

SOCIAL SECURITY COMMITTEE

BENEFIT TAKE-UP

SUBMISSION FROM PROFESSOR PAUL SPICKER

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Executive summary

- Arguments about takeup have often centred on means-tested benefits, but the problems are much more extensive. Non-means-tested benefits are just as vulnerable.
- The main explanations for non-takeup conventionally include ignorance, the complexity of benefits, limited marginal benefit, and stigma. More detailed accounts consider perceived need, basic knowledge, perceived eligibility, perceived utility, beliefs and feelings, perceived stability of circumstances, and the process of making a claim.
- The benefits with the best takeup – Child Benefit and State Pension - are simple to access, have few conditions and are delivered for the long term. The benefits with the worst (including e.g. Pension Credit and DLA/PIP) are complex, poorly understood and have several moving parts. While there is scope for greater automaticity, the key problem rests in the design of such benefits.
- Takeup reflects the complex relationship between people and the public services, and consequently it can be enhanced by outreach and support; but the problems are more fundamental.
- Benefits should be understood as part of an income package. The route to security is not the integration of complex systems, which implies more complexity still, but the delivery of smaller, simpler, stand-alone benefits with a common pay day.

1. What do we know about how much is unclaimed and why?

1.1 There is an extensive literature on the takeup of benefits, but most arguments about takeup since the 1960s have focused on means-testing, and most of the Scottish system will be delivered in different ways. The assumption that means-testing was the main problem was a major part of the justification for the introduction of non-means-tested benefits relating to disability in the 1970s. When researchers and campaign groups first

considered the problems of the benefit system, those were hardly mentioned - it was only much later that it was accepted that they had many of the same problems of takeup as means-tested benefits.¹

1.2 The perception that the problems are mainly centred on means-tested benefits has also had a major effect on the way that statistics on non-takeup are maintained: most of the figures we have relate to different types of means-tests. Table 1 shows some of the headline figures (their publication was discontinued for a period but has subsequently been resumed).² The figures for Council Tax Benefit and JSA have been discontinued, and the figures in this table, intended for comparison, relate to earlier periods.³ I have added details of three non-means-tested benefits: Child Benefit, as reported by HM Revenue and Customs (HMRC),⁴ as well as some much older estimates for Attendance Allowance and Disability Living Allowance given in a research report for the DWP.⁵

¹ D Kasparova, A Marsh, D Wilkinson, 2007, The takeup rate of Disability Living Allowance and Attendance Allowance: feasibility study, London: Department for Work and Pensions.

² DWP, 2018, Income related benefits: estimates of takeup in 2016 to 2017, <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2016-to-2017>

³ DWP, 2012, Income related benefits: estimates of takeup 2009-10, <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up>.

⁴ HMRC, 2018, Child Benefit, Child Tax Credit and Working Tax Credit: Take-up rates 2016 to 2017, <https://www.gov.uk/government/statistics/child-benefit-child-tax-credit-ctc-and-working-tax-credit-wtc-take-up-rates-2016-to-2017>

⁵ Craig and Greenslade, cited in Kasparova et al, 2007.

	<i>Type of benefit</i>	<i>Estimates of takeup by eligible recipients</i>	<i>Estimates of the amount of money due that is being claimed</i>
Child Benefit	Universal	92-93%	-
Child Tax Credit	Tapered*	81-86%	88-92%
Housing Benefit	Tapered	78-81%	85-88%
Income Support (and income-related ESA)	Minimum income	82-86%	86-90%
Working Tax Credit	Tapered	62-68%	81-87%
Pension Credit (Guarantee Credit)	Minimum income	62-66%	61-67%
(Council Tax Benefit)	Tapered	62-69%	64-71%
(Jobseekers Allowance)	Insurance/minimum income	60-67%	61-70%
Disability Living Allowance mobility component	Non-contributory †	50-70%	-
Attendance Allowance	Non-contributory	40-60%	-
Disability Living Allowance care component	Non-contributory	30-50%	-
* Tapered benefits: income tested with gradual withdrawal of benefit as income increases † Non-contributory: no test of contribution or income, but selected on the basis of a test of need			

