

Missing out 2024: £23 billion of support is unclaimed each year

Policy in Practice finds that the total amount of unclaimed income related benefits and social tariffs is now £22.7 billion a year

Authors: Deven Ghelani, Rachael Walker

Contributors: Janet Harkin, Rory Ewan, Kate Collins, Zoe Charlesworth, Jack Rowlands



Contents

Foreword	3
Executive summary	5
Recommendations	10
About Policy in Practice	12
Missing out 2024: £23 billion is unclaimed	13
DWP and HMRC administered benefits	15
Locally administered benefits	21
Social tariffs and support for utilities	28
Technical appendix and methodology	35

Foreword

Understanding the number of people in need, the level of unclaimed benefits, and who is missing out is a fundamental step towards effective advocacy and support for the most vulnerable members of our society. This research aims to provide insights into the national and regional dynamics of need, supporting organisations nationwide to improve lives, mirroring our mission.

Last year, Policy in Practice revealed that the value of unclaimed income related benefits and social tariffs stood at £19 billion annually. A year on, reflecting the developments of the last 12 months, the number now stands at £23 billion a year.

What is evident from the research is that both the number of people in need and the severity of their needs are increasing, while opportunities to transition them out of such circumstances are reducing.

Various factors underscore this trend:

- Household debt is rising by £8.8 billion a year
- More than one in five households have less than £100 left at the end of each month
- There is limited availability of housing with an estimated shortfall of 1.5 million homes

This has placed significant burdens on local authorities, housing organisations, and various other organisations in the welfare support sector, leaving them grappling with escalating demands against constrained resources.

This is clearly evidenced by:

- Financial constraints on local authorities where one in five local authorities are at risk of Section 114 notices
- Escalating costs associated with rising homelessness, and temporary accommodation costs, seeing a 62% increase since 2020
- Rising inequality in health and educational outcomes for children in the most deprived areas, as social care costs continue to rise

The challenge is multifaceted, consisting of immediate crisis relief and, more crucially, the daunting task of addressing systemic issues to prevent the continual cycles of distress.

Amidst these challenges, innovative organisations are creating cost efficient strategies to support financially vulnerable households emerge as beacons of hope. By focusing on prevention and early intervention we can unlock pathways to long term prosperity and break the shackles of generational hardship.

The first step is identifying those in need and removing barriers to their ability to access the support they deserve.

Ensuring households access the £23 billion of unclaimed benefits and support is one of the most cost effective actions individuals and organisations can take. This helps households to manage their finances proactively, effectively, and independently.

That's why numerous councils prioritise prevention and early support for their most vulnerable residents.

Maximising income through the take up of benefits remains essential to supporting households during the cost of living crisis and beyond, tackling poverty and its causes and helping to prevent further financial crises.

Our findings show that as a society, we can't afford not to consider these measures to prevent further costs to our health, education and social care services. It is estimated that, by improving pension credit take up alone, the cost of social care will decrease by £4 billion a year.

This is something that cannot be ignored.

This report serves as a critical tool in this endeavour, shedding light on the magnitude of the need, identifying barriers, and proposing pragmatic solutions. It is our collective responsibility to ensure that people in need are identified and empowered to access support.

Thank you to all those who have contributed to this research. We hope that the insights in this report will serve as a catalyst for meaningful change, driving us closer to a society where every person has the opportunity to thrive.

Jade Alsop

Managing Director of Policy in Practice



Executive summary

Policy in Practice estimates that the total amount of unclaimed income related benefits and social tariffs across Great Britain is now £22.7 billion a year. This represents a 21% increase on earlier estimates, driven by uprating, the rollout of Universal Credit, and improved estimates which typically show take up is lower than previously assumed.

With the links between poverty, health, and public services being well established, maximising income through the take up of benefits is essential to help both people on low incomes and public services to cope in the face of rising living costs and increasing demand. Understanding levels of unclaimed benefits is also crucial to addressing unmet needs and structural gaps in the welfare system.

As more than 400,000 working age households migrate to Universal Credit in 2024, and as we approach a general election where an incoming government will face limited budgets and rising demand for public services, this report examines what we know about unclaimed benefits, and how we can maximise income locally, regionally, and nationally.

To estimate the levels of unclaimed support, we have used official figures provided by the government where available. Where data is not available we have adopted a range of methodologies and used latest available information to provide a robust estimate of unclaimed benefits. The overall figure of unclaimed support excludes disability benefits and discretionary support, both of which require a further assessment. Including these elements pushes the true level of unclaimed support to over £30 billion.

Our mission is to maximise the incomes of low income households, making access to the welfare system simpler, fairer, and more efficient. We support local, regional, and national government to address unclaimed benefits through the smart use of benefit data.

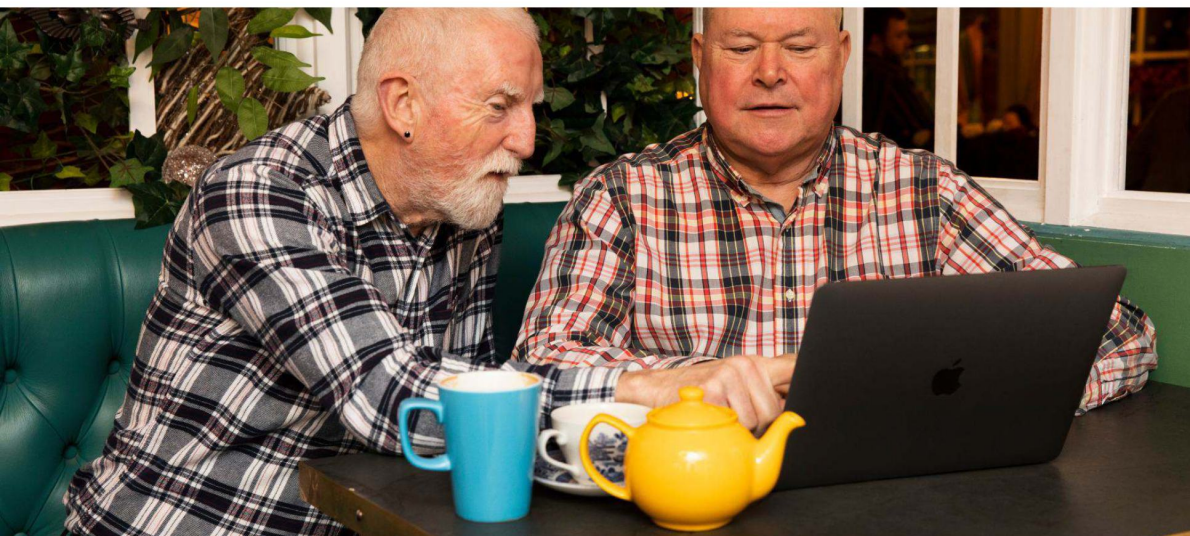
Since we launched our Missing Out analysis in 2023, 270,000 households are better off by £260 million a year as a direct result of our work with partners using the LIFT platform. For many, this means the difference between struggling to get by or not. Our work is also helping our local authority clients to reduce arrears by around £12 million each year.

Organisations that use our Better Off Calculator have helped over half a million people to claim nearly half a billion pounds a year. Every day around 10,000 people use the Better Off Calculator through our clients or via GOV.UK to check their eligibility for benefits. Many get direct access to support schemes with a single click through our Apply Once capabilities.

Meanwhile, we continue to call for greater transparency over claimed and unclaimed support levels across the spectrum of benefits available for working age and pension age households. We also urge the government and its partners to improve the flow of data across the welfare system to further unlock the potential of administrative data and proactively deliver a more efficient, streamlined social security system.

Table 1: Unclaimed benefits and support in 2024

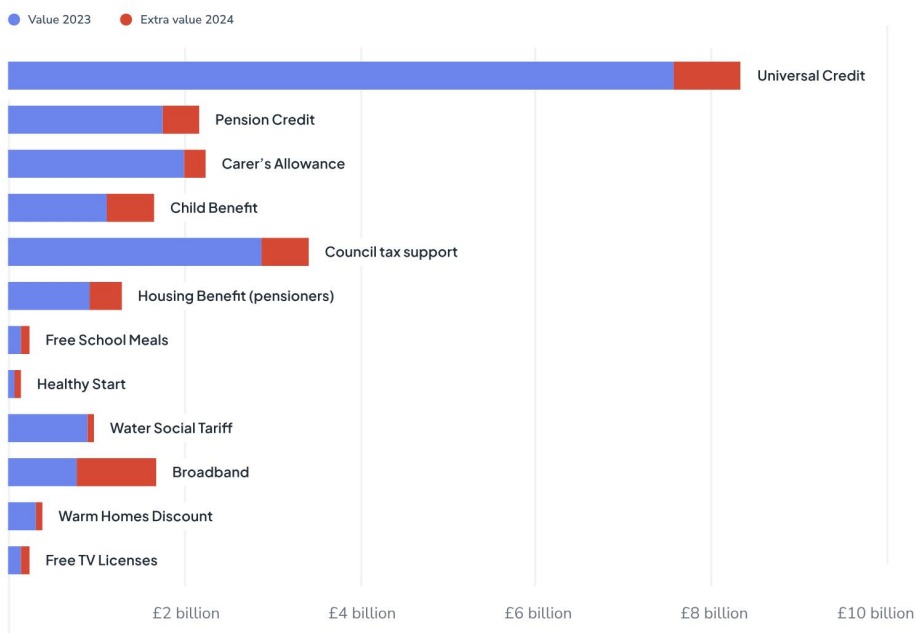
Missing Out 2024: Unclaimed benefits and support in 2024 / 25			
DWP / HMRC benefits	£ million	Missed claims	Average / Claim
Universal Credit	£8,306	1,439,019	£5,772
Pension Credit	£2,162	807,704	£2,677
Carer's Allowance	£2,254	529,306	£4,259
Child Benefit	£1,652	838,291	£1,970
Locally administered benefits			
Council Tax Support	£3,411	2,254,099	£1,513
Housing Benefit for Pensioners	£1,274	293,646	£4,338
Free School Meals	£231	471,069	£490
Healthy Start	£132	181,255	£726
Social tariffs and energy support			
Water	£974	6,088,693	£160
Broadband	£1,680	8,401,802	£200
Warm Homes Discount	£384	181,255	£726
TV Licences	£249	1,470,966	£170
Total	£22,709	8,401,802	£2,703



Why are benefits going unclaimed?

In the first of our Missing Out reports we identified £18.7 billion in unclaimed means tested benefits. Since then we have continued to work with government, housing providers, and utility companies to proactively address unmet needs.¹ In spite of this success, we find £4 billion in additional unclaimed benefits in 2024, bringing the total of unclaimed support to £23 billion a year.

