

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

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

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Executive summary

Policy in Practice estimates that the total amount of unclaimed income-related benefits and social tariffs is now £18.7 billion a year. Maximising income through the take up of benefits is essential to support households during the cost of living crisis and prevent further financial crises. Designing an effective safety net that supports struggling families demands an accurate understanding of the level of unclaimed benefits and who is not claiming.

A new robust estimate of unclaimed support

The lack of official and up to date data means that estimates tend to rely on experimental methodologies and figures that are sometimes years old. The methodology employed for estimates provided in this paper is calculated from claim and award data where feasible.

- We estimate that £7.5 billion of Universal Credit goes unclaimed by 1.2 million eligible households. Caseload take up varies between 70% and 90% for national means tested benefits.
- Take up is lower for locally administered benefits. Council Tax Support is the most underclaimed, with 2.7 million people missing out on £2.8 billion of support.
- Social tariffs are also significantly underclaimed. Broadband social tariffs have the lowest take up, with 97% of eligible households missing out on the tariffs. People on means tested benefits should check for eligibility with their utility providers.

Why are benefits underclaimed?

Benefits go unclaimed due to administrative complexity, a lack of awareness, stigma, and the increasingly fragmented nature of support.

- **Administrative complexity:** The sheer complexity of multiple application mechanisms, administering organisations, eligibility criteria and conditionality creates a barrier for many people who are trying to navigate the system and access support.
- **A lack of awareness:** Many claimants are simply unaware that they can claim support given their circumstances or income.
- **Stigma:** Negative perceptions around claiming benefits may discourage eligible people from engaging in the benefit system.
- **Increasing fragmentation of support:** Inadequacy of means tested benefits is driving a growing plethora of discretionary and other support schemes. This creates postcode lotteries for available support and unequal conditions to access it.

Recommendations for policymakers

- 1. Address the insufficiency of core social security benefits:** Inadequate benefit levels contribute to an ever-increasing web of support, used to fill the gaps in the mainstream system. Making sure benefits cover the essential needs of a household is crucial.
- 2. Reduce complexity and increase awareness of local and national benefits:** The DWP should be made responsible for increasing take-up of support. Data sharing can streamline access to support and raise awareness of benefits at all points of contact with the household.
- 3. Change the messaging around benefits:** Government messaging is critical to ensuring that all those that are eligible access support. We urge the government to adopt a supportive approach towards claimants by lessening conditionality.

Recommendations for practitioners

People need to be protected from the rising cost of living. People can check their eligibility for benefits using one of the benefit entitlement checkers on GOV.UK. Companies should also check for eligibility on behalf of their customers.

Local authorities can use the Low Income Family Tracker analytics platform to launch benefit take up campaigns. Data analytics can be used to proactively identify residents in need and contact them about the benefits they are missing out on.



Background and context

Rising living costs and historically low benefit levels mean that many families on low and middle incomes now struggle to meet their basic outgoings.

New research finds that £18.7 billion of benefits intended to help these families remains unclaimed. Maximising household income through the take up of benefits is essential to support families and reduce harm from homelessness, debt or other crises.

Accurately understanding the level of unclaimed benefits and who is missing out is vital for designing policy and proactive interventions that can support struggling households.

Estimates of unclaimed benefits have previously relied on extrapolation from historic figures and are often based on take up of legacy benefits that are currently being replaced by Universal Credit.

In this research, Policy in Practice sets out a methodology that takes an evidence-based and data-led approach to understanding the amount of unclaimed benefits and other support.

This research takes account of the ongoing roll out of Universal Credit. This is important as the Universal Credit roll out has had an impact on take up of other benefits such as Council Tax Support and those previously 'passportted' based on access to legacy benefits. It also accounts for a number of new schemes administered at a local level and a range of new social tariffs in the utility sector.

It is hoped that this work gives a more accurate understanding of unclaimed levels of benefits in the UK and can inform policy change to give families better access to support.