Explanations for low takeup

1.3 The explanations for low takeup are usually given as ignorance, complexity, marginal benefit and stigma.

1.4 *Ignorance*. If people do not know that a benefit exists, they cannot claim it. Even if they do know that it exists, they may not realise that they are in the class of people who might be entitled to it. Most studies in the field identify the awareness of benefits as the most

important factor in determining takeup,⁶ but that has to be subject to a reservation – knowledge alone is not enough.

1.5 *Complexity.* People who might wish to claim benefits have to negotiate a byzantine series of processes. There is probably a difference in the reported views of people who claim benefits, who do not see this as so much of a barrier, and people who do not claim, who do.

1.6 One useful indicator of complexity is the extent to which the assessment of benefit goes wrong. Table 2 shows estimates for fraud and error.⁷ The benefits which claimants get wrong most often are Housing Benefit, Pension Credit and PIP. Overall, the main reasons for overpayments are earnings, capital and mis-stating needs; the main reasons for underpayments are earnings, income and mis-stating needs.⁸

The benefit where least mistakes were made by claimants is JSA, and that tends to imply that its relative familiarity (there has been an unemployment benefit in place for more than a hundred years) and lack of complexity is not translated into better takeup. However, if we take underpayments as the surest indicator of genuine mistakes (because fraud in those cases is negligible), Personal Independence Payment - a benefit that is not means-tested - stands out. Many claimants find the criteria incomprehensible. A study of unsuccessful claims for Disability Living Allowance found that people did not understand that DLA was there for different purposes from ESA; that they sometimes made claims with no reasonable hope of success, thinking that they may as well have a crack at it; and if they were refused, they put it down to luck rather than the operation of appropriate criteria.⁹ Regrettably, the current plans for Scottish benefits largely replicate the main features of this benefit.

⁶ P-M Daigneault, S Jacob, M Tereraho, 2012, Understanding and improving the take-up of public programs, *International Journal of Business and Social Science* 3(1) 39-50

⁷ DWP, 2019, Fraud and error in the benefits system: 2018 to 2019 estimates, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/801594/fraud-and-error-stats-release-2018-2019-estimates.pdf; HMRC, 2019, Child and Working Tax Credits: Error and Fraud Statistics 2017-2018, <https://www.gov.uk/government/statistics/child-and-working-tax-credits-error-and-fraud-statistics-2017-to-2018-first-release>

⁸ DWP 2019, Tables: fraud and error in the benefit system, tables 3 and 9

⁹ A Thomas, 2008, Disability Living Allowance: disallowed claims, London: DWP.

Table 2: Estimates of errors in the benefit system (percentages of value)				
	Fraud	Claimant error	Official error	Total
Income Support				
<i>Overpaid</i>	2.4	1.0	0.4	3.9
<i>Underpaid</i>	0.1	0.4	0.3	0.8
Jobseekers Allowance				
<i>Overpaid</i>	4.3	0.3	1.8	6.5
<i>Underpaid</i>	0	0.2	1.0	1.3
Universal Credit				
<i>Overpaid</i>	5.8	0.7	2.1	8.6
<i>Underpaid</i>	0	0.7	0.5	1.3
Pensions Credit				
<i>Overpaid</i>	2.2	1.4	1.3	5.0
<i>Underpaid</i>	0	1.6	1.1	2.7
Housing Benefit				
<i>Overpaid</i>	4.2	1.7	0.5	6.4
<i>Underpaid</i>	0	1.2	0.4	1.6
PIP				
<i>Overpaid</i>	1.6	1.6	0.3	3.5
<i>Underpaid</i>	0	3.2	0.6	3.8
Tax Credits				
<i>Overpaid</i>	1.2	4.5	0	5.7
<i>Underpaid</i>	no data	0.6	0	0.6