Chart 1: £23 billion unclaimed value by benefit, April 2024



Much of the £4 billion increase can be attributed to inflation linked uprating of benefits for working and pension age claimants and the unfreezing of Local Housing Allowance rates to the 30th percentile of local rents, the first such increase since 2020.

The rollout of Universal Credit also has an impact. This is because we have excluded legacy benefits from our estimates as they can no longer be claimed, so as more people become eligible for Universal Credit, the number of people missing out increases too. The DWP's own estimates show a fall in take up of Universal Credit as people are migrated across from legacy benefits. We have also seen lower take up estimates published by the DWP for Pension Credit and Housing Benefit for pensioners this year.

Whilst it is disappointing to see more support going unclaimed we welcome the DWP's greater transparency on take up rates and look forward to seeing official estimates for the take up of Universal Credit next year.

¹ <https://policyinpractice.co.uk/report-missing-out-19-billion-of-support-is-unclaimed-each-year/>

We have improved our estimates for locally administered benefits by breaking down figures for working age and pension age households for council tax support, and taken into account family composition for Healthy Start and Free School Meals.

For social tariffs and help with utilities, the changes relate primarily to our revised estimates for other means tested support as this is typically the core qualifying criteria, and some refinements to our approach. Social tariff take up rates remain the lowest of all of the benefits included in our analysis, with no official updates to estimates from the regulators.

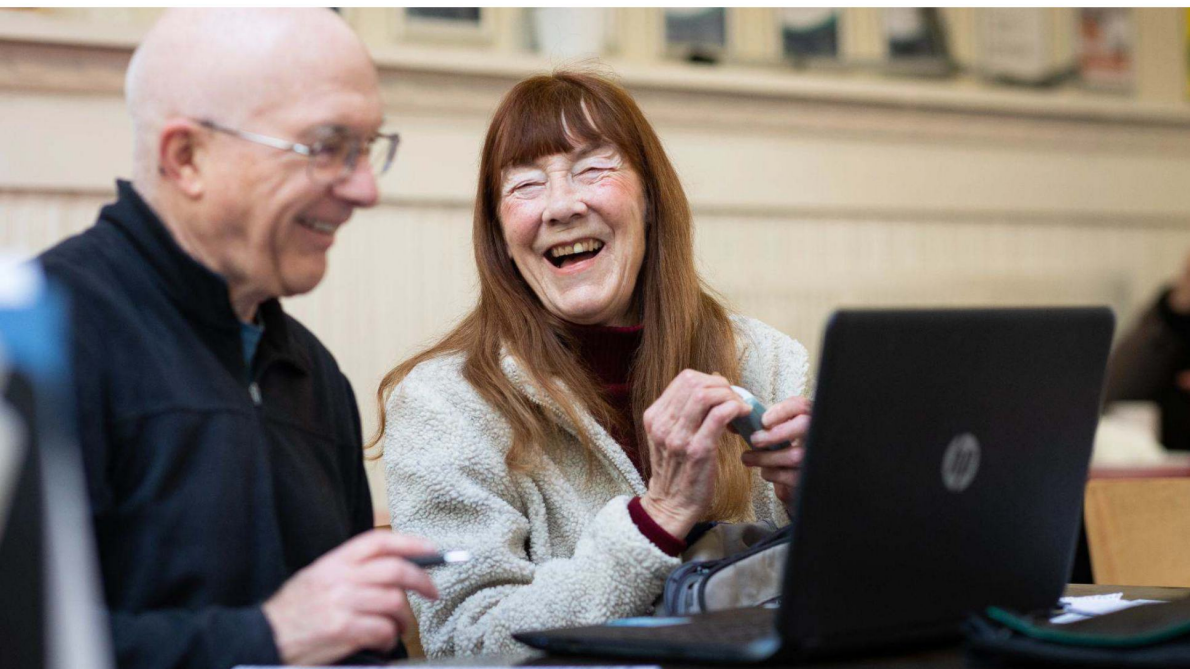
We know the administrative burden of applying for multiple low value benefits while negotiating the applications for core social security can be a challenge for customers, and we are working actively with the sector to improve data sharing.

There are some improvements: Healthy Start shows that it is possible to narrow the unclaimed benefit gap. Concerted efforts through local agencies to increase Healthy Start take up have paid off, improving mental, physical, and financial health for young families. This shows that action to improve take up rates can make a real difference to people's lives.

Living with financial stress is impacting our communities, and tackling the gap will improve outcomes for people across the UK by improving education and health outcomes for children, widening social participation, and reducing the burden on the national health and social care system.

Since the launch of Missing Out 2023 one of the most common responses to unclaimed benefit figures is to ask if we as a country can afford the additional spending needed to close the gap. We argue that support from the social security system is a right, and low income households cannot afford to miss out on the support they are eligible for. We argue that the system is failing to provide support to people entitled to it.

We cannot afford to not close the unclaimed support gap.





Awareness

Many claimants are simply unaware that certain benefits exist or assume that they won't be eligible



Complexity

Having to apply for half a dozen different benefits, navigating complex criteria, and proving eligibility are all barriers to claiming



Stigma

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



Case study

Felix

Carer for his father who has Alzheimer's disease

"Unfortunately people have to be unrealistically proactive to understand how the systems connect and what they're eligible for. More often than not this is left to our most vulnerable people or those who care for them, leaving them without the resources they need.

"As more people are left caring for their loved ones they not only have to adjust to the emotional burden but must also very quickly learn how to navigate an extremely disparate network of organisations there to 'support' them.

"I hope no one else experiences the anger and frustration my family has over the years. We really need to see signs of improvement."

Recommendations

Three actions for policymakers

1. Reduce complexity: Address the system as a whole

Universal Credit was brought in to simplify the social security system, but more needs to be done to ensure the safety net is not left with holes in it, and to make the benefit system easier to navigate.

Technology is outpacing policy, creating a stagnant infrastructure. Better use of data can bring benefits to claimants and efficiencies to taxpayers alike. This can include greater sharing of data across government, enabling data to be used to link entitlements and passport claims, joining up application routes, and allowing claimants to give their consent for data to flow between organisations. The system is not yet greater than the sum of its parts, but it can be.

2. Raise awareness: Change the messaging around benefits

The DWP has a responsibility to ensure that the right people are paid the right benefits at the right time. While there needs to be a focus on ensuring that fraudulent payments are not made, this shouldn't be at the expense of support going unclaimed or underclaimed.

Targets should be set by DWP to maximise take up of support through Job Centres and local authorities. Simple actions such as encouraging people to claim and ensuring that benefit entitlement checks are performed at contact could make a big difference.

The DWP should also encourage people to use one of the benefit calculators on [GOV.UK](https://www.gov.uk) and allow data on a successful assessment to be shared to enable access to other support.

The same is true of the regulators that oversee social tariffs and related support for consumers: they should ensure that utility companies meet targets for take up and highlight best practice, including enabling access to wider unclaimed benefits as well as sector specific support, recognising that someone struggling to pay their water bill is likely to struggle to pay their energy or council tax bill and vice versa.

3. Be proactive: Share data across the social security system

We already see the benefits of sharing information systematically. For example, real time information on earnings is passed from HMRC to DWP to support the assessment of Universal Credit without placing the onus on the applicant to update their income every month.

But more data can be shared between organisations, and more can be done to act upon the information. For benefits such as social tariffs or Free School Meals, unlocking the proactive power of data to consolidate applications can be transformative, easing the burden for applicants whilst streamlining administration.

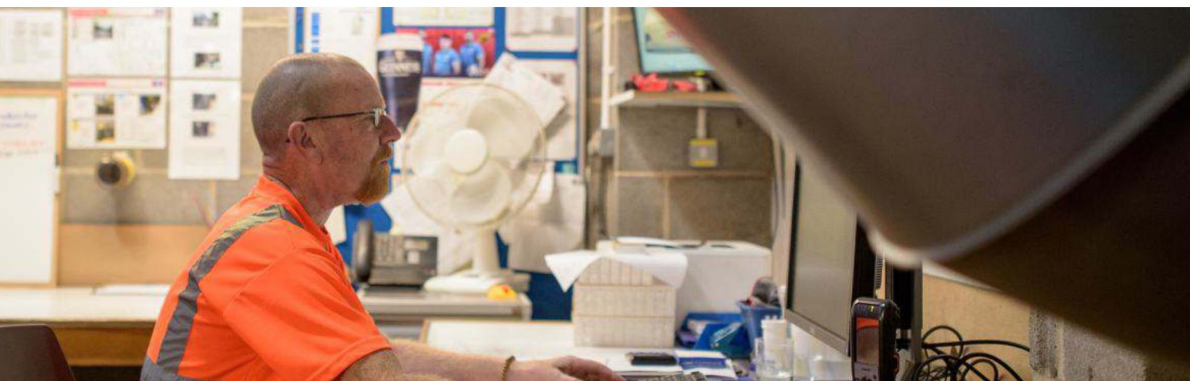
One simple move to ensure data is shared proactively with local government would be for the Universal Credit application form to set the default to people 'opting in' to express interest in claiming council tax support. This would increase the flow of data to local authorities and reduce complexity for claimants and administrators. Regulators could work harder to ensure data is shared across utility companies, and bring social tariffs together into a national programme of support.

Two actions for local authorities and other organisations

- 1. Proactively identify and contact residents in need using data analytics.** Engage with them about the support they are missing out on. Data driven insights from the [Low Income Family Tracker analytics platform](#) are being used by some leading councils to design and launch benefit take up campaigns. Its use is expanding to private sector and third sector organisations to help people in debt, and to support financially vulnerable customers.
- 2. Check eligibility for all support on behalf of your customers.** Many people don't know they are eligible for benefits, and customers who turn to regulated sectors for help paying their bills should be able to access wider unclaimed support. A growing number of councils and utility companies use the 'Apply Once' feature of the Better Off Calculator to allow customers to consent to share their data across sectors to create a passport to apply for and access other support.

One action for families

- 1. Check to see if you, or any of your friends or family are missing out.** You can find your share of the £23 billion of unclaimed benefits using a free benefits calculator as shown on [GOV.UK](#). Policy in Practice's free calculator is available at [betteroffcalculator.co.uk](#)



"LIFT means we can make a big impact using limited resources for maximum gain. Increasing income into a household is also a good start to talking about how we can help reduce their council tax arrears. If we don't act on the data we have, I think we're failing our residents."

Paul Furness
East Riding of Yorkshire Council



About Policy in Practice

Policy in Practice is a social policy software and analytics company that helps hundreds of thousands of people each year to access nationally administered benefits, local support including Council Tax Support, a range of discretionary support schemes, support offered by the Scottish, Welsh, and Northern Ireland devolved administrations, and a wide range of social tariffs offered by companies in regulated industries.