A new estimate of unclaimed support

Calculating benefit take up rates is notoriously difficult. The lack of official and recent data means that estimates tend to rely on experimental methodologies and figures that are sometimes years old. Existing estimates are typically created using previously published figures which are adjusted based on inflation and any new information on take up.

The methodology uses claim and award data where feasible. The calculations break benefits down into constituent parts to provide more detailed take up estimates. The full methodology is provided in the Technical Appendix.

Whilst we believe that our approach gives the most detailed estimate of unclaimed support available we welcome feedback on how we could refine this further.

Unclaimed benefits by number of households not claiming and annual value

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

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

There is a detailed breakdown of this table, with additional detail on take up rates and sources, in the Technical Appendix.

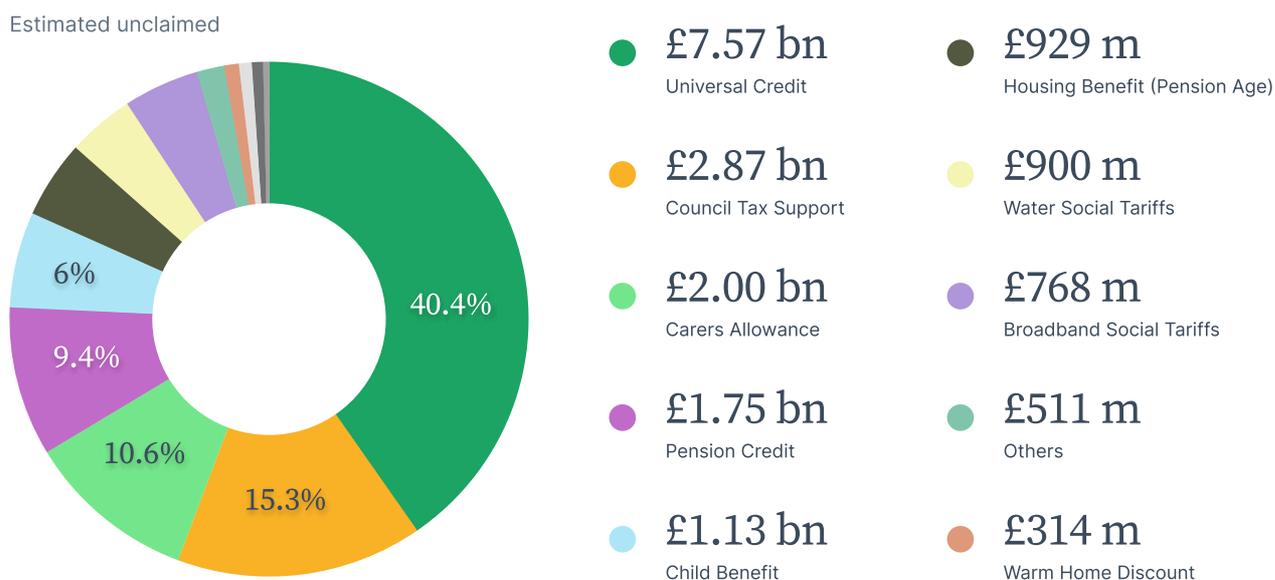
The total amount of unclaimed support is likely to be considerably higher than the amount shown in the table because it excludes a number of other discretionary support schemes and disability benefits.

For example, Discretionary Housing Payments and the Household Support Fund are worth £1.1 billion, while energy efficiency support is worth £1.5 billion a year. Many people are unaware that such support is available, yet it cannot technically be classed as unclaimed because it is awarded on a discretionary basis.

Our calculation of the total amount of unclaimed benefits does not include estimates for the value of unclaimed disability benefits as we believe it is not possible to devise a method to obtain a defensible estimate. This is because no data is available on the severity of disabilities that would lead to benefit eligibility.

By way of example, if only 10% of Personal Independence Payment and Attendance Allowance was unclaimed this would total £3.5 billion a year.

