Policy in Practice

Missing out: How different sectors are closing the £19 billion unclaimed benefits gap

Wednesday 28 June

Housekeeping

- Audio check
- Please ask questions throughout
- Polls, download and a short survey
- Aim to finish by 11.45
- Slides and recording will automatically follow
- Follow us on Twitter @policy_practice

We believe in the power of technology and data to change lives

Policy in Practice: What we do

Policy

A team of professionals with extensive knowledge of the welfare system. We're passionate about making social policy work

Analytics

We help over 100 local authorities use their household level data to identify vulnerable households, target support and track their interventions

Software

Our benefit calculator engages over 10,000 people each day. We identify the steps people can take to increase their income, lower their costs and build their financial resilience

Agenda

- Highlights from Policy in Practice analysis showing that £19 billion of support is unclaimed each year

- Panel discussion exploring the biggest challenges facing five different sectors during the cost of living crisis and how our guests are responding and the impact of their work

- Questions and answers

Today's Policy in Practice speakers

Janet Harkin
Chief Marketing Officer
Policy in Practice

Alex Clegg
Senior Policy and Data Analyst
Policy in Practice

Deven Ghelani
Director and Founder
Policy in Practice

Over to Alex

£19 billion of income-related benefits and social tariffs goes unclaimed every year

Policy in Practice

Missing out: £19 billion of support goes unclaimed each year

Policy in Practice finds that the total amount of unclaimed income-related benefits and social tariffs is now £18.7 billion a year

Alex Clegg, Deven Ghelani, Zoe Charlesworth, Tylor-Maria Johnson

policyinpractice.co.uk

April 2023

Beat the pollen!
Experts' top tips to avoid symptoms of hay fever
G2

Duwayne Brooks on his friend Stephen Lawrence G2

The Guardian
Newspaper of the year

Monday
1 May 2023
£2.80 | €3.20
From £1.57 for subscribers

Households missing out on £19bn in benefits

Exclusive
Patrick Butler
Social policy editor

Millions of UK households are collectively missing out on at least £19bn a year in unclaimed welfare benefits, at a time when many are forced to use food banks or run up debt as they struggle with rising living costs, according to new estimates.

Lower income households are not claiming benefits and other support for which they are eligible, according to a study by the consultancy Policy In Practice. Some families could be forgoing as much as £4,000 a year.

The sheer complexity of the benefits system, lack of public awareness of the available support and fear of being perceived as "benefit scroungers" all contribute to the high level of unclaimed or underclaimed benefits, says the analysis.

It estimates that 1.3 million households are eligible for but do not take up the main working-age benefit, universal credit, resulting in £7.5bn going unclaimed each year. Nearly 3 million families do not claim council tax support (£2.9bn), while 5 million miss out on nearly £2bn of support for water, energy and broadband bills.

"It is shocking that £19bn of benefits and support is unclaimed at any time, let alone during a cost of living crisis," said Deven Ghelani, director of Policy in Practice. "Missing out on eligible benefits could be the difference between households keeping their heads above water and feeling they are drowning," he added.