We believe it should be easy for people to access support.

We built the award winning Better Off platform to close the unclaimed support gap we identified. It makes it easy for organisations to build the income of their customers and reduce their costs. Each tool is powerful alone and they're even better together.



[Better Off Calculator](#)

A smart, easy calculator to help you maximise your customers' income, increase engagement and save time and resources



[Low Income Family Tracker](#)

Intelligent data analytics software to help you maximise your resident's income and reduce your costs



[Multi Agency Safeguarding Tracker](#)

Simply clever software to help safeguarding professionals securely share headline data and make more informed safeguarding decisions



[Policy analysis](#)

Essential expert social policy analysis to help you make better evidenced decisions

Contact us

Contact us to learn more about how we help people on lower incomes to access unclaimed support.



hello@policyinpractice.co.uk



policyinpractice.co.uk



0330 088 9242

For media enquiries visit



policyinpractice.co.uk/media

Missing out 2024: £23 billion is unclaimed

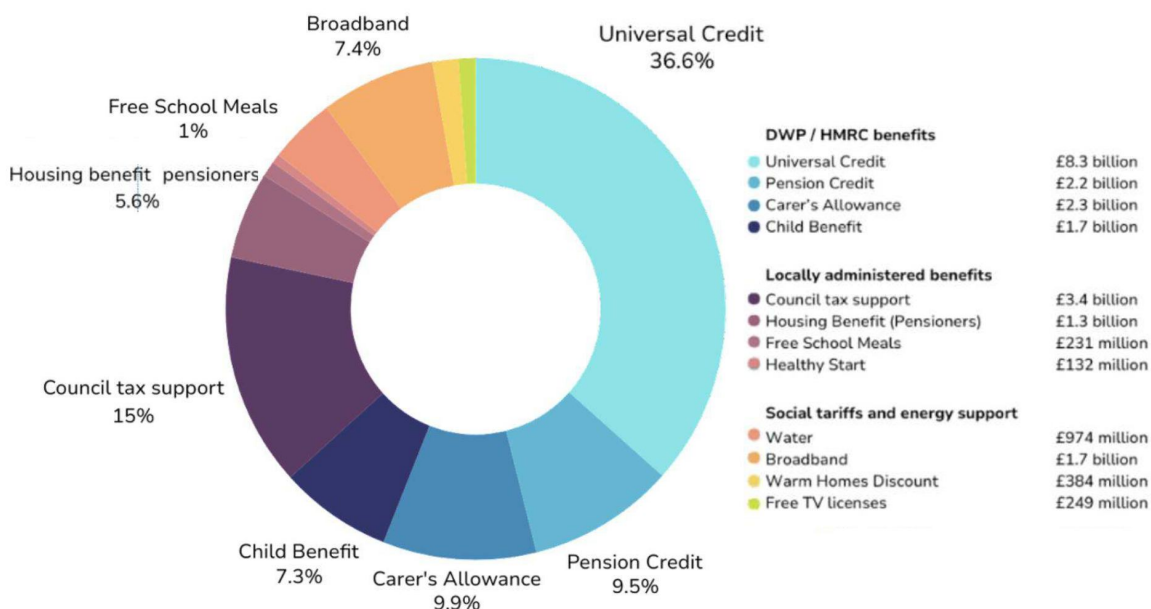
Understanding levels of unclaimed benefits is crucial to addressing both unmet need and structural gaps in the welfare system. As more than 400,000 working age households migrate to Universal Credit in 2024, and as we approach a general election where an incoming government will face limited budgets and rising demand for public services, this report examines what we know about unclaimed benefits, and how we can maximise income locally, regionally, and nationally.

To estimate the levels of unclaimed support, we used official figures provided by the government where available. Where data is not available we have adopted a range of methodologies and used the latest available information to provide a robust estimate of unclaimed benefits. The overall figure of unclaimed support excludes disability and health related benefits and discretionary support, both of which require a further assessment. Including these elements pushes the true level of unclaimed support to over £30 billion.

Estimating the impact of unclaimed support for individuals is complex as multiple benefits overlap and some are mutually exclusive.

Poverty is not spread evenly. Locally and regionally, the impacts are felt acutely by communities living on low incomes. Table 1 provides the breakdown of estimated unclaimed benefits across England, Scotland, and Wales, with the average for those missing out estimated to be over £2,700 per year.

£23 billion unclaimed value by benefit value, April 2024

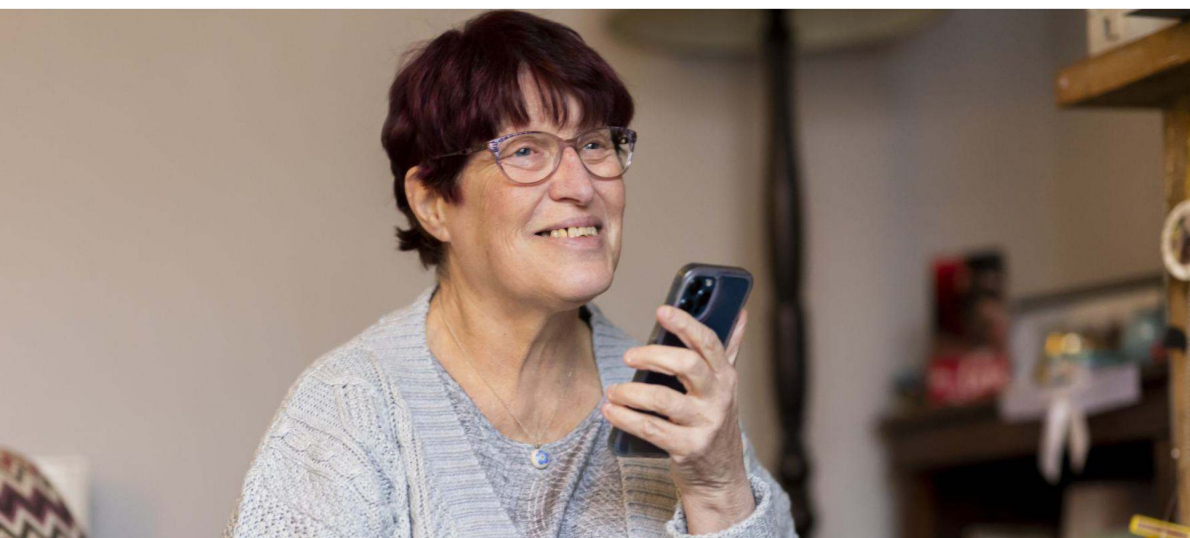


We know the total amount of unclaimed support is likely to be considerably higher than £23 billion, as our estimates exclude both discretionary support schemes and disability benefits.

Localised discretionary welfare support in the form of Discretionary Housing Payments are worth a minimum of £100 million in 2024/25 and the Household Support Fund will deliver another £500 million between April and September 2024.² With more than 350 local authorities providing at least as many discretionary schemes, the patchwork of localised provision and sparse award data at a national level provides too much variation to examine, but is currently worth at least £1.2 billion per year.

We also exclude estimates for the value of unclaimed disability and ill health benefits. Health related financial support is assessed on a case by case basis and in 2023 we estimated £5.2 billion of Attendance Allowance was unclaimed by 1.1 million potentially eligible older people, while a smaller amount of Personal Independence Payment is likely going unclaimed by people of working age. We will continue to explore ill health benefits in 2024.

Together these estimates mean the total amount going unclaimed is likely to exceed £30 billion.



"Our Tenancy Sustainability Team consists of myself and two advisors. We are embedded into other frontline services and all potential customers are referred to us at the pre allocation stage to get them tenancy ready.

"In the financial year 2023/24 we supported 2,460 customers to get £4.2 million in increased income and grants."

Beverly Hiden
Community Housing

COMMUNITY
HOUSING

² <https://www.gov.uk/government/publications/housing-benefit-subsidy-circulars-2023/s12023-discretionary-housing-payment-government-contribution-for-english-and-welsh-local-authorities-for-financial-years-ending-march-2024-and-march#annex-a-100-million-discretionary-housing-payment-government-contribution-local-authority-allocations-for-financial-year-ending-2024>

DWP and HMRC administered benefits

National benefits administered by the Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC) make up the lion's share of unclaimed support. The core benefits administered by DWP include Universal Credit, Pension Credit and Carer's Allowance, while the main HMRC administered benefit is Child Benefit.

DWP / HMRC benefits	£ million	Missed claims	Average / Claim
Universal Credit	£8,306	1,439,019	£5,772
Pension Credit	£2,162	807,704	£2,677
Carer's Allowance	£2,254	529,306	£4,259
Child Benefit	£1,652	838,291	£1,970
Total	£14,374	2,246,723	£6,398

Universal Credit

Universal Credit provides financial support for living expenses and rent worth an average of £5,700 a year to working age people both in and out of work. It can be worth considerably more for people who need help with higher rents, childcare or health issues which affect their ability to work. Since its launch, more than six million people have claimed.

Universal Credit	2024	2023	Change
Missed claims ('000s)	1,439	1,255	14.7%
Value (£ million)	£8,306	£7,565	9.8%

Universal Credit, the government's flagship welfare reform, is the most underclaimed benefit. Latest DWP figures show more than 4.8 million households are currently claiming Universal Credit and over the next 12 months more than 400,000 households will migrate to Universal Credit from legacy benefits.

The Managed Migration programme is more than a logistical challenge for DWP and related organisations; progress to date tells us more households than expected have decided to not move to the new system.³ The impact for these households is yet to be seen, but it will mean many will lose their entitlement to passported benefits. The DWP is expected to have awarded more than £60 billion by the end of the 2024/25 financial year, around a third of annual means tested welfare spending.⁴

³ <https://researchbriefings.files.parliament.uk/documents/CBP-9984/CBP-9984.pdf>

⁴ <https://obr.uk/forecasts-in-depth/tax-by-tax-spend-by-spend/welfare-spending-universal-credit/#:~:text=Due%20to%20the%20continuing%20rollout,88.1%20billion%20in%202028%2D29>

We estimate a take up rate of 77%, and an expenditure take up rate of 86%, unchanged from our last report.⁵ The increase in the value of unclaimed support can largely be attributed to inflation linked benefit uprating and the unfreezing of the Local Housing Allowance.

The growing number of people becoming eligible for Universal Credit means that we find more than 1.4 million people are missing out on over £8 billion in financial support. This 10% increase in the amount of financial support unclaimed since our 2023 report reflects the move to Universal Credit, as more people become eligible for the benefit it means that more are also likely to be missing out.