1.7 *Marginal benefit.* In a key paper, Burton Weisbrod suggested an application of a conventional economic model: people who were deciding whether or not to claim had to balance an assessment of costs against benefits.¹⁰ If the perceived benefit was small - in many cases, basic income benefits offer a marginal amount of money as a top up of income - it was less likely that they would claim. In most cases official estimates suggests that the amount of money no claimed is relatively small, though the gap between takeup by caseload and by expenditure has closed in recent statistical statements. That would also explain why pensioners, who in the main had some other sources of pension income, might claim less than other groups such as lone parents, who may not have much alternative income at all.

1.8 *Stigma.* Stigma is a general term which has been used to refer on one hand to a sense of shame, humiliation or exclusion, and on the other to reluctance to claim for those reasons. Some of the literature has been sceptical of the impact of stigma on takeup, explanations of Other People's behaviour but never Ours.¹¹ Rudolph Klein called stigma

¹⁰ B Weisbrod, 1970, On the stigma effect and the demand for welfare programmes Madison, Wisconsin: University of Wisconsin Institute for Research on Poverty

¹¹ M Reddin, 1977. Universality and selectivity, Dublin: National Economic and Social Council (Eire), p 67.

'the phlogiston of social theory', suggesting that in time, explanations based on stigma would ultimately be supplanted by other explanations, as we learned to understand people's claiming behaviour better.¹² That seems unlikely; the problem of stigma has been durable. If benefits are the source of shame and humiliation, it may impose barriers¹³ - or at least, impose a cost which claimants have to bear in order to claim.

1.9 In the 1980s, Kerr argued for a 'threshold' model of takeup. To claim a benefit, people had to pass through seven barriers.

1. Perceived need
2. Basic knowledge
3. Perceived eligibility
4. Perceived utility
5. Beliefs and feelings
6. Perceived stability of circumstances
7. Making a claim.¹⁴

There is a flaw in this model: these are not necessarily distinct stages or progressive thresholds in practice. People's expression of need or ignorance is linked to their unwillingness to claim for other reasons.¹⁵ People may be put off by difficulty of claiming when the perceived marginal benefit is low; if Weisbrod is right, balancing one factor against another is just what we should expect people to do. That approach has been at the root of later work; van Oorschot suggests that after the 'threshold stage' there is a 'trade-off stage'.¹⁶ The main value of Kerr's model, and the reason I am using it here, is that it identifies a number of contributory factors, presented in a more or less plausible sequence, which cumulatively might be expected to lead to low takeup.

1.10 *Perceived need*. People should feel they have a need. It is not certain that perceived need is a prerequisite - people claim Child Benefit or tax allowances regardless of 'need' - but they do at least have to identify themselves as being in the category of people who might receive a benefit. For example, it is hard to suppose that anyone is going to claim disability benefits if they do not think they reasonably might be thought to have a disability. In an ad hoc survey for the DWP, however, 62% of people identified as disabled said that they did not think of themselves as being disabled. Among the people with disabilities who said they were not disabled, more than half (55%) said it was because they could carry out their normal day-to-day activities, and 27% described themselves as fit and able to live a full life. Others put down their limitations to ill health or old age. Among those who did say they were 'disabled', 26% said they did think of themselves as being disabled, and 11% said 'sometimes'.¹⁷ If nearly three quarters of people with disabilities do not really think they

¹² R Klein (ed.), 1975. *Social policy and public expenditure 1975* Bath: Centre for Studies in Social Policy, p.5.

¹³ B Baumberg, K Bell, D Gaffney, 2012, *Benefits stigma in Britain*, Kent: Turn2us/Elizabeth Finn Care

¹⁴ S Kerr, 1983, *Making ends meet*, London: Bedford Square Press.

¹⁵ P Spicker, 1984, *Stigma and social welfare*, Beckenham: Croom Helm, ch 2.

