



National Audit Office

# Progress in tackling pensioner poverty: Encouraging take-up of entitlements – Technical report

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National Audit Office

# Progress in tackling pensioner poverty: Encouraging take-up of entitlements – Technical report

This technical report has been published alongside the main report  
Progress in tackling pensioner poverty: Encouraging take-up of entitlements,  
HC 1178-I, Session 2005-2006

LONDON: The Stationery Office  
£11.25

Ordered by the  
House of Commons  
to be printed on 18 July 2006

This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act.

***John Bourn***  
**Comptroller and Auditor General**  
**National Audit Office**

**18 July 2006**

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This report can be found on the National Audit Office web site at [www.nao.org.uk](http://www.nao.org.uk)

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## CHAPTER ONE

### Introduction

The technical report supports the main NAO report *Progress in tackling pensioner poverty: Encouraging take-up of entitlements*. This report builds on our 2002 examination of efforts to encourage pensioners to take up entitlements, *Tackling pensioner poverty* (HC 37, 2002-03) and examines the subsequent progress made by the Department for Work and Pensions (the Department) and its partners. Since our previous report, considerably more is known about the position on take-up. The Department has commissioned a range of research, and is using the data it holds to build a fuller picture of its customers and their circumstances than undertaken in the past, and The Pension Service is collecting data on the interventions made by its staff to encourage take-up. In assessing progress, we were able to utilise this new data, and add to it by:

- modelling take-up of Pension Credit at an area level to assess independently where there were still gaps ([Chapter 2](#));
- carrying out six in-depth case studies to explore, in greater detail than in our previous report, how the organisations with a collective interest in encouraging take-up, work together at a local level in differing circumstances ([Chapter 3](#));

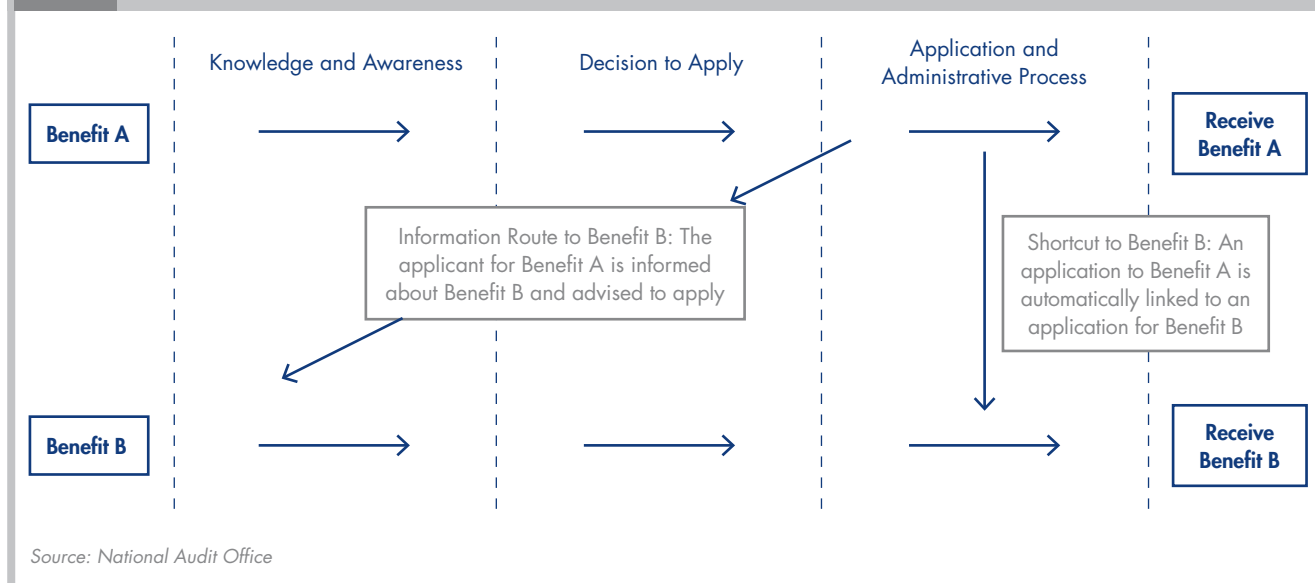
- surveying local authorities to provide an overview of take-up activities happening at the local level ([Chapter 4](#)); and
- reviewing the initiatives funded by the Department's Partnership Fund ([Chapter 5](#)).

We also drew on the research listed in the bibliography, including other NAO work.

Chapters 2 to 5 outline the methods we used and give the detailed findings which underpin our main report. [Chapter 8](#) sets out in detail the Department's progress against the recommendations in the Public Accounts Committee's 12th report of 2002-03, which it produced following its hearing on *Tackling pensioner poverty*.

Our analysis is based on a model of take-up developed by the study team. This model is a way of separating out the different influences on an individual pensioner's take-up of multiple benefits and is illustrated in [Figure 1.1](#). An important feature of this model is that it allows take-up to be considered at a systemic level, looking at multiple benefits at the same time rather than considering benefits in isolation. The model also raises the important issue of joining-up application processes for different benefits as a way of increasing take-up.

## 1.1 An eligible claimant's route to take-up of multiple benefits



From this model, we examined action to increase **knowledge and awareness** of benefit entitlements amongst pensioners and encourage them to **decide to apply** by analysing Pension Service national and local data, conducting local case studies and surveying local authority activity. The main conclusions are in **Part 3** of the main report. We examined the **application and administrative processes** during our case study visits, by visiting a Pension Centre and taking into account the findings of our examination of Department for Work and Pensions contact centres (HC 941, 2005-06) on the service they provide. We report our conclusions in **Part 5** of the main report. The links between activities mean different organisations are involved and need to work together. Our survey covered the extent of partnership working and we explored this in depth in our case study areas. The conclusions are in **Part 4** of the main report. The following chapters cover in detail:

## Chapter 2 – Quantitative data analysis

A range of quantitative analysis was used in our main report. We developed a statistical model (see page 7) to look at what factors influence Pension Credit take-up, and make an independent assessment of where there were gaps. This model allowed us to identify which types of area had lower take-up on average. We also carried out bespoke analyses, for instance our calculations on the impact of higher benefit take-up on relative poverty in **Part 1** of the main report. **Chapter 2** of this report

describes the quantitative data used in our main report, why it was used, and comments on the quality of the data. We also obtained activity and staff cost data from The Pension Service which we used to assess the effectiveness of the Pension Credit marketing campaign and The Pension Service Local Service in increasing take-up.

## Chapter 3 – Local case studies

We used local case study visits to gain a detailed understanding of local take-up activity. These visits gave us valuable information on the quality of the service provided by the Local Service (**Part 3** of the main report); how different organisations worked together (**Part 4** of the main report); and informed our quantitative analyses. **Chapter 3** explains how our case studies were organised and what they found.

## Chapter 4 – Survey of local authority take-up activity

The Pension Service provided us with data on its take-up activity but this covered local activities under the auspices of the Local Service and Joint Teams. We surveyed local authorities to get an overview of the different take-up activities happening at the local level. This survey complements our case studies and quantitative analyses which focused on The Pension Service. **Chapter 4** describes how our survey was organised and the results generated.

## Chapter 5 – Review of Partnership Fund

The Partnership Fund offers short-term additional funding to support specific initiatives designed to increase the take-up of Pension Credit and other benefits for older people and to encourage and build partnership arrangements. It is designed to generate innovative take-up activity focused on hard-to-reach groups, and thus adds a dimension to The Pension Service's nationwide activities. We carried out a desk review of the Partnership Fund files to determine the types of organisations involved and the initiatives adopted. [Chapter 5](#) gives details of what our file review found.

## Chapter 6 – Literature review

In advance of our main examination we commissioned a literature review, which was carried out by Nottingham University in March 2005. This reviewed the new research and evidence on take-up which had become available since our 2002 report, informed our study design and fed into our conclusions across the main report. Any new research or evidence published since March 2005 will not be included in this review.

## Chapter 7 – International comparisons of benefit take-up

We also reviewed the international evidence on benefit take-up, relying mainly on international literature surveys, and interviewed government officials in Canada and Sweden about specific issues and activities in those countries. [Chapter 7](#) summarises the international evidence.

## Chapter 8 – Public Accounts Committee recommendations (2003)

The full recommendations made by the Committee of Public Accounts in 2003, which are given in abbreviated form through the main report, are included in [Chapter 8](#).



## CHAPTER TWO

# Quantitative data analysis

A range of quantitative data sources has been used throughout the report. Here we describe them in greater detail and outline the strengths and weaknesses of the various sources used. Our statistical modelling of Pension Credit take-up is described in particular detail as this provides new insights into the problem of estimating take-up rates. **Figure 2.1 overleaf** describes the main quantitative data used in our report. Clearly, any quantitative data has limitations which must be borne in mind when interpreting findings. Figure 2.1 describes the main risks with the data used in our report and why we used the data.

## Modelling Pension Credit take-up using Customer Segmentation Data

### The Model

To gain a better understanding of the factors affecting take-up we carried out statistical modelling of administrative data at a small area level. As discussed in the main report, the fundamental difficulty when trying to analyse take-up of any benefit is finding a reliable way of estimating the size of the population eligible for the benefit (as **Figure 2.2 on page 12 explains**). The main

official take-up statistics are based on the Family Resources Survey which, because of small sample sizes, cannot be disaggregated to sub-national geographies or by population sub-group. The statistical modelling adopted for our report attempts to overcome some of these limitations to develop a better picture of what types of area have higher or lower take-up rates. This modelling is restricted to Pension Credit because the customer segmentation data used is only held for Pension Credit although, as reported in **Part 2** of the main report, the methodology could be extended to other income related benefits.

To overcome these limitations we used customer segmentation data which is used by The Pension Service to identify those who are likely to be eligible for Pension Credit. The Customer Segmentation Data uses Department for Work and Pensions data on benefit receipt and information from Her Majesty's Revenue and Customs on occupational pensions and private savings. These data are combined to produce an indicator of likelihood of eligibility for Pension Credit ranging from very high likelihood to very low likelihood. Our approach was to look at the distribution of pensioners who had 'very high' or 'high' likelihood of eligibility for Pension Credit.<sup>1</sup> As with any statistical analyses there are some limitations that are discussed in **Figure 2.3 on page 12**.

<sup>1</sup> It is worth noting that the customer segmentation data used for our modelling dates from mid-2005 and that substantial improvements have been made to the techniques used by The Pension Service since then.

## 2.1 Data Validation

Data on...	Source	Where it is used in the main report	Quality risks
Relative pensioner poverty rates	Households Below Average Income report	Part 1	<ul style="list-style-type: none"> <li>■ definitions of poverty are contested;</li> <li>■ relative poverty rates are sensitive to technical assumptions including how income is equivalised to take account of different household structures and whether rates include Housing Costs;</li> <li>■ headcount poverty rates, which give the numbers living in poverty, do not take account of the depth of poverty; and</li> <li>■ because the relative poverty rates used come from the Family Resources Survey, sample sizes mean that there are wide confidence intervals and the data is not up-to-date.</li> </ul>
Take-up rates	Income Related Benefits Estimates of Take-up	Parts 1 and 2	<p>As discussed in parts 1 and 2, because the data comes from the Family Resources Survey it:</p> <ul style="list-style-type: none"> <li>■ is subject to large confidence intervals;</li> <li>■ is not up-to-date;</li> <li>■ it cannot be reliably disaggregated either geographically or by population sub-group;</li> <li>■ cannot produce rates for disability related benefits; and</li> <li>■ it is difficult to assess change year on year.</li> </ul>
Benefit caseloads	Department for Work and Pensions/ National Statistics	Parts 1 and 2	<p>The numbers receiving a given benefit are known with a high degree of accuracy using the 100 per cent sample data contained in the Work and Pensions Longitudinal Study. The data has some limitations including:</p> <ul style="list-style-type: none"> <li>■ some fraud and error is inevitable in any administrative data set; and</li> <li>■ there is around a three month delay before definitive figures are available.</li> </ul>
Benefit spending	Benefit Expenditure Tables/Department for Work and Pensions	Part 1	<p>The National Audit Office audits benefit expenditure as part of its statutory examination of the Department's Resource Accounts. We have qualified the Department's accounts for many years because of the levels of fraud and error in benefit expenditure, but the Department has improved its measurement of fraud and error and, for 2004-05, has provided more detailed estimates than in previous years. The National Audit Office validates the systems used to quantify fraud and error and consider that they address most of the risks to data quality.</p>
Explaining variation in Pension Credit take-up	Department for Work and Pensions/HM Revenue & Customs	Part 2	<p>A detailed description of modelling is provided in this chapter.</p>

### Why we used this data

The HBAI report refers to low income rather than poverty. However, for the purposes of our report we have taken the 60 per cent median income definition of low income as our indicator of relative poverty. This is a very common poverty indicator used, for instance, in the child poverty PSA targets and by the OECD.

It is important to have an overall indicator of pensioner poverty to track change over time. Although there are limitations with the data, it can be used reliably to describe long-run trends in the poverty rate. The underlying data is from the Family Resources Survey, which is a continuous annual survey conducted by face-to-face interview by the National Centre of Social Research for the Department for Work and Pensions and the Office of National Statistics. A stratified random sample of about 28,000 households, including about 8,000 pensioner households, is selected from across the UK. The Households Below Average Income statistics we use are based on the number of individuals over state pension age.

As with poverty rates, even with the limitations on the data, the take-up rates are a key indicator. They can be used to identify aggregate trends and we have supplemented them with our model of Pension Credit take-up to overcome some of the problems around disaggregation.

Overall benefit caseload data is very comprehensive and reliable at a national level.

Benefit expenditure data is subject to extensive audit and other validation and is comprehensive and reliable at a national level.

A detailed description of modelling is provided in this chapter.

## 2.1 Data Validation *continued*

Data on...	Source	Where it is used in the main report	Quality risks
Marketing campaign expenditure	The Pension Service	Part 3	Expenditure data is drawn from the Department's financial accounting systems which are audited by the National Audit Office. However, no system of internal control can guarantee completeness and accuracy of accounting records; nor can it be proof against human error and fraud.
Local Service activity	Local Service Management Information	Part 3	The data on Local Service activity is completed at a local level and may be subject to local variation. The same applies to information on why people are unwilling to apply for Pension Credit.
Local Service costs	Local Service Management Information	Part 1	Local Service costs only include staff costs as The Pension Service was not able to accurately attribute estate and IT costs to the Local Service.
Local Service additional benefits generated	Local Service Management Information	Part 3	The additional benefit generated by Local Service activity is calculated by looking at successful benefit claims made by customers who have had contact with the Local Service. The nature and scale of this contact will vary, and some claimants may have claimed without Local Service assistance, so the exact value of additional benefits attributable to the Local Service is hard to assess.
Local Authority take-up activity	NAO Survey	Part 4	The questionnaire was not mandatory and therefore there is a risk of self-selection bias in the responses. There is a risk that the results may be skewed by the fact that local authorities active in take-up work were more likely to respond to the survey.

### Why we used this data

The Department's administrative expenditure is audited by the National Audit Office as part of its statutory examination of the Department's Resource Accounts. Our audit aims to provide reasonable assurance that the financial statements are free from material misstatement and irregularity.

Although there may be differences in how information is recorded at a local level the overall trends in local service activity at a national level are robust.

The proportion of additional benefits for pensioners that is directly attributable to Local Service activity is difficult to determine. The figures used in our report show the benefits received by anyone who has been helped in any way by the Local Service. This data is useful in illustrating change over time, and the changing importance of different benefits in contributing to the total. Also our estimate of the total benefits generated is based on conservative assumptions on the average duration of a claim to avoid overstating the additional benefits.

We collected the data to complement the case studies and the quantitative analysis which focused on The Pension Service. The survey provides an overview of the different take-up activities happening at a local level.

## 2.2

It is difficult to measure take-up accurately

$$\text{Take-up rate} = \frac{\text{number receiving the benefit}}{\text{number eligible for the benefit}}$$

The **number of people receiving a benefit is known accurately** from the Department for Work and Pensions' records.

The **number of people eligible for a benefit is estimated** through surveys.

Estimating eligibility through surveys has a number of problems:

- it is difficult to design survey questions to assess people's eligibility because of the complexity of benefit rules;
- survey data is prone to problems such as under-reporting and mis-reporting of entitlement;
- it takes time to carry out and analyse surveys so the information is often out of date; and
- small sample sizes lead to wide confidence intervals which make it difficult to measure change over time.

## 2.3 How robust is the model?

No data is perfect, and the following **health warnings** should be remembered when considering our analyses:

- all administrative data is subject to some fraud and error;
- the data used in our model was collected for practical purposes – administering benefits – and was not designed to be used as it is here; and
- statistical correlations do not imply causation and must only be understood in the context of other evidence and theory.

**But...**

- we know the limitations of the data and have worked within them – we know our unknowns;
- given the difficulty of estimating take-up rates accurately it is better to be able to say something limited than to say nothing at all;
- data is checked and cleaned by the Department;
- if errors in the data are randomly distributed they do not affect the validity of the model; and
- our conclusions are supported by existing research<sup>1</sup>.

### NOTE

<sup>1</sup> For example, *Tackling pensioner poverty*, HC 37, 2002-03 (on rurality and ethnicity); Department for Work and Pensions Research Report No. 201 *Delivering benefits and services for black and minority ethnic older people* (on ethnicity); and Gordon AD (2005) *Tackling pensioner poverty: what influences benefit take-up?* Unpublished but available from the National Audit Office.

<sup>2</sup> Lower Super Output Areas are a standard Office for National Statistics geography. Lower Super Output Areas have a mean population of 1500.

<sup>3</sup> The model covers England only. This is because the main explanatory variable, the English Indices of Multiple Deprivation is not directly comparable with the equivalent Scottish and Welsh indices.

Our modelling approach involved taking the number of Pension Credit claimants in a small area (Lower Super Output Area<sup>2</sup>) and dividing this by the number of Pension Credit claimants in the area plus the number of pensioners who were not receiving Pension Credit but who were of very high or high likelihood of eligibility<sup>3</sup>. This gave us a **proxy take-up indicator** for the area. We then used a multiple linear regression model to investigate how this proxy take-up indicator varied with area characteristics (see Figure 2.4).

It is very important to recognise that this proxy take-up indicator should not be compared with official take-up rates produced from, for example, the Family Resources Survey. Our model assumes only that variation in the proxy take-up indicator is associated with variation in the true take-up rate. So it is the differences in this proxy rate that are important for our modelling, not the absolute values.

The explanatory variables in our model came from the Indices of Multiple Deprivation and the 2001 Census because these provide the bulk of official statistics at a small area level. The key explanatory variables that were tested in our model are described in Figure 2.5.

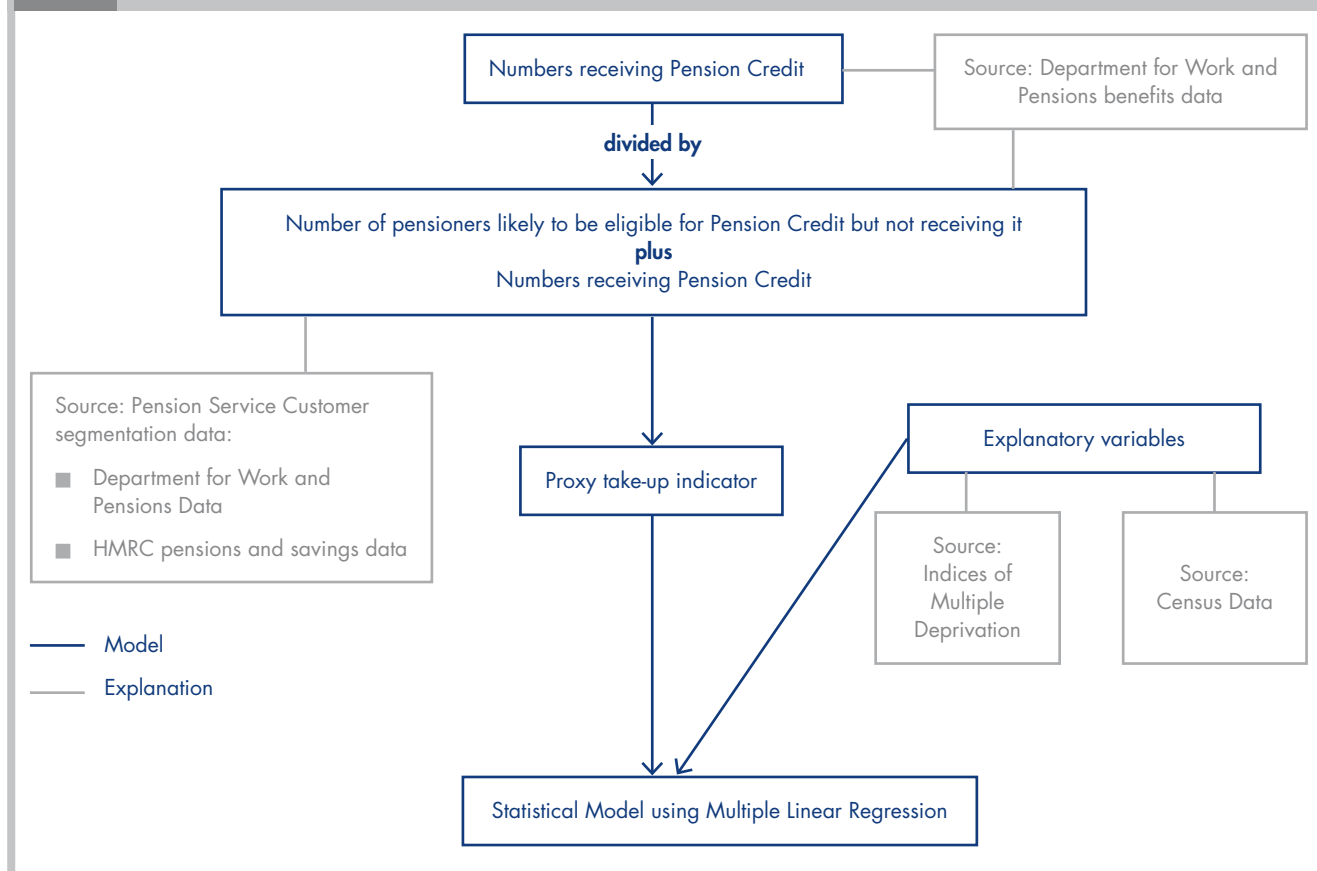
## The Results

We looked at the relationship between our proxy for Pension Credit take-up and the explanatory variables shown in Figure 2.5 available at the small-area level and we found that, controlling for other factors, the explanatory variables showed statistically significant correlations (Figure 2.6 overleaf).