£19bn estimated unclaimed value by benefit, April 2023



Department for Work and Pensions / HM Revenue and Customs 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 DWP has an ongoing, high profile take up campaign for Pension Credit and has [published take up](#) figures for Pension Credit and pension age Housing Benefit. A similar level of effort to increase take up of Universal Credit would help to boost awareness for nearly 1.3 million working-age households who are eligible and not claiming.

There is a striking difference in caseload take up rates between national means tested benefits (70 to 80%) and more widely accessible support like Child Benefit (91%).

Locally administered benefits

Take up is even lower for locally administered benefits than national benefits. Although fewer households are eligible for Council Tax Support nationally than Universal Credit, the number of households not claiming is higher because the take up rate is only 62%. The take up rate for Healthy Start is similar at 63%.

Discretionary support schemes such as Local Welfare Assistance, Discretionary Housing Payments, the Household Support Fund, Section 13a Council Tax support and the Hardship Fund, while not technically unclaimed, are not widely known. This leads to fewer applications and potential misallocation as money doesn't reach those who most need it.

The Household Support Fund is worth £1 billion a year, whilst councils are given a total of £100 million per year in funding for Discretionary Housing Payments.

Social tariffs and energy support

Social tariffs and support for energy costs are widely underclaimed yet they are increasingly important because of rising bills and [the inadequacy of mainstream benefits](#).

Energy bills are falling from their post pandemic peak but are still 50% higher than they were in 2021. Further uncertainty is expected as the government's Energy Price Guarantee comes to an end in July 2023.

Water companies [expect to see water bills increase substantially](#) to support necessary investment in infrastructure, and funding for social tariffs will also increase. Broadband tariffs are relatively new and are among the most heavily underclaimed, with 19 out of 20 eligible households missing out. Many social tariffs involve some form of passporting via the receipt of means tested benefits so the issue of non take up of benefits is often compounded.



Why are benefits underclaimed?

Administrative complexity

The social security system in the UK is made up of a complicated web of interacting benefits. The sheer complexity of multiple application mechanisms, administering organisations, eligibility criteria and conditionality creates a barrier for many people who are trying to navigate the system and access support.

Universal Credit seeks to reduce this complexity by rolling the main means tested benefits together into a single application and payment. However a number of support schemes sit outside of Universal Credit and require a separate application and assessment. Households need support to navigate the system, as evidenced by the work that councils and third sector organisations do to drive benefit take up.

The difficulty in accessing support has been made worse by the gradual removal of embedded council support due to the ending of working age Housing Benefit, as well as recent reductions in funding for advice that is essential to help households claim support.

“ A client was referred to us for some benefits advice. Our Help to Claim team quickly realised that this person was very vulnerable as he was losing his sight and wasn't able to use a computer anymore. He had no food nor utilities and only 60p in his pocket. We needed to get some money to him urgently.

A claim was made that day for Universal Credit. We arranged for a food parcel to be delivered, provided a fuel voucher and applied for PIP. We continued to help until all his benefits were in payment. The gentleman saw his income increase by £930. He told us how much he appreciated our help by saying he was 'overwhelmed with the help he had received'.

Julie Murphy, Technical and Quality Welfare, Research and Campaigns Lead,
Citizens Advice Wirral

Dealing with this complexity ratchets up pressure on people in poverty, exacerbating the stress that goes hand-in-hand with not having enough money. In a [recent paper](#), Kayley Hignell, Director of Policy at Citizens Advice, highlighted how navigating the benefit system frequently overloads claimants' cognitive bandwidth, and that this can prevent them from finding work or accessing the right support. Claimants must become experts in the system's intricacies and know which hoops to jump through, all whilst dealing with financial pressure.

Whilst some aspects of the claim application are unavoidably complicated due to the nature of specific situations and the requirement to means test access, the system as a whole needs to avoid adding unnecessary pressure wherever possible.

A lack of awareness

This research was partly inspired by recent analysis carried out by Policy in Practice for clients in the financial services and utilities sectors. That work resulted in first time claimants gaining over £4,000 a year and existing claimants typically gaining over £1,500 a year.