In addition, increases in Universal Credit awards and a lower withdrawal rate mean that more people in work are likely to become eligible, and many will be unaware of their entitlement. The overall result is that more than a million people are living on low incomes without the support of our flagship working age benefit.

Pension Credit

Pension Credit supports pensioners living on low incomes, and is claimed by more than 1.3 million people who receive around £3,500 annually. Claim rates and expenditure claim rates provided by the DWP tell us our 2023 estimates were too generous, and the DWP revised its own figures since Missing Out 2023, dropping the claim take up rate from 70% to 63%.

Yet despite this drop in claim take up rate, the number of people missing out falls according to the DWP's figures, largely as a result of the new state pension supporting more people, and the triple lock.

Pension Credit	2024	2023	Change
Missed claims ('000s)	808	850	-5.0%
Value (£ million)	£2,162	£1,754	23.3%

Pension Credit is a valuable benefit, not least because for those missing out it is worth an average of £2,677 per year.

Pension Credit unlocks other support too. Claiming Pension Credit opens up eligibility for social tariffs such as Warm Homes Discounts, broadband reductions, free TV licences, and lower water bills. Pension Credit also passports claimants to Housing Benefit and Council Tax Support.

The total support unlocked by Pension Credit could be as high as £10,000 a year.

	Average award
Pension Credit	£2,677
Housing Benefit	£4,338
Council Tax Support	£1,670
Water	£160
Broadband	£200
Warm Homes Discount	£150
Free TV licences	£170
Total	£9,365

⁵ A note on expenditure take up rates: for Universal Credit, Pension Credit, and Housing Benefit for pensioners, the DWP have provided a claimant take up rate and an expenditure take up rate. Expenditure take up rates for these benefits are higher than claim take up rates. In general, people who claim are likely to be entitled to more support and people who do not claim are likely to be entitled to lower awards. The expenditure take up rate tells us how much of the total benefit available is being claimed by current claimants.

“Some of our residents assumed that, because they received a state pension, that was all they were entitled to. We came across some people who were living on just £70 or £80 state pension a week.”

Sarah Gamble
Islington Council



“We feel very passionate about building financial resilience for our residents. Using Policy in Practice’s LIFT 527 households have now received Pension Credit. That’s about £22 million going into their pockets over the residents’ lifetime.”

Laura Stoker
Lambeth Council



Given that the income threshold for Pension Credit entitlement is £11,300, claiming Pension Credit and associated passported benefits could effectively double a person’s annual income. These are life changing amounts of support for many of the more than 800,000 older people who are missing out.

Greater financial resilience for older people is the difference between heating and eating, social isolation and improved mental health, and for many it is the difference between needing and not needing to call on adult social care services for support.

Data exists that can be used to identify people who are missing out on Pension Credit and related support.

Since last year’s report, we’ve worked with more than 70 local authorities to deliver £208 million in Pension Credit to their residents. Our work with the Greater London Authority used local authority administrative data to improve the financial health of 2,481 older people by £12 million a year, a lifetime value of over £118 million.

We expect to put more than £350 million into the pockets of eligible pensioners through take up campaigns in 2024/25.



[Listen to Money Box to hear how data made London’s pensioners better off by over £12 million a year](#)

Carer's Allowance

Claiming Carer's Allowance is complex. Worth £81.90 per week, Carer's Allowance is claimed by more than 900,000 carers. Eligibility criteria requires someone to provide more than 35 hours a week of unpaid care while earning no more than £151 a week from employment.

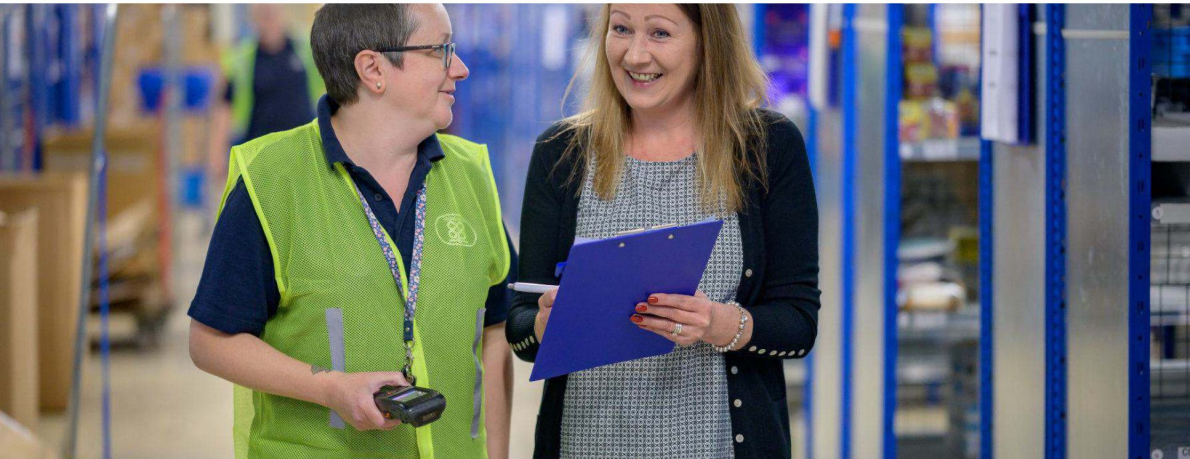
Carer's Allowance	2024	2023	Change
Missed claims ('000s)	529	500	5.9%
Value (£ million)	£2,254	£1,996	12.9%

Given its complexity, it is little surprise to find more than 500,000 low paid, full time carers are missing out on more than £2.2 billion in financial support each year. And yet informal carers save the British economy £162 billion a year in care costs, a saving equivalent to the annual cost of NHS services in England and Wales.⁶

Recent cases have highlighted that carers who earn more than the £151 per week earnings limit lose entitlement to their whole Carer's Allowance award, and a failure to act upon real time earnings information can lead to substantial overpayments and unnecessary recovery action.⁷

This type of complexity should not still exist in the social security system, and is the type of problem that Universal Credit was brought in to eliminate. Aligning Carer's Allowance to Universal Credit and actively using real time earnings information would help, although there is a strong argument for wider reform.

Carers deserve more, and addressing unmet needs through maximising income is the first step. Our estimates find that roughly the same number of carers are missing out in 2024 compared to 2023. The situation for carers is not improving.



³ <https://www.carersuk.org/policy-and-research/key-facts-and-figures/#:~:text=Unpaid%20carers%20in%20England%20and,Petrillo%20and%20Bennett%2C%202023.>

³ <https://www.theguardian.com/society/2024/apr/12/carers-allowance-benefit-error-30p-a-week-dwp>

Child Benefit

Child Benefit provides a weekly allowance of £25.60 for the first child in a family, and £16.95 per week for each subsequent child. Child Benefit is claimed by 7.7 million families for more than 13.2 million children.

Pension Credit	2024	2023	Change
Missed claims ('000s)	808	765	9.6%
Value (£ million)	£1,652	£1,130	46.2%

Prior to the introduction of the High Income Child Benefit Charge in 2013, Child Benefit was a long-standing universal benefit that was awarded to all families with children. Since 2013, 680,000 families no longer receive the benefit, with some paying more than 60% in effective marginal tax rates as a result of tapers and thresholds in place for higher earners.⁸

Our analysis of Child Benefit called for a return to universal entitlement, and our analysis of unclaimed Child Benefit in this report further supports the need not only for universal entitlement, but also for automatic awards.



“Using the LIFT platform we have been able to target interventions to specific residents and over the last 12 months have secured over £100,000 in additional benefits, grants and discount income.

“In one case, the team were able to increase a resident’s income by over £10,000 a year through the application of housing benefit, pension credit and council tax support.

“This is supporting our efforts to tackle financial hardship for our residents.”

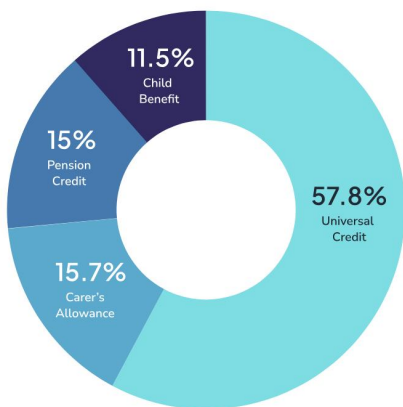
Grainne Siggins
Bracknell Forest Council

⁸ <https://policyinpractice.co.uk/spring-budget-2024-marginal-tax-rates-improved-for-low-earners-and-families-but-more-to-do/>

Child Benefit claim rates are at their lowest since 2012 when take up reached 97%, and trends provided by HMRC show a gradual but steady decline.⁹ We estimate that claims for over 800,000 children worth more than £1.6 billion a year have not been made by eligible families. This is an increase of around half a billion pounds from last year, due in part to an expanded methodology outlined in the technical appendix.

Returning Child Benefit to universal entitlement and using data to make proactive awards would not, on its own, alleviate child poverty levels. It would, however, remove the administrative burden experienced disproportionately by women with newborn children and ensure a minimum level of support for every child in the UK.

DWP / HMRC unclaimed benefits, April 2024



DWP / HMRC benefits		£14.4 billion
● Universal Credit	£8.3 billion	57.8%
● Carer's Allowance	£2.3 billion	15.7%
● Pension Credit	£2.2 billion	15%
● Child Benefit	£1.7 billion	11.5%



⁹ <https://www.gov.uk/government/statistics/child-benefit-statistics-annual-release-august-2022/child-benefit-statistics-annual-release-data-at-august-2022#take-up-rate-of-child-benefit>

Locally administered benefits

Locally administered benefits typically see lower take up than those administered by DWP and HMRC. This is largely driven by the increased fragmentation of support at the local level, creating uncertainty over localised eligibility criteria, lowering awareness and increasing the administrative effort required to access support.

This means that for locally administered benefits such as working age Council Tax Support, councils cannot rely on national messaging or communications efforts to increase take up, or the economies of scale provided by centralised administration. Accessing locally delivered benefits requires residents to interact with more public services, more application forms, and provide more evidence to prove eligibility.

It is an example of how better data sharing between central and local government can streamline benefit administration and passport eligibility from central to local claims. Currently, the DWP provides local authorities with Universal Credit data on households who have actively expressed an interest in claiming Council Tax Support.

Locally administered benefits	£ million	Claims	Average / Claim
Council tax support	£3,411	2,254,099	£1,513
Housing Benefit for pensioners	£1,274	293,646	£4,338
Free School Meals	£231	471,069	£490
Healthy Start	£132	181,255	£726
Total	£5,047	2,254,099	£2,239

A group of local authorities have called on DWP to share Universal Credit data on all recipients with local authorities and other government departments, not just those who have expressed an interest in Council Tax Support, and to explicitly allow the data to be used for a wider range of proactive take up campaigns.⁹ Universal Credit data holds enough information to proactively award some benefits without the need for any greater effort.