This implies that, all else being equal, **take-up of Pension Credit is higher in more deprived areas and lower in rural areas and those with older pensioners.**

These relationships are graphically illustrated in Figures 2.7, 2.8 and 2.9 overleaf. However, it is important to note that, with the exception of the Indices of Multiple Deprivation, the relationships between the different variables and the proxy take-up rates are relatively weak. That is, the standardised correlation coefficients are relatively low. However, this may be as much a reflection of the fact that the variables used are proxies rather than direct measures as it is of the underlying relationships. Because of these limitations with the data the findings presented here should be considered additional evidence to be added to existing research on benefit take-up and should not be taken in isolation.

## 2.4 Our statistical model



## 2.5 Variables in the Model

Variable	Description
English Indices of Multiple Deprivation (IMD) score	This is the main official measure of area deprivation. A higher score means a higher level of deprivation.
Sub-domains of the English Indices of Multiple Deprivation	The main index of multiple deprivation is made up of a number of 'sub-domains' which include: health deprivation; educational deprivation etc. These were tested separately in the model to look for differential effects.
Populations by age group	Lower Super Output Area level populations were used in five year age bands from 60 to 100.
Rurality Indicator	The Defra categorisation of rurality was not appropriate for our model (because it is categorical and not clearly hierarchical) so we created a proxy indicator of rurality by combining sub-indicators from the Access to Services domain of the Indices of Multiple Deprivation based on the average distance to the nearest: General Practitioner, Post Office, general store, Primary School. These average distances were summed to create the rurality indicator.

2.6

Lower Super Output Area Analysis

Explanatory Variable

Standardised Correlation Coefficient (beta)<sup>1</sup>

Index of Multiple Deprivation (IMD) score

0.465\*\*\*

Proportion of population aged 80 or over

– 0.200\*\*\*

Rurality Indicator

– 0.318\*\*\*

N = 32,482 (the number of Lower Super Output Areas in England)

\* = significant at the 90% level

\*\* = significant at the 95% level

\*\*\* = significant at the 99% level

Source: National Audit Office analysis

NOTE

1 These figures show the correlation coefficients controlling for other variables. That is, they show the coefficients resulting from the multiple regression rather than binary correlations.

2.7

Pension Credit take-up is higher in more deprived areas<sup>1</sup>

Proxy take-up indicator

100

80

60

40

20

0

0

20

40

60

80

100

IMD score

Source: National Audit Office analysis

NOTE

1 By inspection, it appears that there is a curvilinear relationship between IMD score and the proxy take-up indicator. However, having looked at various alternatives to a linear model we did not feel that the improvements they brought justified the extra complexity that such models introduce.

2.8

Pension Credit take-up is lower in rural areas<sup>1</sup>

Proxy take-up indicator

100

80

60

40

20

0

0

10

20

30

40

Rurality indicator

Source: National Audit Office analysis

NOTE

1 By inspection, there appears to be a problem of heteroskedasticity in the relationship between the rurality indicator and the take-up proxy, which would violate the assumption of ordinary least squared regression. However, we found no significant relationship between the rurality indicator and the squared residuals of the model. We therefore concluded that the assumptions of ordinary least squared regression held within reasonable tolerances.



Ethnicity data from the census is not available at a small area level, so to test for ethnicity we aggregated up to Local Authority level. Controlling for the factors in the Lower Super Output Area Analysis we found that **Local Authorities with large Minority Ethnic populations had lower take-up of Pension Credit<sup>4</sup>** (see Figure 2.10).

As with the Lower Super Output Area level analysis presented above, these correlations are not particularly strong so the results must be treated with care. Again however, the variables involved are proxies so the apparent link between ethnicity and Pension Credit take-up might be worth further investigation.

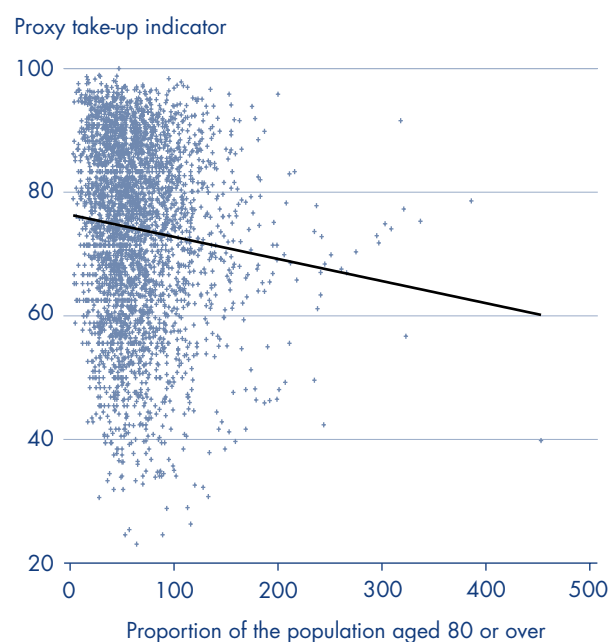
## Maps

We also mapped the data at a Lower Super Output Area level to get a visual representation of the overall variation in Pension Credit take-up (see Figures 2.11 to 2.21).

Again, the maps should be taken to represent only the approximate relative position of different areas, they do not indicate absolute take-up rates. The main pattern that can be seen from the maps is that the geographically larger, more rural, and less deprived areas (these categories are strongly overlapping) have lower take-up rates, as illustrated by the dark blue shading.

**These maps are for illustrative purposes only. They show the general pattern of Pension Credit take-up. Because the measure of take-up is a proxy it is NOT a valid basis for comparing areas directly. For example, it would not be reasonable to use the maps to compare adjacent areas.**

### 2.9 Pension Credit take-up is lower in areas with older pensioners



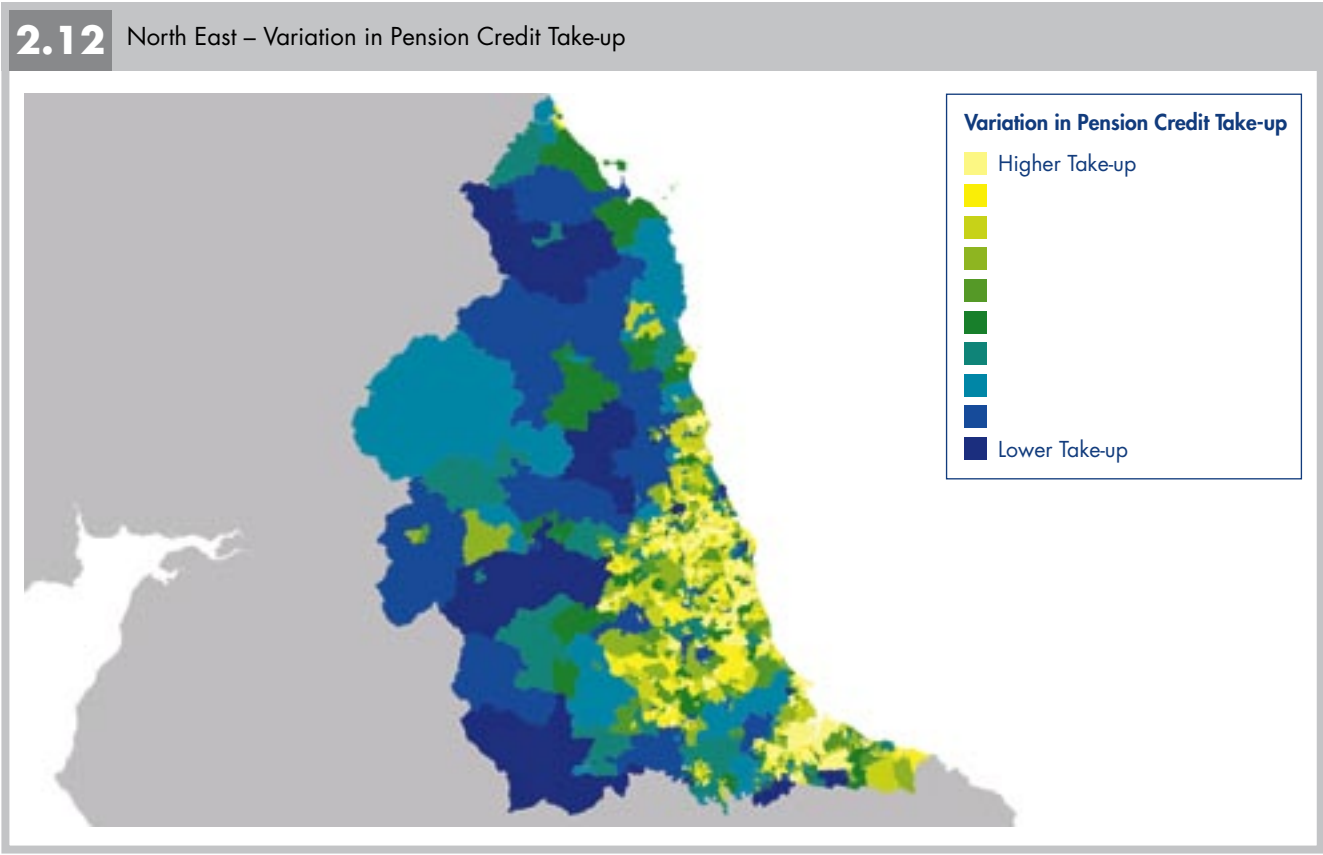
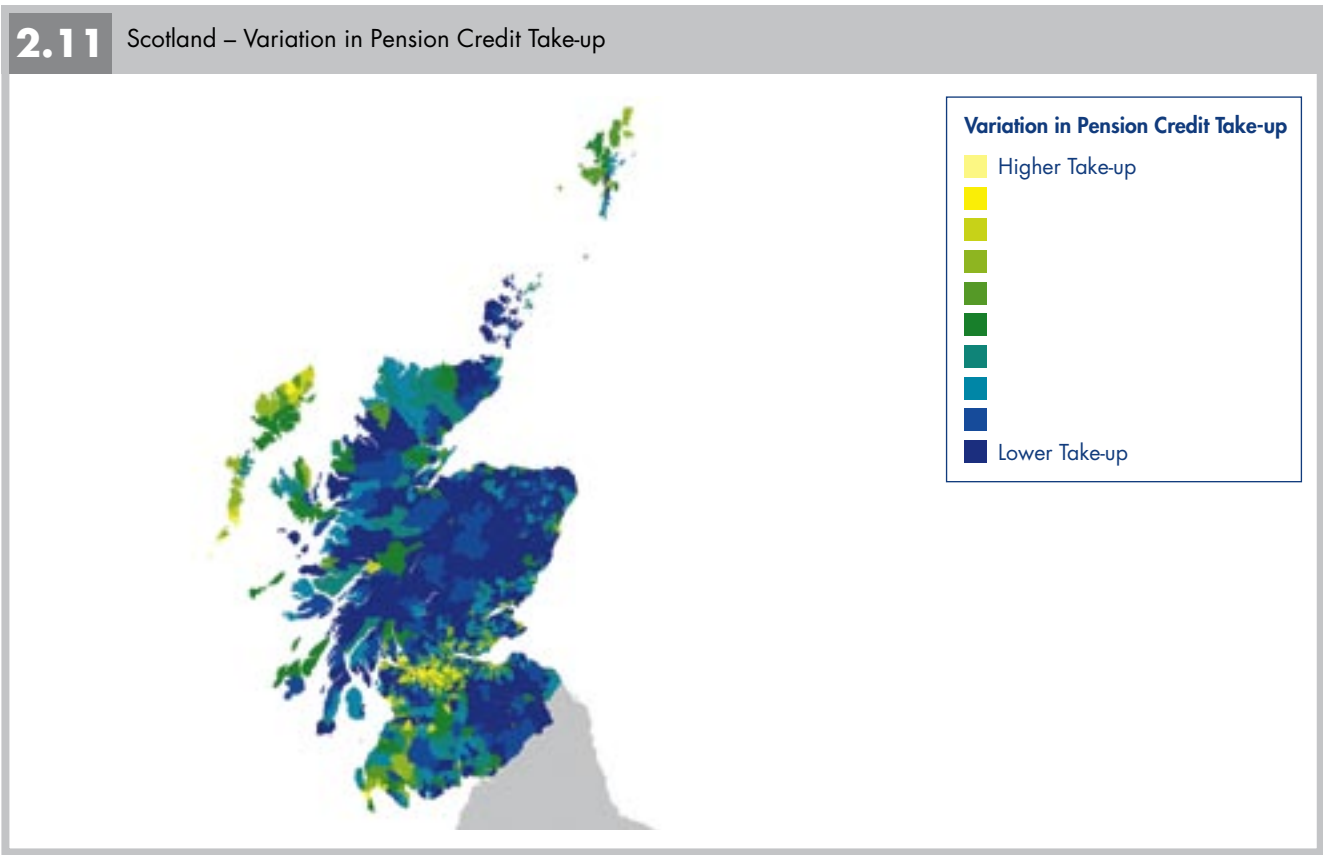
Source: National Audit Office analysis

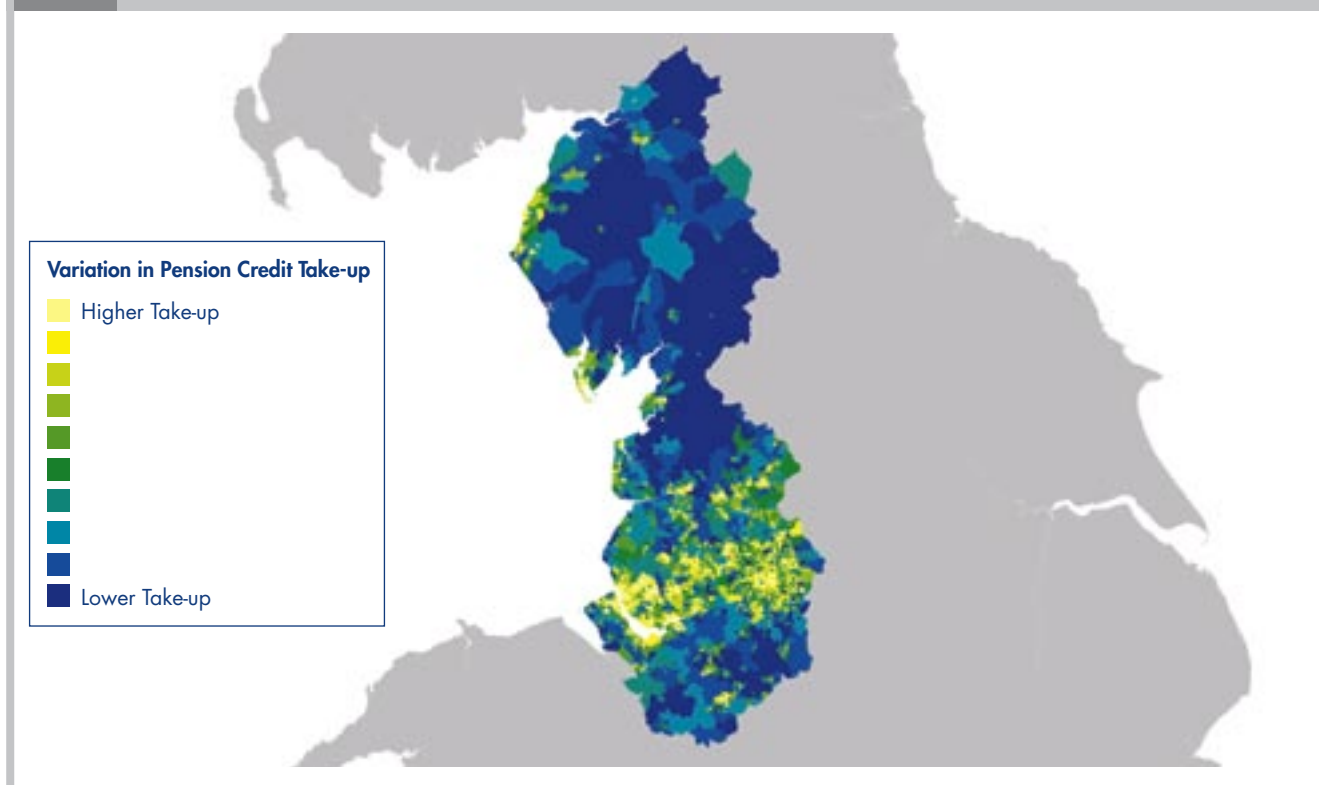
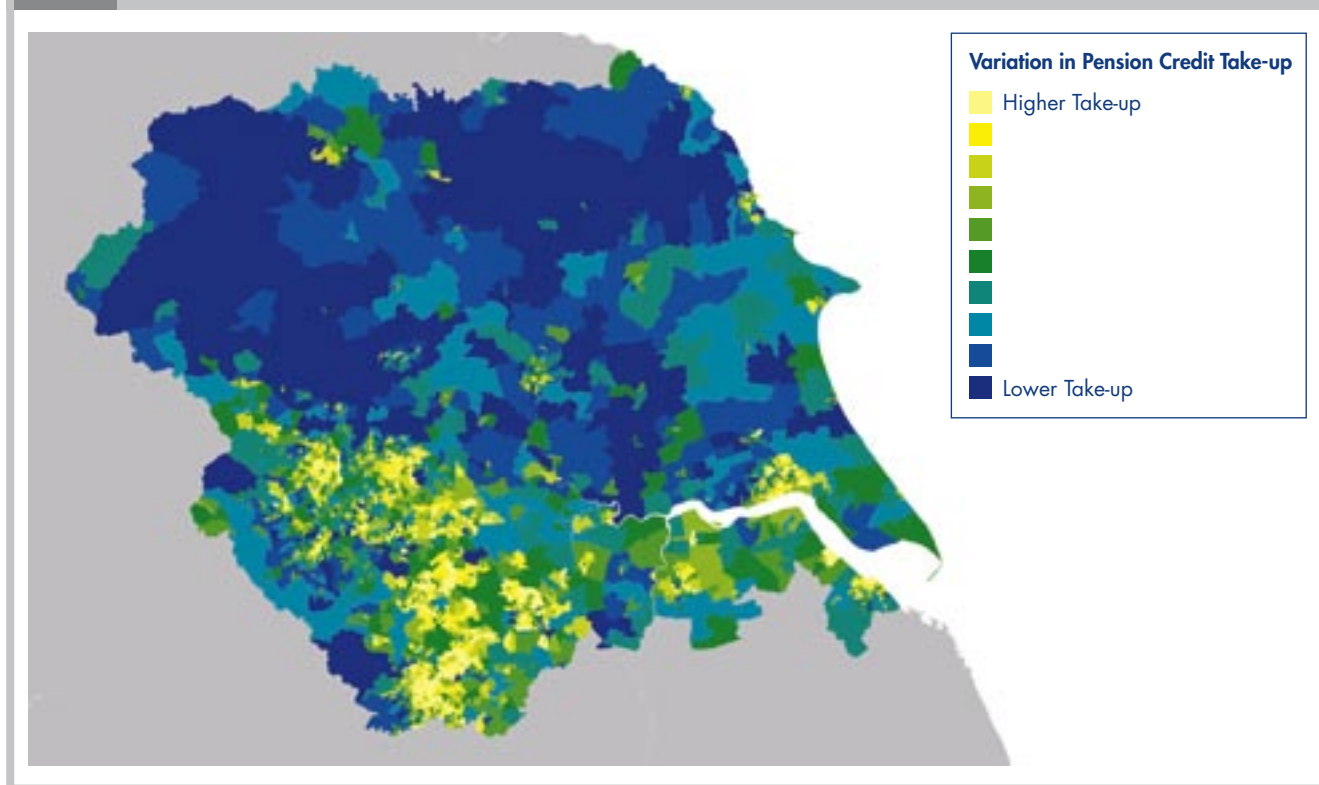
### 2.10 Local Authority Analysis