Many people are simply unaware that they can claim support given their circumstances or income. [A recent report](#) by Policy in Practice highlighted that even higher rate taxpayers may be eligible for Universal Credit if they have savings below £16,000, particularly if they rent and have children.

While Universal Credit brings a number of nationally administered benefits together, claimants may be unaware that there are also separate application processes for local support and social tariffs. Locally administered benefits have some of the lowest claim rates, a problem likely to have been exacerbated by Universal Credit being publicised as a 'one-stop' benefit without fully delivering on this promise.

Councils therefore have an essential role to play in maximising take up of local support schemes such as Council Tax Support (CTS) in England. They can simplify their scheme design and application processes to help residents understand and access support.

They can also address the problem of low CTS take up amongst people moving from legacy benefits to Universal Credit by amending CTS regulations so that new claims for Universal Credit can automatically be accepted as an application for CTS. Councils that do this see significantly higher CTS take up amongst Universal Credit recipients.

Councils are leading the way in using data to target benefit take-up campaigns to people who are eligible and not receiving support.

Coventry City Council used the Low Income Family Tracker (LIFT) platform to identify a man living on just £55 per week who was eligible for an additional £138 per week in unclaimed Pension Credit. The same campaign helped 79 people just like him.

A similar case in Gravesham secured an additional £222 per week in Pension Credit for a couple who were previously living on less than £280 per week. A targeted approach has helped hundreds of people access Pension Credit across Kent.

See [how much Pension Credit is going unclaimed](#) in your local authority, and learn more about [take up campaigns](#) run by local authorities, using the LIFT platform.

Increasing fragmentation of support

There is now a growing and increasingly complicated system of locally administered discretionary support schemes that are designed to fill the gaps in the mainstream benefits system. The localised and discretionary nature of these schemes creates a postcode lottery for the availability and level of support, as well as unequal conditions against which support may be given.

Help generally goes to those who already know about the schemes and can navigate the often complicated application processes, rather than those most in need. Geographical differences in provision are also driven by available local funding.

Councils in areas with higher poverty often have lower council tax receipts, resulting in smaller budgets. This leads to a lack of available funding for local discretionary support schemes.

This discretionary support has become increasingly important to households, yet the persistent and ongoing decline in the real terms value of mainstream benefits means they are widely seen as insufficient to meet bills, driving further fragmentation.

Policy in Practice's [evaluation of Local Welfare Assistance in London](#) found that discretionary benefits, originally designed to help in an emergency, are increasingly needed to top up income from means tested benefits for day to day essentials.

Inadequate benefit levels have led to a growing need for means tested social tariffs in the utility and regulated sectors. Much of this support is determined on a company specific basis resulting in further complexity and geographical variation.

“We use analytics to route financially vulnerable customers to our Extra Care support team. Our bespoke Benefits Calculator, developed with Policy in Practice, checks whether customers are claiming all the benefits their household is entitled to and assesses them for our discounted tariffs.

Over the past year we've been able to signpost customers to more than £2.6 million of potential unclaimed benefits, and a total of £8.6 million since 2020. In some cases, we know this assessment has helped customers access more than £3,000 in benefits which they didn't realise they were entitled to.”

Spencer Hough, Head of Billing and Customer Services, Anglian Water



Stigma and other barriers to claiming

The stigma and shame attached to claiming benefits is a major factor driving non take up amongst those who are eligible but who choose not to engage with the benefit system at all. [Research by Ben Baumberg, Kate Bell and Declan Gaffney](#) found that one in four survey respondents gave at least one stigma-related reason for delaying or not claiming benefits they were eligible for. They suggest that this perception is driven by an increase in the prevalence of [negative media coverage around benefit claiming](#), especially reports that focus on reciprocity and effort on the part of benefit claimants. The DWP has said that the negative perception of Universal Credit as it was introduced contributes to lower levels of take up.

