake is assumed to tackle poverty.

## ***Income Maximisation and benefit take-up***

2. Incomes are maximised for workless households by ensuring benefit entitlements are paid, barriers to work are removed, and support is provided for transitions to work.
3. Where households contain working members, incomes are maximised by ensuring statutory minimum wages are enforced, entitlements to in-work tax credits and benefits are paid, and support is provided for progression in the workforce.
4. For all low income households, reducing living costs through provision of low or zero cost services is important. However, the benefit of these measures may not reduce income measures of poverty but will reduce material deprivation indicators of poverty.
5. Incomes can be maximised through alterations to the taxation system, to ensure that the burden falls on those most able to pay, and that those on low incomes pay no more than necessary. Within devolved powers, the most fruitful area for exploration may be the local taxation system. One option for consideration would be a selective, rather than universal freeze of the Council Tax, with those in low bands continuing to see a freeze in bills, and those in higher bands seeing CT bills rise.

## ***Benefit Take-Up as a high impact tackling poverty policy***

6. Among income-maximisation policies for low income households, increasing take-up of income-related benefits and tax credits<sup>ii</sup> has a high potential impact on poverty. For manageability reasons, the focus of this paper is restricted to take-up for DWP income-related benefits<sup>iii</sup>:

- Income Support (IS) and Employment and Support Allowance (ESA)
- Pension Credit (PC)
- Housing Benefit (HB)
- Council Tax Benefit (CTB)

- Job-Seeker’s Allowance (Income-Based) (JSA-IB)

***A high-level logic model for benefit take-up and tackling poverty***

7. Figure ‘Benefit Uptake 1’ in the models annex provides a simple benefit take-up logic model relating resources, activities, intermediate outputs (products), final outputs, and social impacts (outcomes) of benefit take-up policy interventions. It is a simplified version of Benefit Uptake 2 which sets out the evidential base upon which the main assertions are drawn.

***The people focus of benefit take-up policy and tackling poverty***

8. The focus in this discussion is on those who are income poor in standard UK terms (that is they live in households with equivalised incomes that are below 60% of UK median equivalised income). However, as noted elsewhere in this document, measures of ‘hardship’ and measures of ‘poverty’ overlap but are not the same and measures of material deprivation are higher in the second income decile than in the first. For some, poverty is temporary while for others it is chronic. For some work is a possible route out of poverty while for others it is not. And underlying the analysis is the debilitating effects that poverty has on aspiration.

9. As a result our focus is not simply on those beneath the poverty line but those on low incomes that place them in the lowest three income deciles (the L3).

***DWP Income-Related benefits and the solidarity target***

10. Since DWP’s benefits are means-tested, increasing take-up rates increases income flowing to the lowest deciles. Increasing take-up should raise the lowest deciles’ share of total income<sup>iv</sup>, moving Scotland closer to achieving the Scottish Government’s solidarity purpose target<sup>v</sup>. However, UK Government proposed changes to the taxation system may mean that (absent any policy changes in Scotland) the share of income going to the lowest deciles falls rather than rises.

11. The scope for Scottish Government action in this area is set by the extent of current take-up rates for income-related benefits. These are shown below.

**Table 1: Mid-Range take-up rate estimates for income-related benefits in Great Britain 2008-09**

	Take-up by caseload	Take-up by expenditure	Difference
Income Support (IS), and Employment and Support Allowance (ESA)	84%	90%	+5%
Pension Credit	68%	76%	+9%
Housing Benefit	82%	86%	+5%
Council Tax Benefit	66%	69%	+3%
Job-Seeker’s Allowance (Income-based)	53%	56%	+3%

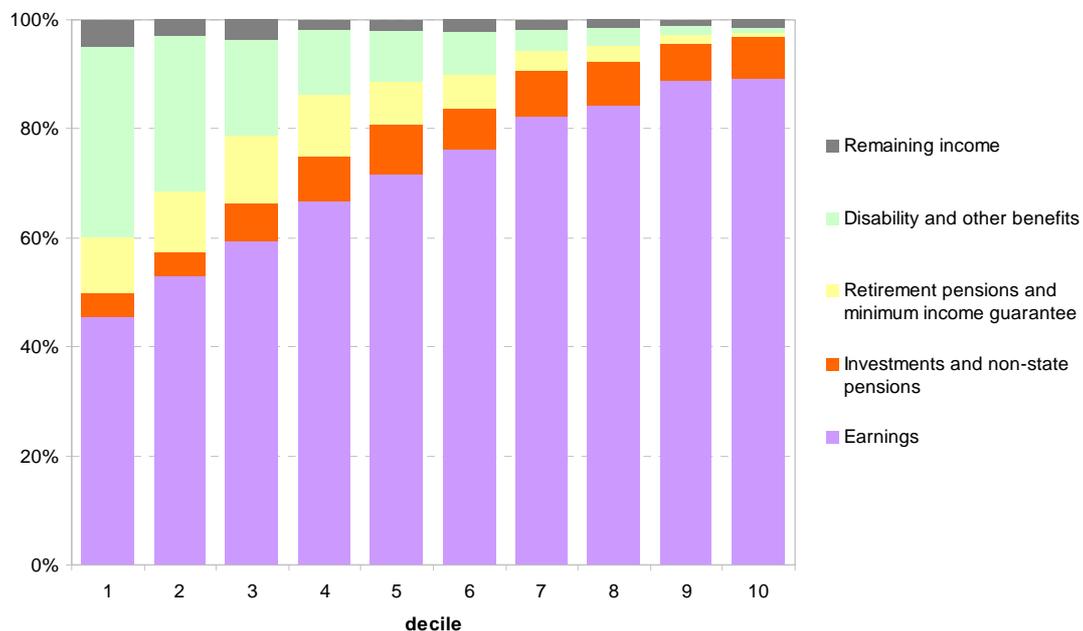
Source: Department for Work and Pensions (2010) *Income Related Benefits Estimates of Take-Up in 2008-09*.

Differential take-up rates between benefits, and between caseload and expenditure are discussed later in this paper.

**Poverty and increasing benefit take-up**

12. In general, increases in benefit take-up should increase the household income of those at the lower end of the income distribution relative to those at the upper end. This is because the absolute amount of benefits is largest for the lower deciles. The relative importance of benefit income by deciles is shown in Chart 1 below.

**Chart 1: Percentage of income from different sources by equivalised income decile: Scotland 2008/09**



13. While Chart 1 suggests that benefits and state pensions are well-targeted, this may not be the case. Chart 1 is also consistent with deciles 1 to 6 each receiving the same absolute amount of benefits and state pensions, but the increasing role of earnings as income rises produces a decline in the benefits and state pension share of each decile’s income.

14. Additional suggestive evidence on this is provided in Table 2 below, which shows total equivalised household income from different sources in absolute amounts rather than relative amounts. It shows that for decile 1, ‘Retirement pensions and the minimum income guarantee’ total equivalised household income is about the same as that of the 9<sup>th</sup> decile, with all of the intervening deciles having larger total equivalised household incomes. An apparent anomaly is that decile 4 has the largest total equivalised household income for this category. For ‘Disability and other benefits’ total equivalised household income is highest for the 2<sup>nd</sup> decile and significant for the first 6

deciles. It is therefore difficult, from this data, to ascertain how well targeted the pensions and benefits are.

**Table 2: Total equivalised weekly household income received from different sources by income decile 2008-09 (£ millions)**

Decile	Earnings	Investments and non-state pensions	Retirement pensions and minimum income guarantee	Disability & other benefits	Remaining income	Total income
1	42	4	10	32	4	92
2	81	7	17	43	4	152
3	102	12	22	30	6	172
4	138	17	23	25	3	206
5	177	22	20	23	5	247
6	229	2	19	23	7	280
7	277	28	12	13	6	336
8	342	32	12	13	6	405
9	454	34	9	9	5	511
10	940	83	8	8	15	1054

Source: *Family Resources Survey 2008-09*.

### ***Relationship between take-up and household income***

15. There is a straight forward positive relationship between increasing the levels of benefit take-up and increasing gross household disposable household income (GDHI). In addition, as GDHI rises with rising benefit take-up levels, there is an unambiguous decrease in the numbers of people living in poverty.

16. Provided the increase in benefit take-up occurs mostly for households below the median level of income, its effect on median income should be negligible. Consequently, the numbers of those rising above the poverty line will not be reduced by any people falling into poverty as a result of a rising poverty line.

17. Two complications arise for this relationship.

(i) Knowledge of the best ways to achieve increases in benefit take-up levels is sparse and not robust.

(ii) Increased levels of benefit take-up are likely to produce changes in the behaviour of potential and actual benefit recipients of working age, leading to perverse long-run outcomes.