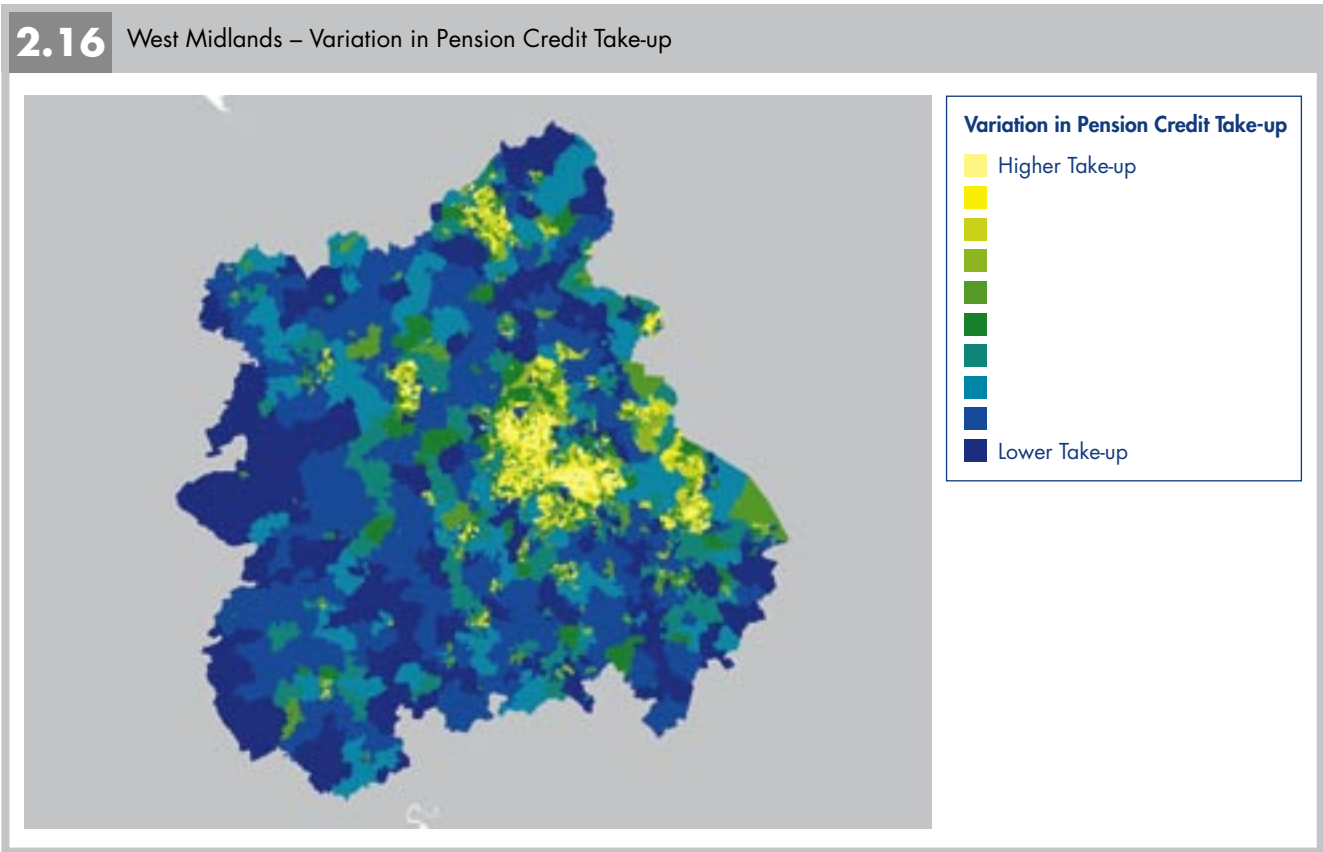
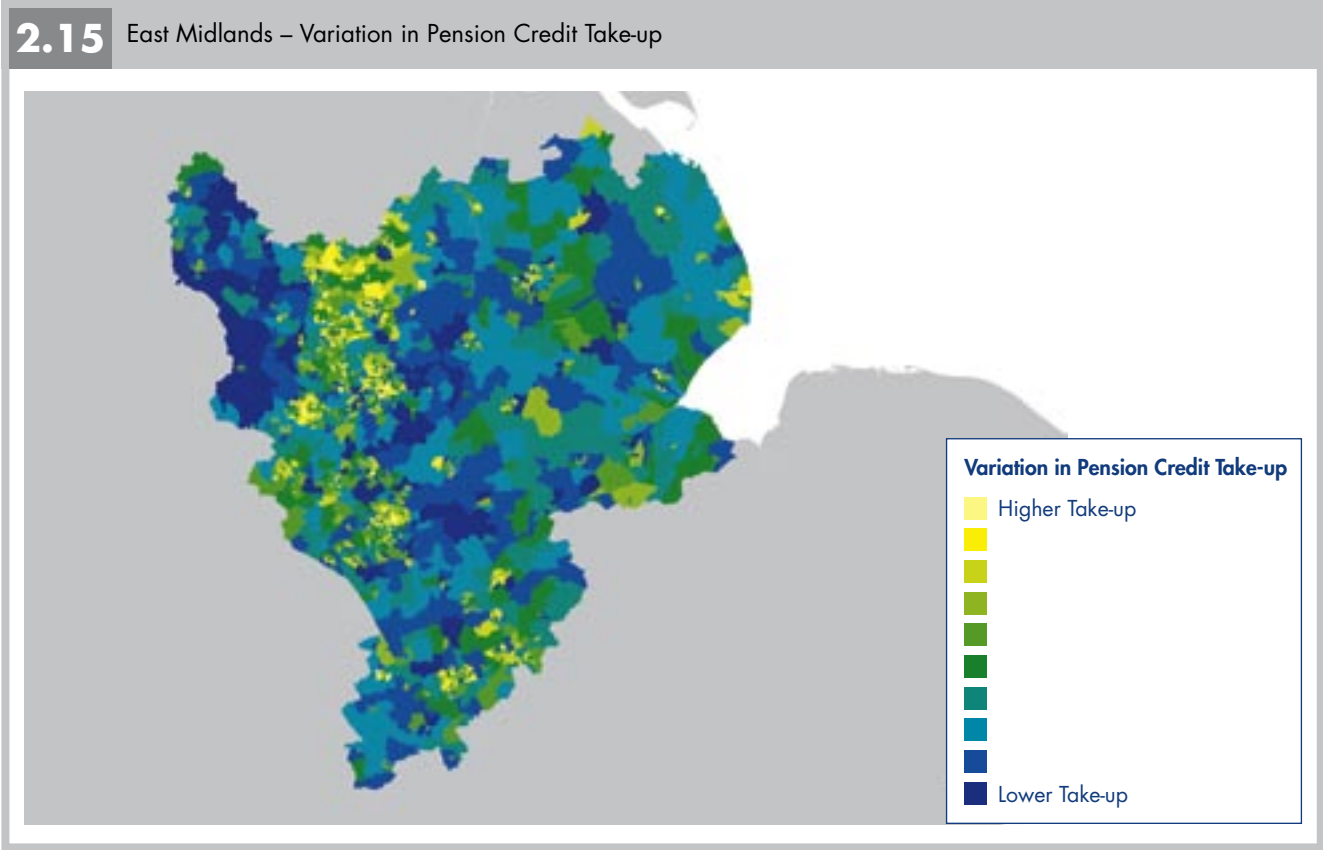
Explanatory Variable	Standardised Correlation Coefficient (beta)
Proportion of the Local Authority population who are non-white	- 0.215***
N = 354 (English Local Authorities as at 2001)	
* = significant at the 90% level	
** = significant at the 95% level	
*** = significant at the 99% level	

Source: National Audit Office analysis

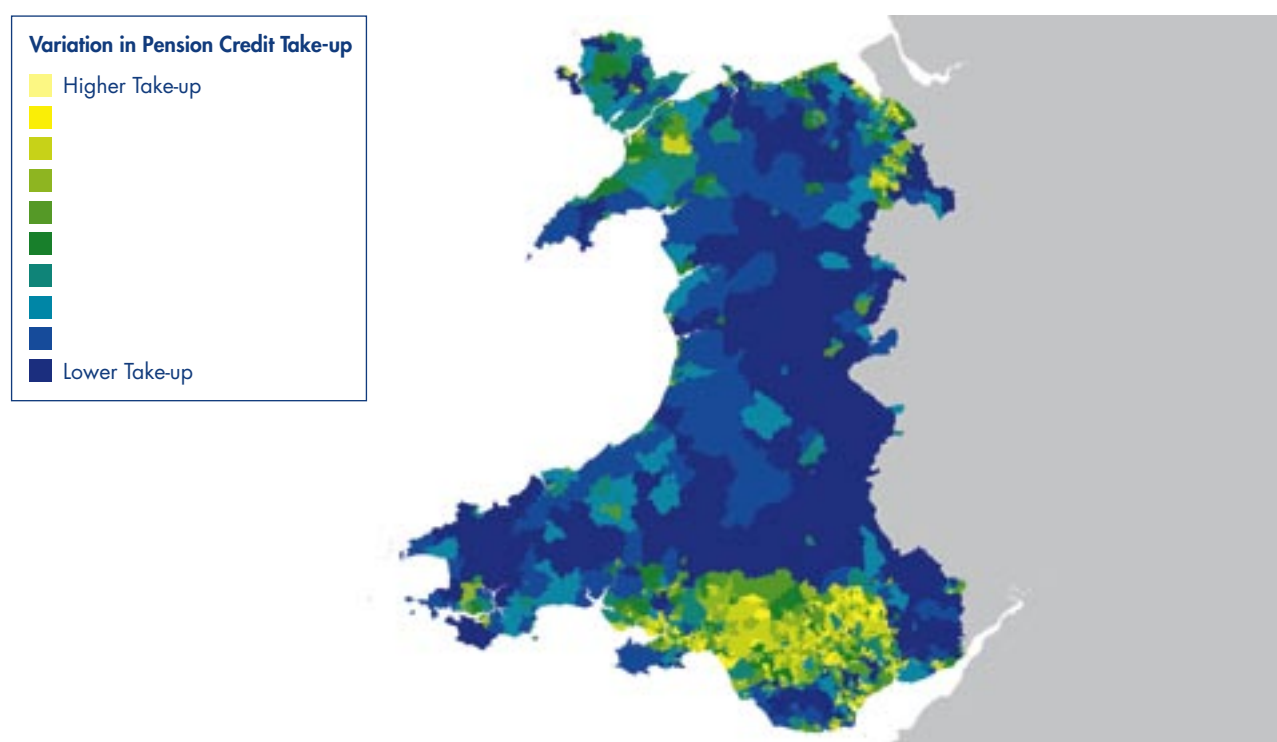
4 The scatter plots showing the relationship between ethnicity and take-up are misleading because they are dominated by the colinearity between ethnicity and deprivation, they are therefore not presented here.



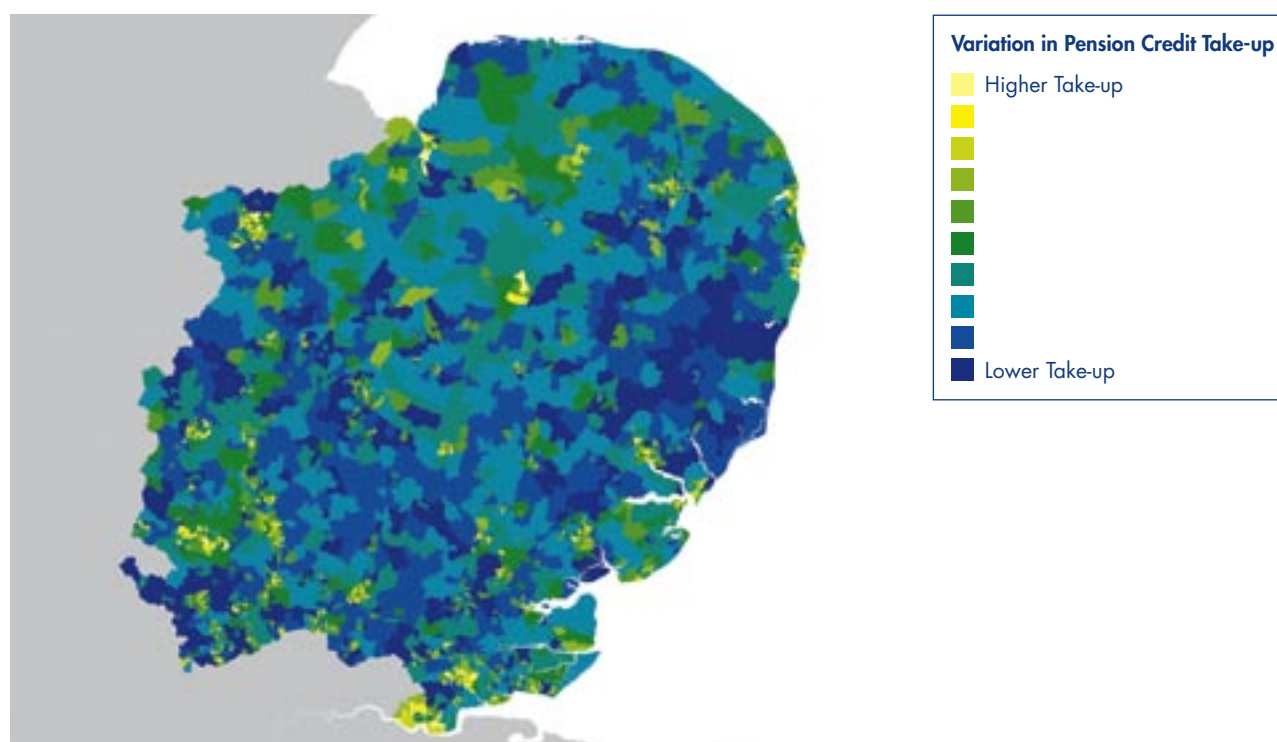
**2.13** North West – Variation in Pension Credit Take-up**2.14** Yorkshire and Humber – Variation in Pension Credit Take-up



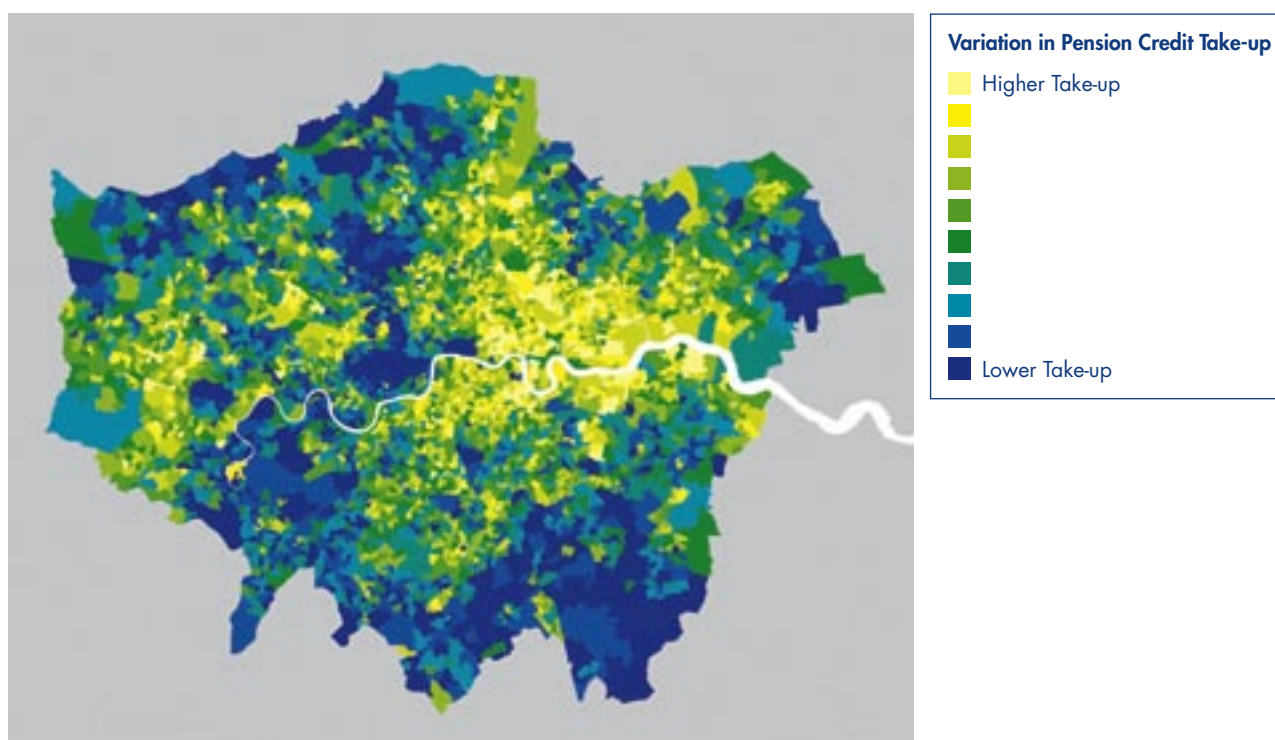
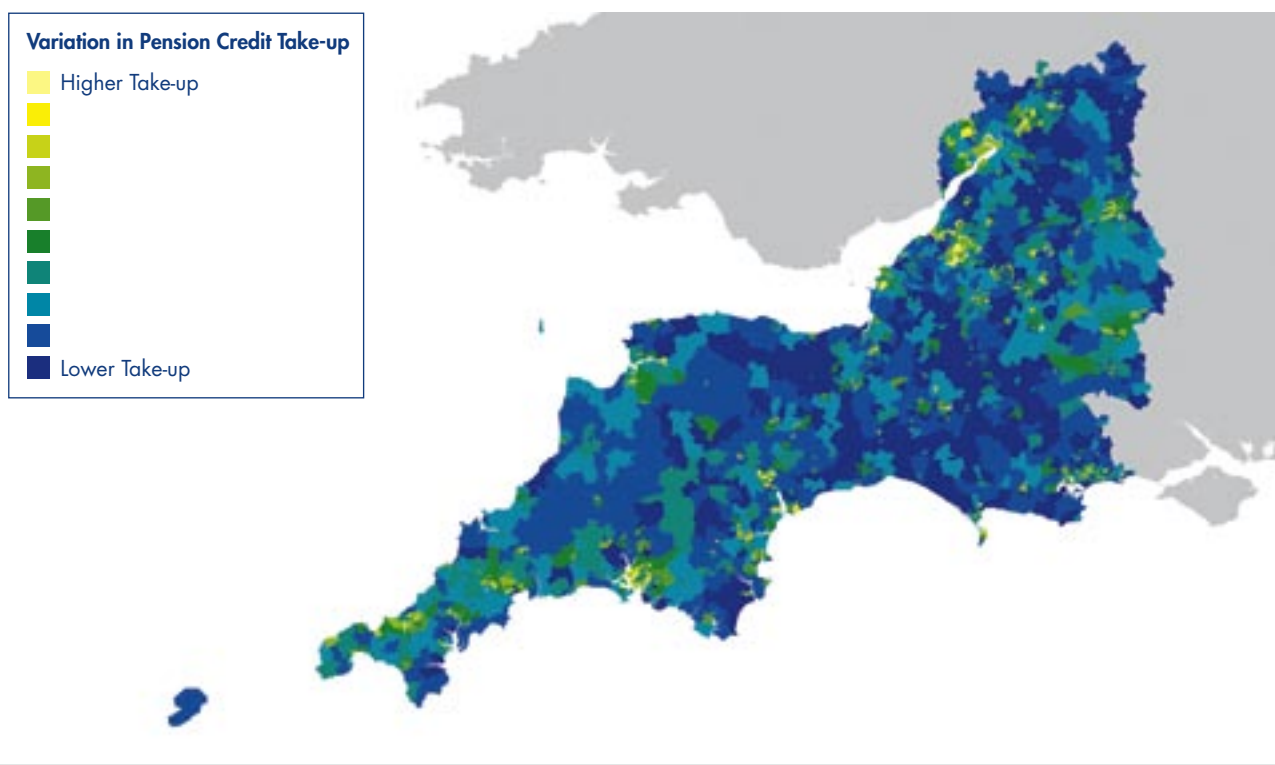
## 2.17 Wales – Variation in Pension Credit Take-up

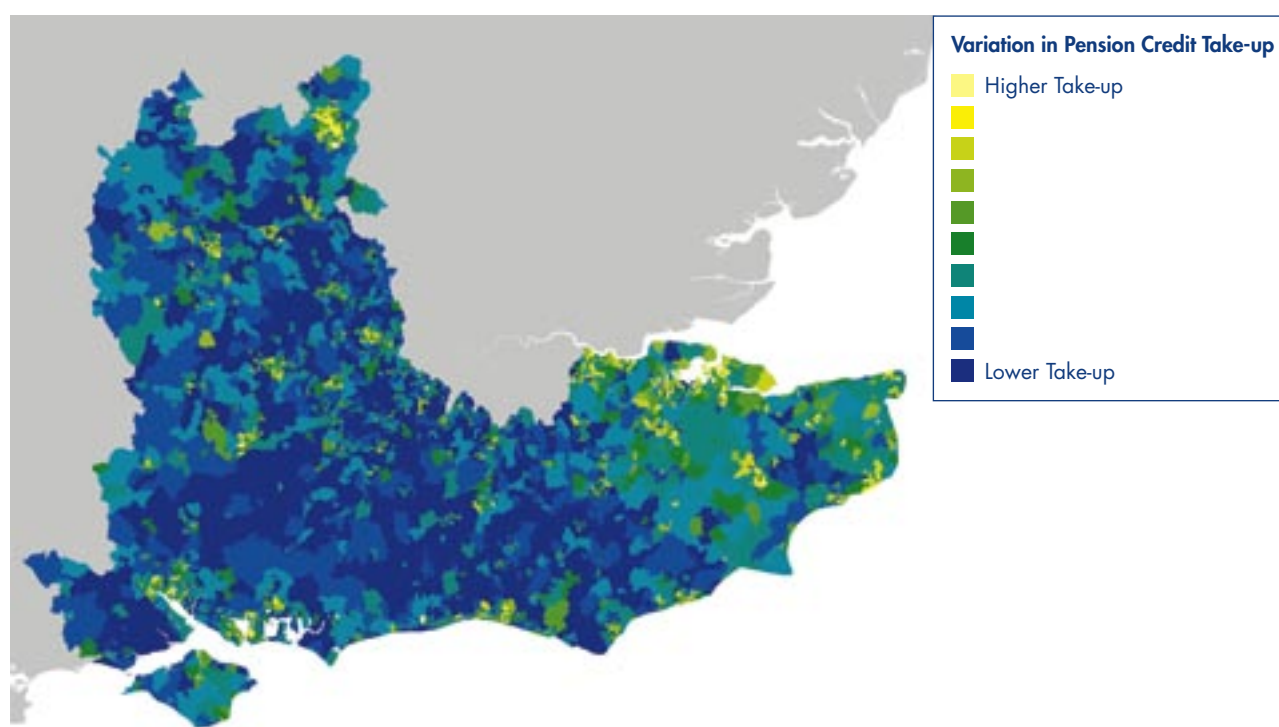


## 2.18 East of England – Variation in Pension Credit Take-up





**2.19** London – Variation in Pension Credit Take-up**2.20** South West - Variation in Pension Credit Take-up

**2.21** South East - Variation in Pension Credit Take-up

## CHAPTER THREE

### Local case studies

In order to understand the level and type of take-up activity happening at a local level we visited six case study areas between October and November 2005. We visited:

- Case study 1: South Lanarkshire;
- Case study 2: Tameside;
- Case study 3: Shropshire;
- Case study 4: Somerset;
- Case study 5: Newham; and
- Case study 6: Surrey

We chose these areas to provide a broad geographical spread and to cover both urban and rural areas. We selected areas which would cover a range of demographics and a variety of local partnerships, such as areas with and without a Joint Team (see Figure 3.1), taking into consideration the length of time the Joint Team had been in operation. In total we selected four areas where Joint Teams had been established between the Local Service and local authority, and in one case the partnership also included a voluntary sector organisation. The six areas were selected prior to our work to examine variation in Pension Credit take-up (Chapter 2).