Our work brokering data sharing between national and local government provides for proactive identification of eligible claimants as well as delivery of discretionary support such as the Household Support Fund. But we can do more.

Improved data sharing can help local teams to identify people who are struggling, and can improve efficiency and impact by reducing many of the known barriers to claiming, such as lack of awareness and administrative complexity. Local teams will also identify a wider range of use cases than a central government department can alone.

Data sharing restrictions are hampering efforts to close the unclaimed benefits gap and we urge the new government to consider changing regulations on the flow of vital information needed for the alleviation of poverty so local and regional governments in particular have sight of the full picture when it comes to the economic health of their communities.

⁹ Letter from Greenwich Council and others to DWP, April 2020 <https://bit.ly/2CuT7Um>

Council Tax Support

Since 2013, the localisation of Council Tax Support has led to one of the most fragmented parts of the social security system. Prior to reforms Council Tax Benefit claims, along with Housing Benefit, could be made at the same time as applying for national benefits such as Jobseeker's Allowance. Now a separate claim is required for working age claimants, adding layers of administrative complexity for both applicants and local councils.

Alongside increased fragmentation and administrative complexity, the localisation of Council Tax Support for working age claimants has led to more than 350 independent schemes with generosity levels varying from 50% to 100% of Council Tax liabilities.

Policy in Practice has helped over 100 local authorities to model Council Tax Support scheme changes, and we see the variation in local conditions and preferences. Where appropriate, we advocate for systems that rely on Universal Credit data to streamline the assessment process, and keep administration costs low

The postcode lottery of support means that both eligibility and take up levels vary from local authority to local authority. However, with little to no available data available to measure take up rate at the local level, we applied the same take up rate nationally, 63% for working age households and 75% for pensioners.

Council tax support	2024	2023	Change
Missed claims ('000s)	2,254	2,729	-17.4%
Value (£ million)	£3,411	£2,873	18.7%

The figures for unclaimed Council Tax Support have changed substantially from our previous estimates. This is largely due to an improvement in our methodology, breaking down non-take up by for pensioners and people of working age.

Council tax support	Value (£ million)	Missed claims ('000)	Average / claim
Total	£3,411	2,254	£1,513
Working age	£2,508	1,713	£1,464
Pension age	£903	541	£1,670

We find that fewer households are missing out overall because pensioners are less likely to miss out on support, as their claims are passported through Housing Benefit and Pension Credit. However, the overall amount going unclaimed increases as pensioners who do miss out are likely to miss out on more, as they are eligible for support up to 100% of their Council Tax liability, unlike most people of working age. Further increases in unclaimed Council Tax Support are due to the 5% typical increase in Council Tax liabilities levied locally.

A failure to claim Council Tax Support increases the financial burdens on the lowest income households and hampers the relationships local authorities have with their residents. Council Tax debt is increasing at a rate of more than £500 million per year and owing debt to a local authority can mean vulnerable residents are reluctant to approach their council for additional support.

Poor local authority collection practices can also put people off contacting their local authority for support, either through Council Tax Support or other local schemes such as Household Support Funds or Discretionary Housing Payments.¹¹ More generous Council Tax Support schemes correlate with higher Council Tax collection rates, reduced debt for residents, and lower costs to the authority to recover unpaid taxes.¹²



“As well as maximising income to £4.5 million over the next few years, the Welfare Support team aims to successfully help vulnerable households in a vast number of ways from opening bank accounts, helping to reduce debt, accessing free travel and parking, further NHS prescriptions, free TV licences, assisting with utility bills and much, much more!”

Shakira Uddin
Luton Council

Luton

¹¹ <https://www.gov.uk/government/statistics/collection-rates-for-council-tax-and-non-domestic-rates-in-england-2022-to-2023/collection-rates-for-council-tax-and-non-domestic-rates-in-england-2022-to-2023#arrear>

¹² https://policyinpractice.co.uk/wp-content/uploads/The-impact-of-the-COVID-19-Hardship-Fund-on-low-income-Londoners_pub.pdf

Free School Meals and the Pupil Premium

The Free School Meals programme supports around 1.75 million school age children by providing lunches worth an average of £2.58 per day. Linked to the Pupil Premium, Free School Meals are currently providing £1.6 billion additional funding to schools in 2023/24.¹³ Eligibility is based on household income levels and eligibility for Universal Credit.

Free School Meals	2024	2023	Change
Missed claims ('000s)	471	245	92.5%
Value (£ million)	£231	£159	45.2%

Our analysis finds that 471,000 children are missing out on Free School Meals and the associated Pupil Premium.

Children who receive Free School Meals have reduced absences, improved concentration and attainment, better academic performance, improved diets and healthier BMIs.¹⁴ Gaps in the Free School Meal system are unnecessary and harmful, and the £231 million gap in provision is a solvable problem. The data, legal gateways, and software needed to proactively register pupils are already in place.

For working families with school age children the value of Free School Meals can be more than the cost of a school lunch. This is because working parents on Universal Credit have to pay for their child's lunch after their Universal Credit has been withdrawn at a rate of 55%. This means that a parent on Universal Credit would need to earn at least £4.69 to cover the cost of the free school meal, doubling the economic impact of the campaign to working parents.

Increasing take up can benefit the public sector too. For schools, the value of Free School Meals goes far beyond the cost of providing lunches. Growing up in a low income household is a major driver of lower school readiness, lower education attainment, and poorer mental and physical health in children and their families.

In place since 2011, the associated Pupil Premium is a per-pupil award made to schools to support the extra cost of providing for children from low income families. For each pupil in receipt of Free School Meals, the Pupil Premium is worth £1,480 to primary schools and £1,050 to secondary schools. But the major flaw in the system is that an award of Pupil Premium can only be made to the school once a parent applies for Free School Meals.

Our estimates find that schools are missing out on more than £600 million a year in Pupil Premium funding as a result of underclaimed Free School Meals. Take up levels matter.

Pupil premium	£ million	Missed claims	Average / claim
Value (£ million)	£601	471,069	£1,276

¹³ <https://www.gov.uk/government/publications/pupil-premium-allocations-and-conditions-of-grant-2023-to-2024>

¹⁴ <https://www.niesr.ac.uk/blog/calls-expansion-free-school-meals-are-timely-and-warranted#:~:text=Free%20school%20meals%20also%20help,security%2C%20BMI%20and%20academic%20performance.>

Take up rates for Free School Meals and the associated Pupil Premium amounts can be solved through auto-enrolment. Eligibility for Free School Meals is based on an award of Universal Credit and household income levels.

Data to determine eligibility is available to local authorities through the DWP's existing Universal Credit data sharing arrangements. Legal gateways available to support the auto-enrolment of Free School Meals exist and some leading local authorities are using these gateways to proactively award Free School Meals for low income families without the burden of applications.



Policy in Practice is currently working with Wandsworth, Lambeth and one other London Borough to auto-enrol pupils on to free school meals. 917 pupils have been identified as eligible for free school meals, delivering £450,000 of free school meals, and £1.16 million a year in additional Pupil Premium for schools.

We urge the government to consider a national programme of automatic enrolment to close the £231 million gap for providing Free School Meals and the £601 million loss to schools through missed Pupil Premium funding.

Healthy Start and Best Start Foods

Healthy Start provides a weekly allowance of £4.25 for people who are more than 10 weeks pregnant, £8.50 a week for the first year of a child's life, and £4.25 a week for children from the age of one to four years old. Eligibility is based on income levels and entitlement to means tested benefits such as Universal Credit. In 2023/24, 366,000 people benefitted.

Healthy Start	2024	2023	Change
Missed claims ('000s)	181	212	-14.3%
Value (£ million)	£132	£65	102.6%

The Healthy Start scheme provides support to pregnant people and families with young children. The scheme funds fruit, vegetables, and milk. This nutritional safety net is designed to address dietary inequalities and provide a literal healthy start for maternal and infant health.

The scheme has seen the number of people missing out fall by more than 30,000 in the last year. Localised take up campaigns through health visitors, local authorities, and NHS services have improved take up rates from 63% last year to 67% nationally this year.



³ <https://researchbriefings.files.parliament.uk/documents/CBP-9984/CBP-9984.pdf>

⁵ <https://shorturl.at/dozW4>

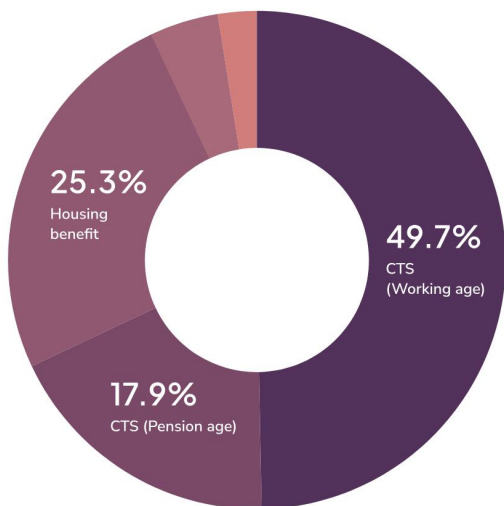
Regionally, take up rates can vary and local campaigns can deliver higher take-up. We found that Healthy Start take-up rates are closer to 80% in the North East.¹⁵

This proactive approach is seen in Scotland with enormous success. The estimated take up rates for Scottish Child Payment, Best Start Grant and Best Start Foods, three of the 'Five Family Payments', are generally higher than the other benefits. Take up rates range between 80% to a staggering 97%, in part because eligible families can make a combined application for all of the five family payments resulting in a simplified process. The impact on children's outcomes is bucking national trends, and it highlights that more can be done across the UK.¹⁶

Like Free School Meals, Healthy Start take up rates can be improved considerably through auto-enrolment and linking entitlement and applications to other benefits such as Universal Credit.

