Improvement Project Charter 1.4 Unclaimed Benefits (Updated July 2024)

Improvement Project Title Unclaimed Benefits

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Aim statement Increase the uptake of unclaimed benefits across Aberdeen City by 10% by 2025

Link to Local Outcome Improvement Plan
Stretch Outcome 1 Poverty
20% reduction in the percentage of people who report they have been worried they would not have enough food to eat and/ or not be able to heat their home by 2026.

Link to Locality Plans
There are community ideas for improvement from the South and Central locality Plans aligned to this project.

Why this is important and issues with the current system?

The pandemic followed by the cost of living has pushed many people into poverty partly due to reduced income. This has not been evenly spread, with certain groups more likely to experience these negative effects, most often those who were already lowest paid and closest to poverty.

Linked to a rise in poverty is growing financial insecurity. Research by the Money and Pensions Service in 2024 suggests that 39% of adults, or approximately 20.3 million people, lack confidence in managing their money, and about 11.5 million people have less than £100 in savings. Additionally, nearly nine million individuals are in serious debt, with only a third receiving help. As economic disruptions disproportionately affect lower earners, who typically have fewer savings to rely on, financial insecurity continues to increase.

The "Broken Budgets" report by Money Advice Trust highlights the severe financial strain on UK households and small businesses despite falling inflation. Many individuals, especially those with lower incomes, struggle to meet essential costs, with 43% of National Debtline clients having a negative budget. The report reveals rising average expenditures outpacing incomes and increasing debt burdens, particularly in priority debts such as rent and energy arrears. A significant number of people in financial distress receive inadequate welfare support, particularly through Universal Credit, which fails to cover basic living costs.

Evidence on benefit take-up rates
Accurate data on benefit take-up rates are scarce and complex to calculate. Calculating these rates requires an accurate denominator (the number of people eligible to claim) and numerator (the number of people claiming). While data for the numerator are often available, the denominator is harder to estimate, especially for seldom heard groups who are often excluded from society. Additionally, the ease of estimating take-up rates varies across different benefits. Universal benefits like the State Pension and Child Benefit have relatively easier estimations compared to highly targeted benefits. For instance, estimating eligibility for disability benefits is particularly challenging due to complex criteria based on individual health conditions, which can fluctuate over time.
Estimating benefit take-up rates is further complicated by various forms of underclaiming. Underclaiming can include eligible individuals not applying, partial take-up (not receiving full entitlement), delayed take-up (not applying as soon as eligible) and applying but not receiving the benefit despite being entitled.
For reserved benefits, UK Government estimates are only available for Pension Credit and Housing Benefit among those aged 65 and over. For the year 2019-2020, Pension Credit take-up was 70% and Housing Benefit take-up among pensioners was 86%. Due to methodological challenges, no other data are currently available for other benefits.

Despite these challenges, efforts have been made to quantify underclaiming of benefits in the UK. Recent research by Policy in Practice estimated that £19 billion went unclaimed across 10 benefits in the year ending April 2023. This included over £7.5 billion in unclaimed Universal Credit, nearly £3 billion in unclaimed Council Tax Support, and £2 billion in unclaimed Carer’s Allowance. Evidence suggests significant underclaiming of disability benefits as well.

The Scottish Government commissioned a Rapid Evidence Review (RER) to investigate marginalized groups within the social security system. Conducted by the Scottish Centre for Social Research (ScotCen) from November 2023 to January 2024, the review aims to support the Benefit Take-up Strategy and inform promotion of devolved benefits.

Key Findings

1. **Take-up Rates**: Significant variation in benefit take-up rates, with some benefits as low as 15%. Accurate estimation is challenging due to limited data and complex eligibility.
2. **Identified Groups**: Existing groups remain relevant, with additional at-risk groups identified:
    - Minority ethnic communities facing prejudice and language barriers.
    - Individuals with long-term, fluctuating, or less visible health conditions.
    - People with learning disabilities.
    - Socially isolated older adults.
3. **Barriers**: Key barriers include:
    - **Psychological**: Stigma, distrust of authority, trauma.
    - **Learning**: System complexity, lack of information, inadequate support.
    - **Compliance**: Complex application processes, proving eligibility, decision delays, and conditionality requirements.
4. **Interventions**: Effective strategies include:
    - Positive and sensitive messaging.
    - Culturally aware support services.
    - Simplified application processes and increased support for claims.

What have our communities/children and young people/lived experience said.

Research indicates that common issues identified by communities, children, young people, and those with lived experience regarding unclaimed benefits include a lack of awareness, complex application processes, stigma and pride, mistrust in the system, and inaccessibility to benefits and services.