Each case study was carried out over three to four days. The main focus for each area was to look at the work undertaken by the Local Service, either individually or in partnership with other local organisations. We visited a range of voluntary sector organisations and local authorities; either involved in take-up work or a partner of the Local Service. Where possible we visited Alternative Offices and local organisations in receipt of Partnership

Funding (see Figure 3.1). We interviewed a selection of staff and representatives of other organisations depending on the local circumstances. We conducted semi-structured interviews using interview schedules developed from our issue analysis, which covered the following themes:

- Joint Team structure;
- benefits of a Joint Team;
- problems experienced by a Joint Team;
- issues to consider when forming a Joint Team;
- type of promotional activities;
- Local Service use of scan data;
- informal working links in the community;
- barriers to providing advice and promoting take-up;
- targets; and
- impact and evaluation.

During our visit we observed the day-to-day activity of the Local Service and conducted 21 semi-structured interviews with a range of staff, including:

- Local Service area managers (responsible for several Local Service teams);
- Local Service delivery managers (manages the Local Service team and often heads the Joint Team if one is established);
- partnership liaison managers (responsible for engaging with local partners and leading on local take-up campaigns);



- customer liaison managers (visiting staff providing a face-to-face service via home visits and appointments, also conduct outreach activities, where appropriate); and
- Local Service co-ordinators (arrange and co-ordinate visits, collate and input activity data).

We held 24 semi-structured interviews with a range of staff from other local organisations, including local authority benefit managers, Welfare Rights advisers and Citizens Advice Bureaux staff.

We shadowed a total of 15 visiting staff, from both the Local Service and local authority, and observed a total of 38 home visits. We also observed some appointments outside the home, for example at Information Points or at local authority customer service points. This provided a range of scenarios to observe – from document verification to full benefit checks – and provided valuable insight into

### 3.1

The Department and The Pension Service are working with other organisations to help encourage pensioners to take-up their entitlements:

- The Local Service is developing **Joint Teams** with local community partners. The Pension Service aims to have a Joint Team with each primary tier local authority (over 200). Teams are made up of Local Service staff, local authority staff (social care and/or financial assessment staff) and in some cases voluntary sector staff. The purpose of the Joint Team is to reduce duplication of effort whereby the customer receives only one visit for financial and benefit related matters instead of being visited by both The Pension Service and local authority. Visiting officers also seek to identify the range of service needs the older person might have, such as the need for a handyperson.
- **Alternative Offices** enable other organisations, such as voluntary organisations or local authorities to deal with Department for Work and Pensions benefit claims and document verification. They offer an alternative face-to-face service for pensioners who prefer not to deal with a Government department or who prefer not to post personal documents for verification.
- The **Partnership Fund** provides short term funding to run innovative pilots, aimed at finding effective ways of encouraging harder-to-reach groups among older people to claim the benefits to which they are entitled. The principal objective of the Partnership Fund is to learn from what works. 172 contracts are being funded (£13m) over two years, from 2005-06.

the more personal side of take-up work. The duration of a home visit varied and depended on the prime purpose for the visit, for example a Pension Credit application may take less than 30 minutes to complete, whereas an Attendance Allowance claim may take over two hours to complete.

## Background

The Local Service provides a face-to-face service for pensioners who do not access The Pension Service in the usual way. Most customers access The Pension Service using the Pension Credit Application Line or by contacting Pension Centres, which handle applications and queries by telephone. Pensioners contacted by the Local Service are considered to be the more vulnerable, hard-to reach customers and may not even be aware of the benefits and services they are entitled to.

The Local Service provides nationwide coverage of take-up work, with 131 local teams across England, Scotland and Wales. It employs 2,500 full-time equivalent staff. Whilst predominantly providing a service through home visits the Local Service also carried out a range of local activities to promote and encourage take-up of entitlements, such as holding Information Points (now on an appointment only basis) at local venues and providing talks to the local community.

The Local Service aims to offer pensioners full entitlement checks across all benefits, such as Pension Credit, Attendance Allowance and Council Tax Benefit. On home visits they also assess other needs, such as help with the garden, or having a smoke alarm fitted. Where appropriate the Local Service will provide relevant information or will make a referral to a third party, subject to the customer's approval. Previously much of the focus of The Pension Service's take-up activity has been with Pension Credit.

The Pension Service carries out searches of its benefits data ('scans') to identify those pensioners possibly eligible for Pension Credit. Lists of people likely to be eligible are then contacted and encouraged to claim. These national prepared contact lists are a source of visit referrals for Local Service, along with referrals from the Pension Credit Application Line and Pension Centres for customers who cannot be dealt with over the telephone. If the Local Service is part of a Joint Team then normally this will generate additional referral sources, such as from social services for fairer charging<sup>5</sup> visits.

5 Fairer charging teams carry out home visits to assess the contribution towards the cost of social care services for adults living at home. Scotland does not have fairer charging and some councils in England do not charge for these services.

There is a Public Service Agreement (PSA) target to pay Pension Credit to three million households by the end of February 2006, rising to 3.2 million households by 2008. The Local Service is given top-down activity targets for Pension Credit claims and it aims to achieve one Pension Credit application per full time staff per day and aims to carry out an average of 3.5 effective home visits per full time member of staff per day (an effective visit is one that moves the case forward). The Local Service is also given top-down activity targets for Attendance Allowance and other benefits. The Local Service collect activity data on the number of visits and number and types of applications completed.

## Case study 1: South Lanarkshire

South Lanarkshire is in the central lowlands of Scotland. It has relatively high levels of limiting long term illness – three percentage points above the Great Britain average and a high proportion of its workforce is in routine occupations. It has a small minority ethnic population, non-white people make up one per cent of its population, compared with an average of 8.1 per cent for Great Britain as a whole.

We visited the following organisations:

- The Pension Service Local Service
- South Lanarkshire Council, including Benefits Project Team
- Citizens Advice
- The Princess Royal Trust for Carers
- Disability Resource Centre (Alternative Office)

In total we conducted seven interviews, shadowed a Joint Team visiting officer, observed three home visits and one Information Point.

### Main barriers to pensioners taking up entitlements (as perceived by staff interviewed)

- Some pensioners have not claimed means-tested benefits before.
- Pensioners are confused by the benefits system, what they can claim and how to complete a claim.
- It is a rural area with isolated communities – pensioners may not be aware of their entitlements or they are used to being self sufficient and surviving on small amounts.

## Local Service and the Joint Team

The Joint Team was formed in July 2004 and consists of South Lanarkshire Council Benefit Project Team and two members of the Local Service. It is different than other Joint Teams we visited because it does not include all of the Local Service staff and therefore could be considered more like a joint project with the local authority. It is intended that the Joint Team will expand in future to include more local service staff. The Joint Team will further develop partnerships for the take-up of benefits for all residents within the South Lanarkshire area. The partnerships will include Social Work, Health Board and Education.

### Key benefits of a Joint Team (as perceived by staff interviewed)

- Customer receives only one visit.
- Data sharing and access to the Department's legacy system for the local authority.
- Sharing benefit knowledge across organisations.
- Access to wider source of referrals and a larger pool of potential customers.

The Local Service has a positive attitude to partnership working and has developed good links within the community. Many of the visiting officers have lived in rural communities and so understand about the issues rural communities face. The Local Service has developed close working relationships with the Princess Royal Trust for Carers and one of the Information Points is held here. Referrals work in both directions – the Trust put carers in touch with The Pension Service and in return The Pension Service can identify where support may be needed for carers who may be unaware of the support available. The Local Service is proactive in forming links with the local community and has engaged in a wide range of work to identify pensioners who are not claiming entitlements, including:

- Attending GP surgeries and flu jab clinics.
- Meeting with district nurses.
- Raising awareness at supermarkets and shopping centres.
- Links with church groups.
- Speaking at local events – elderly groups/forums, police and fire service, international women's day.

At the time of our visit the Local Service felt some restriction over the level of promotional activities they could undertake (mainly due to national directives) and would like to do more. During our visit 'word-of-mouth' was cited as the best method to raise awareness. This was also heard direct from a pensioner couple during a home visit.

### Problems experienced by the Joint Team

- IT issues and different IT systems. There is only one former Benefit Agency remote access terminal at the council for the Joint Team. When Local Service is evicted from their current location this terminal at the Council will also be removed which will require new IT solutions.
- Different working practices during early stages of the project.

### Criteria for a successful Joint Team (as perceived by staff interviewed)

- Need to overcome scepticism of potential partner organisations.
- Good communication to inform partners about future strategies.
- Finding suitable accommodation in the area.
- Local Service delivery managers require negotiating skills to engage with other organisations.
- Allow decisions at the local level.

## Activity other than Local Service and the Joint Team

While there are no Partnership Fund projects based in South Lanarkshire, three projects operate in the area. At the time of our fieldwork there were two Alternative Offices being set up. One was at Hamilton Disability Forum, a voluntary organisation located in a town centre, with whom the Local Service has built up good relationships. The other is with a Disability and Resource Centre, a voluntary organisation, located in a rural village. During our visit we were told some other voluntary sector organisations were not interested in becoming an Alternative Office as they thought becoming one would compromise their independence.

## Case study 2: Tameside

Tameside is a highly urban area in North West England, with only 0.5 per cent of its population working in agriculture compared with a Great Britain average of 1.6 per cent. Tameside also has an above average proportion of workers in routine occupations, with a figure of 11.6 per cent compared with an average of 8.3 per cent for Great Britain. Tameside has a relatively high level of sickness and disability, with 20.9 per cent of its working age population suffering from Limiting Long-term Illness compared with 18.4 per cent for Great Britain as a whole.

We visited the following organisations:

- The Pension Service Local Service
- Tameside Metropolitan Borough Council, including an Alternative Office
- Age Concern
- Citizens Advice

In total we conducted 10 interviews, shadowed two Joint Team visiting officers and observed four home visits.

### Main barriers to pensioners taking up entitlements (as perceived by staff interviewed)

- Some pensioners are very proud and unwilling to claim benefits.
- The complexity of the system can put people off applying.
- Pensioners may not be aware that they have become entitled to a benefit, for example a change in health circumstances may result in eligibility for Attendance Allowance.
- Different capital limits for Pension Credit and Housing and Council Tax Benefit send out a mixed message on savings.

## Local Service and the Joint Team

A Joint Team was established in June 2004 between the Local Service and Tameside Metropolitan District Council. The team is jointly managed by the Council and The Pension Service.

### Key benefits of a Joint Team (as perceived by staff interviewed)

- Better quality of service for the customer.
- More resources on the ground to provide a face-to face service.
- Data sharing improves efficiency of the service.
- Wider source of referrals provides opportunity for more work than would arise if organisations were operating individually.

The Joint Team's main source of referrals is from national data scans and from local Housing Benefit scans using local authority data. In general the team found the housing benefit scans have produced better quality of contacts than the national data scans because the information is more up to date. Overall having a Pension Credit target was viewed positively because it has focused attention on pensioners.

The Joint Team has eight Information Points across the borough – some are located at Age Concern venues and others in Town Hall reception areas. Information Points are advertised in local papers, on electronic information boards in town and on flyers distributed in the area. Some of the Information Points are well established and have been in existence for a long time. The team feel that they are a necessary part of the service and are well used by pensioners in Tameside. Part of the reason for their success is that pensioners are used to coming in to town on market days.

There are two partnership liaison managers in the team and their priority, at the time of our fieldwork, was to establish Alternative offices in the area and provide appropriate training. Tameside Council has recently signed up to become an Alternative Office, which will result in nine Alternative Offices at each of the district council offices in Tameside.

Outreach and promotional work is carried out on an ad-hoc basis. Members of the Joint Team raise awareness through presentations at community organisations and events such as over 60s clubs and dancing clubs. The Joint Team previously had a minority ethnic liaison manager but this person has now left, and they have struggled to forge links with minority ethnic communities and fill the gap left by the officer's departure.

The Local Service has working links with Age Concern, Citizens Advice Bureaux, Carers groups and some GP surgeries. Future plans involve expanding links with Housing Associations and working with sheltered housing to find pensioners who are not claiming entitlements.

#### Problems experienced by the Joint Team

- IT systems don't 'talk' to each other and there is a lack of integrated mobile computing.
- Different staff terms and conditions for team members which can cause conflict.
- Having different targets within the Joint Team can be divisive – the Local Service staff has targets for the number of effective visits per day, whereas local authority staff do not.
- Having two managers is not necessarily the best solution for providing unified management; however it is often required to deal with the different appraisal systems and with issues that relate to staff pay and conditions.
- Conflicting priorities, particularly when activity was diverted to focus on The Pension Service data scans.
- Insufficient administrative resources to organise and schedule visits, and record visit outcomes.

#### Criteria for a successful Joint Team (as perceived by staff interviewed)

- Finding suitable accommodation because co-location is an important factor for success.
- Clarity of resources to fund set-up costs. There had been no clear criteria for the Local Service to obtain centrally managed resources.
- Teams need to work through difficult teething process to ensure that all partners are working to the same agenda and have the same direction.
- Overcome tension between central direction from The Pension Service and local requirements.
- Consideration given to the different ethos and working practices of partner organisations.
- Local Service delivery managers need to be equipped with change management skills.

#### Activity other than Local Service and the Joint Team

Tameside Metropolitan Borough Council has been proactive in encouraging pensioners to take-up their entitlements for some years and their involvement with the Joint Team builds on their existing work. Tameside have established their own take-up rates for Pension Credit using local Council Tax Benefit data to define the eligible population. They have implemented a series of take-up campaigns, some of which are done in conjunction with the Joint Team and others which are focussed on Council Tax Benefit. The Council uses a variety of methods, such as 'Cut your Council Tax' leaflets and local magazine advertising. They are using coupons to measure the impact of advertising whereby pensioners are invited to send the coupon back to get an application form. They also send out 'check my entitlement' coupons with Council Tax bills.

The Association of Greater Manchester Authorities (AGMA), a consortium of 13 authorities (including Tameside) received funding from the Department for Work and Pensions to develop and assess methods of increasing take-up of Housing Benefit and Council Tax Benefit. They have commissioned research to find out why residents who are eligible do not apply for these benefits and will use the findings to inform future strategy.

There are a number of established networks for organisations that work with pensioners. During our visit to Tameside we developed a strong sense that these networks play an important role in take-up activity in Tameside. The networks provide opportunities for organisations to understand each others' role in encouraging take-up of entitlements and how they can join up and work together to provide a more seamless service.

Hyde Bangladeshi Welfare Association receives Partnership funding. The project aims to raise awareness and encourage benefit take-up with the local community through daily surgeries and home visits.

At the time of our fieldwork Tameside Metropolitan Borough Council had recently been accredited as an Alternative Office. Ultimately, all of Tameside's Customer Service Centres (nine in total) will be accredited as an Alternative Office. 'Nominated Officers' will be trained (24 in total) to verify Pension Credit claim documents. It was still very early to determine how the Alternative Office status was being received by pensioners because the site we visited had only seen four customers in the first month of operation.



## Case study 3: Shropshire

Shropshire is a rural county in England with 5.5 per cent of its workers employed in the agricultural sector; this is nearly 3.5 times the average of Great Britain as a whole. It has a low minority ethnic population, with only 1.2 per cent of its population classed as non-white, compared with an average of 8.1 per cent for Great Britain. Home ownership is high in Shropshire with 72.8 per cent of households owning their own home, 4.5 percentage points higher than the average for Great Britain.

We visited the following organisations:

- The Pension Service Local Service
- Bridgnorth District Council
- Shropshire County Council
- Citizens Advice
- Market Drayton Senior Citizen's Forum

In total we conducted seven interviews, shadowed two Joint Team visiting officers and observed six home visits.

### Main barriers to pensioners taking up entitlements (as perceived by staff interviewed)

- The area has small, remote communities and has transport difficulties.
- The elderly just don't want to claim benefits – the area has a low wage economy and residents are used to managing with what they have got.
- Pensioners are unwilling to reapply if previously rejected despite a change in circumstances.
- Complexity – pensioners are confused about the different benefits, applicable capital limits and what they can apply for.

### Local Service and the Joint Team

The Joint Team in Bridgnorth was established in April 2004, and consists of the Shropshire Local Service team, Shropshire County Council, Bridgnorth District Council and Bridgnorth Citizens Advice Bureau. This was a pilot exercise, and following a successful review the decision was made to roll out Joint Teams across the county.

### Key benefits of a Joint Team (as perceived by staff interviewed)

- Better, more holistic public service, which is friendly to the elderly community and ensures fewer visits.
- All team members gain a wider knowledge of benefits and entitlements.
- Visiting officers can spend more time on home visits, rather than administration.
- Data sharing leads to more efficient selection of visits and it is easier to obtain information.
- Being part of a Joint Team has advantages for accessing funding. To obtain additional funding, it is now essential for organisations to mention involvement in partnership work.

The Joint Team has worked hard to generate their own source of referrals, mainly through social services and outreach work to access rural communities. The Joint Team uses national scan lists as a source of referrals but tends to view these lists more as an opportunity to make initial contact with local pensioners and increase awareness of entitlements. The Joint Team regularly achieves the expected number of effective visits per day although there is some concern that this can reduce client facing time and impact on the quality of service provided. County Council members of the team are not required to achieve an average of 3.5 visits per day. In the early stages the team had some concerns that the level of work would subside with time but this has not been the case, suggesting there is still a lot of work to do to find and encourage the hard-to-reach pensioners to claim.

Shropshire Joint Team has high levels of success with numbers of applications (both Pension Credit and Attendance Allowance) completed. The team has had high success rates for Attendance Allowance claims which they believe stems from having experienced staff but also from holding staff awareness sessions with the Disability Benefits Centre.

The Joint Team has implemented an ongoing and widespread outreach programme and promotes take-up in many forms. In addition to the Information Points held at libraries and GP surgeries the Joint Team has developed contacts with housing associations and district nurses, holds presentations to local groups and attends luncheons and dances. They are seeking to increase activity in relation to GPs and Primary Care Trusts as they consider these initiatives have proved successful to date. The team are increasingly trying to target people in the community who will know elderly family members.

### Problems experienced by the Joint Team

- Shortage of resources, such as accommodation, IT equipment, and central administrative staff.
- Employees have different rates of pay, benefits and standards to comply with.
- Clashes in ethos and attitude – the voluntary sector want to be seen as independent, provide a whole package of care, including consideration of appeals, whereas The Pension Service is more focused on targets and is unable to consider appeals.
- Potential conflict in strategies between the County Council and The Pension Service over future direction of service.
- Training can drain resources of smaller partners because people are removed from day jobs.
- Difficult to obtain resources for publicity, for example it took 18 months for the Local Service to obtain central government funding.
- Reluctance of some partners to become involved, for example it would be useful to engage more with GPs but lack of resources and understanding of the role they can play is proving to be a barrier.
- Referral systems not operating as effectively as they could, possibly through lack of awareness or lack of knowledge of roles other organisations have.

### Criteria for a successful Joint Team (as perceived by staff interviewed)

- The structure of a Joint Team needs to vary according to locality and degree of partners' involvement.
- Working level partners need ownership of work.
- Require commitment for close working partnerships – Joint Teams have so far only been possible and worked in areas where close working partnerships were already established.
- Recognise local differences and adapt for the local area. For example, nationally standardised documentation does not work.
- Require a central administrative team since a Joint Team cannot depend on the goodwill of staff in partner organisations.

### Activity other than Local Service and the Joint Team

Following the establishment of the Joint Team there are fewer informal working links in the community as these have now been formalised.

Shropshire County Council set up a 'Close Working' forum in 2002. Quarterly meetings are held to exchange information, such as training and good practice, between voluntary organisations, local authorities, The Pension Service and other interested bodies. The aim of discussion is to determine how to reach the hard-to-reach pensioners. The forum provided a good starting point prior to forming the Joint Team.

One of the local Citizens Advice Bureaus run a lottery funded Carers project. Much of the bureau's outreach work is conducted through this project. Referrals to the project come from a variety of sources, including occupational therapists, Macmillan nurses, GPs and self-referrals through word-of-mouth. Additionally bureau staff are trained to recognise situations when issues for carers may arise.

There are no Partnership Fund projects in Shropshire. At the time of our fieldwork there were no Alternative Offices in Shropshire as these are seen as a stepping stone to the Joint Team model, which is currently being rolled-out across the county.

## Case study 4: Somerset

Somerset is a rural county in the South West of England with more than twice the British average share of its workers employed in the agricultural sector. It has high levels of home ownership (74.3 per cent of households own their own homes compared with 68.3 per cent for Britain as a whole).

We visited the following organisations:

- Financial Assessment and Benefit team (FAB) - Joint Team consisting of The Pension Service Local Service and Somerset County Council Fairer Charging Unit
- Sedgemoor District Council
- Age Concern Somerset
- Somerset Welfare Rights Unit

In total we conducted eight interviews, shadowed two Joint Team visiting officers, observed six home visits and shadowed one district council visiting officer on a benefit intervention visit.

### Main barriers to pensioners taking-up entitlements (as perceived by staff interviewed)

- Some pensioners are very proud and unwilling to claim benefits.
- There is some resistance to the means-tested nature of benefits.
- Rules and regulations around benefits are considered too complicated, particularly the Savings Credit element of the Pension Credit.

### Local Service and the Joint Team

The Local Service formed a Joint Team with Somerset County Council Fairer Charging unit in October 2002. This was the first Joint Team to be established in the country. The team is known locally as the Financial Assessment Benefit (FAB) team and is jointly managed by the Local Service and the County Council. Board members are from the local community and include representatives from The Pension Service, Somerset Council, NHS Trust, Age Concern and Carers. The team is split across four sites – Bridgewater, Taunton, Yeovil and Frome – aligned to the five district councils, which helps with local authority boundaries for social services teams and Housing and Council Tax Benefit units.

### Key benefits of a Joint Team (as perceived by staff interviewed)

- Enables an efficient service to customers – by providing a full benefit entitlement check and service needs assessment for the customer in one visit.
- Promotes joint working at the local level – local authority and Pension Service staff work together as equals, including access to each others' data.
- Enables cross-benefit training.

The FAB team are well established and benefit from good management and organisation. The FAB team feel that part of their success is due to fortuitous timing. The Pension Service's Joint Team initiative coincided with the Government's fairer charging policy. Somerset County Council is considered a forward looking council, and welcomed the opportunity to join up with the Local Service. The Council won an award for 'joined-up government initiative of the year', in 2004.