Eligibility linked to Universal Credit and maternal health records, alongside proactive allocation without the need for an application would increase take up rates further and we call on national and local agencies to work together to support some of our most vulnerable families.¹⁷

Locally administered unclaimed benefits, April 2024



Locally Administered Benefits	£5 billion
● Council Tax Support (Working age)	£2.5 billion 49.7%
● Council Tax Support (Pension age)	£903 million 17.9%
● Housing Benefit (Pensioners)	£1.3 billion 25.3%
● Free School Meals	£231 million 4.6%
● Healthy Start	£132 million 2.6%

¹⁵ https://policyinpractice.co.uk/wp-content/uploads/Policy-in-Practice_Missing-out-Over-1-billion-of-support-is-unclaimed-in-North-East-of-England-each-year.pdf

¹⁶ <https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk>

¹⁷ https://policyinpractice.co.uk/wp-content/uploads/2014/10/live_birth_data_report_-_final.pdf

Social tariffs and support for utilities

Social tariffs and energy support	£ million	Missed claims	Average / claim
Water	£974	6,088,693	£160
Broadband	£1,680	8,401,802	£200
Warm Homes Discount	£384	2,556,714	£150
TV Licences	£249	1,470,966	£170
Total	£3,287	8,401,802	£391

The least claimed of all benefits in our analysis are social tariffs and support for utilities with take up rates as low as 5% and eligible households missing out on more than £3.2 billion a year. Typical award values for social tariffs are lower than income replacement benefits and low take up rates are being driven by administrative complexity and fragmented provision.

Calls for a single social tariff should be explored, although greater support through core social security benefits must be the priority. Passporting the award of social tariffs through a proactive link to DWP benefits, or through automatic awards could increase take-up dramatically.

Rationalising the patchwork of provision would ease uncertainty, provide clear routes to support, and prevent consumer debt building for families unable to afford basic provision.

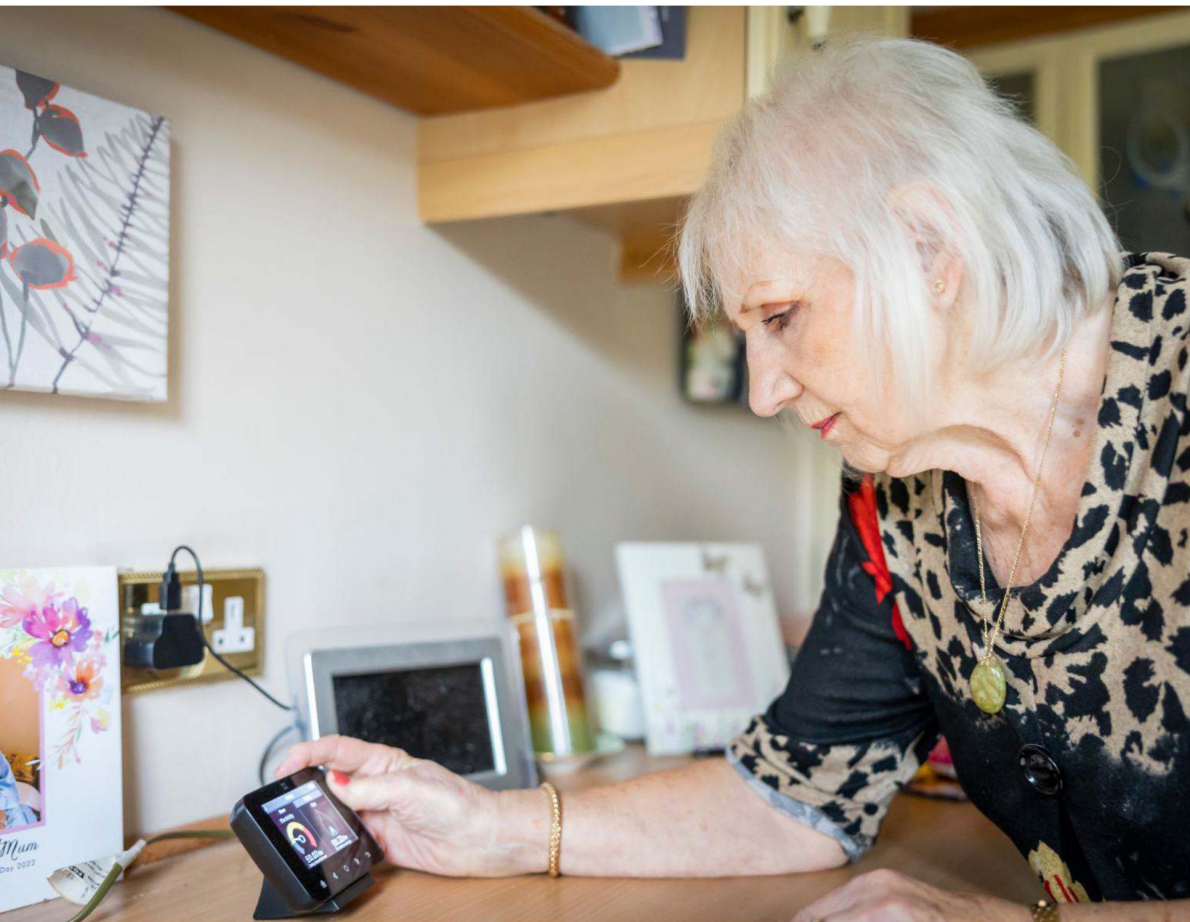
Putting policy into practice, our work with the utilities sectors aims to combat administrative complexity and provide a single route assessment through national statutory benefits and discretionary schemes.



In its 2023 Cost of Living research, water services regulator Ofwat found nearly one in four households were struggling with water bills yet only 7% of households surveyed reported receiving any financial support from their water company.¹⁸

In a similar report, the Consumer Council for Water report only 16% of households consider their water bills to be affordable.¹⁹ From April 2024, water bills increased by around 6% in England and Wales and 8.8% in Scotland to an average of £473 for the year.²⁰

We have helped leading water companies who wanted to provide seamless support to households struggling financially through the cost of living crisis. Similarly, an 'apply once' process via the Better Off Calculator on GOV.UK helps water customers to apply for social tariffs with just one application.



¹⁸ <https://www.ofwat.gov.uk/only-3-in-10-customers-aware-of-financial-support-available-from-their-water-company/>

¹⁹ <https://www.ccw.org.uk/publication/ccws-review-of-water-companies-2025-30-business-plans/>

²⁰ <https://www.bbc.co.uk/news/business-68172008>

Water

Financial support for water is based on combined eligibility criteria made up of low incomes, health related additional water needs, and in some cases the number of children in a family. The average WaterSure tariff is worth £160 a year, a 33% reduction to the average bill.

Water	2024	2023	Change
Missed claims ('000s)	6,089	5,714	6.6%
Value (£ million)	£974	£900	8.2%

In its 2023 Cost of Living research, water services regulator Ofwat found nearly one in four households were struggling with water bills yet only 7% of households surveyed reported receiving any financial support from their water company.¹⁸

In a similar report, the Consumer Council for Water report only 16% of households consider their water bills to be affordable.¹⁹ From April 2024, water bills increased by around 6% in England and Wales and 8.8% in Scotland to an average of £473 for the year.²⁰

We have helped leading water companies who wanted to provide seamless support to households struggling financially through the cost of living crisis. Similarly, an 'apply once' process via the Better Off Calculator on GOV.UK helps water customers to apply for social tariffs with just one application.



"The fantastic bit is that customers are now getting more than just applying for their tariffs. They're also being directed to the right support that's available for them as we've identified potential missing benefits."

Lisa Connell
Northumbrian Water Ltd

NWG
living water

¹⁸ <https://www.ofwat.gov.uk/only-3-in-10-customers-aware-of-financial-support-available-from-their-water-company/>

¹⁹ <https://www.ccw.org.uk/publication/ccws-review-of-water-companies-2025-30-business-plans/>

²⁰ <https://www.bbc.co.uk/news/business-68172008>

Broadband

Support for broadband bills is provided to households in receipt of means tested benefits such as Universal Credit and Pension Credit, and is worth an average of £200 per year.

Broadband	2024	2023	Change
Missed claims ('000s)	8,402	5,334	57.5%
Value (£ million)	£1,680	£768	118.8%

Financial support for domestic broadband bills sees the lowest take up rate of all benefits in this report. 95% of potentially eligible claimants do not receive support, with research by Ofcom demonstrating clear links between awareness of support and take up levels.²¹

The driver for the steep jump in estimated non-take up is due to an expanded methodology, which takes into account Universal Credit, Pension Credit, and legacy means-tested benefits, all of which act as eligibility criteria for social tariffs. Levels of unclaimed support remain the same as last year with 95% of potentially eligible claimants missing out.

Living on the wrong side of the digital divide can significantly impact a person's life, resulting in poorer health outcomes, reduced life expectancy, heightened loneliness and social isolation, limited employment and educational opportunities.²² More than a million households disconnected their broadband supply in 2023, with households claiming Universal Credit six times more likely to be excluded from broadband affordability.²³



²¹ <https://www.ofcom.org.uk/news-centre/2023/half-of-low-income-households-in-dark-over-broadband-social-tariffs>

²² <https://www.goodthingsfoundation.org/the-digital-divide/>

²³ https://www.ofgem.gov.uk/sites/default/files/2024-03/warm_home_discount_annual_report_sy12.pdf

Warm Homes Discount

Eligibility to the Warm Home Discount is passported through the receipt of means tested benefits. Pension Credit recipients receive the £150 discount automatically whereas other means tested benefit recipients must live in a property with Energy Performance Certificate rating of Band D or above.

Warm Homes Discount	2024	2023	Change
Missed claims ('000s)	2,557	2,092	22.2%
Value (£ million)	£384	£314	22.1%

Ofgem's 2023 Warm Homes Discount annual report describes proactive identification and data matching on more than 2.4 million households receiving support that year.²⁴ Smart use of data alongside Ofgem's role holding energy companies to account over the administration of the scheme is paying dividends as most companies awarding Warm Homes Discounts have been commended with 100% scheme compliance. So why are so many households still missing out?

The answer can be found further upstream in the welfare system. Linking eligibility to Pension Credit relies on Pension Credit being fully awarded. Yet we know more than 800,000 low income pensioners are missing out. A similar knock on effect is seen with working age access to Warm Homes Discounts.

Passporting eligibility from a centralised income replacement scheme, such as Universal Credit, to peripheral benefits, such as the Warm Homes Discount, is one way to streamline the benefits system and improve take up rates. But these efficiencies rely on widespread take up of financial support.

The Warm Homes Discount scheme saw a £74 million underspend in 2022/23, money that could, and should, have been awarded to low income families missing out not only on support with their energy bills, but wider support further upstream in the system.



²⁴ https://www.ofgem.gov.uk/sites/default/files/2024-03/warm_home_discount_annual_report_sy12.pdf

Free TV licences

Free TV licences are available to Pension Credit claimants over the age of 75. In the year to March 2023, 947,000 free TV licences were issued, worth more than £150 million in total. However, with eligibility linked to an existing Pension Credit award, as well as relying on an application being made, nearly 1.5 million older people are still missing out.