The pandemic and current cost of living crisis is helping to change attitudes to benefits. Many more people have had to claim support as they have faced unemployment and problems with financial resilience. It is currently too early to tell whether this is leading to a sustained rise in take up rates, or whether rising caseload numbers are solely the result of widening eligibility within the population.

A [majority of people in the UK](#) now support increased spending on social security, whilst [four in five people disagree](#) that claiming benefits is something people should be ashamed of. Reluctance to claim due to stigma is therefore less likely to be about what we ourselves think about benefit claimants and more to do with perceptions of what others might think of us if we were to claim.

More widely accessible benefits such as Child Benefit or the Coronavirus Job Retention Scheme have lower levels of stigma and see higher take up as a result. In-work benefits, such as tax credits, also seem to attract less stigma as claimants cannot be accused of 'choosing' to remain on benefits rather than working. Universal Credit, as a benefit that covers those in- and out-of-work, should therefore in theory attract less stigma than Jobseekers Allowance and other legacy benefits covering those out-of-work only, although this cannot be verified without official take up data.

A related factor behind the non-take up of benefits is the deliberate barriers in the system that act as gatekeepers to access, which journalist Sam Freedman [refers to as "ordeals"](#). Examples include arduous disability assessments and the threat of sanctions inherent in-work search conditionality.

Whilst there is political debate around whether it is ethical to base eligibility on people's behaviour, Freedman makes a crucial point about such measures: "They often don't work, usually because the policy designer has misunderstood the motivations of those in need." 'Negative' activation policies, as opposed to 'positive' measures such as employment support and skills training, imply that claimants need to be coerced to look for work.

Whilst these measures are intended to ensure people don't receive benefits they are not entitled to, they can also prevent those who are eligible from claiming.

Recent [research by the Institute for Fiscal Studies](#) highlighted the deterrent effect that work search conditionality has on claiming benefits for unemployed single parents. Many are unwilling or unable to deal with stringent conditionality rules and the threat of sanctions, especially when periods of unemployment are anticipated to be short-term.

Similarly, Working Tax Credit recipients have been [reluctant to migrate to Universal Credit](#) due to the imposition of greater conditionality, whether actual or perceived.

Recommendations for policymakers

People need to be protected from the rising cost of living. Organisations working on the front line see the impact of inadequate levels of support, with households turning to food banks as their housing support increasingly fails to cover their rent, children's needs not being met as support is too low, and the food and energy costs not being met because of insufficient benefit levels.

The following recommendations build on our analysis of why benefits go unclaimed. They are based on what we have seen work at a local level, working alongside frontline advisors in the advice sector and local government.

1. Address the insufficiency of main social security benefits

The complexity of the benefits system is partially driven by the need for an ever increasing array of support, including social utility tariffs, to top up mainstream benefits. This complexity exacerbates the non take up of potential support.

The evidence for insufficiency of benefit levels is widespread. Forthcoming evidence provided by Policy in Practice to the APPG on Poverty shows that just under a third of households in receipt of means tested benefits have insufficient income to meet basic costs. Similarly, a recent [report by JRF](#) indicated that single people currently receive £35 less than they need each week, rising to £66 per week for couples.

Schemes such as Local Welfare Assistance (LWA), Discretionary Housing Payments, the Household Support Fund, Section 13a Council Tax support and the Hardship Fund were originally designed to help meet needs in an emergency or one off crisis. Policy in Practice's [evaluation of Local Welfare Assistance in London](#) found that many people now need discretionary benefits to top up their income because of shortfalls in means tested benefits, rather than to overcome a singular crisis.

The complicated range of support pots was intended to plug holes that the mainstream benefits system could not reasonably be expected to fill. However, inadequate benefit levels have placed the onus on claimants to access multiple sources of benefit income in order to survive.

Policy in Practice joins other organisations in the sector in recommending an urgent review of the mechanism for setting benefit levels to ensure sufficiency.