¹⁶ W van Oorschot, 1998, *Realising rights*, Aldershot: Avebury, pp 116-9.

¹⁷ DWP, 2013,

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210030/q1-2013-data.xls

are disabled, the takeup of disability benefits starts to look rather better than we might expect.

1.11 *Basic knowledge*. The second stage of Kerr's model is that people know that something is there. Even if they do not know exactly what they have to do, they have to start - to know, for example, where to go to start the process. The takeup of DLA is rather better for people registered as blind than it is for other people with disabilities. That may be true partly because that registration is evidence of recognition, partly because of the support of organisations to help blind people.¹⁸ In the same way, the figures for Housing Benefit also show a marked difference between the position of private tenants (64-73% takeup) and the tenants of social landlords (85-90%); that is probably attributable to the efforts of landlords in informing tenants of their entitlement.

1.12 *Perceived eligibility*. Once people know that a benefit exists, they have to think they might be eligible. In a study of Tax Credits, the researchers found that awareness of the benefit was not the main problem; it was that people who knew about the benefit did not think that they were eligible.¹⁹ The low takeup of Attendance Allowance, the disability benefit for older people, and the 'care component' of DLA, are probably influenced by the misunderstanding that there needs to be a carer before the benefit is payable. The takeup of DLA is notably higher among people who receive incapacity benefits for other reasons – one benefit acts as a gateway to another (and many claimants have the misconception that qualifying for one benefit will qualify them for the other).²⁰

1.13 *Perceived utility*. People have to think that claiming is worthwhile. This is much the same idea as 'marginal benefit', considered before; to determine whether a claim is worthwhile, people have to balance the benefits against the cost of claiming. Probably the most consistent characteristic of the takeup figures recorded in Table 1 is that the amounts of money are not claimed tend to be smaller than those which are claimed: that is true for Income Support, Pension Credit and Tax Credits, all of which adjust the amount paid to income.

Utility is, of course, a very broad term: in the case of free school meals, a research report suggests that

'A lack of choice, long queues, and wanting to sit with friends are the main reasons given by pupils for not taking Free School Meals ... the quality and choice of food on offer discouraged take up.'²¹

This stage of the process can overwhelm the others. In the case of health care (which in the UK is not part of the benefit system) an understanding of the costs of claiming is particularly important: subjecting oneself to invasive physical care carries a substantial cost. In the case of residential care, the cost may be a permanent loss of independence and personal autonomy. In those contexts, the decisions may not be made by the person concerned at all, but by others acting in their behalf.²²

¹⁸ G Douglas, 2008, Network 1000 DLA Take-up Study, London: RNIB
http://www.rnib.org.uk/aboutus/Research/statistics/prevalence/Documents/2008_2_Network_1000_DLA.doc

¹⁹ H Breese, N Maplethorpe, M Toomse, 2011, Take-up of Tax Credits, HMRC.

²⁰ A Thomas, 2008, Disability Living Allowance: disallowed claims, London: DWP.

²¹ C Harper, L Wood, 2009, Please Sir? Can we have some more?, Schools Food Trust,
http://www.childrensfoodtrust.org.uk/assets/research-reports/fsm_please_sir_jan09.pdf, pp 4, 13

²² S Davies, M Nolan, 2003, 'Making the best of things': Relatives' experience of

1.14 *Beliefs and feelings*: The decision to claim is influenced by attitudes, beliefs and stigma. Claiming has to be acceptable. The influence here is far from straightforward; pensioners are widely thought to have a legitimate claim, and lone parents are often condemned for 'dependency' and having children they can't afford, but the takeup figures work in the opposite direction.

1.15 *Perceived stability of circumstances*. Potential claimants have to think their condition would last long enough to make it worthwhile. This is the most likely reason for the relatively low takeup of Jobseekers' Allowance. One of the largest reasons for disability is stroke, but many people who have had strokes hope and expect to get better, and it can take many months before the position is clear.