There is a strong feeling of positive team working and it is not evident that staff are from two different organisations. Local knowledge and experienced staff are considered key contributors to the team's success. Local Service staff and Council staff are trained to do all types of visits – fairer charging and full benefit checks. They have had a good success rate in increasing caseload numbers in the early days but many of those interviewed suggested the area was reaching saturation point for Pension Credit take-up. Key achievements for the FAB team include:

- £5.9m (annualised) extra benefits for its pensioners in 2004-05.
- Attendance Allowance claims reported to be up by 30 per cent since the establishment of the FAB team.

The team's main activity is home visits. The FAB team use several sources to identify pensioners who are not taking up entitlements, with the majority of referrals from The Pension Service national scan lists, local Pension Centre and from social service teams (for fairer charging assessments). They do not specifically target the rural community.

There are four Information Points across the county. One of these is at Musgrove Park Hospital located close to the cancer patient ward. Staff interviewed considered this to be the most successful Information Point. It not only targets the patient but also provides an opportunity to raise awareness of entitlements with family members and hospital staff.



At the time of our visit the team's approach to promotional activities was mainly reactive and conducted in an ad-hoc manner. The role of the partnership liaison manager had recently been reduced to part time – mainly due to national directives requiring more focus to be placed on home visits and hence restricting the amount of promotional work the team can undertake. Previously the team promoted the work of the FAB team and raised awareness of benefit entitlements by running events with organisations, such as the fire service, or promoting benefits at local venues, such as supermarkets.

The team has developed a number of informal relationships, with local voluntary sector organisations and with some of the district councils in Somerset. They have good working links with CAREdirect, a free service which provides information on a range of subjects including pensions and benefits to older people. The service is funded by Somerset County Council. They are working with a couple of the District Councils to verify evidence in support of a Housing and Council Tax Benefit claim, which ultimately benefits the customer by reducing the number of required visits.

#### Problems experienced by the Joint Team

- Conflicting priorities due to The Pension Service wanting more resources directed at increasing take-up of Pension Credit (to achieve the PSA target) to the detriment of Fairer Charging visits not being carried out in a timely manner.
- The Local Pension Service is restricted by the amount of money it can commit to the partnership. For example, to improve the service the FAB team would like a Residential Care Assessment officer, which is a specialist post. It is the Council who is trying to source funding. The Council is also funding a new computer system to improve administration efficiency.
- Different terms and conditions of service can cause slight resentment amongst staff.
- Local Service and Council IT systems do not 'talk' to each other resulting in increased administration.
- There are issues with document verification. Because the Joint Team is with the County Council and not the District Councils each Council operates differently with regards to administering Housing Benefit and Council Tax Benefit. For some of the District Councils the FAB team cannot verify Housing Benefit and Council Tax Benefit documents on the council's behalf and therefore are unable to complete the service in one visit.

#### Criteria for a successful Joint Team (as perceived by staff interviewed)

- The Pension Service needs to engage with partner organisations to discuss national directives. Local experience is that national directives sometimes come out of the blue without consideration for the impact they can have on local relations.
- Degree of autonomy over funding.
- More local independence to determine local activity.
- Management skills to resolve conflicts.

#### Activity other than Local Service and the Joint Team

The FAB team are the main provider of take-up activity in Somerset. There is one Partnership Fund contract which operates in Somerset. At the time of our case study there were no Alternative Offices, however we understand there have been expressions of interest from some voluntary sector organisations. We were also told some voluntary sector organisations were not interested in becoming an Alternative Office because it might compromise their independence.

Age Concern Somerset do not actively promote take-up as they do not receive funding to carry out this type of work; however if a pensioner contacts them for information or for assistance with claiming benefits they will not refuse (often it is because the pensioner does not want to deal with a Government department). Age Concern complements the work of the FAB team and ensures that pensioners still have a choice in who they deal with.

Somerset Welfare Rights Unit has now ceased operation. Prior to closure they were proactive with benefit take-up campaigns and worked with Citizens Advice Bureaux across Somerset.

#### Barriers preventing better joined-up services (as perceived by staff interviewed)

- Lack of resources.
- Partners unwilling to become involved.
- Loss of knowledge and awareness of services offered in the area, for example due to staff turnover or limited publicity.

## Case study 5: Newham

Newham is an urban area in East London. It has a relatively small pensioner population with 12.3 per cent of its population aged 60 or over compared with an average of 20.9 per cent for Great Britain. It has a very large minority ethnic population with over 60.6 per cent of its population classed as non-white. Newham has high levels of unemployment, with rates of over twice the Great Britain average.

We visited the following organisations:

- The Pension Service Local Service
- Social Regeneration Unit, Newham Council
- Newham Benefits Service, Newham Council
- Community Links – a voluntary organisation running community based projects
- Citizens Advice (and Adviceline)

In total we conducted six interviews, shadowed three visiting staff (from the Local Service, Newham Benefits Service and Citizens Advice), observed four home visits and one Information Point.

### Main barriers to pensioners taking up entitlements (as perceived by staff interviewed)

- Harder-to-reach pensioners are spread throughout the borough.
- Language barriers – the area has a large minority ethnic population.
- People do not always want to claim as it is complicated to complete forms and it takes time to get the results.
- People find means-testing invasive.
- People don't understand Attendance Allowance.

## Local Service

At the time of our fieldwork there was no Joint Team in Newham. This was partly because the local authority does not charge for home care services. The Local Service and Newham Benefits Service are in discussions about forming a Joint Team in 2006.

For the 18 months prior to our visit the Local Service focused on the Pension Credit challenge to increase take-up of Pension Credit. The main source of this work is from national data scans. The Local Service also gets referrals from other local organisations and from customers self referring. The core work from the associated Pension Centre is verification of documents for Pension Credit claims. The Local Service has limited promotional activities but told us they did a lot at the beginning (when The Pension Service was first established) to raise awareness of the service.

The Local Service and the Social Regeneration Unit has run a joint promotion event every year since the launch of Pension Credit. The Social Regeneration Unit makes referrals to the Local Service but at present these are via a Pension Centre.

## Activity other than Local Service

Newham Social Regeneration Unit (SRU) has a single assessment to check whether a person is not taking up any entitlement or needs a referral. SRU has developed joint working with voluntary groups that work with hard-to-reach groups of pensioners. Activities with the voluntary sector include:

- A joint project with Community Links at GP surgeries;
- Warm Zone with Community Links;
- Disability mail shot campaign whereby Citizens Advice Bureau provide advice; and
- Funding the 'Adviceline' run by local Citizens Advice Bureau.

The SRU has commissioned an external impact assessment to find out what its best value activities are.

Newham Benefits Service (NBS) distributes mail shots to promote benefit awareness. NBS conduct home visits to help pensioners fill out forms and verify documents quicker. They have formulated a one page Housing Benefit form for the average pensioner, specific to Newham. Newham Benefits Service has abolished targets for day-to-day activity. Their aim is to carry out visits within five working days of receiving the request. They offer a holistic service and therefore find it hard to assess financial impact.

Both the SRU and NBS would like to merge Pension Credit and Housing Benefit lists in order to be more efficient when targeting customers. Currently they feel they are writing to a larger pool of potential customers than is necessary. However, since they are not part of a Joint Team there are data protections issues which prevent them from sharing this data.

There are no Partnership Fund projects in Newham. During our visit there were expressions of concern that innovative projects did not get funded.

An Alternative Office was being set up at Community Links. This will lead to a Service Level Agreement with The Pension Service and will lead to two staff members being trained to verify Pension Credit claim documents. There are plans for further Alternative Offices; however the Local Service is waiting for a few to be established before providing training in order to make better use of resources. Newham Council are keen to establish the Council Local Service Centres and the SRU Welfare Benefits Advice Team as Alternative Offices to enable Council staff to verify documents for all benefit claims.

#### **Potential benefits of a Joint Team (as perceived by staff interviewed)**

- Less duplication for customers, for example, the Local Service currently cannot verify Housing Benefit and Council Tax Benefit claims.
- A larger team would mean more flexibility for work activity.
- Opportunities to learn and share skills across the various organisations involved.
- Access to departmental systems and other databases will enable more specific targeting of pensioners.
- Conducting one visit will have a positive impact on targets for all organisations involved.

#### **Potential drawbacks of forming a Joint Team (as perceived by staff interviewed)**

- One team would have to be in control.
- There may be conflicting priorities between the different promotion campaigns.
- Uncertainty – the Local Service cannot commit numbers at present.
- May have negative impact on staff stability.
- The Local Service customers are 60+ whereas Newham Benefit Service visit people of all ages.

## Case study 6: Surrey

Surrey is a relatively prosperous county in the South East of England. It has low long term unemployment – only 0.36 per cent of its population are long term unemployed, just over a third of the average for Great Britain. A relatively small proportion of Surrey's workforce is employed in routine occupations – around five per cent compared to a Great Britain average of 8.1 per cent.

We visited the following organisations:

- The Pension Service Local Service
- Surrey County Council
- Surrey Welfare Rights Unit
- Surrey Association for Visual Impairment

In total we conducted seven interviews, shadowed four visiting officers (from the Local Service and Surrey County Council outreach team) and observed 14 home visits.

### Main barriers to pensioners taking up entitlements (as perceived by staff interviewed)

- Surrey is relatively affluent and many pensioners assume they won't qualify for entitlements.
- Some pensioners do not like giving details over the phone and are put off by claim forms.
- 75+ is a hard-to-reach group as they tend to get out less and appear more suspicious of entitlements.
- Many single men who are aged 60 to 65 don't realise they can get Pension Credit.
- Savings Credit is hard for advisors to understand and it is not possible to do a quick Pension Credit assessment.
- Many pensioners mistakenly believe Attendance Allowance would mean getting an attendant or moving into a care home due to its name.
- People feel an implicit right to Retirement Pension and will claim it but other benefits feel like handouts.

## Local Service

Surrey does not have a Joint Team, however there is an agreed referral procedure between the Local Service and Surrey County Council.

The Local Service previously concentrated on Pension Credit take-up but has had more recent success with take-up through following Attendance Allowance entitlement. This approach benefits the customer and has helped to increase take-up of Pension Credit and other entitlements. The Local Service reported that visiting staff are currently providing benefit health checks at over three quarters of the visits. The Local Service is now looking at new areas and places where people are facing trigger events, such as at sheltered housing, to access pensioners who are not claiming entitlements.

The initial aim for Local Service was to generate a 'benefit buzz' and raise the profile of the Local Service, but since June 2005 there has been an end to marketing activities and Information Points.

The team have informal working links in place with Woking Citizens Advice Bureau, Elbridge Housing Trust and Reigate Age Concern.

## Activity other than Local Service

Surrey County Council has run the 'Everybody Benefits' campaign since October 2004. The initial mail shot focused on disability benefits and targeted the 75+ age group. Initial mail shots were distributed through health practices for quick wins. The Council has since done a mail shot through the Housing Benefit authorities, aimed at all pensioners. The Council consulted with the voluntary sector and The Pension Service for the 'Everybody Benefits' campaign flyer. At the time of our visits the 'Everybody Benefits' campaign had raised £1.25 million extra benefits for older people in the last year.

Surrey has a steering group consisting of both statutory and voluntary agencies, which includes representatives from the Local Pension Service, Surrey's Primary Care Trusts, housing benefit authorities, Citizen's Advice Bureaux, Age Concern, Mencap, Action For Carers, Surrey User's Network and a consortium of other voluntary and social care organisations.

A local Age Concern is an Alternative Office and three more were in the pipeline at the time of our visit. The Local Service is carrying out training and needs assessment for these organisations.

Three organisations receive Partnership funding: Deaf Plus; Guildford and Waverley Primary Care Trust; and Surrey Association for Visually Impaired (SAVI). SAVI employs a specialist member of staff to promote take-up of entitlements. This includes contacting local people who are registered on an official database of visually impaired, with focus being placed on the most elderly.

## Potential benefits of a Joint Team (as perceived by staff interviewed)

- The number of individual staff visiting a pensioner will decrease.
- Data sharing.
- Promotes cross-benefit training and sharing of expertise. For example at present Local Service staff find it hard to indicate how a Pension Credit award would affect Housing and Council Tax Benefit, and Council Tax Benefit advisers currently don't know enough about Attendance Allowance claims.

## Potential drawbacks of forming a Joint Team (as perceived by staff interviewed)

- Formal structure imposed which will limit flexibility.
- Conflicting priorities across organisations.
- Clash of cultures. The Council has an advocacy approach, such as appeals, whereas Local Service is target driven.
- Voluntary organisations do not wish to lose their advocacy role.
- Some pensioners do not contact the Department or local government for help and advice so it is important for the voluntary sector to maintain independence.

## CHAPTER FOUR

### Survey of local authority take-up activity

Whilst our primary focus for the study is with the Department for Work and Pensions and The Pension Service we were keen to understand and learn about what other take-up activity takes place at a local level. In our previous report we noted that most targeted take-up work was undertaken by voluntary sector organisations and a number of local authorities.

To gain an indication of the work undertaken at a local level we conducted a survey of 445 local authorities between November and December 2005. The aim of the survey was to identify:

- the type of take-up activity carried out by local authorities;
- the range of organisations they are working in partnership with;
- if they have take-up targets;
- key barriers to engaging in take-up work; and
- what they consider to be most effective in encouraging pensioners to take-up entitlements.

We sent a short electronic questionnaire to the local authority Housing and Council Tax Benefit Manager, using as a sample frame a distribution list obtained from the Department for Work and Pensions. 413 local authorities were included across England, Scotland and Wales. The questionnaire was aimed at those responsible for take-up work so recipients were asked to forward it to the most appropriate person for completion. We also sent the survey to an additional 32 county councils not responsible for administering Housing Benefit and Council Tax Benefit. We received 250 responses (of which 10 came from county councils) giving an overall response rate of 56 per cent.

The questionnaire was not mandatory and therefore there is a risk of self-selection bias in the responses. There is a risk that the results may be skewed by the fact that local authorities active in take-up work were more likely to respond to the survey.

## QUESTION 1

### Which benefits do you do take-up work for?

An overwhelming majority of the respondents perform some take-up work, with almost all doing some in relation to Housing Benefit and Council Tax Benefit. Over half of the respondents also do take-up work for Pension Credit. Among those benefits not listed in the question, respondents also indicated that they performed take-up work for income support and tax credits.

Council Tax Benefit	96%
Housing Benefit	94%
Pension Credit	54%
Attendance Allowance	35%
Disability Living Allowance	27%
Winter Fuel Payment	17%
Carer's Allowance	25%
We don't do take-up work	2%
Other	22%

n=250

Additional information provided for 'other'

	Frequency
Income support	10
Tax credits	9
Warm front/keep warm scheme	6
Jobseekers Allowance	6
Severe Disability Premium	5
All welfare benefits	5
Council Tax discounts & reductions	4
Free school meals	4
Second adult rebate	2
Clothing grants	2
Concessionary fares	2
Single person's discount	1
Industrial Injury Benefit	1
Criminal Injury Benefit	1
Incapacity Benefit	1
Bereavement Benefit	1
Social Fund Payments	1

## QUESTION 2

### What are the main reasons your authority undertakes take-up work?

Information provided	231
Information not provided	19

Open question – some authorities gave more than one reason, therefore percentages do not sum to 100 per cent. Responses have been categorised into themes.

To maximise benefit take-up and ensure all pensioners are receiving the benefits they are entitled to.	38%
As part of anti-poverty strategy to alleviate poverty and reduce deprivation.	23%
To maximise local income and improve local economy.	22%
To meet targets and objectives (for example, DWP national targets, County Council, local LPSA, own council's Performance Standards, corporate objectives).	15%
To help maximise income for the vulnerable.	13%
To improve pensioners' ability to pay liabilities to local authority and improve council tax collection rates.	12%
To increase awareness of the availability of benefits and people's rights to claim, and address the issue of under claiming.	10%
To contribute to council's objectives of social inclusion.	10%
To improve the quality of life/standard of living for local pensioners.	7%

The Council has a duty to its citizens – matter of good practice, morally correct to do so.	5%
To contribute to reduction in rent arrears, reducing evictions and homelessness.	5%
To help pensioners maintain independence, so they are less likely to need other Social Services, and help people stay in their own homes longer.	4%
To help provide a sustainable community.	3%
To provide housing that meets local needs.	3%
To ensure people have access to high quality advice and assistance with welfare benefits.	2%
To meet statutory requirements under Fairer Charging Legislation.	2%
To ensure harder-to-reach groups/hidden minorities are aware of the availability of benefits.	2%
As part of the DWP work on Council Tax Benefit take-up.	2%
To provide a good service to customers.	2%
Legal requirement to publicise Housing Benefit and Council Tax Benefit.	1%
To ensure fraud and error are kept to a minimum.	0.4%
Supporting Carers to continue to care.	0.4%



### QUESTION 3

#### Which organisations do you currently work in partnership with to encourage take-up of benefits for pensioners?

Nearly all of the respondents work in partnership with some other organisation, with the majority working together with The Pension Service Local Service. Over a third work with Age Concern, Citizens Advice Bureaux and Housing Associations.

The Pension Service Local Service	91%
Citizens Advice Bureaux	47%
Housing Associations	41%
Age Concern	34%
Jobcentre Plus	28%
GP surgeries	16%
Local hospitals	14%
Help the Aged	10%
RNIB	4%
RNID	1%
None	2%
Other	31%

n=250

Additional information provided for 'other'

	Frequency
Welfare Rights Agencies	28
Voluntary bodies	11
Other local authorities	9
County Councils	7
Care Direct	6
Primary Care Trust	6
Social Services	6
Community Older People's Team	5
Energy Watch/Energy efficiency centre	5
Carers Networks/Centres	5
Pensioner groups	4
DIAL	3
The Pension Service	3
Disability Rights Advice centre	2
Local benefit partnerships	2
Local information and advice centres	2
Shelter/sheltered accommodation	2
Specialist health-based groups	2
Trading Standards	2
British Legion	1
Dental practices	1
Health visitors, district nurse	1
Libraries	1
Mental Health associations	1
Parish offices	1
Police/fire service	1
Shopmobility	1



## QUESTION 4A, 4B AND 4C

### Joint Teams

There is some ambiguity as to whether those that have responded positively to being part of a Joint Team actually work in a recognised Joint Team or simply undertake some degree of joint working with other organisations. In respect of why local authorities do not intend to become part of a Joint Team, the predominant reason is that they feel they work closely with good liaison already and therefore see no advantage.

#### 4a. Does your local area have a Joint Team?

Yes	36%
No	52%
Don't know	12%
n=250	

#### 4b. If yes, are you a partner?

	Frequency
Yes	77
No	40
n=117	

There were 26 more respondents than those who answered 'Yes' to Q4a.

#### 4c. If you are not part of a Joint Team do you have any plans to become part of a Joint Team in the future?

	Frequency
Yes, plan to become a partner	66
No	49
n=115	

This question was optional for those that answered 'No' to question Q4b; however respondents answering 'No' to Q4a also responded.

Reasons given for not wanting to become part of a Joint Team:

	Frequency
Current liaison (for example, with Welfare Rights Advisers, Local Service) is good and cannot see any major advantage.	11
Currently considering whether to become part of a Joint Team.	7
Resourcing a formal team would prove too problematic.	7
Have not heard of the concept of Joint Teams before.	6
The idea of Joint Teams has not been encouraged in the area.	3
The local authority is small and as such has limited resources.	3
Emphasis for Joint Teams has been with Fairer Charging Units and not for District Councils.	3
We have informal arrangements and do take-up work on an ad-hoc basis.	1
Joint Teams were considered too inflexible and used too many resources.	1

Below are some of the additional comments given:

"Although we are implementing 'Joint Teams' The Pension Service does not make it easy. DWP as a whole is extremely prescriptive."

"We are suspicious of The Pension Service and their assumption they would lead the Joint Team. Concern that we would lose independence we currently have and the respect the public have for us. Concerns about pay and conditions and office accommodation. Concern it would weaken links with Housing Benefit/Council Tax Benefit and with housing and social care – difficult to work closely with 'everyone'."

## QUESTION 5

### What type of activity do you do to increase take-up of benefits for pensioners?

Data matching/scans	83%
Home visits	76%
Leaflets	75%
Mail shots	64%
Advertisements in local press	55%
Events	51%
Outreach	36%
Talks/visits to clubs	49%
Information Points	40%
Telephone helplines	31%
Other	24%
n=250	

Additional information provided for 'other':

	Frequency
Free newspaper/borough magazine/newsletter to all properties in area	14
Information booklet sent out with Council Tax bills (invitations to events etc.)	8
Local radio advertising and hospital radio, often to coincide with distribution of Council Tax bills	7
Billboards and posters (e.g. in high street)	4
Information provided on website	4
Joint road shows with other agencies and organisations	3

Free Calendar with benefits information provided by housing benefit section/schools	3
Open surgeries for pensioners (e.g. within GP offices)	3
Run training courses on benefit entitlement for departmental staff and local voluntary groups	3
Telephone calls to potential benefit recipients	3
Advertisements in hospital information booklets	2
Advertising in hospital and doctors magazines	2
Carrier bag advertisements (e.g. library bags)	2
Information included with concessionary travel renewal forms	2
Articles in carers' newsletter/carers' info. packs	2
65th birthday cards with benefits information on reaching retirement	1
Advertising in local football league match programmes	1
Adverts on the back of local buses	1
Council vehicles display freephone number	1
Benefits Mobile Advice Centre which tours area	1
Flyer with all payslips of council officers	1
Health-related forums	1
Helplines in association with Citizens Advice Bureaux	1
Hold a market stall twice yearly	1
'Keep well in winter' road shows	1
Leaflets delivered with meals at home offering benefit check	1
Press releases	1
Well-publicised open days around the county	1
Carers bus – for carers to speak with advice workers	1

## QUESTION 6

### Do you target specific groups of the pensioner population?

Disabled	21%
People living in deprived neighbourhoods	18%
Carers	16%
Rural communities	15%
Black and minority ethnic	14%
Sensory impaired	14%
Those over 75	12%
Other	13%
n=250	

Many of the respondents expressly stated that they specifically do not target any groups in order not to differentiate or exclude

people. This seems also to be reflected in the relatively low percentages of respondents claiming to target those groups listed in the question.