2. Reduce complexity and increase awareness

The fragmentation of social security needs to be addressed to reduce the onus on the claimant to understand and untangle the complicated process of claiming support. Reducing complexity is likely to need a cohesive solution that includes the aggregation of benefits, greater data sharing across agencies, and the driving of awareness at all points of contact with households.

Even if the fragmentation of the current system were to be addressed, some households will still need to be supported through the claim process. A strategic and funded approach to a support offer is needed to ensure that access to support is not a postcode lottery.

DWP has an important role to play. Targets should be set by DWP and day to day responsibility to maximise take up of support given to 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.

DWP runs a high-profile Pension Credit take up campaign and they should consider doing the same for Universal Credit. Such an awareness campaign would provide a very helpful environment for highly targeted, data led benefit take up campaigns run by local authorities.

Organisations that want to support their customers can integrate an assessment for support into their collection and recovery processes. This will proactively identify people who are struggling and could benefit from support.

The government must also address the inevitable need for emergency or crisis support that will occasionally arise. Such funding must be dedicated and ring-fenced with agreed accessibility and application processes. A national approach would support awareness and signposting.

Finally, targeted take up campaigns should be funded and implemented. This is currently undertaken primarily by councils and is therefore reliant on council funding. Councils are best placed to deliver targeted local campaigns but require dedicated funding to do so.

Our work with councils found they have even greater positive impact when they provide holistic, wraparound support to vulnerable households, including benefits advice.

3. Change the messaging around benefits

Universal Credit was designed to reduce stigma by seamlessly combining in and out of work support. Unfortunately this promise has not yet been fully realised. Universal Credit is perceived primarily as an out of work benefit and has not yet achieved the acceptability of the tax credits it replaced.

The reputation of Universal Credit has been harmed by an increasingly punitive approach towards claimants through ever increasing conditionality and emphasis on sanctions. For many potential claimants this narrative will be enough to stop them applying for and accessing support.

The Covid-19 pandemic and the cost of living crisis have highlighted how we all need access to social security in times of crisis, and public attitudes appear to be changing. Government messaging is critical to ensure that everyone who is eligible accesses to support. We urge the government to adopt a more supportive approach.