1.16 *Making a claim*. The last stage is crucial: once all the decisions are made, people have actually to go through the process of applying, or nothing will happen. Applying for benefit is often difficult, time-consuming and intrusive. Attendance Allowance asks people, for example, if they can use the toilet without help. A report from Help the Aged comments that Attendance Allowance recipients 'found claiming it to be a tiring, repetitive and confusing process.'²³ Another study found that claimants lost money because of problems with the process, and some were dead before the benefit came through.²⁴

2. What are the gaps in knowledge/research and how can they be improved?

2.1 The empirical evidence about benefits is hard to reconcile with these explanations. If the problem is perceived need, why should Attendance Allowance have a better takeup than the care component of DLA and PIP? If it is complexity, why should Housing Benefit be claimed so much more often than the very similar Council Tax Benefit? If it is stigma, shouldn't lone parents be more reluctant to claim than pensioners? It may be that the figures tell only part of the story: for example, the low takeup of Pension Credit may well conceal people who are not entitled because of other resources. Possibly the figures themselves are suspect - there is always a difficulty in benefits authorities identifying the people who don't claim, because (almost by definition) these are people they don't generally come into contact with. It may be that there is an interplay of factors. But it looks as though we understand the problems and influences rather less well than we like to think.

2.2 The figures for Tax Credits are particularly anomalous. Child Tax Credit has the second best takeup figures in Table 1. It is means-tested, and dreadfully complex; it is exceedingly difficult to claimants to know what their entitlement is or should be. It is based on an annual assessment, but where that assessment is miscalculated (as it often is) claimants are liable to repay. The Ombudsman has questioned 'whether a financial support system which included a degree of inbuilt financial insecurity could properly meet the needs of very low

decisions about care-home entry, *Ageing and Society*, 23, pp. 429–50; H Arksey, C Glendinning, 2007, *Choice in the context of informal care-giving*, *Health and Social Care in the Community*, 15(2), pp. 165–75.

²³ Help the Aged, 2006, *Benefits and take-up: Help the Aged Policy Statement*, London: help the Aged.

²⁴ G Nososkwa, 2004, *A delay they can ill afford*, *Health and Social Care in the Community*, 12(4) 283-287.

income families and earners.²⁵ HMRC, the agency responsible for paying the Tax Credits, have said that there are some claimants whose previous bad experience means that they are not prepared to claim benefits at all, even for thousands of pounds.²⁶ Despite that, HMRC claim that five out of six of the people entitled get it, that the takeup of CTC among families out of work (97-100%) is even better than the takeup of Child Benefit, and that although nearly 8% of the benefit is mis-paid, almost none of it is due to official error. This is pretty hard to believe. If the takeup figures are anywhere near right, it seems to follow that means-testing and complexity are not what matters most; the important thing is to get a mechanism in place that gets the money out to people. If they are not right - and one has to say that they run counter to everything we thought we knew about takeup in other circumstances - any arguments based on these figures is open to challenge.

3. How can the administration of benefits be improved to maximise takeup?

3.1 It tends to be treated as self-evident in discussions of social security benefits that if people can get more money, they are going to want to claim that money. That is the basis both of simple-minded models based on incentives and 'rational choice',²⁷ as well as attempts to apply behavioural economics by 'nudging' people into desired patterns of behaviour.²⁸ Failing to take up benefits implies that something has gone wrong; it is just a question of overcoming the obstacles or 'tipping the balance'.²⁹ Some of the same problems occur in other social services, but beyond that, it is fairly clear that people have difficult, complex relationships with the services they receive. There is a large and complex literature in health care on 'help seeking' behaviour: studies suggest a complex interaction of attitudes to the condition, understanding about what can be done, perceived benefit and attitudes to services.³⁰ Older people may be resistant to receiving help in their homes.³¹ Some people do not take the drugs they are prescribed.³² Social housing can stand vacant while a long series of people in difficult circumstances refuse to accept the accommodation offered, because accepting it may have implications for decades afterwards.³³ These examples cannot be put down to barriers to access, or complexity, or ignorance, or the mechanics of claiming; they are about other things.