Free TV licences	2024	2023	Change
Missed claims ('000s)	1,471	850	73.1%
Value (£ million)	£249	£135	84.7%

The increase in the number of missing claims and the value of underclaimed support are the result of an improved methodology. In our earlier report, we used the unclaimed figure for Pension Credit, as a proxy for the number of people missing out. This year, we have included households receiving Pension Credit who have not applied for a free TV licence.

There remains a clear message: DWP data shared through legal and secure pathways could provide much needed financial support to our lowest income households.

Administrative complexity and the fragmentation of support work against people who are living on low incomes and are entitled to support. £169.50 for an annual TV licence is not the most valuable benefit available but, alongside other social tariffs, eligible households could be missing out on nearly £700 a year in financial support.



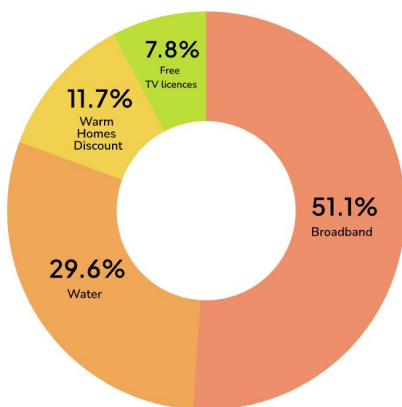


“The Better Off Calculator has been hugely central to our response to the various financial pressures on our tenants. Since January 2021 over £4.6 million in additional benefits has been generated through use of the calculator. There’s also been £1.18 million in extra income to rent accounts generated, reducing or wiping out rent arrears for some tenants.”

Julie Alexander
Northern Ireland Housing Executive

Housing
Executive

Social tariffs and energy support unclaimed, April 2024



Social tariffs and energy support	£3.3 billion
● Broadband	£1.7 billion 51.1%
● Water	£974 million 29.6%
● Warm Homes Discount	£384 million 11.7%
● Free TV licences	£249 million 7.8%

Technical appendix and methodology

In this section we explain how we estimate the overall amount of unclaimed means tested benefits and the number of people missing out on each benefit.

Official take up rates published by the DWP or other relevant government agencies are used where possible. If official take up rates are unavailable we have outlined our methods and approach for each benefit or social tariff.

As was the case in our Missing Out: 2023 analysis we have not calculated take up rates for legacy benefits such as Jobseeker's Allowance, tax credits or working age Housing Benefit because Universal Credit has replaced these benefits for new claimants, and they are no longer available.

We also exclude disability benefits and discretionary support from our analysis because people must go through an additional assessment to see if they are eligible. In addition, working age ill health assessments will change from 2025. We are waiting to understand the impact these changes will have for working age people.

Our December 2023 analysis of pension age people living with a disability or care need found that 1.1m people were missing out on £5.2 billion of Attendance Allowance.²⁵ This represents a claim take up rate of 69%, broadly in line with other DWP benefits in this paper. We will explore how we can assess take up of disability and ill health benefits for other groups in future reports.

We welcome feedback on data sources, our methodologies and our insight.

Benefits administered by the DWP and HMRC

DWP / HMRC benefits	£ million	Claims	Average / Claim	Take up rate
Universal Credit	£8,306	1,439,019	£5,772	77%
Pension Credit	£2,162	807,704	£2,677	63%
Carer's Allowance	£2,254	529,306	£4,259	65%
Child Benefit	£1,652	838,291	£1,970	89%
Overall	£14,374	2,246,724	£6,398	n/a

²⁵ <https://policyinpractice.co.uk/unclaimed-aa/>

Universal Credit

Estimating take up rates

There is no officially published data on Universal Credit take up. To estimate take up of Universal Credit we have replicated the methodology we used for our Missing Out: 2023 report.²⁶ This methodology breaks Universal Credit into its substantive elements and estimates the claim rate for each of the relevant legacy benefits and trends we see within Universal Credit.

The logic behind this approach is that people who were previously eligible for legacy benefits and are now eligible for Universal Credit are presumed to have a similar likelihood of claiming Universal Credit as they would for the legacy benefit. In order to account for overlapping take up rates the highest applicable rate was applied first. For example, a household eligible for a housing element and a limited capability for work element under Universal Credit would have the take up rate for ESA rather than Housing Benefit applied, as this is higher.

Estimating the value of the UC housing element

To account for the impact of the Local Housing Allowance being uprated to the 30th percentile of local rents in April 2024, our Universal Credit analysis was disaggregated by social and private housing sectors.

To estimate take up values for the social housing sector we applied the maximum rent increase of 7.7% to the housing element of Universal Credit for the more than 1.7 million households listed for the social housing sector in DWP Stat-Xplore's November 2023 dataset.²⁷ The maximum rent increase for the social housing sector is provided by the Regulator for Social Housing and Department for Levelling Up, Housing and Communities for 2024/25.

Calculating unclaimed Universal Credit for the private rented sector was more complex:

Local Housing Allowance rates are based on rent levels in more than 200 Broad Rental Market Areas (BRMA) provided by the Valuation Office Agency.²⁸ As BRMA's do not align with local authority boundaries, we conducted our analysis regionally by aggregating BRMA regional rent levels for each category of dwelling within the LHA framework.

Estimating the value of the standard allowance

We uprated the standard allowance of Universal Credit by 6.7% in line with working age benefit uprating for 2024/25.

²⁶ <https://policyinpractice.co.uk/report-missing-out-19-billion-of-support-is-unclaimed-each-year/>

²⁷ <https://www.gov.uk/government/publications/limit-on-annual-rent-increases-2024-25-from-april-2024>

²⁸ <https://www.gov.uk/government/publications/understanding-local-housing-allowances-rates-broad-rental-market-areas>

Pension Credit

The number of unclaimed awards and the unclaimed value were calculated using the DWP's Pension Credit claim take up and expenditure take up rates provided for 2022-23.²⁹

In October 2023 the DWP revised their estimated claimant take up rate down for 2022-23 to 63%, from 70% for the previous year. The DWP's expenditure take up rate of 73% was applied to 2023-24 mean weekly Pension Credit awards for August 2023 obtained from DWP Stat-Xplore and updated by 8.5% for 2024-25.³⁰

Expenditure take up rates refers to the amount of a benefit claimed in total nationally. Claim take up rates refers to the number of eligible claimants missing out. They vary because people who do not claim are typically entitled to lower awards than people who do claim. Claiming smaller amounts of benefits may be off putting for some as the effort required to apply and interact with the system can be judged to be worth less in return.

Carer's Allowance

Carer's Allowance is a complex benefit. To ensure robustness of estimates, take up estimates were calculated using two independent methodologies:

a) We combined Census (2021)³¹ data with a House of Commons report on proportions of unpaid and low earning carers who are caring for more than 35 hours per week.³² We excluded carers in receipt of State Pension and applied our findings to the latest data available from DWP Stat-Xplore (August 2023) to arrive at a 65% take up rate.

b) We replicated Bethoud's (2010) methodology which uses Family Resource Survey data to reach a take up rate of 65%.³³ We applied this take up rate to the latest data on Carer's Allowance available from DWP Stat-Xplore (August 2023).

Child Benefit

HMRC's Child Benefit Small Area Tables for 2022-23 provide the number of claims per local authority area, broken down by the number of children per claim.³⁴

HMRC's Child Benefit take up rate of 89% has been applied proportionally across each of the family sizes recorded by HMRC, which range from families with one child to families with ten or more children.³⁵ 2024-25 Child Benefit weekly payment rates were applied for each family size to calculate the total unclaimed value of Child Benefit.

These calculations do not account for changes to the High Income Child Benefit Charge (HICBC) from April 2024, or the number of families opting out of receiving a payment due to the HICBC.

²⁹ <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-ending-2022/www.gov.uk/government/publications/limit-on-annual-rent-increases-2024-25-from-april-2024>

³⁰ <https://www.gov.uk/government/publications/benefit-and-pension-rates-2024-to-2025/benefit-and-pension-rates-2024-to-2025#pension-credit>

³¹ <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/unpaidcareenglandandwales/census2021>

³² <https://www.gov.uk/government/publications/limit-on-annual-rent-increases-2024-25-from-april-2024>

³³ <https://researchbriefings.files.parliament.uk/documents/CBP-7756/CBP-7756.pdf>

³⁴ <https://www.econstor.eu/bitstream/10419/65919/1/640267556.pdf>

³⁵ <https://www.gov.uk/government/statistics/child-benefit-statistics-annual-release-august-2022>

Locally administered benefits

Locally administered benefits	£ million	Missed claims	Average / claim	Take up rate
Council Tax Support	£3,411	2,254,099	£1,513	65%
Housing Benefit for Pensioners	£1,274	293,646	£4,338	79%
Free School Meals	£231	471,069	£490	79%
Healthy Start	£132	181,255	£726	67%
Total	£5,085	2,254,099	£2,239	n/a

Council Tax Support

Take up rates and the value of unclaimed Council Tax Support has been calculated separately for working age and pension age schemes for 2024-25.

Council Tax Support: Working Age

To understand the rate and value of unclaimed Council Tax Support for working age claimants we replicated our 2023 methodology.

First, we used the policy engine behind our Better Off Calculator, which models every Council Tax Support scheme in England as well as national schemes in Scotland and Wales, to arrive at the average support for current working age schemes.³⁶

To understand current claim numbers and values, we obtained data for England, Scotland, and Wales separately using data made available by the Department for Levelling Up, Housing and Communities³⁷, The Scottish Government³⁸, and the Welsh Assembly³⁹.

Adopting our 2023 methodology we used administrative data as well as the Family Resources Survey (FRS) and Understanding Society datasets to identify eligible claimants. We estimated take up rates by comparing the number of eligible people identified in the data with the number of recipients of Council Tax Support recorded in administrative records. This provided the proportion of eligible people who are receiving the support, which we estimate to be 62%.

	No of claimants missing out	Average Council Tax liability for 2024-25	Unclaimed Council Tax Support (£ millions)	Take up rate
England	1,436,573	£1,668	£2,157	62%
Scotland	179,740	£1,421	£167	
Wales	97,075	£2,024	£185	
Total	1,713,389	n/a	£2,508	

³⁶ This is the default means tested scheme, with a maximum award of 90% of council tax liability, an earnings taper of 20%, and a savings limit of £13,000.

³⁷ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-local-government-finance#local-council-tax-support>

³⁸ <https://www.gov.scot/publications/council-tax-reduction-scotland-2022-2023/pages/6/>

³⁹ <https://www.gov.wales/sites/default/files/pdf-versions/2023/8/1/1691405902/council-tax-reduction-scheme-annual-report-2022-2023.pdf>

This estimate does not take into account regional variations in CTS take up. Previous research by Policy in Practice suggests that take up may be positively correlated to the generosity of local CTS schemes and level of automation of new CTS claims alongside Universal Credit.⁴⁰ This may affect the accuracy of our estimate. Our estimated take up rate of 62% is slightly below the published take up rate of 65% from 2012.⁴¹ This is expected due to the issue of reduced take up as households migrate to Universal Credit.