We look first to reviewing the evidence on what is known about benefit take-up.

## **Evidence Review on Take-Up**

18. This section reviews the literature on why benefit take-up is low, particularly for certain groups, and then reviews what evaluative evidence exists on the effectiveness of take-up boosting schemes in both Scotland and beyond.

19. Reasons for not taking up benefits range from the stigma associated with taking “hand-outs”, to issues regarding the complexity of the system. Complexity issues are also relevant with regard to encouraging people off benefits and into employment. Unless an individual has confidence that the benefit system will adapt to changing circumstances and provide an adequate standard of living, they are less likely to be prepared to take on new opportunities or accept employment.

20. A 1991 take-up study of Family Credit found that eligible non-recipients were generally living in better conditions than recipients - they were more likely to be owner-occupiers, and seemed to have a higher standard of living (Marsh and McKay 1993). The authors suggested that claiming involved self-identification of eligibility and this may conflict with potential claimants’ views of themselves. The same study also identified social networks as an important way of finding out about benefits.

21. Since the benefits being considered are income-related and reduce as people’s income rises, we expect that people on lower incomes are more likely to make claims than those with higher incomes. This is confirmed generally by observing that all estimates of take-up by expenditure are larger than estimates of take-up by caseload. However some of the differences are small as shown earlier in Table 1

22. The largest take-up rate difference is for Pension Credit, suggesting that the unclaimed benefit tends to be small on average. The smallest differences are for CTB and JSA, suggesting that the unclaimed benefits are on average large.

23. Take-up of Council Tax Benefit (CTB), Housing Benefit (HB), and Income Support (IS) among pensioner households was analysed by Hancock *et al* (2003) using FRS survey data between 1997 and 2000. They found that over one third of pensioners in their sample were failing to claim at least one of these benefits, but only 16% of these would have received an increase in their income of 10% or more if they claimed their entitlement to all these benefits. However, particular sub-groups of non-claimants may potentially be losing a large fraction of their income. For example, single women aged 80 and above, had the highest CTB, HB & IS take-up rates, but the non-recipients in this group were failing to claim income worth on average an additional 40% of their income. In contrast, single men aged 80 and above had a lower take-up rate (54%), with non-claimants failing to claim benefits worth an additional 30% of their income.

24. Across all benefits, the fact that take-up rates *by expenditure* are higher than those *by caseload* suggests that a significant proportion of those who do not claim benefits would be entitled to only a small amount of money, and have rationally made the decision that this small sum is not worth the transaction costs (or perceived stigma) involved in asserting their entitlement (the final of the barriers above).

25. Take up for benefits tends to be higher among families with children (who have automatic contact with the benefit system through Child Benefit), and lower among pensioners, where other factors apply. A European study (Fuchs, 2007) also suggests that take-up increases with an increase in the number of children (from a German example). Benefit take-up among UK problem drug users is estimated at 80% (Hay and Bauld (2008)).

### ***Barriers to take-up***

26. Considerable attention has been paid by both academics and practitioners to understanding low or non take-up of benefits and entitlements, and the key issues in terms of understanding barriers are fairly well understood. Examination of the research of Corden (1999), Mayhew (2002), Mconoghy *et al* (2003) and Commission for Rural Communities (2007) on take-up of social security benefits suggests the following as factors underlying benefit non-claiming behaviour:

- partial / outdated knowledge: people not informed about the types of benefits available or their rules;
- complexity: if they had the relevant knowledge, they might not take their claim forward because of the range of difficult application forms and the complexity of the whole process of claiming;
- stigma: people value their ability to live independently and don't want the stigma of state support;
- previous bad experience of claiming
- reluctance to be subject to intrusive questioning: especially when combined with intrusive health status questioning
- calculation that claiming is not worthwhile.

27. While these factors have some explanatory appeal – the benefits system is complex and people have limited information about relevant rules and application processes – it has also been suggested from British surveys that benefit recipients are not really better informed than non claimants (claimed in McKay (2002) p.9 without sourcing the claim).

28. Differences in cultural and social practices, behaviour and attitude to claiming entitlements among minority ethnic groups can create additional barriers to take-up. These may be exacerbated by poor language and literacy skills which act as an impediment to making claims, with those affected finding it difficult to fill in appropriate forms and lacking confidence to seek advice (Barnard and Pettigrew, 2003).

29. In a similar way, the complexity of the benefits system may act as a barrier for particular groups and individuals. Some may be disproportionately affected by complexity. The evidence suggests that mental health service users find provision of easily accessible information, advice and advocacy services essential to their dealing with the benefits system (Davis, 2003).

30. Other factors, due to circumstance rather than characteristic may also effect take-up rates. For example the international comparative study conducted by Fuchs (2007) also suggested that the relative anonymity of living in large towns of cities reduced the stigma associated with claiming.

### **Behaviours**

31. Van Oorschott (1996) found that people are more likely to make an application for a benefit if a 'significant event' (losing a job, retirement, having a child) acts as a 'trigger' for the application. Those facing a more gradual change in circumstances might not benefit from such a 'triggering' effect. Among pensioners, a more gradual erosion of private sources of income (such as occupational pensions that are not regularly updated) might not trigger awareness of the benefits that could be claimed.

32. Other activities attached to such triggers for eligible non-recipients have been suggested, including word of mouth information from friends and family or the advice of voluntary and community groups or authoritative figures like General Practitioners. For eligible non-recipients of Pension Credit, research has shown widespread misunderstanding of eligibility conditions negatively impacts on take-up (Talbot, Adelman and Lilly (2005); National Audit Office (2002); Wiggan and Talbot (2005)).

33. Various attempts have been made to arrive at more systematic accounts of people's claiming behaviour. The most sophisticated has sought to combine the concepts of 'thresholds', 'tradeoffs' and 'triggers'. Kerr (1983) put forward a model based on thresholds: in order to claim people must pass six thresholds that included recognising that they were eligible and believing they would benefit from making a claim. This approach has been seen as particularly influential in the field (Craig 1991), but did not convince all, and indeed the empirical evidence presented did not rule out that a model based on trade-offs could provide good predictive power. A model based on trade-offs suggests that people may claim, even if they do not pass a particular threshold, if one of the key factors is very strong. If, for example, their need is great, this may be enough to overcome another factor, such as deep-seated feelings of stigma.

### **Effectiveness of campaigns to increase take-up rates**

34. There are two elements to increasing benefit take-up among eligible non-claimants. The first is to find better ways to identify and reach such people; the second is to ensure that the process they encounter is appropriate and positive, and that they decide to claim what they are entitled to. Essentially, schemes need to identify, 'locate' and understand the circumstances of the eligible non-claimant before tailoring the process and the service through which the benefit will be administered.

35. Partly due to the range of benefits being targeted at many different groups and individuals, there are a plethora of targeted campaigns administered by local authority, agency, charity and national bodies. Programmes to improve the take up of benefits generally seem to operate a broad brush approach, adopting a range of measures operating at various levels and targeting a wide number of individuals and groups. This

approach makes distinguishing the separate elements of the campaign (and their attributable change) challenging.

36. Across these campaigns, there are remarkably few outcome evaluations of the change achieved as a result of the specific intervention, and increases in take-up rate are noted as measures of success (but cannot always be attributed to the interventions alone). The literature on the barriers and characteristics on eligible non-claimants is much more established and extensive than the evidence on the impact of schemes aimed at increasing take-up (which are many). The need for more thorough evaluation is recognised by DWP, and a number of studies are expected in 2010.

37. Campaigns are designed on the basis of recognising both the characteristics and the barriers faced by potential claimants, alongside a consideration that the 'interface' with the process itself can serve as a deterrent. Therefore, efforts are made to address the problems encountered in claiming (language, access, information availability and quality, official interactions), the point at which an eligible non-claimant can be reached (using networks, home visits, point of service contact e.g. GP surgery) or 'piggy-backing' on the delivery route of another support service (particularly at life event stages). The individual circumstances of the eligible non-claimant will largely determine whether they decide to make a claim, but the tailoring of these circumstances to the advice and the delivery route is key. The complex modelling mentioned above offers microsimulations for scenarios, but in practice, programmes tend to adopt a 'scattergun' approach, replying on both universal and targeted intervention efforts.

38. The Citizens' Advice Bureau has run campaigns on benefits take-up. It has reported that '... some CAB benefit take-up campaigns net as much as £85 for claimants for each £1 spent on running them.' (Citizens' Advice Bureau (2003)). Within this same report, one CAB in Luton claimed an increase of £25 for every £1 invested in the income-raising element of its Affordable Warmth Scheme (£360,000 in extra income following a project spend of £14,000), but these figures, welcome as they are, are not derived from robust and thorough evaluations which would aim to eliminate the counterfactual and establish the range of influences on the increased benefit income.