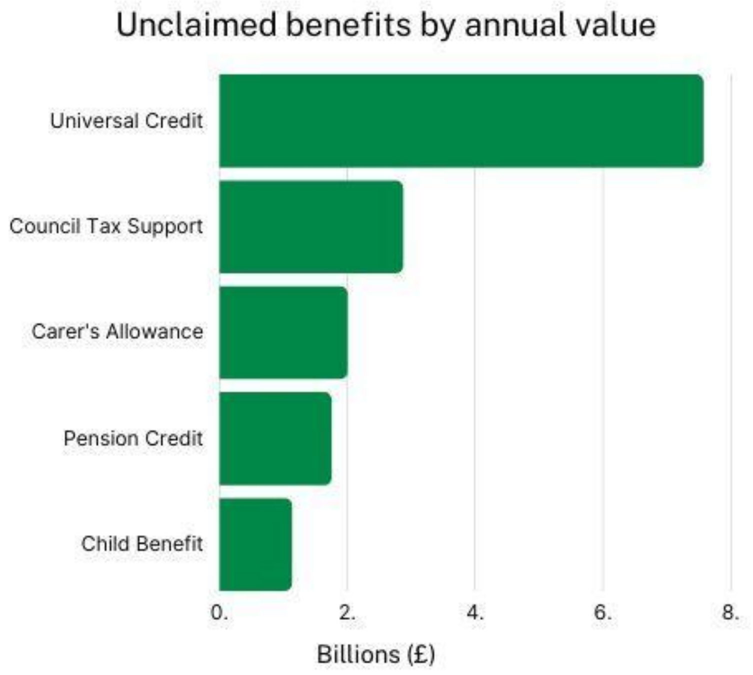
Benefits advisers told the Guardian they typically secured fairly small extra payments for clients of £10 to £20 a week, which would nonetheless have a transformative effect. "It can mean the family can eat properly, put the heating on, get the bus, take the children swimming - all the things we take for granted," said one adviser.

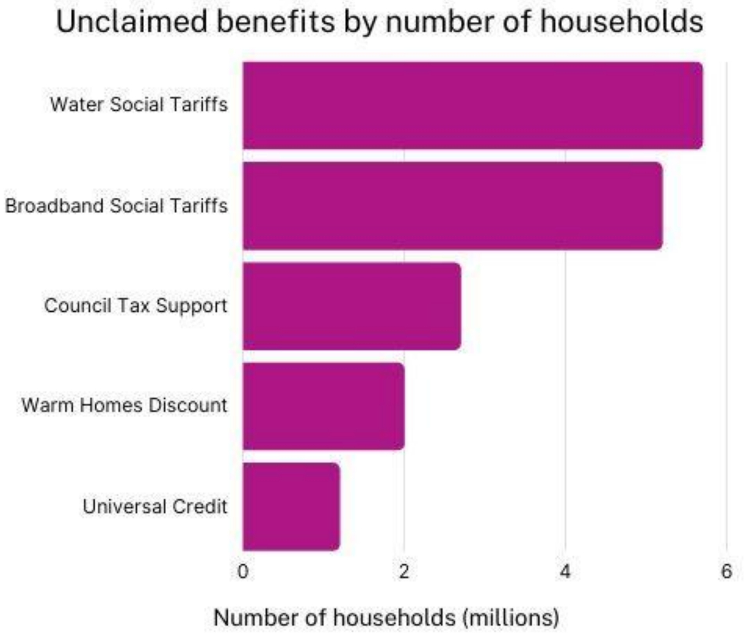
But the study found even bigger sums were not 2 →

Angry birds
Warm spring weather brings cheer (for some)
News Page 14 →

▲ *A blue tit and a bullfinch have a disagreement. Today's weather is set to be bright for most regions*

Most unclaimed benefits





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Missing out: £19 billion of support goes unclaimed each year

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April 2023

Benefit	Eligible households not claiming	Estimated unclaimed (£m)
DWP/HMRC benefits		
Universal Credit	1,255,000	£7,565
Carers Allowance	500,000	£1,996
Pension Credit	850,000	£1,754
Child Benefit	765,000	£1,130
Housing Benefit (pension age)	260,000	£929
Locally administered benefits		
Council Tax Support	2,729,00	£2,873
Free School Meals	244,689	£159
Healthy Start	211,558	£65
Social tariffs and energy support		
Water social tariffs	5,714,000	£900
Broadband social tariffs	5,334,332	£768
Warm Home Discount	2,092,138	£314
Unclaimed energy vouchers	380,000	£152
Free TV licence	850,000	£135
Total	**21,185,716**	**£18,740**

Note: The total shown for the number of eligible households not claiming more accurately represents the total number of claims to be processed. Many households will be eligible for and missing out on more than one benefit.