Additional information provided:

	Frequency
All groups targeted	20
All pensioners	14
Over 60s	4
Carers	2
Vulnerable groups within the community	2
Groups that are locally and nationally identified as under-claiming	2

## QUESTION 7A, 7B AND 7C

### Targets

Only a quarter of respondents claim to have any targets in relation to increasing take-up of welfare benefits for pensioners. Of these, the majority of targets are set internally, with only a small percentage stemming from a national level. The targets vary between local authorities but tend to focus on increasing either benefit take-up in general, or a specific type of benefit. Targets tend to be reported in terms of caseload figures, often on a quarterly basis. In some instances figures are confirmed through direct contact with the claimants.

### 7a. Do you have targets for increasing take-up of welfare benefits for pensioners?

Yes	26%
No	74%
n=237	

Additional information provided on the type of target:

	Frequency
Increase in Council Tax Benefit take up	9
No specific targets for pensioners	7
Increase in Housing Benefit take up	5
Increase in take up of all benefits (pensioners)	5
Increase in take up of all benefits (not specifically amongst pensioners)	4
Increase in current pensioner caseload	4
Increase in Attendance Allowance take up	3
Increase in Pension Credit take up	3

### 7b. Who sets the targets? (optional question)

	Frequency
Internal	47
Local Public Service Agreement target	6
The Pension Service	2
Department for Work and Pensions	1
Citizens Advice Bureaux	1
Primary Care Trust	1
Part of service improvement plan	1
Part of Service Level Agreement	1
County level target	1
Agreed by all organisations involved e.g. Welfare Rights, Benefits	1

### 7c. How are the targets measured? (optional question)

	Frequency
Benefit take up recorded on database/spreadsheets	15
Quarterly reports/statistics/returns on caseload figures	13
Monitoring of overall caseload statistics	11
Monitoring of new claims	6
Not currently measured (new target)	4
Monthly monitoring of caseload	5
Figures confirmed by direct contact with claimants (e.g. follow-up telephone call)	4
System reports	3
Multiply weekly benefit annualised	3
Statistical returns	2
Customer satisfaction surveys	1
Half-yearly monitoring of new claims	1
Year on year comparisons of pensioner caseload	1
Using latest principles of data research methodology and performance management	1

## QUESTION 8

### What activity do you consider to be most effective in increasing take-up of benefits by pensioners?

Information provided	217
Information not provided	33

Open question – some authorities gave more than one reason, therefore percentages do not sum to 100 per cent. Responses have been categorised into themes.

Home visits	41%
Data matching/scans (often with Pension Service records)	24%
Face-to-face contact	11%
Joint working with The Pension Service	11%
Joint working with other groups or partners with direct access or involvement with pensioner groups (referrals) – e.g. Welfare Rights, voluntary sector, Parish councils, social workers, health professionals, local CAB	10%
Targeted mail shots	9%
Practical help with filling in claim forms	6%
Visits to community groups at day centres, lunch clubs, residents'/tenants' associations, church events, coffee mornings	6%
Local events (e.g. at pensioner clubs)	5%
Information leaflets sent out at annual council tax billing (detailing potential entitlement and containing return slip)	3%
Publicity in council newsletters/local newspapers	3%
Telephone calls	3%
Targeted publicity on benefit entitlement	3%
National advertising	2%
Use of shortened claim form (for those in receipt of Pension Credit)	2%
Talks and visits to sheltered accommodation	2%
Telephone helpline (generally a freephone number)	2%
Staff expertise (e.g. specific Benefit staff)	1%
Stalls and stands at locations frequented by pensioners (e.g. markets, supermarkets)	1%
Outreach	1%
Combination of activities	1%
Surgeries (e.g. at libraries)	1%
Walk-ins/drop-in centres	1%
No monitoring performed of effectiveness of take-up activities	1%
Attendance at flu clinics, information in doctors' surgeries	1%
Poster campaign	1%
n=217	

Many respondents replied that home visits are effective in increasing benefit take-up when used in conjunction with data matching/scans, or following on from a targeted mail shot. Specific data scans mentioned tended to be for Pension Credit claimants not in receipt of Housing Benefit or Council Tax Benefit.

Below are some of the additional comments given:

"Direct referrals into the team from social workers and health professionals generate high levels of Attendance Allowance and Pension Credit take-up for pensioners. Working from scan lists creates Pension Credit take-up. Working jointly makes identifying customers needs and addressing those needs more effective as you do not allow them to slip through the net."

"Joint working with The Pension Service – our limited information does not make it easy to specifically target pensioners. The greater resources and knowledge of The Pension Service is a great aid to increasing take-up."

"We have recently amended our approach to take-up with pensioners. We used to write to them to invite them to claim. However, we found that response rates were quite poor. We now issue the shortened claim form to anyone who we believe is in receipt of Pension Credit, but not getting Council Tax Benefit. Where this form isn't returned, we send a reminder letter, advising the customer that they are potentially missing out on money that is theirs and asking if there is anything we can do to help them apply, for example to visit them in their own home. We have found that many pensioners think that they may do something wrong and get into trouble so like to have an advisor fill in the forms for them."

"The best results we have had have come from cases where we have used specific data sources (such as data scans and matches) combined with individual personal contact (home visits). These two activities combined allow us put the resources to the customers who we already know have this highest likelihood of coming into benefit. Personal home visits take a substantial resource, however this is more justifiable if the customers being visited have already been identified as those most likely to benefit from this proactive work from the data sources."

"Publicity has only a small impact. I think that the most effective way of getting certain people to claim is to actually visit them at home but this is very resource intensive and of course you have to firstly identify potential gainers."

## QUESTION 9

### What do you consider to be the key barriers facing your organisation in engaging in take-up work?

Funding	60%
Staff resources	82%
Insufficient data	37%
Lack of co-operation	6%
Other	14%

n=250

Additional information provided for 'other':

	Frequency
Lack of staff resources to undertake take-up work	9
Data protection restrictions on sharing data	8
Reluctance of customers to claim means-tested benefits	7
Lack of (reliable) data	6
Lack of communication/co-operation/joined-up working with other agencies	5
Lack of (shared) IT resources	3

Size and remoteness of geographical area covered	2
Pensioners being over-targeted by other organisations	2
Duplication of work carried out by The Pension Service take-up teams	2
Development of technology	2
Administrative burden – need to complete so many forms	2

Below are some of the additional comments given:

"Difficulties with the 2-tier structure County/District – actually finding out who is responsible for welfare benefits take-up at the County is difficult, let alone trying to arrange joint working."

"Overkill by the DWP. We are now receiving comments from clients that obviously have no entitlement to Pension Credit and believe they are being harassed by phone calls and visits."

"Lack of coordination is also a problem – County Council activities in this area often overlook local input."

"Pensioners' reluctance to engage with us and The Pension Service. They can't be bothered with any more form filling, intrusion, provision of supporting information etc."

"Funding is not committed at the moment to continue the work beyond September 2006 when Partnership Funding runs out."

## CHAPTER FIVE

### Review of Partnership Fund

The Partnership Fund provides short term funding for initiatives which increase take-up of benefits by older people, particularly the vulnerable and those in hard-to-reach groups. It is directed towards community, voluntary and not for profit organisations. The fund aims to promote innovative schemes and to expand provision.

172 contracts were awarded from 750 applications received by 30 June 2004. Total funding is £13 million, ranging from contracts of £14,050 to £200,000. The total fund equals £13.73 million, with the balance being spent on production of application forms and to fund the evaluation of the Partnership Fund. Costs other than application forms, such as staff costs and training events, were not included in this budget. 21 schemes (£1,720,500) involving voluntary and community groups targeting deprived rural areas were funded by Defra. Funding commenced in December 2004, although the first contracts did not commence until 1 March 2005. We reviewed 67 of the Partnership Fund files to determine the type of organisations involved and initiatives adopted, and interviewed the Department's Partnership Fund team to discuss problems arising, application process and contract management.

#### Types of organisations and initiatives

- **Organisations:** A wide variety of organisations have received partnership funding, ranging from local authorities to national charities and community groups (**Figure 5.1**).
- **Target groups:** One of the aims of the scheme was to encourage take-up of benefits, particularly in the hard-to-reach groups and most schemes target such groups (**Figure 5.2**). All but 12 of the initiatives with no specific target group are directed towards rural communities, which the Department considers a hard-to-reach group, and where our modelling indicates relatively low take-up (**Chapter 2**). In our 2002 report we identified pensioners living in rural areas as a hard-to-reach group, facing specific barriers to take-up.<sup>6</sup>
- **Geographical spread:** In awarding contracts the moderation exercise also aimed to ensure a reasonable geographical spread of activity (**Figure 5.3 on page 46**). Although ensuring geographical spread is a common sense approach, there may be a greater need to increase benefit take-up in some areas.

<sup>6</sup> *Tackling pensioner poverty: Encouraging take-up of entitlements*, (HC 37, 2002-03).

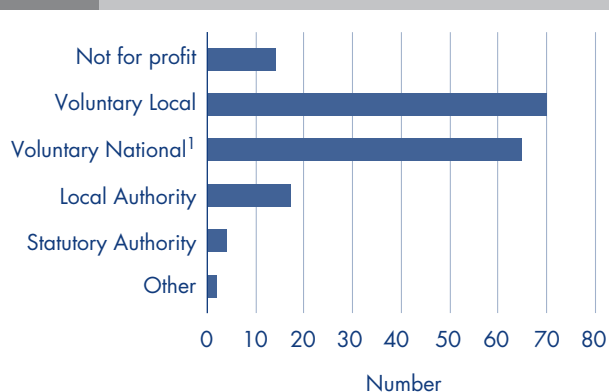
- **Type of initiative:** The variety of initiatives funded is wide, including establishing a market stall, organising day events, bi-lingual advisors, obtaining referrals from GPs and benefits advisors attending social events. The majority of initiatives are offering a holistic service, with advice on benefits to be claimed, assistance in completing forms and also referrals to other services. The number of innovative ideas was limited, and this was recognised during the selection process.
- The majority of contractors are either small community groups employing a benefits advisor or outreach worker, or larger organisations seeking to encourage partnership working. At the time of our review – which was still early in the funding cycle – the organisations which had been able to demonstrate outcomes to date tended to be smaller community groups who already had structures in place and could quickly get up and running.
- A further ten per cent of initiatives involved encouraging referrals from partners such as health care organisations, while others seek to generate their own referrals.

## Monitoring and evaluation

Contractors are required to provide monthly reports on performance, with data on referrals made and applications completed for each benefit and number of staff hours worked under the project, or if no figures are available, a narrative report. While the Partnership Fund team do not have the resources to carry out routine visits and inspections, action is taken with contractors who are in default, or where performance is perceived to be outside the usual parameters.

The Department has commissioned a full evaluation of the Partnership Fund, scheduled to report in early 2007. The evaluation will use both quantitative and qualitative research, leading to the production of a good practice guide and a better understanding of what works and in what context.

### 5.1 Types of organisations in receipt of Partnership Funding

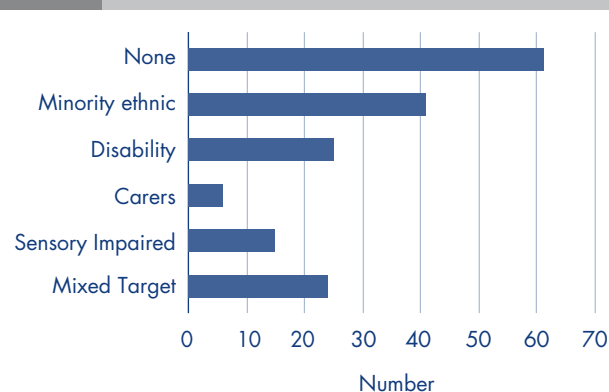


Source: Department for Work and Pensions

#### NOTE

<sup>1</sup> Voluntary National includes local groups affiliated to national organisations, such as Age Concern and Citizens Advice.

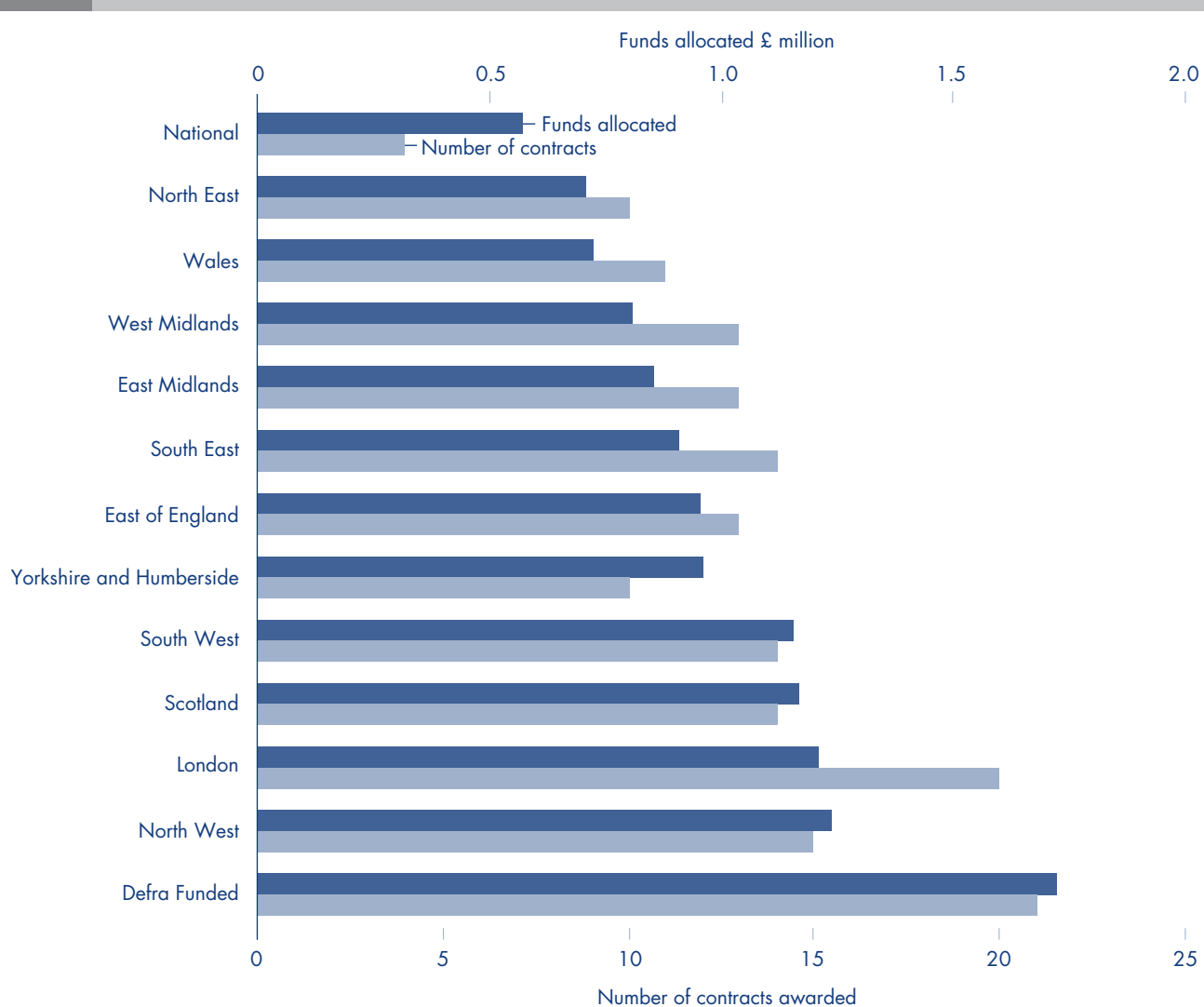
### 5.2 Number of initiatives targeting different pensioner groups



Source: National Audit Office analysis of Department for Work and Pensions data



### 5.3 Geographical spread of Partnership Fund contracts awarded



Source: Department for Work and Pensions

## CHAPTER SIX

### Literature review

In advance of our main examination we commissioned a literature review, which was carried out by Nottingham University in March 2005. This reviewed the new research and evidence on take-up which had become available

since our 2002 report, informed our study design and fed into our conclusions across the main report. Any new research or evidence published since March 2005 will not be included in this review.

#### Take-up of entitlements and pensioner poverty: A review of the literature

*Jay Wiggan and Colin Talbot*

*Prepared for the National Audit Office, March 2005*

##### **Disclaimer**

*The views expressed in this report are the author's alone and do not reflect those of the National Audit Office.*

#### 1. Introduction and summary

In 2002 the National Audit Office published a comprehensive report on the work conducted by the Department for Work and Pensions alone, and in partnership with other organisations to, encourage pensioners to take-up their entitlements to benefits and how this impacted on poverty (NAO, 2002). In 2003 the Government introduced a new means-tested benefit – the Pension Credit in an attempt to simplify the system, reward those pensioners with small savings and reduce poverty. It is estimated that 3.75 million pensioner households are currently eligible for the Pension Credit (DWP, 2004a). The Government is concerned that take-up of the Pension Credit is maximised to ensure that the income of the poorest pensioners is raised and to reward those on low and modest incomes for their savings. To this end the Department for Work and Pensions has a Public Service Agreement (PSA)

target to be paying Pension Credit to at least 3 million pensioner households by March 2006 (see DWP, 2002). By 2008 the target rises to 3.2 million, as set out in Spending Review 2004 (HM Treasury, 2004).

This report provides a review of the post 2002 literature on issues of poverty and pensioner take-up of means-tested benefits, primarily focusing on Pension Credit and its predecessor the Minimum Income Guarantee. It includes material covering reasons for non-take-up among the pensioner population; the national and local strategies and interventions to address this and what effect encouraging take-up has on the social and material well-being of recipients. The literature draws attention to common barriers experienced by claimants, but also explores issues of age, gender, ethnicity and income and how these affect take-up and experience of poverty among the pensioner population.

The literature reviewed is diverse in source and includes academic papers and journal articles, reports and information from Government departments and agencies, and material from voluntary, campaigning and advice organisations. The detail and standard of information and evaluation contained across this range of material is therefore variable. The following databases were searched: BIDS, SOSIG, CSA Illumina and Google Scholar. The terms used for searches included a combination of the following: 'pensioner poverty', 'take-up of benefits', 'citizens advice',

'Pension Credit', 'welfare benefits', 'general practice', 'primary care trust', 'income inequalities', 'social security', 'welfare rights', 'disability' and 'Minimum Income Guarantee'.

### 1.1 The key findings of the review

- The Government is making steady progress towards their PSA targets and awareness of the Pension Credit is high among pensioners surveyed.
- The confusion and misconception about eligibility for, and purpose of the Minimum Income Guarantee has not been eliminated with the transfer to the Pension Credit and may be deterring eligible non-recipients from claiming.
- Greater certainty that an applicant will receive income from the Pension Credit would make it more likely that they would apply. The potential size of award and expected rise in income is weighed against the time and effort involved in the process of claiming.
- The national advertising campaign run by the Pension Service, notably the advertisements on the TV, Radio and in newspapers and other print media was the most frequently cited source of information about Pension Credit.
- Some sections of the pensioner population continue to face particular barriers to claiming, including those in rural areas and minority ethnic groups. Within the latter, language and literacy skills present obstacles to the receipt of information and the completion of appropriate forms. This may be exacerbated by the lack of contact some 'hard-to-reach' groups have with either traditional welfare advice centres or public service organisations.
- Making a successful claim for a means-tested benefit delivered extra resources which made a significant difference to the standard of living enjoyed by the recipient. Increased income is linked to improvements in health and material and social welfare. There is also evidence that the increased expenditure contributes to economic improvements in the local economy and that take-up campaigns can help underpin the long term regeneration of areas.
- Local welfare rights campaigns are a useful way of improving awareness of benefits and encouraging take-up. Partnerships with health services and advice delivered through welfare rights advisors situated within GP surgeries may be particularly effective in reaching those unlikely to approach and use 'mainstream advice centres'.

- A range of local and national interventions are in place to encourage take-up of benefits, but there is no (apparent) systematic evaluation of these strategies, particularly in regard to their cost effectiveness.

## 2. Pensioner incomes, poverty and take-up

### 2.1 Source of pensioner income

Overall the broad improvement that has been observed in average pensioner incomes over the past twenty years continues (see NAO, 2002: 13). Since 1994-95 the net income for pensioners has grown in real terms by 25 per cent compared to an increase in real average earnings of 13 per cent during the same period. These changes reflect both changes experienced by individual pensioners and changes in the make-up of the pensioner demographic as those individuals with higher incomes (the cohort effect reflecting the growth in occupational pension coverage during the 1950s and 1960s) have entered retirement (PIS, 2003). In 2002-03 state welfare benefits (see Box 1) accounted for 51 per cent of pensioners' income with the remainder divided as follows: occupational pensions 27 per cent, investment income nine per cent, earnings nine per cent and personal pensions three per cent (PIS, 2003: 6). Perhaps

### BOX 1

#### State benefits available for pensioners

- **Basic state pension:** paid to men aged 65 or over and women aged 60 or over based on National Insurance Contributions.
- **Pension Credit:** Guarantee Credit which is currently available for those aged 60 and over and is means tested.
- **Pension Credit:** Savings Credit available to those aged 65 and over and lowers withdrawal rate for additional income received above the Guarantee Credit level.
- **In kind benefits:** assistance with health related costs is available for those aged over 60 and the over 75s have their Television License paid.
- **Winter fuel payment:** an annual fuel allowance paid to those aged 60 and above.
- **Housing Benefit:** Assistance with paying the rent.
- **Council Tax Benefit:** Help with paying the council tax.
- **Disability Living Allowance:** financial help to those under 65 due to disability. If claiming when recipient reaches age 65 it can continue if they are still in need.
- **Attendance Allowance:** financial help for extra costs of care due to disability over age of 65.

unsurprisingly the proportion of pensioners receiving income from a particular source varies according to place within the income distribution and those pensioners at the bottom of the income distribution are less likely to have income from investments, personal or occupational pensions, or earnings (PIS, 2003).

## 2.2 Pensioner Poverty

There is, however, considerable variation in how income is distributed between pensioners, with the risk of falling into low-income groups greater for some groups than for others as age, gender and ethnicity impact on an individual's risk of low-income. Overall around one in five pensioners falls below the 60 per cent of median income threshold, a measure commonly used by government to indicate poverty (DWP, 2003).