39. Macmillan Cancer Care, who have some experience with implementing benefit take-up programmes using advisers to ensure that cancer patients receive their full entitlements, have used this figure in an unpublished document, partly as the basis for their estimation of the effectiveness of their specific advice service. Their expectation is that they achieve an improvement in benefit take-up in the order of £21 for each £1 they spend on the take-up service. These estimates for efficacy of benefit take-up programmes should be treated with caution, as this is one area of poor evaluative evidence. Also, some of the benefits in these schemes (Disability Living Allowance and Attendance Allowance) only apply to people in very specific circumstances, and so the methods of this advice service cannot be assumed to be successful for other targeted benefits. However, what they certainly deliver is a very precise targeting of potential claimants, particularly at the point of becoming eligible. It is likely that appropriate evaluations of such targeted approaches will yield valuable results if piloted in Scotland.

40. One of the most promising potential areas for better targeting of eligible non-claimants is the more sophisticated analytical use of administrative data. DWP have been running data-matching scans since 2005 to identify those receiving Pension Credit who are not claiming Council Tax Benefit. The 'data matching' identifies those who are not claiming and follows them up with individual letters from DWP and with local authority prompts. This effort has not been evaluated to determine how many of the 230,000 pensioners identified actually responded positively and began claiming CTB.

41. In short, there is currently a paucity of independent evidence regarding the effectiveness of campaigns to increase take-up rates. With these reservations about the evidence in mind, any programme of increasing benefit take-up should provide for robust evaluation to ensure that better evidence of efficacy is available in the future.

***Evidence Review on the Effect of Net Income Changes on Workforce Participation Behaviours (the decision to work and the decision to increase hours)***

42. A major contributor to this are the programmes promoting increased Scottish take-up levels for the major income-related benefits. The relationship between increasing benefit take-up rates and poverty in Scotland is complicated by differential consequences between the short-term results of increasing benefit take-up rates and the long-term effects. We begin by looking first at the short-term relationship between increasing benefit take-up and poverty. This provides for an unambiguous decrease in the numbers of people living in poverty since nothing has changed other than the income of those now receiving new or increased means-tested benefits.

**Effect of Rising GDHI on Work-Seeking Behaviours of Benefit Recipients**

43. The landmark discussion of the effects of financial incentives on the 2 dimensions of work – moving from non-work to work and increasing hours -- is the recently published survey of taxes and labour supply by Meghir and Phillips (2010) undertaken as part of the Mirrlees Review of UK taxation. Meghir and Phillips conclude:

*Male hours of work are almost completely irresponsive to changes in work incentives; however, male participation, particularly for those with low or medium levels of education can be responsive. The number of people working among the low skilled can be sensitive to the design of welfare benefits and tax credits as operated in the UK with an hours condition, for instance. Hours of work and labour force participation for women with young children and particularly for lone mothers are also quite sensitive to tax and benefit incentives. Participation elasticities (work/non-work) are positive and demonstrate quite a lot of sensitivity to incentives for the decision to work or not. For highly educated individuals the sensitivity of both hours of work and participation to work incentives are almost zero. However, for higher income and higher skill individuals the total income elasticity is substantial, but probably less than one. Thus for low skill men the structure of the benefit system is likely to affect their work probability.*

*For high skill men higher rates of taxes are likely to discourage effort and creativity quite substantially to imply important efficiency effects of taxation.*

44. These results confirmed the earlier survey of the financial incentives to work by Adam, Brewer and Shephard (2006), who reviewed the literature on the work disincentive effects of benefits. They saw two aspects of financial work incentives as important: the incentive to be in work at all, and the incentive to progress in work (i.e. increase earnings). They found work incentives are most weakened through the withdrawal of means-tested benefits and tax credits, not through high rates of income tax.

45. Simulations of hypothetical changes to taxes and benefits confirm that no easy solution exists to the trade-off between improving work incentives and redistributing income. Using universal benefits to redistribute income is considered expensive, and using means-tested benefits damages the incentive to work; tax cuts tend to improve work incentives but do little to help people on low incomes directly.

46. However, since behaviour changes take time to occur, we would expect there to be a significant time lag between the change in economic incentives and the full behavioural change resulting from it. As a result, there is likely to be only a small change in the short-term followed by a larger change in the long-term.

47. The importance of the Meghir and Phillips conclusion is that what matters is the financial incentives effects on the transition to work for males and for women with young children, particularly lone parents. Their work suggests that the effects of work incentives/disincentives on hours is quite small.

#### **Effect of Other Motivators on Work-Seeking Behaviours of Benefit Recipients.**

48. As noted above there are other non-economic motivators of benefit recipient behaviour. These positive work-seeking behaviours counter the negative effects of the economic motivators.

49. If these motivators can be enhanced at the same time as the negative effects of net income increases occur, then work-seeking behaviours can be encouraged.

50. Such enhancements would include policy interventions that increase the supply of 'good jobs' (ie those that are long-term and include prospects for advancement) and enhance the self-esteem of benefit recipients. This is particularly important given the extensive 'cycling' that occurs between out-of-work benefits and low quality, poorly-paid and temporary jobs

#### **Conclusions**

51. The research literature suggests that the following factors underlie failure to take up benefits – ignorance, complexity associated with entitlements, complexity of the claiming process; stigma; claiming experience, intrusive questioning, and low value benefit.

52. The effects of increased benefit take-up on income inequality are contingent and mixed. The overall result is that in the short-term increased benefit take-up reduces income inequality since the alternative for a person is no or very low income. In the long-term, because of (potential and small-scale) negative effects on workforce participation, it reduces the likelihood of employment, and so may reduce long-term income below what it could be.

53. The number of hours of work undertaken also has a significant impact upon income maximisation. The current system penalises those who work more than 16-20 hours per week, by reducing the eligibility for tax credits and benefits at a very high marginal rate. The proposed moves towards a “Universal Credit” may ease this situation. However, more details will be necessary before the impacts of any changes can be fully analysed.

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## **ANNEX A**

### **Notes from a stakeholder engagement meeting on 2 September 2010.**

Present: Robert Greig (SG); Tom Rutherford (SG); Peter Kelly (Poverty Alliance); Laura Ross (SG).

- A1. The meeting began with a discussion of the Organisational Elements Model (OEM) of Inputs, Processes, Products, Outputs, Outcomes (IPPOO).
- A2. Products are viewed as means to an end, not goals in themselves. Increasing Benefit uptake is only useful to the extent that it contributes to the alleviation of poverty, and raising the incomes of the L3. It should not be a goal for its own sake.
- A3. Any process / product can be broken down as far as is desirable, to the level of individual actions. For the purposes of the TPB exercise, this would not be necessary though.
- A4. The TPB was set up to look at interventions in the field of poverty alleviation, and to consider any new and emerging issues. It was intended to have a finite lifespan, and was preparing to leave a legacy document to aid the thinking of policymakers who followed it.
- A5. Benefit uptake was flagged as one of 7 key issues to be addressed in this legacy paper. The other issues are listed in AoP, and include childcare, and financial capability.
- A6. The Scottish government has limited access to relevant levers to affect the welfare system. Compared to overall control of taxation and benefit rates, interventions that the SG undertake lack immediate impact.
- A7. Benefit take-up is somewhat mechanical. Most of the processes involved have been some form of information distribution, with funding going to organisations such as CAB. There is little robust evidence of the efficacy of these programmes, although a small number of independently QA'd (but not fully peer-reviewed) analyses do exist.
- A8. Peter Kelly mentioned that LAs were active in the field of benefit uptake, and that there could be some internal evaluations that had not yet been made available to TPB, or the SG. There may also be some work from the Energy Assistance scheme linked to benefit take-up.
- A9. Laura suggested that there may be some evidence at local levels, with the "Linkwide" older people's advice scheme being mentioned. However, there was little available focussed on people of working age.
- A10. When people are able to come in for benefit checks, generally they are assessed, and then asked to complete the necessary forms themselves. Occasionally some help may be given, but probably not in all cases where it is necessary. This is particularly stark in view of the 1 in 5 Scots who have difficulties with literacy.
- A11. Different benefits may have different types of help available. There is a contrast between JSA, for which people have to enter a JobCentre plus, but for other benefits the

routes involved are different, diverse and difficult. There is a question over whether it is better to target individuals, or wait for them to present themselves for contact with the system, and then suggest a benefit assessment.

A12. It was felt that more could be done with targeting ENRs. DWP have a large amount of household data that, if they chose, could be used to identify relevant people. Mention was made of a programme in which benefits were paid pre-emptively, and people then asked to complete a formal application to continue receiving the money.