Council Tax Support: Pension Age

Unclaimed Council Tax Support for pension age claimants is based on the number of low income pension age claimants missing out on Pension Credit. This is a good proxy as Pension Credit passports pension age claimants to Council Tax Support. We then compared the number of people likely to be eligible for Pension Credit with the number of pension age people likely to be eligible for Council Tax Support, disaggregated by claims for England, Scotland, and Wales. This data is available from the Department for Levelling Up, Housing and Communities,⁴² The Scottish Government,⁴³ and the Welsh Assembly.⁴⁴

The annual value of Council Tax Support for pension age claimants has been calculated using 2024-25 average Council Tax rates for England,⁴⁵ Scotland,⁴⁶ and Wales.⁴⁷

	No of claimants missing out	Average Council Tax liability for 2024-25	Unclaimed Council Tax Support (£ millions)	Take up rate
England	476,686	£1,668	£795	74%
Scotland	36,333	£1,421	£51	82%
Wales	27,691	£2,024	£56	79%
Total	540,709	n/a	£903	75%

⁴⁰ https://policyinpractice.co.uk/wp-content/uploads/Council-Tax-debt-collection-and-low-income-Londoners_GLA_pub.pdf

⁴¹ https://assets.publishing.service.gov.uk/media/5a7bfa8740f0b645ba3c5f3c/tkup_full_report_0910.pdf

⁴² <https://www.gov.uk/government/statistical-data-sets/live-tables-on-local-government-finance#local-council-tax-support>

⁴³ <https://www.gov.scot/publications/council-tax-reduction-scotland-2022-2023/pages/6/>

⁴⁴ <https://www.gov.wales/sites/default/files/pdf-versions/2023/8/1/1691405902/council-tax-reduction-scheme-annual-report-2022-2023.pdf>

⁴⁵ <https://www.gov.uk/government/statistics/council-tax-levels-set-by-local-authorities-in-england-2024-to-2025/council-tax-levels-set-by-local-authorities-in-england-2024-to-2025>

⁴⁶ <https://www.gov.scot/publications/council-tax-rates-comparing-scotland-to-other-uk-nations/#:~:text=in%20Scotland%2C%20the%20average%20band,2024%2D25%20is%20C%2%A31%2C421>

⁴⁷ <https://www.gov.wales/council-tax-levels-april-2024-march-2025>

Housing Benefit for pensioners

The number of unclaimed awards and the unclaimed value of Housing Benefit for pension age claimants were calculated using the DWP's Housing Benefit for pensioners: tables ending financial year 2022.⁴⁸

DWP take up rate estimates provide a claimant take up rate of 79% and an expenditure take up rate of 84% for pension age Housing Benefit claims.⁴⁹ These take up rates were applied to DWP Stat-Xplore claimant numbers and mean weekly awards for November 2023 updated proportionally to account for LHA increases in 2024/25 and Social Rent increases.

Free School Meals and the Pupil Premium

The number of school pupils eligible for Free School Meals was calculated using Department for Education statistics service data for state funded primary and secondary schools in combination with available School Census data.⁵⁰ The cost of a free school meal is calculated using 2024-25 national funding formulae for schools to be £2.58 per pupil per meal.⁵¹ Based on 190 school days per year, the Department for Education allocates £490 per pupil per year.

We used a similar approach to estimate the amount of unclaimed pupil premium, separating unclaimed Free School Meals into primary and secondary school pupils in each local authority and applying the respective pupil premium amount. The total amount unclaimed is over £600 million, separated into £367 million for primary schools and £234 million for secondary schools.

Healthy Start and Best Start

Healthy Start figures apply to England and Wales only. Award and take up rates are provided by the NHS Business Services Authority, NHS Healthy Start uptake data England (2023)⁵² and NHS Health Start uptake data Wales, (2024).⁵³ Higher unclaimed totals are the result of applying the number of children under the age of 4 in families claiming Universal Credit proportionally to our calculations.

Best Start Foods is the Healthy Start voucher equivalent scheme for Scotland. Analysis of take up rates is provided by Scotland's Social Justice Directorate for November 2023.⁵⁴

⁴⁸ <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-ending-2022>

⁴⁹ <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-ending-2022>

⁵⁰ <https://explore-education-statistics.service.gov.uk/find-statistics>

⁵¹ https://assets.publishing.service.gov.uk/media/651d2587bef21800156ded01/National_funding_formula_for_schools_and_high_needs_2024_to_2025.pdf

⁵² <https://www.healthystart.nhs.uk/wp-content/uploads/2023/02/England-Uptake-Data.xlsx>

⁵³ <https://www.healthystart.nhs.uk/wp-content/uploads/2023/02/Wales-Uptake-Data.xlsx>

⁵⁴ <https://www.gov.scot/publications/take-up-rates-scottish-benefits-november-2023/pages/3/>

Social tariffs and energy support

Social tariffs and energy support	Estimated unclaimed (£ million)	Eligible households not claiming	Average award per year (£)	Take up rate
Water social tariffs	£974	6,088,693	£160	18%
Broadband	£1,680	8,401,802	£200	5%
Warm Homes Discount	£384	2,556,714	£150	49%
Free TV Licences	£249	1,470,966	£170	39%
Total	£3,287	8,401,802	n/a	n/a

Water social tariffs

The number of eligible households is based on the number of households claiming combinations of relevant means tested and disability benefits. Additional eligible households were identified through being both in receipt of means tested benefits and as having three or more children. Relevant means tested benefits include Pension Credit and Universal Credit claims in combination with Personal Independence Payments, Disability Living Allowance, Attendance Allowance, and with no work related activity requirements (if working age).

The latest available claim numbers were taken from DWP Stat-Xplore, ranging from May 2023 to November 2023. The takeup rate was calculated by dividing total eligible households by the 1.1 million WaterSure tariffs issued in 2023.⁵⁵

Broadband social tariffs

The number of eligible households is based on the number of households claiming relevant means tested and low income illness benefits. Relevant benefits include Pension Credit, Universal Credit, Employment Support Allowance, Job Seekers Allowance, and Income Support. The estimates are based on the latest available claim statistics for these benefits prior to managed migration to Universal Credit, obtained from DWP Stat-Xplore (ranging from August 2023 to November 2023).

In its December 2023 report, Ofcom provided a take up rate for Broadband social tariffs of 8.3%.⁵⁶ Ofcom's takeup rate was calculated based on 380,000 social tariffs being issued in 2023 alongside the 4.3 million working age households claiming Universal Credit. Ofcom acknowledges other means tested benefits are also applicable in this calculation and have continued to apply their estimates to working age households only for consistency.

Comparison of the 380,000 Broadband social tariffs to all relevant means tested benefits provides a lower takeup rate of 4.15%. We adjusted this rate by 20% for pension age households to account for levels of digital exclusion seen in older households, as identified by AgeUK.⁵⁷ This methodology produces a lower takeup rate of 5%.

⁵⁵ <https://watersworthsavingsaving.org.uk/1382/information/help-water-bills/>

⁵⁶ https://www.ofcom.org.uk/_data/assets/pdf_file/0024/273138/pricingtrendsreport2023.pdf

⁵⁷ <https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/active-communities/policy-briefing---facts-and-figures-about-digital-inclusion-and-older-people.pdf>

As with much of our analysis and understanding of unclaimed benefits, for both Ofcom and Policy in Practice and others working to maximise income, we do not wish to detract from the wider point; whether we use Ofcom's 8.3%, or our own analysis of 5%, more than 90% of eligible households are missing out on Broadband support.

Warm Homes Discount

Eligibility to the Warm Homes Discount (WHD) is passported through the receipt of means tested benefits.⁵⁸ Pension Credit recipients receive WHD automatically whereas other means tested benefit recipients must live in a property with EPC rating of Band D or above (44%, GOV.UK: January 2024).⁵⁹

To calculate the number of unclaimed Warm Homes Discounts for pension age households we applied the number calculated for unclaimed Pension Credit.

To calculate working age take up rates we used the latest available indicative means tested benefit claim numbers from DWP Stat-Xplore (dates range from August 2023 to November 2023). We then applied the proportion of households living in properties with an EPC rating of D or above (44%). To estimate take up, eligibility was compared with Ofgem's Warm Homes Discount annual report for 2023 which provides the number of Warm Homes Discounts awarded to pension age and working age households.⁶⁰

Free TV licences

Eligible applicants must be aged 75 or over and in receipt of Pension Credit.⁶¹ The number of eligible households was obtained using DWP Stat-Xplore figures for Pension Credit where claimants are aged 75 or over (August 2023). This figure was reduced by 5.5% to account for the number of people over the age of 75 living in residential care.⁶²

The claim rate was calculated by comparing potentially eligible households against current claims. Current claims were taken from TV Licensing figures.⁶³ 947,000 BBC-funded free TV Licences were issued in 2023. For 2024, the cost of a TV licence is £169.50.⁶⁴

⁵⁸ <https://www.gov.uk/the-warm-home-discount-scheme/low-income-England-Wales>

⁵⁹ https://www.ofcom.org.uk/_data/assets/pdf_file/0024/273138/pricingtrendsreport2023.pdf

⁶⁰ https://www.ofgem.gov.uk/sites/default/files/2024-03/warm_home_discount_annual_report_sy12.pdf

⁶¹ https://www.tvlicensing.co.uk/check-if-you-need-one/for-your-home/aged-74-and-over-aud3?gad_source=1&gclid=Cj0KCQjwncWvBhD_ARIsAEb2HW_ST-y9pcu0mXpqCh06tP_Xckr_h1r9l-SqU7aQQHV7-1Wm0fsLlwEaAl8CEALw_wcB&gclid=aw.ds

⁶² <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/olderpeoplelivingincarehomesin2021andchangessince2011/2023-10-09>

⁶³ <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/olderpeoplelivingincarehomesin2021andchangessince2011/2023-10-09>

⁶⁴ <https://www.tvlicensing.co.uk/faqs/FAQ23#:~:text=From%201%20April%202024%20a,colour%20licence%20costs%20C2%A384.75>



Contact us

Contact us to learn more about how we help people on lower incomes to access unclaimed support.

 hello@policyinpractice.co.uk

 policyinpractice.co.uk

 0330 088 9242

For media enquiries visit

 policyinpractice.co.uk/media