Measures

Outcome measures

- Annual amount of unclaimed benefits
- Value of claimed benefits (identified by benefit calculator) (baseline: Between 1 April 2023 to 31 March 2024, 5568 people have completed the benefit calculator, from which, people had unclaimed benefits identified based on the information entered, to a value of £576,726 per week)

Process measures

Change Idea 1

- No. of people using the benefit calculator the week before compared to the week after.
- % of people completing the benefit check the week before compared to the week after.
- Amount (£) of financial gains identified.
- % of those that identified an entitlement to new benefits.

Change Idea 2

- No. of people identified as having unclaimed benefits.
- % of people identified receiving targeted communication/support
- % of those directly approached claiming benefits
- Amount (£) of financial gains identified.

Change Idea 3

- No. of people identified as having unclaimed benefits from minority ethnic communities.
- % of people identified receiving targeted communication/support
- % of those directly approached claiming benefits
- Amount (£) of financial gains identified.

Change Idea 4

- Number of distribution channels utilised (e.g., community centres, online platforms).
- Number of documents distributed in each language.

- Online access metrics (e.g., downloads, views)

Change Idea 5

- No. of people using the benefit calculator the week before compared to the week after in the different localities.
- % of people completing the benefit check the week before compared to the week after in the different localities.
- Amount (£) of financial gains identified.
- % of those that identified an entitlement to new benefits.

Change Idea 6

- No. of community champions recruited and trained.
- % of community champions completing training.

Change ideas:

1. Issue the update booklet on support for Families Booklet through to all families with a child at school along with a link to the online benefit calculator through the education email system.
2. Direct Targeting of people based eligible for benefits based on ACC/DWP/HMRC data from the Low-Income Family Tracker (Policy in Practice).
3. Develop and test messaging campaigns tailored to specific minority ethnic communities to reduce stigma and improve awareness.
4. Look at collating/creating easy-read documents for benefits in different languages to promote uptake.
5. Promote benefit calculator through community groups in areas at a time.
6. Testing out community champions to promote services and share positive experiences, helping to build trust and reduce stigma associated with seeking help.
7. Test the easy-read documents with a diverse group from the target communities to ensure they are genuinely understandable and helpful.

Location/Test Group

1. Will promote the benefit calculator through schools and community groups. Testing communication to all parents/carers and then one locality at a time.
2. Will start targeting Educational Benefits through direct targeting and then move onto pension credits take up from data via Low Income Family Tracker.

Resources

Possible funding required for printing easy read leaflets for those digitally excluded.

Possible continued funding for Policy in Practice to help identify individual who are not claiming benefits they are entitled to.

Potential risks and/or barriers to success & actions to address these.

- Individuals engaging with the information and applying for the benefits identified.
- Adequate resource to target individuals identified as having an entitlement to further benefits.

Project Team

Angela Kazmierczak – Project Lead (ACC FIT)
Kate Deans – Aberdeen CAB
Dave Black – SMHU
Sam Leys – CFINE
Carol Hannaford – ACC
Browyn McClory – Shelter
Sarah Jack – Tillydrone Community Flat
Hamish Cattanach - ACC

Community/User Representation/Engagement

- Plan to engage further around accessibility, awareness and stigma and trust of claiming benefits as part of a wider research around accessing advice services in Aberdeen to community groups and those with lived experience to explore any other tests required.
- Engage with community leaders and members to co-create and review messages, ensuring cultural sensitivity and appropriateness. Collect feedback through focus groups or surveys to refine messages and assess the campaign's effectiveness in reducing stigma.
- Monitor feedback from families to ensure the information is understandable and accessible.

• Conduct surveys or interviews to gauge recipients' reactions to being targeted and ensure the messaging is perceived positively and not as intrusive.
Community Ideas for Improvement from Locality Plans Aligned to this Project. South Locality Plan - Support communities with financial inclusion such as benefit uptake. Central Locality Plan - Support communities with financial inclusion

Outline Project Plan		
Project Stage	**Actions**	**Timescale**
Getting Started (Project Score 1-3)	• Developing the Team • Completing project charter Existing data supporting the charter	Team in place Charter developed
Designing and Testing Changes (Project Score 4-7)	• Charter submitted to Board for approval. • Project Team to start test change ideas & report impact/outcome at monthly meetings. • Review impact of changes tested and amend tests considering feedback and further test if needed.	August 2024 Aug/Sept 2024 October 2024
Implementing and sustaining changes that demonstrate improvement (Project Score 7-10)	• Project end report • Implement the learning and applying it to other benefits through a rolling take up campaign.	Jan 2025
Spreading Changes (Project Score 9-10)	• Aim achieved.	March 2025