A13. Some work has been done focusing on work incentives, but the relative size of incentives to claim and not claim benefits were not well understood. The intrinsic costs of claiming / engaging with the welfare system were describable in theory, but not well understood in practice.

A14. There was some concern over the transition between Incapacity Benefit and ESA, particularly with regard to the economic incentive for advisers to get clients into employment. It was also mentioned that ESA was experiencing a higher “drop-out” rate than IB.

A15. There was some discussion about the design of a “ideal” benefits system, and whether any changes would be a focus of debate in next years elections. However, it was felt that it was important to keep the work on uptake separate from any longer term analysis of work incentives or welfare reform.

## **ANNEX B**

### **Examples of Income Maximisation Interventions**

#### **Macmillan Cancer Support**

B1. Macmillan Cancer Support has built a network of benefits and financial advice services across Scotland for people affected by cancer. This network which extends to all parts of the country has an aim of maximising income for the 27,000 Scots who are diagnosed with cancer each year. In partnership with local government, NHS and other advice providers this Scottish network has generated over £30 million in client financial gains for people and their carers.

B2. The impact of these services and their role as pathfinders in this area of financial inclusion has been recognised by the Scottish Government and as such has been funded £1.1 million over 2 years to roll out the income maximisation service for those affected by cancer and to pilot extending this model of service delivery to those with other long term conditions.

#### **Linkwide**

B3. The Older Persons' Advice Project (OPAP) was established in 2005 and has already passed the £2 million mark in relation to financial gain. The Social Return on Investment ratio of OPAP is £27.53 for every £1 invested. The SROI analysis considers the social value of a wide range of outcomes such as improvement in long term health conditions, reduced fuel poverty, increase uptake and access to services targeted at older people and tenancy sustainment for older people as a result of installation of aids and adaptations.

B4. Central to the success of the OPAP is the ability to reach vulnerable older people who have traditionally not collected benefits to which they are entitled.

B5. Based on the success of the initial project, Link has received £700,000 of funding from the Scottish Government's Achieving our Potential programme to expand the service. Forecasts predict that over the period of activity the service will deliver income maximisation gains of £1.2 million per year. The project aims to combat poverty and financial exclusion by improving take-up of older people's benefits (including Pension Credit, Attendance Allowance, Carer's Allowance, Council Tax and Housing Benefit) with particular emphasis on clients who have health problems, are housebound, or who live in remote areas.

#### **East Glasgow Community Health and Care Partnership (CHCP)**

B6. East Glasgow CHCP's money advice service is an example of a partnership approach to health improvement and health inequalities. A successful model has been developed to deliver money advice services to the most vulnerable client groups within the CHCP, involving home visits, open access surgeries and targeted events.

B7. Over 7 years, the service has successfully raised £7,604,615 in unclaimed benefit and has supported clients to reschedule £930,288 of debt.

### **Scottish Borders Mental Health Initiative**

B8. The Scottish borders Welfare Benefits Service aims to tackle poverty by direct provision of benefits and tax credit advice, support and advocacy to people affected by mental health issues, their families and carers. In addition it should help to overcome barriers to employment by giving sound benefits and tax credits advice to those with mental health issues, who are considering a return to employment or to entering the employment market for the first time.

B9. A target of £300,000 increased benefit/tax credit gains has been set for the first 12 months and a further £500,000 for months 13-24

### **Dundee Hillcrest Housing Association – Making Money Work**

B10. The Making Money Work (MMW) project helps clients in Dundee who are on the transition from benefits to employment or training by looking at any financial issues.

B11. When someone has been long term unemployed or out of work due to ill health they may have a number of issues or concerns. Similarly when someone has been recently made unemployed then they are unsure of what help they are entitled to while they look for another job.

B12. Each member of MMW. staff works with a number of agencies and provides services to their clients. The team go into the agency and undertake a financial awareness session targeted to that group. The session covers the main financial inclusion topics of banking, borrowing, budgeting and benefits. The group have the opportunity to have a one to one individual advice session with the adviser following on from the group session.

B13. The project has helped 530 people in the last 12 months but momentum is now gathering and this figure will double or even treble in the next 12 months.

### **East Renfrewshire Worker Employability Service**

B14. The employability partnership commissioned a pilot project to make contact with local people with a Listening Survey. The aim was to engage with members of the community who were not economically active and not accessing services. The partnership formed a multidisciplinary and interdepartmental team which worked as a single unit. The team identified local areas not currently being reached and began to knock on doors to carry out the Listening survey.

B15. The flexible approach included weekends and evenings. The survey recorded the issues raised on the doorsteps and signpost people to appropriate services, even accompanying them to the appointment if required. Findings of the survey were recorded back at the office and re visit arranged to follow up all leads. Issues raised were fed to the appropriate department also.

### **Renfrewshire – Child Poverty Unit**

B16. Renfrewshire Council's Benefits Take-Up Officer organises Open Days every three or four months throughout Renfrewshire's communities to raise awareness of the services that can be provided by Renfrewshire Council to help reduce poverty.

B17. The Benefits Take-Up Open Days bring together the Housing and Council Tax benefits office who can assist applicants complete forms, Advice Works to advise on Child tax Credits, Income Maximisation and debt, Job Centre Plus including their Lone parent Advisor, Renfrewshire Council Education & Leisure Services will offer advice on free school meals and clothing grants, and the Pension Service who can help older residents by offering a benefit health check and help with completion of forms.

### **Scottish Borders Council's Welfare Benefits Service - Tax Credit Take Up**

B18. The aim of this service is to promote the take up of tax credits for working parents, particularly in relation to claiming childcare costs. Assistance with claiming is usually undertaken through home visits.

B19. As a rural authority with different settlement types, take up has been promoted in a variety of ways to try to ensure that the needs of all groups are met, particularly those at risk of poverty. This has included initial letters to child care providers to advise of the creation of the post, regular visits to nurseries, toddler groups, local schools and family centres. The visits are either in the form of drop-in and awareness raising or clinics.

B20. Links have been built with Health Visitors and the local Migrant Support Worker, which has proved beneficial for making contact with harder to reach groups.

B21. A basic leaflet has been produced by the WBS on tax credits and child care and along with a flyer with the service details is widely distributed, including the maternity ward at the Borders General Hospital.

B22. In 2008/2009, gains of £200,995 in tax credits for parents have been made and £3,905 has been renegotiated for tax credit overpayments. For the first four months in 2009/2010, the tax credits gains are £128,386.

### **Scottish Borders Council's Welfare Benefits Service – Homelessness**

B23. The aim of this service is to ensure the maximisation of the income of those either being assessed as or with the potential to become homeless. Regular benefit clinics are held for tenants who have started to accrue rent arrears can attend to discuss with the officer if they have any or further entitlement to benefits/tax credits. This early intervention has proved successful and popular with both tenants and the Housing Association.

B24. In the period 2008/2009, the officer assisted in the prevention of 42 evictions and achieved income gains for customers of £725,906.

### **South Lanarkshire – Benefit Projects Team**

B25. South Lanarkshire Council's Benefits Project Team works with integrated children's services in partnership with schools to provide a targeted welfare benefit information and advice service to vulnerable families, especially in families where there are children with disabilities. They provide awareness sessions for staff and parents as well as face to face benefits advice, including form filling as well as making applications for other grants and assistance available for vulnerable families.

### **South Lanarkshire – In2Work Team**

B26. South Lanarkshire Council's In2Work team provides a community money advice and welfare to work advice service and specialises in working with people who want to return to the workplace.

B27. They meet people at a time and place convenient to them and provide surgeries and take referrals from a range of partners including employability organisations and financial inclusion partners.

### **West Lothian Council Advice Shop**

B28. The Council's Advice Shop is open to the public five days a week for face to face help, and operates a well-publicised advice line, open during shop hours.

B29. Advisers proactively work with people affected by cancer, with prisoners, with patients from St John's hospital and with young people at risk. In 2008 09 the Shop dealt with over 70,000 enquiries. Over 8,200 people in West Lothian gained extra money through using this service, gaining extra income of £25.6 Million. The leverage figure (extra income per £ of council spend) was £32:1.

B30. Customer satisfaction last year was in excess of 97%.

### **West Lothian Council Corporate Debt Unit**

B31. Two advisers from the Advice Shop work in the unit, alongside staff from housing, and council tax and rent recovery.

B32. Their purpose is to help WLC tenants in rent arrears and customers in council tax arrears. In 2008 09 they helped people get £2.14M in extra income. The council benefited from £1.69M extra Housing Benefit and Council Tax benefit income. Rent arrears were reduced by £144,800. We helped and advised 720 tenants who were at risk of losing their home.