The true value of unclaimed support is even greater

Disability benefits such as Personal Independence Payment and Attendance Allowance were not included in our analysis due to a lack of available data

Discretionary support such as Local Welfare Assistance, Discretionary Housing Payments, the Household Support Fund and Section 13a Council Tax Support have very low awareness, meaning many eligible households do not know they can apply

Four reasons why benefits go unclaimed

1. Administrative complexity
2. A lack of awareness
3. Stigma
4. Increasing fragmentation of support

Four reasons why benefits go unclaimed

1. **Administrative complexity**

The sheer complexity of multiple application mechanisms, administering organisations, eligibility criteria and conditionality creates a barrier for many people who are trying to navigate the system and access support

Four reasons why benefits go unclaimed

2. A lack of awareness

Many claimants are simply unaware that they can claim support given their circumstances or income

Four reasons why benefits go unclaimed

3. Stigma

Negative perceptions around claiming benefits may discourage eligible people from engaging with the benefit system

Four reasons why benefits go unclaimed

4. Increasing fragmentation of support

Inadequacy of means tested benefits is driving a growing plethora of discretionary and other support schemes. This creates postcode lotteries for available support and unequal conditions to access it

Three recommendations for policymakers

1. Address the insufficiency of main social security benefits

2. Reduce complexity and increase awareness

3. Change the messaging around benefits

Poll: What is the main reason why benefits are unclaimed?

Over to Deven and our panel

Today’s panel

Sally Cannell
Continuous Improvement Analyst
Anglian Water

Sharon Gill
Customer Relations Manager
EDF Energy

Adrian McDowell
Senior Policy & Projects Officer
Greater London Assembly

Rosi Avis
Partnership and Communication Lead
Citizens Advice Manchester

Julie Alexander
Manager for Welfare Benefits and Financial Inclusion
Northern Ireland Housing Executive

Housing Executive

PiP Benefit & Budgeting Calculator - Impacts

- Implemented January 2021
- 5,400 calculations opened
- > **£3.5 million** in additional benefits generated to date
- Increase in income to rent accounts from housing costs benefits (HB & UC) **£850K**

- Pension aged couple struggling to pay £90 per week rent. Found to have additional entitlement to Attendance Allowance, Pension Credit and full Housing Benefit – better off by **£1,547 per month/£18,567K** per year

- Customer in work and receiving Tax Credits; in serious rent arrears (£4K). Reported that if she paid rent, she would be left with £298 per month to pay bills and buy food for family. Calculation showed she would be better off on UC by **£518 per month/£6,216 per year** in personal allowances plus entitlement to full housing costs element for rent

Housing Executive

- Pension aged couple struggling to pay rent and subject to deductions from state pension due to rent arrears. Found to have entitlement to Carers' Allowance, Pension Credit and, consequently, full Housing Benefit. Better off by **£849 per month/£10,197 per year**

- Working single parent with disabled child on UC but struggling with increase in cost of living. Found to be better off by **£984 per month/£11,808 per year** in child DLA, disabled child element and carers' elements of UC

Poll: What is your organisation doing to tackle the unclaimed benefits gap?

Questions and answers

Proactively get support to people

£19 billion of support is unclaimed each year

People aren’t claiming because of administrative complexity, lack of awareness, stigma and increasing fragmentation of support

Leading organisations across different sectors are investing in tools that help customers, improving engagement and outcomes

Proactively helping people to avoid crisis delivers savings down the line. And it’s the right thing to do

Next steps

Take our very short survey when the webinar ends to:

- Give us feedback (thank you) and ask further questions of our speakers
- Request a follow up call to talk about how the solutions shown could help you

Register for our next webinar: **How housing providers are boosting the financial strength of customers during the cost of living crisis** on Wednesday 26 July

Watch: Better Off Calculator to support budgeting and maximise income
Watch: LIFT to identify vulnerability, target support and track change
Download: product brochure

Thank you

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Alex Clegg, Policy in Practice

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