Whether falling into a low-income group is calculated on a Before Housing Cost (BHC) or an After Housing Cost (AHC) basis the following broad trends are evident. Pensioner households headed by a pensioner from a minority ethnic group are at greater risk of falling into low-income groups (defined as below 60 per cent of median income). An age effect also operates with single and couples pensioners at greater risk of poverty as the age of the head of the household increases. For single pensioners, women are at greater risk of poverty than men and the disparity between male and female pensioners below the 60 per cent median income threshold widens as the age of the individual increases (see Table 1.1). The latest figures available show that by 2002-03 the proportion of pensioners below 60 per cent of 1996-97 median income held constant in real terms had fallen irrespective of whether this was measured on a BHC or AHC basis, although the fall on the latter was more marked. Using a measure of relative poverty (60 per cent of contemporary median income) over the same period produces a similar trend of declining poverty (AHC), but using the BHC measure shows a more stable picture, which is partly explained by the larger number of older people who own their own homes and enjoy lower housing costs (DWP, 2003:99).

## 2.3 From the Minimum Income Guarantee to the Pension Credit

In April 1999 the Minimum Income Guarantee (MIG) was introduced replacing Income Support for those aged 60 and over. Like its predecessor this was a means-tested benefit with government expenditure strongly targeted on the poorest pensioner households in an effort to alleviate pensioner poverty. The strength of the focus on the poorest households was indicated by the withdrawal

rate of 100 per cent MIG operated. Effectively every £1 of additional income pensioners in receipt of the MIG received above the MIG level led to an equivalent reduction of £1 in their MIG entitlement (Brewer and Emmerson, 2003). This enabled resources to be targeted on the pensioners in greatest need, but it penalised those who had made modest provision for retirement. It also created disincentives for current employees to save for the future as any savings risked reducing entitlement to and support from the state system. Proposals for changes to the system were outlined in 2001 (DWP, 2001) and in October 2003 reforms to the structure of the means-tested element of the state pension system took place with the introduction of the Pension Credit.

Designed to simplify the system through removing some of the rules that were feared to discourage saving the Pension Credit contains two elements: the guarantee credit and the savings credit. The former is currently available to those aged 60 and over and ensures that pensioners' income is brought up to a minimum income level. The savings credit is available to those aged 65 and over and this part lowers the effective withdrawal rate to 40 per cent so that for

**TABLE 1.1**

**Low-income amongst pensioner families according to family type, age and gender (After Housing Costs)**

	Percentage of pensioners income below 60 per cent median (AHC)	All pensioners (millions)
<b>Male single pensioners</b>	<b>17</b>	<b>1.1</b>
70 and under	15	0.3
71 – 75	17	0.2
75 and over	18	0.5
<b>Female single pensioners</b>	<b>21</b>	<b>3.0</b>
70 and under	17	1.0
71 – 75	20	0.6
75 and over	23	1.4
<b>Pensioner couples</b>	<b>23</b>	<b>5.9</b>
70 and under	18	2.9
71 – 75	23	1.4
75 and over	30	1.6
<b>All pensioners</b>	<b>21</b>	<b>10.0</b>

Source: Pensioner Income Series 2003

every additional £1 of income received by an individual above the basic state pension, final income increases by 60p (Clark and Emmerson, 2003). A further change to reward 'thrift' was the removal of the rule present under MIG which meant that a pensioner with savings above £12,000 was excluded from help or if their savings ranged from £6,000 to £12,000, the financial help available was reduced. Savings over £6,000 continue to be included within calculations of the financial assistance pensioners are eligible for, but the rate of income pensioners are assumed to accrue from any savings they have, has been reduced (DWP, 2004c).

Previous research in this area (see NAO, 2002) noted that take-up amongst pensioners in the years 1999-2000 of the Minimum Income Guarantee was considerably lower than the take-up of the comparable benefit Income Support, amongst non-pensioners. The figures for the year 2002-03 show that this continued with caseload take-up for the MIG ranging between 63 per cent to 74 per cent compared with a caseload take-up for IS amongst non-pensioners of 85 per cent to 95 per cent. Expenditure take-up for MIG whilst still below that of non-pensioners in receipt of Income Support, ranged from 72 per cent to 83 per cent suggesting those entitled to higher awards were receiving them (DWP, 2005a: 19).

Exploring the factors underlying non take-up of means tested benefits Hancock *et al* (2004) analysed take-up of Council Tax Benefit (CB), Housing Benefit (HB) and Income Support (IS) among pensioner households using Family Resources Survey data between 1997 and 2000. Over one third of pensioners in their sample (36 per cent) were failing to claim at least one of these benefits, but only 16 per cent of these would have received an increase in their income of 10 per cent or more if they claimed their entitlement to all these benefits. One explanation for this is that people most in need are most likely to claim as where awards were high take-up was generally higher. In addition those with small entitlements may be unsure of their eligibility making them less likely to apply (Walker, 2005).<sup>7</sup> The potential financial costs and benefits of making a claim for benefits are one of a range of factors influencing decision making around take-up (see section 2). Nevertheless, those individuals failing to make a claim may still be losing out on a large proportion of their potential income. For example within the sample of pensioners drawn by Hancock *et al* (2004) the sub group; single women aged 80 and above had the

highest complete (receiving CB, HB & IS) take-up rates (62 per cent). The non-recipients within this sub-group were, however, failing to claim income worth on average an additional 40 per cent of their income. In comparison single men aged 80 and above had a lower complete take-up rate (54 per cent), with non-claimants failing to claim benefits worth on average an additional 30 per cent of their income.

The impact of non take-up of entitlements on standard of living among the eligible but not claiming pensioner population is shown by analysis of the income level of pensioners who in 2002-03 were entitled but not receiving the MIG (eligible non-recipients). A majority had incomes below 60 per cent of median contemporary income (see Table 1.2). That the proportion of ENRs below 60 per cent median is over double the percentage of ERs on either a BHC or AHC basis shows that take-up of income related benefits does play an important role in reducing poverty and that encouraging take-up will improve the income of many pensioners.

The government's introduction of the Pension Credit has brought more pensioners within the scope of income related benefits. The latest figures show steady progress towards the government's PSA target of three million households in receipt of Pension Credit by March 2006. In November 2003 just over two million households were claiming Pensions Credit and by August 2004 this figure had risen to about 2.6 million households (DWP, 2004b). The following section considers the potential barriers that exist towards achieving improved take-up of Pension Credit and how these are related to income and influenced by gender, age, disability and ethnicity.

**TABLE 1.2**

**Percentage of Eligible Non Recipients/Eligible Recipients of MIG below 60 per cent of contemporary median income (2002-03)**

Minimum Income Guarantee	Before housing costs (per cent)	After housing costs (per cent)
Eligible Non Recipient	58	62
Eligible Recipient	22	30

Source: Income Related Benefits 2002-03

<sup>7</sup> For a more detailed examination of the modelling of 'cost benefit analysis' and the dynamic process of decision around take-up see Oorschot (1996), Walker (1996), Corden (1999) and Pudney *et al* (2002).



### 3. Barriers to take-up: commonalities and diversity amongst the pensioner population

#### 3.1 Introduction

Previous research by the National Audit Office has identified a number of barriers to the take-up of benefits by pensioners. Key obstacles included the complexity of the system, ease of accessibility and advice, misconceptions about benefits available, individuals concerns about independence and stigma and the questioning of whether the effort required to make a claim will be worth it (NAO, 2002: 23). Many pensioners have limited awareness of how the benefits system operates and the nature of means-tested benefits is held to exacerbate this situation (Mayhew, 2002). The following section draws on more recent research examining why some pensioners entitled to benefits fail to make claims.

#### 3.2 Information and understanding

The Department for Work and Pensions commissioned a survey examining Eligible Non Recipients (ENRs) of the Minimum Income Guarantee to establish why some pensioners entitled to the MIG did not claim. Awareness of the MIG in comparison to Income support was considerably poorer with only nine per cent of ENRs able to name the MIG as benefit for pensioners, whereas twenty nine per cent were able to name Income Support. Interestingly fifty seven per cent claimed not to be able to name any benefits paid by government to pensioners on low incomes. Although when prompted 28 per cent agreed to having heard of the MIG, but a substantially higher proportion (85 per cent) had heard of Income Support (Mconaghy *et al*, 2003). Changes to benefit names add confusion and uncertainty to the process of claiming and while many non claimants of MIG may have heard of some form of financial support for low income pensioners, it is clear that not all had. Difficulty understanding the pension system is not confined to the pensioner population. Evason and Spence (2003) conducted ten focus groups with women, ranging in ages from twenty to sixty and found high levels of confusion around the pension system as a whole and especially the operation of the means-tested elements (MIG) with the basic state pension.

It is clear however, that information by itself does not necessarily lead individuals who are eligible but not receiving benefits to make a claim. Evidence from an earlier study drawing on the Northern Ireland Life and Times survey found that amongst participating Eligible Non Recipients of MIG 47 per cent when advised of entitlement stated that they did not wish to pursue the matter. As might be expected reasons given for refusal included: not wanting to fill in forms, reluctance to disclose information and concern that it represented 'taking charity' and a loss of independence (Evason, 2002: 43).

#### 3.3 Potential Pension Credit recipients and likelihood of take-up

Mconaghy *et al* (2003: 99) also looked at a sample of pensioners termed the 'Pension Credit target group'. These had incomes that were typically high enough to rule out eligibility for the MIG, but which were low enough that they would likely qualify for the Pension Credit. Attitudes to making a future claim for Pension Credit varied according to whether those in the Pension Credit target group were in the lower, middle or higher income section of the group. Of the lower and middle incomes categories 80 per cent indicated they would make a claim and within the upper group 72 per cent agreed that they would make a claim. This shows across the group more were likely to claim than not. Breaking the figures down between those who would definitely claim, those very likely to claim and those who probably would claim, but were not certain suggests that the middle and higher income categories were less likely to be definitely certain of making a claim than the lower income category (see Table 2.1).

**TABLE 2.1**

#### Income and applying for Pension Credit

Likelihood of applying	Income category		
	Lower	Middle	Higher
Definitely would	42	31	27
Very likely would	17	23	17
Probably would, not certain	21	26	28

Source: Mconaghy *et al*, 2003

Dividing the Pension Credit sample by level of assets produced a similar trend with likelihood of applying for Pension Credit decreasing as assets increased from: under £6,000, to £6,000-£12,000 and finally to above £12,000 (Mconaghy *et al*, 2003: 100). The level of assets held by a pensioner or pensioner couple will affect their likely entitlement to Pension Credit and any subsequent award. For those on higher incomes and with more financial assets the size of the award they can expect is likely to be relatively low compared to lower income pensioners and a decision may be made therefore that the financial reward from pursuing a claim is not worthwhile when assessed against the time and effort involved.

The changes to withdrawal rates and asset rules under the Pension Credit improve the gains individual pensioners and couples can expect to receive from claims in comparison to MIG. This could reduce the number feeling less confident about taking-up their entitlement to Pension Credit as their income increases.

### 3.4 Diversity in the pensioner population: constraints experienced

The pensioner population is not homogenous as the distribution of income and wealth and the variation in attitudes towards benefit take-up of different income groups shows. It is not surprising therefore that the diversity of the population is reflected in different attitudes toward receiving means tested support and experience of barriers to making a claim. Income is however only one factor and barriers to take-up of entitlements are mediated by ethnicity, disability and gender. Their impact on older people receiving means-tested support is not mutually exclusive and experiences and views remain multifaceted, but research indicates that sub groups of the pensioner population do face particular challenges and constraints around the take-up of entitlements.

It is important to remember that minority ethnic groups themselves are not a homogeneous group and that there are cultural and social differences both between groups and within them. Research by Barnard and Pettigrew (2003) into the use of services and benefits (MIG), by black and minority ethnic older people found skills in language and literacy an ongoing barrier. The problems were more acute however for older people within the Chinese and South Asian communities examined in this study (Indian, Pakistani, Bangladeshi) and for some parts of the African community. Amongst the Caribbean and Irish pensioner population language was a less significant issue, although occasionally raised. Poor language and literacy

skills were a significant impediment to making claims, with those affected finding it difficult to fill in appropriate forms and lacking the confidence to seek advice.

Administrative factors linked to the claims process presented further problems for minority communities. Irish older people suggested benefits offices would not accept Irish birth certificates because they were not issued at the time of birth. Their involvement with both the British and Irish pensions system added considerable complexity to their interaction with the relevant benefits agencies. The lack of a National Insurance number affected older people across the communities, but appeared to be a more frequent problem for South Asian women, a number of whom also reported that they were not used to managing their own financial affairs or moving outside their usual social circle and some community workers suggested husbands failed to pass on to their wives relevant information about benefits entitlements and advice services. Triggers for claiming amongst the broad pensioner population including advice from relatives and friends, voluntary and community groups or other authoritative figures like General Practitioners, may be less effective for this group of women as experience of coming into contact directly with the benefits system, or information and advice about entitlements was limited (Barnard and Pettigrew, 2003: 27).

Qualitative research conducted with a 'hard-to-reach' group of pensioners drawn from minority ethnic groups and white respondents living in rural areas reinforces the diversity of pensioner experience, behaviour and attitudes. All respondents received a varied combination of MIG, Attendance Allowance and Disability Living Allowance. Among South Asian pensioners, especially women, a deferential attitude to financial assistance prevailed with many thankful to the government for any benefits received. In contrast, the attitude of black older people was more in keeping with notions of rights and responsibilities. The 'contributory principle' found strong favour, with entitlements understood to reflect a history of work and payment of taxes into the system. Benefits and the use of wider welfare services represented them 'taking out' what they had earlier paid in (Craig, 2004: 103). Nevertheless making a claim for income assistance and disability benefits can exacerbate older people's wariness of the system and become a troubling experience as intrusive questions about financial circumstances are exacerbated by detailed questioning of an individual's disability. Many may rely heavily on the assistance of a professional or friend, reinforcing the importance of services ensuring that sources of advice and support are available and accessible to hard-to-reach groups (Craig, 2004).



## 4. Intervention strategies: encouraging take-up?

### 4.1 Raising awareness: national and local marketing

With a PSA target for take-up the launch of the Pension Credit has been accompanied by a concerted marketing campaign from the Department for Work and Pensions using a number of products and initiatives to promote awareness. All pensioner households were written to, informing them of the new Pension Credit and the roll out of a national and local marketing campaign followed, with advertising in the national and local press and on the TV. At the local level The Pension Service has sought to engage with partner organisations, including nation wide voluntary and advice groups (Age Concern, Help the Aged and Citizens Advice) to ensure awareness of Pension Credit is communicated widely (DWP, 2004a: 14).

A survey conducted for Age Concern (2004) of Pension Credit awareness and impact amongst people over 60 years of age provides an early indication of how different aspects of this strategy have worked and the impact Pension Credit has made on recipients lives. Awareness of the Pension Credit itself across the sample was high with 89 per cent of respondents saying they had heard of the Pension Credit. A total of 13 per cent of respondents were in receipt of Pension Credit and a further 6 per cent had applied for it. When asked how they heard about the Pension Credit the sources of information named most frequently by respondents were TV, radio and posters (43 per cent), followed by hearing or reading about it in magazines or newspapers (38 per cent). Leaflets and direct marketing were cited by 24 per cent of respondents as a factor in raising their awareness of Pension Credit, which, given that The Pension Service wrote to all pensioner households, might have been expected to be higher. In contrast to previous work carried out by NAO (2002) the role of family and friends in providing information about benefits to pensioners was relatively low (9 per cent) (Age Concern, 2004: 19).

Recent survey research for the Department for Work and Pensions with older people aged 60 and over found similar high levels of awareness of the Pension Credit with 81 per cent of respondents saying they had heard of it. Interestingly older pensioners (aged 75 and over), women and respondents in social class E were less likely to have heard of Pension Credit than those aged under 75, male pensioners and those in social classes C1, C2 and D. It also supports the salience of media advertising (TV, newspapers) as the source of information cited most frequently by respondents (59 per cent), with a smaller number again hearing about it through family and friends (12 per cent). The research shows that among non-recipients there

was widespread ignorance and misunderstanding of eligibility conditions and that this affected take-up. Perceived ineligibility was often provided as a reason for not applying and prior knowledge of entitlement (and size of entitlement) was cited as most likely to encourage take-up of Pension Credit. Interestingly 11 per cent of non-recipient respondents were adamant that irrespective of financial inducement, practical help and/or knowledge of entitlement and award they would not apply for the Pension Credit (Talbot, Adelman & Lilly, 2005).

### 4.2 The impact of local interventions

The Department for Work and Pensions has launched a fund of £13 million to finance schemes that build on their links already in place with community and voluntary organisations. The Partnership Fund aims to make use of a wide and diverse group of organisations and individuals, including Primary Care Trusts, Housing Associations, charities, local authorities, carer and disability groups. These will help to disseminate information on entitlement to benefits among older people particularly harder-to-reach groups, with the purpose of improving take-up (see DWP, 2005b).

There is already extensive local involvement of voluntary, community and public service organisations, in encouraging take-up these organisations can play a useful role in encouraging greater numbers of potential recipients to apply for benefits, significantly impacting on, the living standards of recipients. A review of a three year (2000-2003) welfare rights take-up project in Yorkshire and Humberside run by the Royal National Institute of the Blind to improve take-up of benefit amongst the visually impaired suggested that two thirds of the 1,733 individuals who received advice about their entitlements required further support in making claims (one third were already receiving their full entitlements) and that of these, 53 per cent were aged 60 and over. The multi-agency nature of the project, involving local voluntary centres, advice groups, religious organisations and societies for the visually impaired and disability groups provided greater coverage of the RNIB target groups, delivering improved exposure and awareness for the campaign (RNIB, 2003). The Citizen's Advice Bureau through its network of local offices has run a number of benefits take-up campaigns, sometimes working with GP surgeries and other local health services and estimate that for every £1 spent on the campaign they will net up to £85 for claimants (CAB, 2004: 3). The extra resources received by low income individuals as a result of successful claims tends to result in gains for the local economy as poorer people tend to spend their income locally on additional necessities.

Welfare Benefits take-up campaigns do not only improve the financial well being of the individual and/or family, but can make a significant contribution to encouraging economic development and sustainable improvement in the local economy (Sack, 2002).

To improve the standard of take-up campaigns and spread 'best practice' the Local Government Association produced a good practice guide for local authorities and campaign organisations covering benefits and tax credit take-up campaigns, as part of its *quids for Kids* campaign. This covers take-up work carried out at local authority level primarily aimed at families and children and some of the campaigns centred on encouraging older people to claim benefits. Much of the work detailed is multi-agency, reinforcing the importance for campaigns of drawing on and coordinating national and local government departments and agencies alongside a variety of charitable, voluntary and independent advice and advocacy groups (LGA, 2003). A follow up survey of local authorities conducted by NOP to evaluate the impact on local authority practice of the LGA *quids for Kids* good practice guide, suggested that local authorities were broadly positive about the information it contained. The actual use of the guide and associated campaign events to inform and directly encourage take-up campaigns was, however, less evident. Of the local authorities/organisations running campaigns 73 per cent felt these would have occurred irrespective of the wider *quids for Kids* initiative. On the other hand 22 per cent of respondents felt that without the LGA initiative they would not have run take-up related events, suggesting that the LGA campaign 'flagged up' an issue and approach that, for at least some respondents, the importance of may not have been immediately clear (LGA, 2005).

### 4.3 Take-up campaigns and a rise in resources: the impact on recipients' health, social and material well-being

The interactions between welfare advice, environment, socio-economic status, health and quality of life are complex and multifaceted. A range of studies indicate that improving take-up of entitlements has a positive impact on health and material and social well being. Involving health services (GPs, hospitals) in encouraging take-up of benefits can help deliver this. Locating welfare rights advisors in primary care settings shows it is effective in identifying non-claimants of benefits, especially older people with mobility problems. Tackling the financial strain linked to low-income and poverty lessens the risk of psychological stress for older patients, contributing

to reductions of health inequalities (see Abbott, 2002: 309). A small scale qualitative study with recipients (non pensioners) of welfare advice who subsequently experienced a rise in resources noted an improvement in material and social circumstances combined with evidence of reduced stress and anxiety and improvements in diet and physical activity (Moffatt *et al*, 2004). Greasley and Small (2002) review an extensive range of material covering welfare advice within GP surgeries and hospital settings and draw attention to a number of gains for patients and primary care staff.

- Placing advice workers in GP surgeries improves access for traditionally hard-to-reach groups in danger of exclusion because of age, poor health, lack of transport and psychological barriers to accessing mainstream advice services.
- Health workers develop a greater awareness and knowledge of benefits and relevant 'rights' advice enabling them to take a more holistic approach to patient (socio-economic) needs.
- The service can improve the health and quality of life enjoyed by patients.
- Improvements in health and well being of patients can lead to reduction in use of NHS resources.

GP based provision seems particularly advantageous for older patients. A study of health funded welfare rights advice delivered in three London Boroughs found advice on welfare benefits offered in GP surgeries benefited from a more 'relaxing and comfortable' environment than more traditional advice services, lowering barriers to take-up. Interestingly GPs with provision of specialist in-house advice were found to be more likely to raise welfare issues with patients than those without, and in turn, patients were more likely to seek information or guidance from GPs on welfare issues when they knew specialist services were available (Sherr *et al*, 2002). In comparison to the monetary benefits that can be realised for low-income groups, notably the disabled and the elderly, provision of welfare advice within primary care settings may be relatively inexpensive. A recent study exploring cost effectiveness of take-up services offered by a health care organisation suggested that overall monetary gains could be further improved by the use of a screening device (e.g. a short Health Assessment Questionnaire). This proved useful for identifying patients likely to be eligible for Disability Living Allowance or Attendance Allowance, maximising the effectiveness and productivity of welfare rights advisors (Powell *et al*, 2004).