### **West Lothian - Polish sessions**

B33. In 2004–05 there was a dramatic increase in people from A8 countries<sup>vi</sup> moving in to West Lothian to work. The vast majority of these were Polish citizens. Many ran in to problems with employment and housing that seriously affected their incomes. Most could speak enough English, so that we could deal with them in our normal sessions, but a significant minority did not have enough English to manage this.

B34. West Lothian Council deal with enquiries from people who can speak English, or who have a relative/ friend who speaks enough English on our normal shop duties.

B35. For these enquiries where there is a difficulty with English there are two sessions a week, with four appointments a session. There are three Polish speaking volunteers to interpret.

B36. 230 Polish people have been helped through these sessions. An additional 40 individuals have been given advice over the phone. The majority of issues relate to tax credits, employment and housing issues.

### **West Lothian - Working in Addiewell prison**

B37. The new prison in Addiewell opened in 2008. From a very early stage there was an adviser in the prison for two sessions a week, dealing with about 10 enquiries a week.

B38. Around 87% of the prison's population come from North and South Lanarkshire, so partnerships have been developed with the Lanarkshire Community Justice Authority and the Hamilton Citizen's Advice In-Court Service. Prisoners receive a seamless service both inside and when they are released from prison.

B39. Working with Hamilton CAB's in-court service has helped to prevent two prisoners from being evicted whilst in jail and, ultimately, becoming homeless upon their release. In these two cases, information was obtained from the prisoners in relation to their housing situation, rent arrears and length of sentence and passed this on to the CAB.

### **West Lothian - St John's Hospital**

B40. West Lothian Council run a variety of advice sessions in different areas of St John's hospital (the psychiatric wards, maternity unit, and stroke ward) and get a lot of referrals from clinical staff there.

B41. In 2008 09, 350 patients have been helped, which has increased their income by £465,892.

### **West Lothian Council - Take up through door knocking in Addiewell and Fauldhouse**

B42. West Lothian Council, with a variety of partners is piloting local action by 'door knocking' in various parts of the area.

B43. The pilot has provided the opportunity for agencies to raise awareness of the services that the Council and partners provide. By working collectively, the team has been able to engage successfully with challenging individuals that they often would not have had the opportunity to do so, resulting in an increase in the number of referrals to services in the area.

B44. As a result of the exercise and follow up activities 419 residents have been engaged with, with 137 residents using Advice Shop services. The financial gains for this service is nearly £12,000, nearly £3,000 backdated income and lump sum payments of £350.

### **Edinburgh City Council - Maximising Pensioners' Entitlements**

B45. Pensioners in the Capital are better off thanks to a joint Council and Pension Service benefits initiative. Three years ago the organisations set up a team to ensure that Edinburgh's pensioners are not missing out on any financial benefits they are entitled to. This assistance is provided to claimants referred by agencies such as CAB, the Councils Revenue and Benefits Team and the Pensions Service. Last year nearly 4000 pensioners each received on average of nearly £1700 in additional benefits or tax credits.

### **Glasgow City Council – Community Planning Partnership (Fairer Scotland Fund)**

B46. The Council's Financial Inclusion Strategy is a major contributor towards several city priorities including health, employability and community safety, with a key contribution to Outcome 7: "we have tackled the significant inequalities in Scottish society". In 2008/09, £1.5m (£840k centrally and £656k through local CPPs) was invested in the £10m three-year programme to help meet the aspirations of the Council and its CPP partners to deliver a comprehensive, modernised financial inclusion strategy.

B47. The Financial Inclusion Strategy is an innovative approach to tackling social inequality as along with the Glasgow Works programme, it is being delivered via a 'commissioned services' approach rather than via an historical grant funded approach. Services have been contracted out to different consortiums across the city, with the Council and its partners looking to ensure for the first time that financial inclusion & housing information and advice services are delivered in a comprehensive and inclusive manner across all of Glasgow. This approach provides a fair and transparent allocation of resources based on value for money and promotes improved performance in service delivery and customer focus, with robust quality performance management across Glasgow.

B.48. The main elements of services provided cover a broad financial inclusion agenda including money advice, welfare rights, housing advice, financial education/budgeting,

fuel poverty, health related advice, affordable credit, and employability advice via in-work benefit checks and debt advice. The voluntary and third sectors, as well as independent national bodies, are key agents in the delivery of services for this programme.

B49. The new approach has ensured that five umbrella contracts are established, with consortiums delivering a strategic, planned approach to service provision across all areas, and offering a full range of information and advice services to a diverse range of clients. Many of the clients who use these services are often the same ones who access other key services including employability support & advice, health promotion programmes, or education services. Through the 'referral' processes, CPP partners are now able to link up the delivery of a range of services to clients in a more holistic and dedicated manner.

B50. By moving away from fragmented services and consolidating Financial Inclusion & Housing Information and Advice Services into one framework, Glasgow is adopting a modernised approach. It will meet the current needs of Glasgow's citizens, and benefit the Council and CPP partners through demonstrating best value, efficiency and effectiveness with standardised terms and conditions.

B51. The diversity of services and outcomes being delivered via the Financial Inclusion programme can be exemplified through the following:

B52. 'Scotcash' is an independent social business reducing financial exclusion within Glasgow by increasing access to affordable credit through loans, providing basic bank accounts (via RBS), access to discounted household goods as well as access to credit union savings accounts and high quality financial advice. It targets people in poverty and works with them, moving them on the route to financial and social inclusion. For people unable to access mainstream credit and those who are financially excluded, Scotcash offers a direct alternative to doorstep lending, illegal money lending, and other expensive forms of credit. In less than 3 years, the project has contributed to the financial inclusion agenda, including the following:

- debt and budgeting advice to over 2,000 customers
- 800 customers received welfare rights advice
- almost 2,500 bank loans totaling over £1.3m
- almost 650 bank accounts opened
- over 200 savings accounts opened

B53. The Macmillan Cancer Care project works with vulnerable people recently diagnosed with cancer. The project arranges provision of high quality welfare benefits and money advice to avoid unnecessary worry at a time when people are most vulnerable. The Council, the Pension Service and Job Centre Plus have been working in partnership with Macmillan Cancer Support to look develop dedicated services through the five local Community Health and Care Partnerships and through

### **Glasgow Association for Mental Health (GAMH) – Financial Inclusion Development Project**

B54. The GAMH Financial Inclusion Development Projects aims to improve access to money advice and reduce financial exclusion amongst people with mental health problems. The project has been running since July 2007 and is funded through the Fairer Scotland fund. A supported referral system has been implemented in a way that enables the work involved to be included into mainstream work activities. The system has supported access to advice for more than 120 people where productive links were made with advice services. By delivering financial inclusion awareness to mixed groups of service users, carers and staff, GAMH have established the principles of financial inclusion within their organisation. Service users, staff and carers understand what financial inclusion is, they have greater awareness of rights and of the range of services available.

B55. The initiatives have been complementary and, through joint-working, have brought added value to financial inclusion work across Glasgow, improving access to advice for an excluded and disadvantaged group.

### **Elderpark HA and Linthouse HA – Welfare Rights Service**

B56. This project provides an income maximisation service to tenants of Elderpark and Linthouse Housing Associations in Govan. The service operates one day per week in each of the HA's offices and is provided by the Money Matters Money Advice Centre (MMMAC) who provide a Welfare Rights Officer. MMMAC are a leading provider of money advice services in the south west of Glasgow. The Welfare Rights Officer works with the RSLs' housing officers to identify those at risk and then provides Housing Benefit and Council Tax Benefit checks. The service is promoted through newsletters, mail shots, local press and posters. The service aims to help 150 tenants in the first 6 months and provide 300 benefit checks before March 2011. In addition, MMMAC will provide an annual welfare benefits awareness session for the housing associations' staff to improve their ability to offer advice and help.

### **Cunninghame HA – HEAT Project**

B57. This project has two strands: it provides training and employment opportunities for unemployed residents of North Ayrshire; and it also provides support to tenants of Cunninghame Housing Association and ANCHO to address fuel poverty issues and maximise their income.

B58. Eight previously unemployed people will receive training in interview techniques, recording, reporting, use of benefit checking software, introduction to benefits, utilities debt and fuel poverty awareness. They will be employed by Cunninghame HA to undertake tenant surveys on fuel poverty and benefits checks. The work experience and training will enable them to achieve basic SVQ units during their 9/10 month contract as well as certification in City & Guilds Energy Awareness 6176. The trainees will be helped with job search support at the end of their traineeships by Cunninghame HA and are expected to gain permanent employment.