3.2 The benefits which seem to have the best takeup - Child Benefit and State Pension - are not means tested, but there is more to it than that. They are also benefits where the bar

²⁵ Parliamentary and Health Service Ombudsman, 2007, Tax Credits - Getting it Wrong? HC 1010, p 5.

²⁶ P Gerrard (HMRC Transformation Programme Director), 2008, Tax Credits and Child Benefit, DWP Annual Forum, Glasgow, 20th November; see also Parliamentary and Health Service Ombudsman, 2007, pp 3-4.

²⁷ e.g. C Murray, 1984, *Losing Ground*, New York: Basic Books.

²⁸ R Thaler, C Sunstein, 2008, *Nudge*, New Haven: Yale University Press.

²⁹ as in C Davies, J Ritchie, 1988, *Tipping the balance: a study of non-takeup of benefits in an inner city area*, London: HMSO.

³⁰ See e.g. C Burgess, A Hunter, M Ramirez, 2001, A qualitative study of delay among women reporting symptoms of breast cancer, *British Journal of General Practice* 51 967-971; A Mansfield, M Addis, J Mahalik, 2003, 'Why won't he go to the doctor?', *International Journal of Men's Health* 2003 2(2) 93-109

³¹ E Moen, 1978, The reluctance of the elderly to accept help, *Social Problems* 293-303.

³² See e.g. J Urquhart, 1996, Patient non-compliance with drug regimens: measurement, clinical correlates, economic impact, *European Heart Journal* (1996) 17 (Supplement A), pp 8-15

³³ H Pawson, A Kearns, 1998, Difficult to Let Housing Association Stock in England: Property, Management and Context, *Housing Studies* 13:3 pp 391-414

for entitlement is clear, where the benefit is paid for a long duration, is not affected by subsequent changes in circumstances and continues in payment until there is good reason for it to stop.

4. How far is it possible for technology to create a more automated system, that used information gathered for other reasons to award benefits automatically? What would the advantages/disadvantages be of greater automation?

4.1 More than fifty years ago, Professor Richard Titmuss expressed his exasperation with 'computermania': technology cannot provide answers to the moral, economic and political arguments that are characteristic of benefits.³⁴ What technology can do, in principle is to smooth the process of application – or, as we have seen with Universal Credit, to make it more difficult still. Some benefits are intrinsically complex, because they require information about a wide range of issues – such as household composition, income, liabilities, and details of accommodation.³⁵ The larger the number of moving parts, the less certain the information is and the greater the frequency with which information has to be included, the more likely it is that things will go wrong. The fundamental problem with PIP, with Universal Credit or with Funeral Expense Assistance is not the technology; it is the questions we ask.

4.2 Benefits are generally designed on the principle that the recipients have to claim them - they are, in technical terms, a 'subjective right', which people can choose to use or not. It is not obvious that this has to be the case, and the delivery of benefits could be done with a greater degree of automaticity. For example, people admitted to hospital after a stroke could be offered related disability benefits before returning home, without further assessment. An experiment in automatic entitlement has been made with Pension Credit. Enrolling people automatically, and looking for pensioners to claim only at the end of a period, did lead to an improvement in takeup, but a more effective method was to use human contact - a visit to the home and assistance with the claiming process. Even then, more than a quarter of claimants prompted to claim fell at the final hurdle - starting the process but failing subsequently to see it through.³⁶

5. What can we learn from previous campaigns to increase take-up? Specific examples of projects or approaches that improved benefit take-up, particularly those that were evaluated, would be welcomed.

5.1 There is often a certain naivety in the literature on takeup - the assumption, for example, if people don't know about benefits, they need to be better informed, or that if they feel stigmatised, they just need to be reassured about their entitlement. The experience of health services again provides us with a salutary lesson. Some of the problems of takeup in health care are very similar to the problems of takeup in social security.³⁷ The National Health Service is well known about, socially accepted, and strongly rooted in entitlement. Eligibility is clear and the route to access is evident. None of this has been sufficient to ensure full access and utilisation.