Recommendations for practitioners

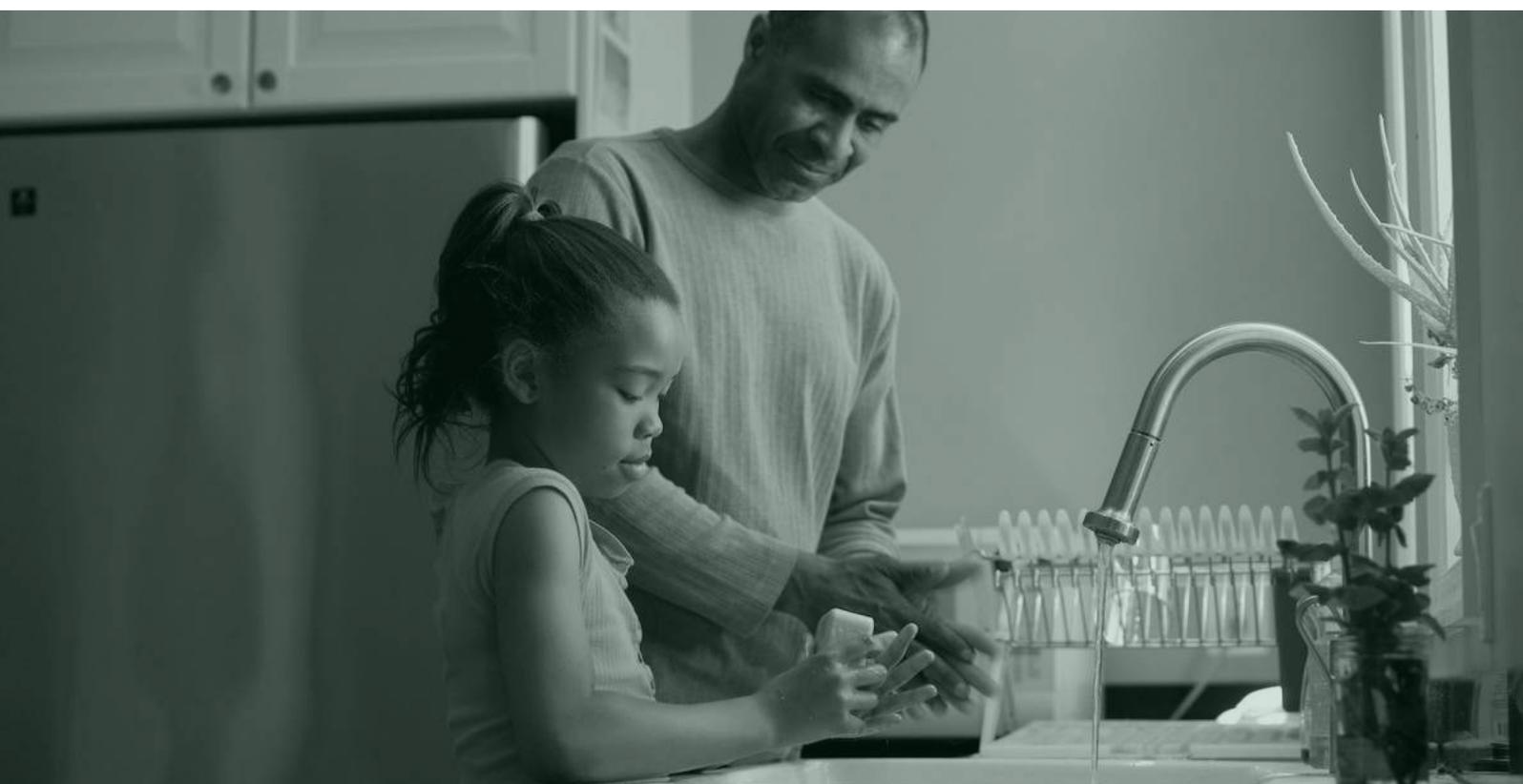
This report identifies £19 billion of social security and other support that is unclaimed each year. Whilst highly significant, this figure does not include non take up estimates for around £6 billion of discretionary support, energy efficiency and disability benefits that people can apply for if they are aware they may be eligible.

Policy in Practice understands that families on the lowest incomes often have the most complicated finances. They waste time and mental energy because government departments aren't able to talk to each other effectively. We bring the full range of means tested, discretionary and other support schemes together into a single assessment.

- **We help two million people each year to check their eligibility for support through our [free benefit calculator](#) on GOV.UK**
- **We help companies to check the eligibility of their customer base for unclaimed benefits, and integrate Better Off assessments into existing customer journeys**
- **We provide insight and analytics to local authorities via our LIFT platform, enabling them to proactively identify residents in need and contact them about the benefits they are missing out on**

We are streamlining access to benefits by bringing different silos of support together, giving people the clarity and confidence they need to make positive decisions.

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



About Policy in Practice

Families on the lowest incomes have the most complicated finances, often because government departments aren't able to talk to each other effectively.

Policy in Practice sets out to make government policy simple to understand, empowering people with the clarity and confidence they need to make positive decisions. As a team of policy experts, we have developed three core services that overcome departmental silos to help individuals tackle rising living costs and build resilience, enable councils to be proactive and track the impact of their intervention, and improve safeguarding decisions while saving social workers time.

Better Off is used by over 2m people each year to help advisors assess eligibility for the widest possible range of support without needing to be experts in the benefit system. It is free for individuals and is available for advisors, as an API, and as a self-serve tool for your website.

LIFT (Low Income Family Tracker) is an analytics platform used by over fifty local authorities. It combines your benefits administration data with advanced analytics to identify and support people with low financial resilience by increasing take-up of financial assistance to prevent homelessness, arrears or to increase take-up of support.

MAST (Multi-Agency Safeguarding Tracker) is a service backed by the LGA and NHS Digital that links data across adults, childrens, fire, police and health on a daily basis. This helps frontline staff to proactively identify where there are multiple contacts with the same individual or family, and make better informed safeguarding decisions.