B59. During the course of the two year project 800 tenants will receive visits. The tenants will be surveyed on their experience of fuel poverty and will be offered basic checks to see if they are receiving the correct levels of benefits and support. Where appropriate tenants will be referred to North Ayrshire Council's Financial Inclusion service (an estimated 125 referrals). Tenants may also be referred to the 1<sup>st</sup> Alliance Credit Union who will offer bank account services and potential "First Loans" for clients identified as being unable to access other credit at low interest to redeem fuel poverty debts and allow them to switch away from expensive card meters. An estimated 100 tenants will be referred.

### **NHS Grampian Wave 2 Keep Well**

B60. Two principal links have been developed by Aberdeen Keep Well and community and voluntary sector organisations to support the referral or signposting of Keep Well clients for support with lifestyle and wellbeing issues. These two links were based on existing models and services.

B61. Referrals for money and welfare related advice and information from community and voluntary sector organisations are made through a single partnership agency (acting as a form of 'clearing house' for referrals) – the Cash in Your Pocket Partnership, which was originally a component of Aberdeen Healthy Living Network.

B62. The Health and Homelessness Directory website ([www.healthandhomelessness.org](http://www.healthandhomelessness.org)), which is managed by the Aberdeen Council of Voluntary Organisations, is used for referring or signposting Keep Well clients to public, community and voluntary sector organisations that can provide advice and support for people who are homeless or at risk of becoming homeless.

B63. These links show that arrangements based on existing relationships between NHS and community and voluntary sector partners can give primary care providers, such as GPs, access to health and wellbeing services that can benefit patients.

B64. From Keep Well's perspective, a key benefit of the Cash in Your Pocket Partnership and Health and Homelessness Directory models is that they act as intermediaries between Keep Well and a range of community and voluntary organisations.

### **North Glasgow Wave 1 Keep Well**

B65. A key aspect of the North Glasgow Keep Well pilot is the deployment of two outreach workers seconded to Keep Well from CEIS, a social enterprise.

B66. The outreach workers try to engage with 'harder to engage' populations who may be unwilling or unable to take up the opportunity of a Keep Well health check or a referral for an advice, counseling or support service.

B67. North Glasgow Keep Well has engaged with community and voluntary sector organisations to provide a wide range of health and wellbeing services that complement services provided by health services. These services are provided through Service Level Agreements.

B68. A comprehensive Keep Well Directory includes details of community and voluntary sector organisations that provide referral services for Keep Well clients.

B69. Various mechanisms (including speed networking events and a biannual networking meeting) have been used to increase awareness of these services amongst GP practices.

B70. The partnership between North Glasgow Keep Well and the North Glasgow Advice Centre shows the benefit of having a flexible approach to developing partnerships to take account of changes in circumstances, lessons learned and/or local demand for a particular service.

### **Save with Rent**

B71. Save with Rent is a financial inclusion pilot scheme, run and administered by Glasgow Credit Union (GCU) in partnership with Provanhall Housing Association. The purpose of the scheme is to allow tenants to build a personal savings account and access Credit Union services via their existing rent payments.

B72. GCU believe new, innovative ways of reaching the local community and making financial services accessible to all is a vital step in combating financial exclusion within the city. The Save with Rent scheme is one of many schemes the not-for-profit organisation is currently working on to reach the people of Glasgow. The new scheme is supported by local Money Advice Project, GEMAP who along with GCU and the Welfare Benefits Officers based in Provanhall, work with the local community to encourage a savings habit and assist with budgeting where required. Tenants will not only have a hassle-free way to save, but will have access to additional GCU services such as Current Accounts, low cost borrowing, Junior Accounts for kids a Christmas Savings Club and much more.

B73. GCU services are available to everyone living or working in Glasgow. Save with Rent is currently being piloted in Provanhall in Easterhouse. There has already been interest expressed by other landlords to take part in the scheme.

### **Energy Assistance Package**

B74. Young families and pensioners are saving millions on heating costs through free, over the phone, benefit checks.

B75. Nearly 10,000 Scottish households have been referred for benefit checks since the launch of the government's energy saving hotline last Spring, securing over £1.6 million in savings.

B76. Elderly people have been helped to increase their income by on average £26 a week.

B77. Families with children have been helped to claim an extra £42 a week on average.

B78. The national 'open all year' £60 million scheme - the Energy Assistance Package - offers households energy savings advice, tax and benefit entitlement help and advice on how to get cheaper energy tariffs.

B79. It also offers eligible households, a range of energy efficiency measures including free loft or cavity wall insulations and grants for central heating systems.

#### **SMART (Safe Money Advice Regarding Tenancies)**

B80. The SMART project offers Castlehill tenants free, impartial and confidential advice that can help tenants take control of their finances and ensure priority debts such as rent are paid.

B81. When dealing with clients, SMART looks at the complete overview of the clients financial situation. This can involve checking benefit entitlement. SMART also help the client prioritise any debts that they may have, so rent, council tax, and fuel bills are usually the main priorities. Once these tasks have been completed, SMART helps the client with a weekly budget.

B82. SMART can also negotiate on the clients behalf for reduction in repayments and advise, where appropriate on bankruptcy.

#### **Glasgow Old People's Welfare Association**

B83. The Glasgow Old People's Welfare Association (GOPWA) is a charity set up to deal with the perceived serious problems of "isolation, loneliness, ill health and poverty". GOPWA has 2,000 volunteers, who support about 80,000 people through five day centres, a residential home, sheltered housing, outreach services and 130 weekly clubs. The day centres provide activities such as crafts, cards, bingo, a hot lunch and the opportunity to meet chat with friends and make new friends.

B84. GOPWA has also helped clients secure more than £10 million in benefit entitlement since 2004.

B85. The key partnerships with GOPWA are CHCPS, NHS, Falls Project and NHS referrals & Citizens Advice Bureau referrals.

#### **MAABE PROJECT - Angus**

B86. The MAABE Project has had a highly successful first year. Extensive marketing was undertaken resulting in referrals via the telephone helpline, partner agencies and self referral.

##### *Benefits & Tax Credits*

B87. 477 clients received Income Maximisation checks giving rise to Financial Gains in the sum of £974,650.

<i>Breakdown</i> : Working Tax Credit	£153,796
Child Tax Credit	£132,843
All other benefits	£688,010

B88. The projected target for Tax Credits was £125,000 and £50,000 for all other benefits. The actual figures achieved shows an increase of 129% & 1276% respectively.

B89. Clients also received advice/support on their benefit and tax credit entitlement. For some clients this involved several benefit checks being carried out in order to enable client's to make informed decisions in relation to a given set of circumstances. It should be noted that the project outcomes relate to client numbers therefore although 477 clients received an income maximisation check there was in fact considerably more benefit checks carried out as some clients required several 'What If' calculations. In addition to an Income Maximisation check clients were given advice on their responsibilities as claimants and guidance on changes in circumstances and how to report these to DWP/HMRC along with assistance in identifying grounds for backdated claims.

#### **THE CREDIT CRUNCH PROJECT - Angus**

B90. The Credit Crunch project has also had a very successful year. 123 multiple debt cases were dealt with resulting in £2,437,397 of debt being rescheduled.

B91. Financial Gains totalled £672,208 via Sequestration, Trust Deeds, Benefit backdates, reduced Fuel Tariffs & Charitable Assistance.

B92. The total number of issues dealt with through these cases amounted to 1651 raised by 176 contacts. In addition to these Volunteers were given support in less complex money advice, fuel poverty and benefit issues totaling 327.

B93. The outreach session provided within the offices of Hillcrest Housing Association has also been a great success with tenants being assisted with income maximisation checks, debt issues, advice on budgeting and assistance to access appropriate social tariffs for fuel and where appropriate charitable assistance to alleviate extreme hardship. Financial Gains for Hillcrest tenants amounted to £261,754.

B94. 425 new issues raised by 76 contacts were dealt with.

#### **Macmillan & CAB in Partnership.**

B95. The Macmillan & CAB in Partnership was established in 2003 and has, to date raised over £12 million in client financial gains for its clients. The service aims to deal with the advice needs of those affected by cancer both patients and carers and to date over 7,800 new clients have been referred to the service. Over 60% of those newly diagnosed with cancer are accessing the service. Advice can be given on benefit entitlement, housing, employment, consumer and debt issues.

B96. The service provides financial and benefit advice for people affected by cancer in the Lanarkshire area. Clients are referred to the service mainly by health professionals working in the hospital setting but also those within primary care, in addition the service takes a large number of self referrals.

B97. In 2008 the service was expanded to include both North and South Lanarkshire Councils and The Pension Service. This has allowed the service to deal with more clients now there is the opportunity to send referrals to these partners.

#### **Citizens Advice Bureau/ Waverley Housing Association**

B98. The Roxburgh Citizens Advice Bureau and Waverley Money Advice Project was established in 2008 with the aims of:

- Supporting tenants of Waverley Housing to reduce poverty
- Improving financial inclusion
- Improving their quality of life

by improving access to information and money advice, and to adopt a preventative approach to managing debt.