³⁴ R Titmuss, 1968, Universal and selective social services, in Commitment to welfare, London: Allen and Unwin

³⁵ P Spicker, 2005, Five types of complexity, Benefits 13 (1) pp 5-9.

³⁶ L Radford, 2012, Quantitative evaluation of the Pension Credit payment study, DWP, p 14

³⁷ e.g. C Shaw, R Tansey, C Jackson, C Hyde, R Allan, 2001, Barriers to help seeking in people with urinary symptoms, Family Practice 18(1) pp 48-52; H Broadaty, C Thomson, C Thompson, M Fine, 2005, Why caregivers of people with dementia and memory

5.2 It is difficult, from the evidence that I have reviewed, to argue that any measures are likely to be outstandingly effective. There are two supplementary approaches which seem plausible. One is the use of outreach - linking with communities, social groups and other services in order to extend the reach and operation of services. Finn and Goodship recommend 'Taking information into communities through outreach activities, often in partnership with other trusted intermediaries, such as health workers, and community based organisations.'³⁸ The second is the importance of human contact - having a guide to lead people, like Virgil, through the circles of the damned. That is one of the key elements in the work done by the Citizens Advice Bureaux to support older people,³⁹ or of the development of support for older people from minority ethnic groups in Newcastle.⁴⁰ It was shown to have a major influence, too, on patterns of take-up in the experiment to make Pension Credit more automatic. In the normal course of events, 2.9% of eligible non-recipients claimed without prompting. When people were automatically enrolled for an initial period, 8.6% subsequently claimed. When people were visited and the issues were discussed, the proportion of successful claims increased to 13.1%.⁴¹

6. Are different approaches required for different benefits and different client groups? What kinds of eligibility criteria ensure better take-up?

6.1 There is some reason to suppose that State Pension and Child Benefit work better than most other benefits; but it is not certain that their relative advantages can be transferred effectively to other benefits, such as those for disability, unemployment or (as in health care) responsiveness to personal needs. The main benefits which will be administered in Scotland will be those for people with disabilities. I have pointed to two key problems which affect existing benefits: most people with disabilities do not identify themselves as being in the potential claimant group, and many people who do apply do not understand the criteria that are being applied, especially the criteria relating to the 'care component'. It may help if Mobility Allowance was restored; people know more or less what mobility means.

6.2 The conventional representation of economic relationships generally assumes that producers are offering commodities - packages of goods or services that are produced, and then offered for sale to the consumer. Consumers decide whether to purchase or not to purchase. But, Stephen Osborne argues, personal services are not like that.⁴² At the most basic level, it is not possible to 'receive' health care, or education, or social housing, or social work, without the user being there. Services are being delivered when they are being used. There is not just one transaction; there is a continuing set of interactions, and necessarily there has to be some kind of relationship with the user.

³⁸ D Finn, J Goodship, 2014, Take-up of benefits and poverty, Centre for Economics and Social Inclusion, <http://www.cesi.org.uk/sites/default/files/publications/Benefit%20Take%20Up%20Final%20Report%20Inclusion%20proofed%20June%202014%20pdf.pdf> pp 59-60

³⁹ CAB, 2003, Serious benefits: the success of CAB benefit take-up campaigns, http://www.citizensadvice.org.uk/pdf_serious_benefits.pdf

⁴⁰ S Moffat, J Macintosh, 2006, It makes a huge difference, Newcastle-upon-Tyne: Newcastle University

⁴¹ Radford, 2012.

⁴² S Osborne, Z Radnor, G Nasi, 2013, A new theory for public service management?, American Review of Public Administration 43(2) pp 135-58.