For low income pensioners and pensioner couples, claiming the means-tested support for which they are eligible, can have a significant impact on living standards. Philip *et al* (2003) note that while there appears to be a culture of self reliance and reluctance to claim benefits amongst some pensioners in rural areas, the problems low income pensioner households face in urban areas, are exacerbated for pensioners in rural areas. Increased transport and food costs and the cost of heating in remote rural areas (some areas of rural Scotland lack a mains gas supply) impact on family budgets (see Palmer *et al*, 2004). If pensioner households are not claiming the benefits to which they are entitled then they will not be eligible for other schemes that can provide assistance in avoiding hardship, such as the energy efficiency scheme and consequently are more at risk of fuel poverty (Wright, 2003).

Craig (2003) found that receipt of the MIG delivered positive improvements in social, emotional and material living standards for pensioners in urban and rural areas. Extra income reduced recipients' experience of social exclusion as they participated more fully in social and cultural activities and enjoyed improved mobility. Transport costs and expense incurred due to the use of physical assistance from friends, family or formal carers could now be covered meaning individuals were less concerned that they could not offer adequate recompense. A wider range of goods and services also became available to recipients as income increased resulting in extra resources directed to heating and food expenditure.

The findings of recent survey research confirm that many pensioners in receipt of the Pension Credit indicate that they have gained financially from claiming this means-tested benefit. A study conducted by the Department for Work and Pensions with older people aged 60 and over showed that among those receiving the Pension Credit a majority (66 per cent) either agreed or strongly agreed with the statement that 'I am better off now I receive Pension Credit', with pensioners aged 75 and over the most likely to agree (86 per cent) (Talbot, Adelman & Lilly, 2005). Similarly around two thirds of the older people claiming the Pension Credit within the Age Concern survey felt that it had made a noticeable difference to their lives, although this varied according to the rise in income experienced. Those receiving an extra £15 per week or more through the Pension Credit were less likely to say that it had made no noticeable difference to their lives

compared to those receiving £5 per week extra. Just over a quarter (27 per cent) of recipients noted that the extra resources had enabled them to worry less about how they would pay for everyday essential items, including food and bills. A further 14 per cent felt it enabled them to manage their debts more effectively and 9 per cent said they were now able to see their relatives and friends more frequently (Age Concern, 2004: 25).

## 5. Conclusions

This brief review of the literature, combined with our knowledge of other policy areas, suggests the following conclusions:

- 1) The evidence base for understanding the 'patchiness' of take-up is under-developed. A strategy for producing a more systematic, and in some cases more focused, understanding of issues would be useful.
- 2) There seems to be a lack of joining-up between what is already known about the 'patchiness' of take-up and the way in which take-up initiatives have been focused. Even within the evidence available take-up initiatives do not appear to be systematically targeted on the most vulnerable groups.
- 3) There is no (apparent) systematic evaluation of take-up initiatives. This is a major omission.
- 4) This would appear to be an area of policy where 'experimental' approaches could be appropriate. We are aware of research being undertaken in other parts of Government – for example the experimental application of different tax compliance 'treatments' to selected groups – which addresses similar problems. There is of course much greater experience of such experimental approaches in places like the USA. Given the extra impetus given to Pensioner Credits in the 2005 Budget this would appear to be an ideal arena for some 'what works' experimental take-up campaign treatments and evaluations.
- 5) As we have mentioned in (4), there are examples of tax and other compliance evaluation programmes elsewhere within UK Government and internationally which might have useful lessons for Pension Credit take-up. These are beyond the scope of this report but could usefully form part of any subsequent work in this area.

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## CHAPTER SEVEN

# International comparisons of benefit take-up

**This chapter draws heavily on a recent Organisation for Economic Co-operation and Development (OECD) report surveying take-up in OECD countries: *Take-up of Welfare Benefits in OECD countries: A Review of the Evidence*.<sup>8</sup>**

Many countries have income-related benefits for older people similar to those of the United Kingdom. For example, 19 of the 30 OECD member countries have targeted benefits for the poorest older people. However, there are substantial differences between countries in the organisation and implementation of targeted assistance programmes. Non-take-up is an issue for almost all social assistance benefits, but the extent to which it has been measured, researched or addressed as an issue varies internationally. Differences in benefits and tax systems and the information the state holds about individuals' income also mean different means are available to increase take-up in different countries.

The OECD report identified serious deficiencies in the quality of take-up data in many countries which makes it more difficult to compare take-up rates. The same difficulties in measuring take-up described in **Chapter 2** apply to any system, and comparability is further hindered by differences in the detail of the benefits systems which are being looked at.

Compared with other European countries, there has been more research into non-take-up in Britain<sup>9</sup> – take-up of almost all benefits has been subject to research. Where there is evidence in other European countries, it indicates that levels of take-up are lower than Britain in all but a few specific cases (these are higher rates of take-up for social assistance amongst some sub-groups in specific cities in the Netherlands). This is largely the result of the design of benefits systems, at least for pensioners, where fewer people are eligible for income-related assistance and this is often administered locally on a discretionary basis, so that take-up could not be measured in the same way as in Britain.

However, there has been a large quantity of recent research into non-take-up of a wide range of social assistance schemes in the United States. Most of these schemes are more targeted than in the British system – recipients are means-tested and also have to fulfil other eligibility criteria, and many benefits are in kind (for instance, food stamps or access to medical care) rather than in cash. As elsewhere, take-up rates are rarely high:<sup>10</sup> for income-related benefits, most range from 40 to 70 per cent, with only tax credits (where eligibility was established from tax returns, which 95 per cent of claimants were required to complete) achieving take-up of over 80 per cent.

<sup>8</sup> Hernanz et al (2004) *Take-up of Welfare Benefits in OECD Countries: A Review of the Evidence*, OECD Social, Employment and Migration Working Papers No.17.

<sup>9</sup> Van Oorschot (1995).

<sup>10</sup> Currie (2004).

The United Kingdom is also the only country which regularly produces official estimates of benefit take-up. In other countries for which estimates have been published, they have been the results of specific surveys or secondary analysis of administrative data. **Figures 7.1 and Figure 7.2 on pages 60-62**, extracted from the work commissioned by the OECD, show the estimates which have been made of the take-up of various benefits in OECD countries. Although the range is very broad, take-up rates of over 80 per cent are unusual except for some housing benefits.

A major exception is the Canadian Guaranteed Income Supplement for seniors (similar to the Minimum Income Guarantee which preceded Pension Credit, and not included in Figure 7.1 and 7.2). This had take-up of around 86 per cent in 2000. The main factors appear to be:

- a large proportion of eligible individuals receive the benefit automatically by filing an income tax return. The take-up rate amongst people who needed to apply separately was only 41 per cent in 2000;
- the relevant federal government department has commissioned survey research into non-recipients since 1999; and
- it subsequently introduced a take-up campaign based around using tax records to identify those with potential entitlements, who were then contacted with some 60 per cent of those contacted receiving some additional benefit; simplifying application forms (from 2003-04); and ensuring that application information reached those who did not know they were eligible to apply.



## 7.1 Take-up of social benefits in several OECD countries

Country	Type of benefit	Name of programme	Reference population	Estimated take-up	Time period
United States	Social Assistance	Supplementary Security Income (SSI)	Entire population	53% – Warlick (1982)	1974-1975
				56% – McGarry (1996)	1984
				63% – Davies et al. (2001a)	1991
				54% – Davies (2001b)	1993
		Food Stamps	Entire population	41-46% Coe (1979)	1976-1979
				54-66% – Blank et al. (1996)	1986-1987
				32% (for the working poor) – Kim et al. (1997)	1988-1989
				75% – Daponte et al. (1999)	1993
		Aid to Families with Dependent Children (AFDC)	Entire population	60-70% – Blank (1997) using survey data	mid 1970s to mid 1980s
				80-90% – Blank (1997) using administrative data	
				45% – Moffit (1983)	1976
				62-70% – Blank et al. (1996)	1986-1987
France		Child Care Subsidy	Entire population	64% (working poor) – Kim et al. (1997)	1988-1989
				44-53% – Queralti et al. (2002)	late 1990s
				76-81-46% – Anderson et al. (1997)	1979 to 1982
				73% – Blank et al. (1991)	1977 to 1987
	Unemployment Benefits	Unemployment Insurance	Unemployed workers	65% – McCall (1995)	1982-1991
	Social Assistance	Revenu Minimum d'Insertion and Allocation de Parent Isolé	Entire population	52-65% – Terracol	1994-1995-1996
Germany	Social Assistance	Hilfe zum Lebensunterhalt (income support)	Entire population	37% – Kayser et al. (2000)	1976 and 1981
				37% – Riphahn (2001)	1993
				36% to 79% – van Oorshot (1991) – reported	
		Sozialhilfe (Social Assistance)	Entire population	48% – Hartmann (1981)	1970s-1980s

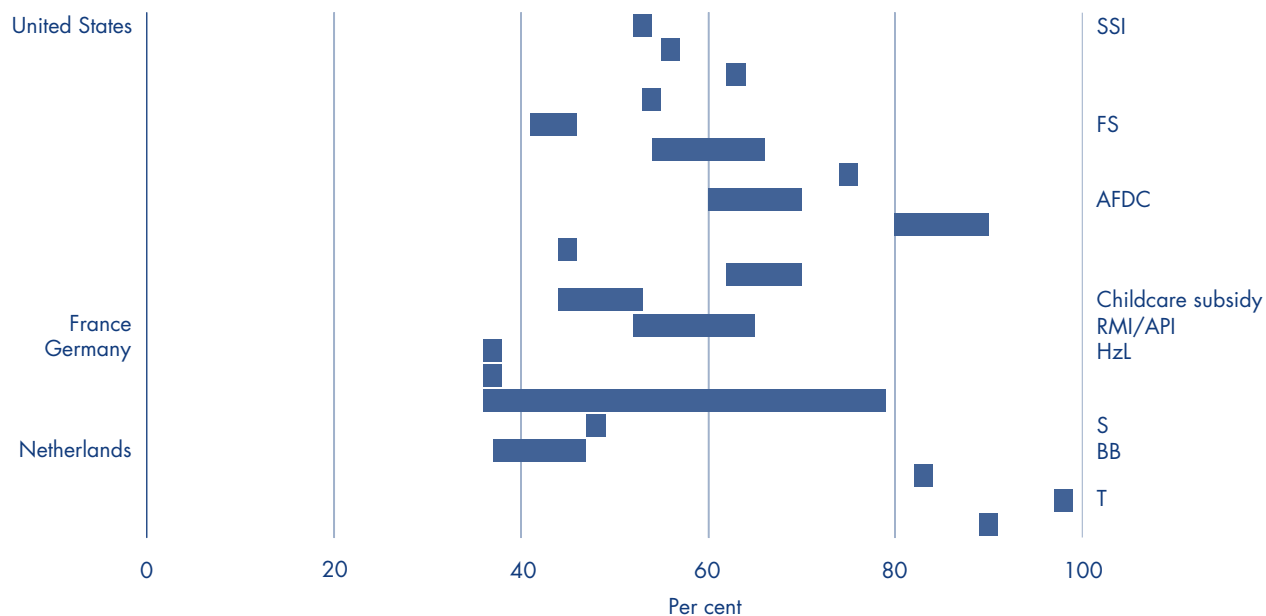
## 7.1 Take-up of social benefits in several OECD countries continued

Country	Type of benefit	Name of programme	Reference population	Estimated take-up	Time period
Netherlands	Social Assistance	Bijzondere Bijstand (Special Social Assistance) Toelagenwet (Supplementary Benefits Act)	Entire population	37% (in Rotterdam) – van Oorshot (1995)	1990
				47% (in Nijmegen) – van Oorshot (1995)	1990
				83% – administrative sources	1994
	Housing Benefits	Individuele Huur Subsidie (Individual rent benefit)	Entire population	98% – administrative sources	1994
				90% – administrative sources	1999
				24% to 55% – van Oorshot (1991) – reported	1975 to 1981
Denmark	Housing Benefits	Ordinary housing benefit  Special housing benefit	Entire population  Pensioners	64% – Koning (1997)	1985-1986
				74% (in Rotterdam) – van Oorshot (1995)	1990
				92% (in Nijmegen) – van Oorshot (1995)	1990
	Unemployment Benefits	Unemployment Insurance	Unemployed workers	45-62% – Rouwendal (2002)	1998
				70% – administrative sources	1994
				67% – Hultin (1997)	1987 to 1992
Canada	Unemployment Benefits	Unemployment Insurance	Unemployed workers	85% – Hultin (1997)	1987 to 1992
				77% – Storer et al. (1995) 73% in 1990, 49% in 1993 – Kuhn (1995)	1981 to 1986 1990 and 1993

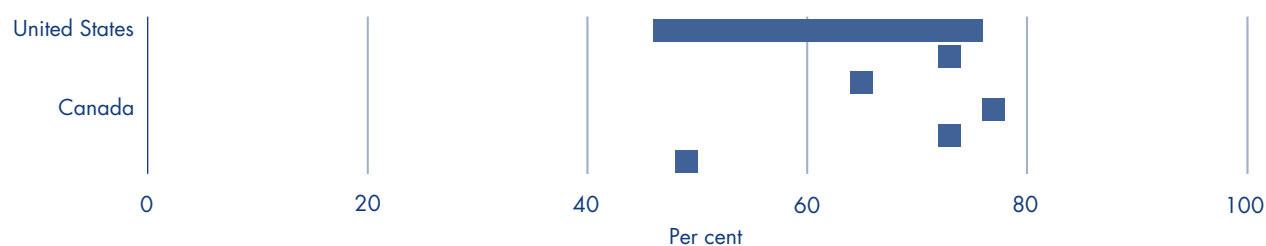
Source: Take-up of social benefits in several OECD countries, Hernanz, V., Malherbet, F., Pellizzari, M., *Take-up of Welfare Benefits in OECD Countries: A Review of the Evidence*, OECD Social, Employment and Migration Working Papers No. 17, DELSA/ELSA/WD/SEM(2004)2, © OECD 2004

## 7.2 Estimates of take-up rates of social benefits in some OECD countries

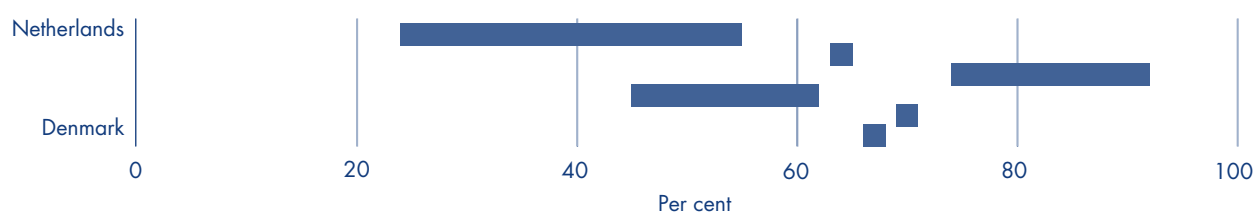
### a) Social assistance



### b) Unemployment benefits



### c) Housing benefits



Source: Hernanz estimates of take-up rates of social benefits in some OECD countries, Hernanz, V., Malherbet, F., Pellizzari, M., *Take-up of Welfare Benefits in OECD Countries: A Review of the Evidence*, OECD Social, Employment and Migration Working Papers No. 17, DELSA/ELSA/WD/SEM(2004)2, © OECD 2004. See bibliographical references in Figure 7.1.

#### NOTE

Estimates, derived from **Figure 7.1**, refer to the entire population. For social assistance (panel a), estimates refer to different programmes existing in various countries (with programme names indicated on the right-hand axis).

## CHAPTER EIGHT

### Public Accounts Committee recommendations (2003)

#### On setting targets for improving take-up rates

The Department has begun to focus more on increasing levels of take-up of some benefits. The creation of The Pension Service is a positive step, focusing more on pensioners and their needs than administering individual benefits. The success of the new approach will depend on The Pension Service having stretching targets for take-up and improving the quality of information on take-up levels.

#### Recommendation

- i) Ensuring 3 million households receive Pension Credit by 2006 will be a key driver for encouraging take-up. However, this target lacks ambition, given that it represents a take-up rate (around 73 per cent) similar to that currently achieved for the Minimum Income Guarantee. The Department should make the target progressively more stretching.
- ii) The Department should also set targets for the take-up of other benefits for pensioners, particularly the disabled. Efforts to meet these targets should use clear, unambiguous information on entitlement to avoid generating large numbers of ineligible claims and overburdening the administration.
- iii) Information currently gathered on non-take-up levels is inadequate, and makes it difficult for the Department to assess where to concentrate resources. The Department should improve the quality of national information, by developing the Family Resources Survey approach, and using further specific surveys of the type used on disability benefits in 1996-97.
- iv) Achieving national targets will require action at local level, where much of the most effective take-up work is done. The Department should work with local authorities to develop a clearer understanding of take-up performance, including factors affecting take-up in different parts of the country. This will provide a basis for developing local strategies and setting local targets, of the kind already developed in some authorities.

#### Action taken

2.7 million pensioner households are receiving Pension Credit. Estimates of the eligible population mean this equates to take-up of some 61 to 69 per cent. Take-up of the Guarantee Credit – the main instrument of combating poverty – is between 70 and 80 per cent.

The target approach has not been extended to other benefits but Government is considering how wider definitions of pensioner poverty could feed into PSA targets as part of the 2007 Comprehensive Spending Review.

There are inherent difficulties in measuring take-up but the Department has improved its data on potential recipients and is using this for more targeted contacts to encourage take-up across benefits. The Department has carried out a feasibility study into the scope for a dedicated survey of disability, but needs to do more work on how to model the application process for disability benefits.

The Pension Service Local Service is given top-down targets for Pension Credit and Attendance Allowance claims and numbers of effective home visits (those which move the customer's case forward). Of local authorities which told us they were doing take-up work, 25 per cent have targets.

### On simplifying processes and reducing duplication in information collection

Systems for administering benefits in central and local government have grown up separately, and there are technical and data protection barriers to sharing data. As a result, people must still provide the same information to different agencies. There remains significant scope to simplify processes, use information more effectively, and reduce duplication. We have repeatedly expressed concerns about the Department's computer systems and the impact of their weaknesses on customer service. The Department has an on-going IT strategy, but 2006, the promised date for significant improvements in information technology systems is nearing without clear evidence of progress.

#### Recommendation

- v) The benefits system for pensioners remains complex and applying for benefits can be onerous. The Department should apply to other benefits the lessons learned from its work to simplify the claims processes for Minimum Income Guarantee and Attendance Allowance.
- vi) As part of the more proactive approach to encouraging take-up, the Department is widening the use of trigger points so that the claiming system becomes more automatic. It should explore ways of extending this approach to disability benefits.
- vii) The Department should work with local authorities to ensure that data protection considerations are not an obstacle to increasing take-up. And they should collaborate to enable pensioners, in applying for benefits, to provide the same information through different application processes, despite similar eligibility criteria.

#### Action taken

Pension Credit is designed to be simpler for the customer than Minimum Income Guarantee, especially in its treatment of capital and changes of circumstances. Pension Credit customers have simplified claim processes for Housing Benefit and Council Tax Benefit.

New pensioners are automatically invited to claim Pension Credit. A range of other events can trigger a home visit and benefit check by the Local Service or Joint Team. The Pension Service aspires to greater automaticity and has improved the linkages between Pension Credit and Housing Benefit, Council Tax Benefit and Carer's Allowance. Not yet done for other disability benefits.

The Pension Service and local authorities have established 88 Joint Teams, generally with primary tier local authorities, allowing staff to share full access to data. In other areas, local authority staff have access to the Department's records to verify data. The Pension Service uses data held about Pension Credit customers to complete Housing and Council Tax Benefit applications for them.

### On communicating effectively with pensioners

Confusion about the system and difficulties in understanding its complexity are major barriers to take-up. Many pensioners find it difficult to obtain information on benefits, and rely heavily on what friends and relatives tell them. The Department has started to issue better literature and should continue to find simple and imaginative ways of communicating complex information to pensioners, their relatives, and others including health service professionals who come into contact with them, to widen awareness of what benefits are available.

#### Recommendation

- viii) Pensioners have 23 potential entitlements with 36 different linkages between 16 of them. Departmental literature should explain more clearly how benefits inter-relate, so more pensioners realise that claiming only a small amount of one benefit makes them eligible for others.
- ix) More pensioners find out about benefits through friends, family and neighbours than through official sources. The Department should target information on the wider public through a range of media, including the internet and digital TV. The Department needs to be creative in getting messages across, for example, through popular media such as story lines in a television series.
- x) Older pensioners are more likely to be poor, and there are also specific factors relevant to ethnic minorities and people with disabilities. The Department should take these factors into account in promoting Pension Credit. To avoid encouraging large numbers of ineligible claims, the Department should tailor its advertising to the target groups, and ensure those on Minimum Income Guarantee are aware they will automatically receive the new benefit.

#### Action taken

The Pension Service publicity material for Pension Credit makes this clear. However, misunderstanding of interactions between benefits (particularly a belief that claiming one makes you lose out on others) is still a reason for some pensioners not applying for benefit.

A wide range of media were considered for Pension Credit marketing which aimed to raise general awareness and position Pension Credit as an entitlement as well as targeted contacts. Some channels were discarded after investigation showed they would not reach target groups.

The Pension Credit marketing campaign was based on customer segmentation and used a combination of direct mail, advertising to raise general awareness of the benefit, telephone contacts and targeted home visits. The campaign was phased and advance and backdated applications were allowed. The proportion of applications from the ineligible was 30 per cent lower than in the previous MIG campaign.

### On working with others in cost-effective ways

Many other organisations have an interest in encouraging take-up and it would be wasteful to duplicate their efforts. The Department and The Pension Service are developing partnerships, for example locally with local authorities and nationally, through the Partnerships Against Poverty forum. There are also examples of good practice in taking advantage of the contacts that others have with pensioners to provide information, but limited published data on what works. The Department should take a lead in identifying and disseminating successful approaches, so that resources can be targeted effectively.

#### Recommendation

(xi) Almost all pensioners have contact with GP surgeries and practice nurses, and many have dealings with others such as registered social landlords and post offices, who are seen as trusted information sources. The Department should encourage greater use of these contacts to promote take-up.

#### Action taken

As well as The Pension Service and local authorities, over a third of local partnerships involve Age Concern, Citizens Advice, Housing Associations and/or primary health providers. The Pension Service is also working nationally with utility companies and Warm Front.

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