B99. In order to achieve these aims, two staff were recruited by the Citizens Advice Bureau to work within both Roxburgh and Central Borders (for Ettrick and Lauderdale). The staff were employed on a part-time basis to provide appointment based money advice sessions for Waverley tenants, to ensure income maximisation through benefits casework, to provide a home visiting service where appropriate to the tenant. The staff were expected to maintain the guiding principles of Citizens Advice i.e. to ensure confidentiality of clients, to be impartial, non-judgemental and totally independent of any other agency.

*Target number of clients for year 1 = 223*

*Actual number of clients for year 1 = 177*

*Client Financial Gains for year 1 = £691,096.00*

*Funding from British Gas Energy Trust = £26,635.00*

#### **Haddington CAB Outreach Project**

B100. The CAB Outreach Project started in January 2009 and is funded through the Fairer Scotland funds from East Lothian Council. Total funding for 2 years is £75,696.

B101. The aim of the Project is to benefit people who have difficulty in accessing help with debt or money issues due to disability, caring responsibilities, low income or language barriers.

B102. 240 Clients have received advice, the majority benefits related, with 58% receiving home visits. Total [confirmed] financial gains = £426,800. This is a major achievement in a period of just over 1 year, the majority through new applications for benefit, benefit reviews and representation at appeals.

B103 The Outreach Adviser works in partnership with CAB Edinburgh, taking referrals for patients on discharge from CAB advisers based in Edinburgh Royal Infirmary and the Royal Edinburgh Hospital. This is funded by NHS Lothian until autumn 2010.

B104 The Project addresses local and national outcomes relating to addressing inequality with a focus on tackling poverty and health inequalities and is complemented by the other CAB outreach services for patients of Dunbar Medical Centre and the Choose Life Project [people with mental health problems].

B105. The return on investment based on financial gains secured over the period to date is £135.32 for every £1 invested.

#### **Chest Heart and Stroke Scotland/Motherwell CAB**

B106. In partnership with Chest Heart and Stroke Scotland (CHSS), Motherwell CAB deliver a welfare benefits project across Lanarkshire. CHSS grant administrators refer their grant applicants who are people that have experienced serious chest heart or stroke illness and are experiencing financial difficulty – grants are generally made for pieces of household equipment such as a fridge or as a contribution for a much needed respite/recuperation holiday. The applications are completed by social workers and forwarded to CHSS for consideration.

B107. These applications are then forwarded to the CAB CHSS benefits adviser who follows up with a letter / phone call to establish what benefits the client is actually receiving and meeting is arranged – either a home visit or an office interview.

B108. In addition to this referral process, Stroke nurses and other medical professionals in the CHS field refer their patients to the project for benefits advice and again home visits or office visits are arranged to assist the client.

B109. The benefits adviser this year 2009/10 carried out 68 home visits and 71 office appointments to complete Attendance Allowance and Disability Allowance forms with clients – and followed this up with additional benefits entitlements claims such as Severe Disability Premium; Guarantee credit; Savings credit and Carer's Allowance or premium once the AA or DLA awards were in place.

B110. The outcome of this work by the CAB's CHSS Welfare Benefits adviser and her part time clerical assistant is a staggering £668,424.94 in new benefit entitlement and £108,466.38 in backdated benefits a total of £702,695.03.

B111. The worker covers the whole of Lanarkshire with home visits being carried out across the area from Kilsyth to Elvanfoot, Biggar to East Kilbride, Harthill to Strathaven.

#### **Inverness CAB**

B112. Since January 2004 there has been a Citizens Advice and Macmillan Cancer Support Partnership in the Highlands. The aim of the project is to provide a holistic advice service to cancer patients, their families and carers. This advice service includes:-

- Welfare rights advice
- Money/debt advice
- Employment advice
- Housing advice

- Community service advice (e.g. home adaptations, grants etc)

B113. Since the project started, we have achieved financial gains of £11,022,000, averaging £3,300 per client.

#### **WESTERN ISLES CITIZENS ADVICE PROJECT CREDIT CRUNCH PROJECT**

B114. Between May 2009 until March 2010 as a result of funding from the Scottish Government via Citizens Advice Scotland, the Lewis CAB were able to employ a Generalist Adviser on a full time basis.

B115. Although the officer dealt with a whole range of issues and saw over 300 new clients in that time, much of the work centred on Welfare Benefits.

B116. The officer successfully won 17 Benefit appeals and only lost one.

B117. The officer assisted with many claims for Disability Living Allowance, Attendance Allowance, Employment and Support Allowance to name but three.

B118. The CAB was given £20,000 to run the Project and in that time the officer achieved Financial Gains in excess of £226, 000, which was a tremendous return on the funding received. This is over £11.00 for every £1 received in funding.

B119. This is much needed cash that has gone back into the economy of the Western Isles and at a time of our depressed economy.

B120. The Project was an overwhelming success for the organisation and for the extra number of people they assisted.

## **WELFARE RIGHTS IN PRIMARY CARE PROJECT**

B121. The Project was set up in July 2003 following a successful pilot project. The Project is a joint venture between the Castlemilk Citizens Advice Bureau and the Greater Glasgow and Clyde NHS Board.

B122. The Project is established within five health care settings within the Glasgow South East Community Health Care Partnership (CHCP).

B123. The Project operates on a referral only basis, with referrals made by any health care practitioner within the CHCP. These referrals are typically made by general practitioners, nursing staff, psychiatrists, community psychiatric nurses and members of the Community Older Peoples Team (COPT).

**B124. The aim of the project is for health care practitioners to identify patients who due to ill health, social isolation, old age or mental health difficulties may be unwilling or unable to seek advice or assistance with welfare rights matters from more traditional and mainstream agencies.**

B125. Through the referral system the patient will be given an appointment within a health care setting with which they are familiar with and feel at ease. They will also be given an appointment time which negates the need to wait within a possibly busy waiting area.

B126. All welfare matters will be dealt with by the same person to whom they can become familiar and at ease with. Home visits can also be arranged for those unable to attend any of the designated clinics due to physical or mental health difficulties.

B127. By its very nature a significant number of referrals made (25%) come from staff from the mental health resource centres, psychiatrists and community psychiatric nurses, within the CHCP.

**B128. The Project has been hugely successful in establishing and safeguarding benefits for vulnerable clients who, without the work and representation given, would otherwise have lost out on.**

Referrals in financial year 2009/2010.....546  
Client financial gains for year 2009/2010..... **£1,028,404**  
Referrals since inception (July 2003).....3233  
Financial gains since inception.....**£8,043,267**

DWP appeal submissions on behalf of clients since inception = 288

DWP appeal wins = 246 (85%)

## **GIRVAN FAMILY CONNECTIONS PROJECT**

B129. There is a high incidence of unemployment and poverty within the Girvan area. As a result, it is important to address the needs of the community in a way that assists them to tackle these barriers to social and financial inclusion.

B130. Workshops were set up and delivered by 2 facilitators (income maximisation workers) who had in depth knowledge of the benefits system and skilled at enabling the participants to engage fully in the workshop.

B131. Within a safe, non-threatening environment, participants learn the specifics of their entitlement and following the calculation of their weekly expenditure, participants prepare a family budget sheet.

B132. The aims of the workshop were:

- How to compile an effective budget to understand where your money goes
- Understand your “Money Personality”
- Understand financial terms and what they mean to you
- How to manage money and debt effectively

B133. The work is supported by Fairer Scotland funding via South Ayrshire Council. The work has excellent outcomes and will be incorporated into the service deliver, even if funding sources change.