6.3 Service users partly shape this relationship, as well as acting within it. Osborne discusses this relationship as a form of 'co-production'.⁴³ The terminology is not very satisfactory, because it seems to more control than many service users will actually have; but it does make the important point that the user has a part to play in the distribution and delivery of services. The role of co-production goes far beyond the question of determining whether or not service users are going to receive a service. Service users negotiate, they discuss, they bargain, they resist, they change the pattern of service delivery; often they do part of the service provision themselves.⁴⁴

6.4 When we think of flexible, responsive, individualised relationships with service users, cash benefits are probably not the first services that spring to mind. It may well look at first sight as if social security is in a class of its own, quite different from the other social services. Benefit rules tend to be strictly regulated and defined. Many benefits are relatively automatic and impersonal - more a commodity than a service. But the most impersonal benefits, like basic pensions or child benefits, are also the benefits which are least likely to suffer major problems of non-takeup. Other benefits often look and feel like personal services in practice, and their claimants - or service users - have a role to play, just as they do in other personal services. Disability benefits may get paid on an impersonal basis, but the process of applying, negotiating entitlement or undergoing re-assessment are anything but impersonal. 'Welfare to work' and activation schemes are highly dependent on interactions with individuals. Conversely, something similar is true in relation to many social services, including health and social care, which may offer specialised financial support as well as benefits in kind. Benefits and social services are not so far apart as they might first appear. The takeup of benefits may well, like the takeup of services, have to be understood in terms of a complex set of personal interactions in the relationships between services and their potential users.

7. How might the development of Scottish social security impact on take-up of both reserved and devolved benefits?

7.1 It is unlikely to be the case that improving the delivery of any benefit, or any set of benefits, will transform attitudes to other benefits delivered through different processes and on different criteria. Despite several major changes to means-tested support for pensioners – the introduction of rights, a guaranteed minimum, shifting from National Assistance to Supplementary Benefit to Pension Credit - the takeup of that support has remained stubbornly unresponsive.

7.2 Benefits are not made 'simpler' or more accessible when they are lumped together in one, big benefit. The problem is fairly obvious in the operation of Universal Credit – the rules for housing benefit have had to be retained, along with new ones. But the attempt to lump benefits together jeopardizes the stability of the income package; when things go wrong, or even when some circumstances change, everything stops. In the former system, Housing Benefit offices would receive notice from the DWP that a person had ceased to be in receipt of a qualifying benefit, and despite the rules which specified that the payment of

⁴³ Z Radnor, S Osborne, 2013, Lean: a failed theory for public services?, Public Management Review 15(2) 265-287, p 278.

⁴⁴ D Prior, M Barnes, 2011, Subverting social policy on the front line, Social Policy and Administration 45(3) 264-279.

HB should be continuous, benefits would have to be stopped pending further information. In Universal Credit, catastrophic discontinuations are integral to the design.

7.3 The interaction between the Scottish system and the reserved benefits has to be thought of differently. Providing benefits is not like the provision of other services: money is 'fungible', so that income from different sources can be mixed together. What matters for each person is the 'income package', the total amount they end up with.⁴⁵ The most effective way to integrate systems is not to dovetail benefits into each other, or to combine claiming processes, but the opposite: each benefit needs to stand alone. I have argued in previous work that the Scottish system should aim, like the system in France, to deliver a range of smaller, stand-alone benefits.

People should be receiving a collection of small, simple, predictable benefits; their total income will depend on the accumulation of a range of benefits, but the loss of one benefit will not leave people penniless. Using a range of smaller benefits would allow for a degree of responsiveness to varying needs. To make the system more predictable and manageable, there should be common pay days over common time periods - every benefit should have the same pay day for everyone. The advantage of such a system would be the provision of a relatively secure, stable income, delivered at regular intervals.⁴⁶

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⁴⁵ L Rainwater, M Rein, J Schwartz, 1986, *Income packaging in the welfare state*, Oxford: Oxford University Press.

⁴⁶ P Spicker, 2014, *Developing a social security system for Scotland*, Edinburgh: Chartered Institute of Housing.