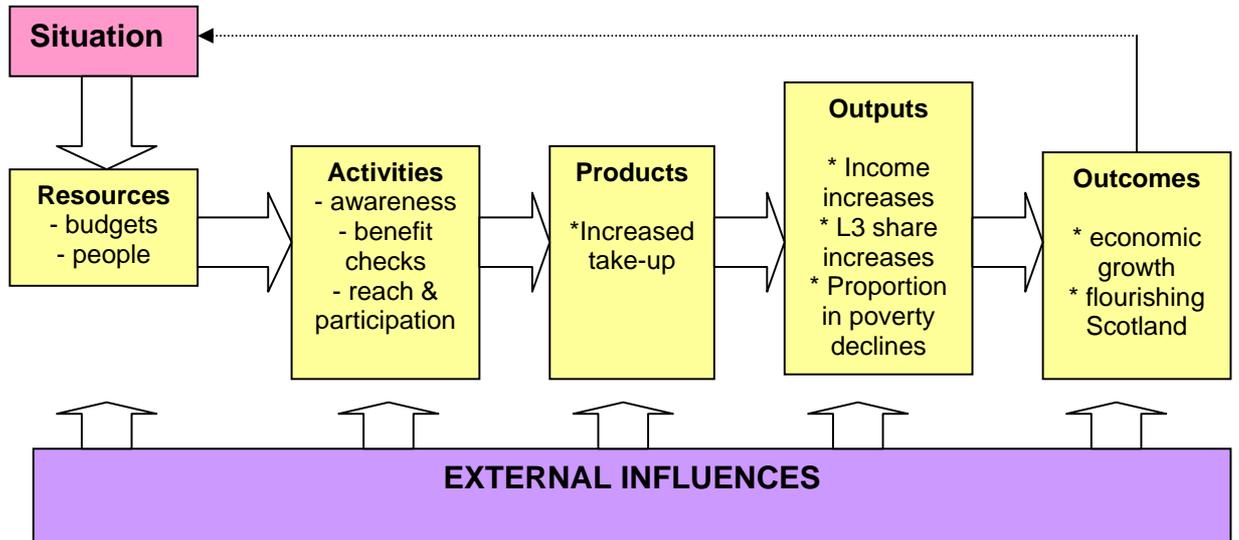
#### **GRAMPIAN MACMILLAN PARTNERSHIP PROJECT**

B134. The Grampian Macmillan Partnership Project has been operating since January 2007. Project partners are Macmillan Cancer Support, CAB and The Pension Service. Project staff are based in Aberdeen CAB, Banff & Buchan CAB and Moray CAB. The Project provides an advice and information service to anyone affected by cancer living in the Grampian area, Orkney and Shetland. The project helps with issues such as benefits, debt, housing and employment.

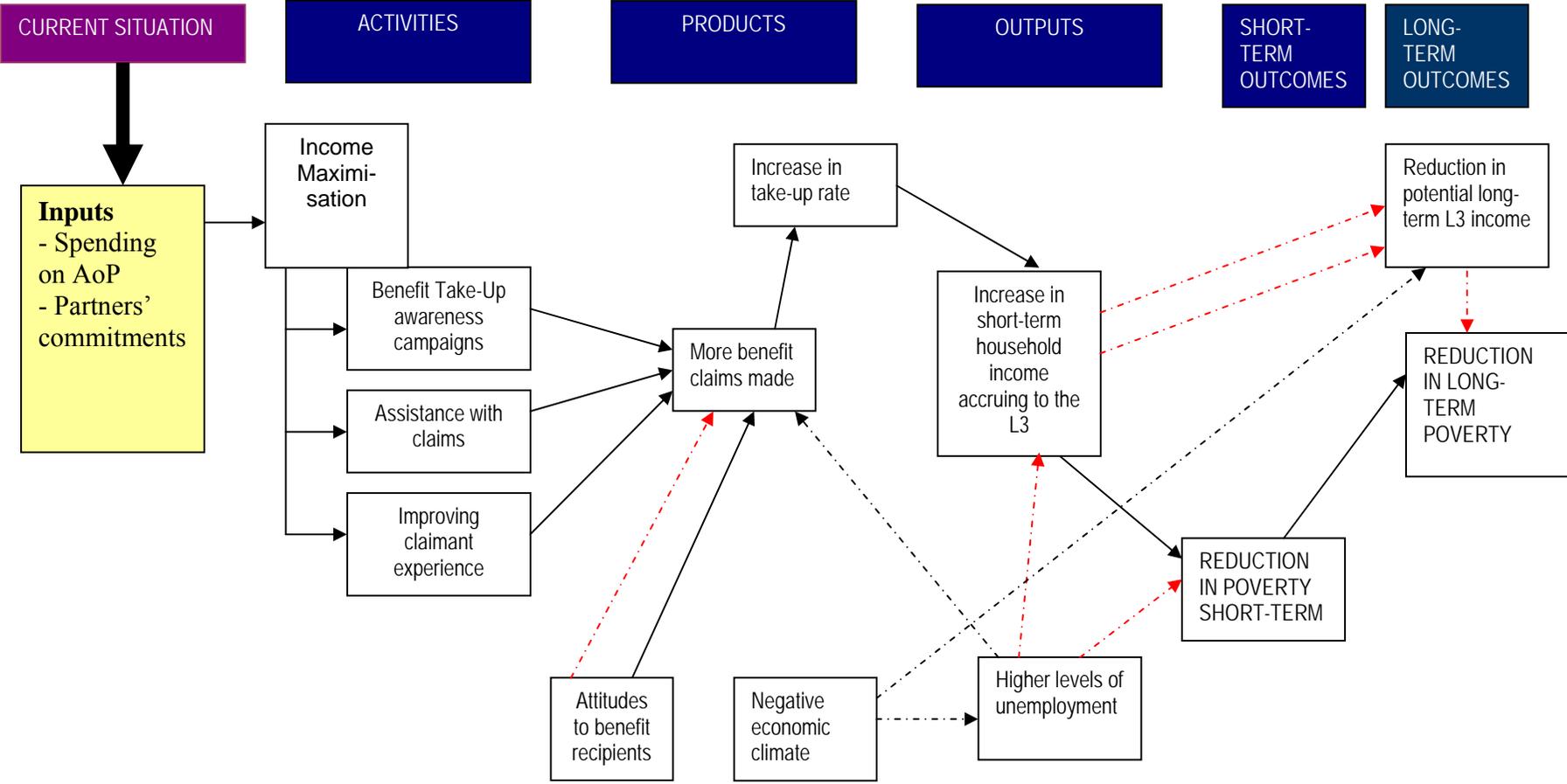
B135. Since the project started in January 2007 over 2,200 clients have been seen and have secured just over £5 million in financial gains for these clients, mainly for benefits.

## Annex C

**DIAGRAM 1: A high level logic model for benefit take-up and tackling poverty**



**Diagram 2: 'Brainstorming' logic model for benefit take-up and tackling poverty**



## ENDNOTES

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<sup>i</sup> *Achieving Our Potential* is the Scottish Government's policy framework for tackling poverty and income inequality in Scotland.

<sup>ii</sup> In UK accounting terms, benefits are not treated as part of the production that goes to make up GDP. They are regarded as transfers to households and what is one household's gain is a loss in the form of tax payments for other households or firms. However, there is an advantage to Scotland that accrues from raising benefit levels in Scotland. Since benefits are transfers from Westminster, raising benefit take-up in Scotland without raising it in the rest of the UK has the effect of raising Scottish incomes relative to the rest of the UK. This is a net gain to Scotland and a net loss to the rest of the UK. It is not an issue for Scotland since the rest of the UK is free to undertake similar programmes.

<sup>iii</sup> Income Support is a means-tested benefit for people on low incomes who do not have to be available for work. It does not depend on National Insurance contributions and is paid at different amounts according to individual circumstances. It is intended to provide for basic living expenses.

Pension Credit replaced the Minimum Income Guarantee (MIG). It has two components: the Guarantee Credit (topping up to a minimum income) and the Savings Credit (rewarding those with modest savings); older people can receive one of these elements or both.

Housing Benefit is a means-tested social security benefit in the UK intended to help people with low incomes and low savings meet the cost of rental accommodation for either Council or Housing Association properties, or private tenancies.

Council Tax Benefit is means-tested assistance to pay a Council Tax bill.

Job-Seeker's Allowance (JSA) replaced Unemployment Benefit and Income Support for unemployed people. There are 2 routes of entry for JSA -- It can be claimed by people who are available for and actively seeking employment, including those in remunerative work for less than 16 hours a week on average, and by people on a Government training scheme. There are two sorts of JSA: JSA(IB) is an income-based benefit paid if the person is not entitled to JSA(Cont), the person's entitlement to JSA(Cont) has been exhausted or the person's requirements exceed the amount of JSA(Cont) to which they are entitled. Entitlement to JSA(Cont) is based on the person's National Insurance record.

<sup>iv</sup> The measure chosen for measuring the level of overall income in Scotland in the National Performance Framework is Gross Disposable Household Income (GDHI). Estimation of GDHI relies on data collected for the annual *Family Resources Survey* (FRS). In its definition of income the FRS includes wages and salaries, property income, and benefits but only a limited range of non-cash benefits. Increasing non-cash benefits of the poor outside the range that is included in the FRS will increase their welfare but not change the measure of their welfare that is used.

<sup>v</sup> This target is set out in the *Government Economic Strategy* and is "to increase overall income and the proportion of income earned by the lowest three income deciles as a group by 2017".

<sup>vi</sup> The A8 countries refers to the 8 Eastern European countries who joined the European Union in May 2004. The countries are: Czech Republic; Estonia; Hungary; Latvia; Lithuania; Poland; Slovakia; Slovenia.