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Technical appendix and methodology

This section details our calculations for each benefit. Officially published take up rates are used whenever possible. Where no officially published take up data is available, or available data is significantly outdated, we attempted to design defensible methods for estimating take up rates as accurately as possible.

Whilst we believe our methods are the most detailed and accurate currently available we welcome any feedback on how these numbers can be refined.

The table below shows the estimated number of eligible households not claiming each benefit and the estimated unclaimed annual value in 2023/24. Only benefits and social tariffs that can currently be claimed are included, so we have not included legacy benefits such as Jobseekers Allowance, tax credits or working-age Housing Benefit.

Sources for each benefit are shown below, where applicable, followed by full explanations of our methodologies for calculating unclaimed Universal Credit and Council Tax Support.

Benefits administered by the DWP and HMRC

DWP/HMRC benefits	Eligible households not claiming	Caseload take-up (%)	Average award per year (£)	Estimated unclaimed (£m)
Universal Credit	1,255,000	77%	£9,600	£7,565
Carers Allowance ^a	500,000	37%	£3,991	£1,996
Pension Credit ^b	850,000	70%	£2,700	£1,754
Child Benefit ^c	765,000	91%	£2,075	£1,130
Housing Benefit (pension age) ^d	260,000	80%	£5,135	£929

^a Carers Allowance: Media reports suggest 500,000 eligible households fail to claim <https://www.express.co.uk/finance/personalfinance/1705092/carers-allowance-increase-eligibility-dwp>

^b Pension Credit: DWP - 2019 figure uprated by 1.7%, 0.5%, 3.1% and 10.1% to provide estimate for 2023 <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2019-to-2020/income-related-benefits-estimates-of-take-up-financial-year-2019-to-2020>

^c Child Benefit: HMRC. Average award value assumes two children <https://www.gov.uk/government/statistics/child-benefit-statistics-annual-release-august-2021/child-benefit-statistics-annual-release-data-as-at-august-2021#take-up-rate-of-child-benefit>

^d Housing Benefit (pensioners): DWP - expenditure take-up rate of 86% applied to forecasted expenditure for 2023 <https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2019-to-2020/income-related-benefits-estimates-of-take-up-financial-year-2019-to-2020>

Universal Credit

There is currently no officially published data on Universal Credit take up. To calculate take up and the amount unclaimed, we broke down the cohort of Universal Credit claimants into groups that act as proxies for groups that would have been eligible for different legacy benefits. We then applied previously published take up rates for these legacy benefits to each group.

Universal Credit claimants were split into the following groups:

1. Those with a housing element and no limited capability for work related activity element
2. In work, no housing element and no limited capability for work related activity element
3. Not in work, no housing element and no limited capability for work related activity element
4. Those with a limited capability for work or a limited capability for work related activity element

The take up rate for Housing Benefit was applied to group one, the take up rate for Working Tax Credits was applied to group two, the take up rate for Jobseekers Allowance was applied to group three, and the take up rate for income-related Employment and Support Allowance (ESA) was applied to group four.

The logic behind this is that people previously eligible for legacy benefits and now eligible for Universal Credit would have a similar likelihood of claiming Universal Credit as they would for the legacy benefit. The groups were designed so that the legacy benefit with the highest take up rate could be applied to each group. For example, people eligible for a housing element and a limited capability for work element would have the take up rate for ESA rather than Housing Benefit applied, as this is higher.



Universal Credit take up calculation

	Number of households claiming	Average monthly award	Monthly total (£m)	Applicable legacy benefit	Caseload take up (%)	Expenditure take up (%)	Eligible households not claiming	Unclaimed per year - 2022/23 (£m)	Unclaimed per year - 2023/24 (£m)
Housing element/no LCWRA (1)	2,230,403	£992	£2,213	HB	81	88	523,181	£3,621	£3,953
No Housing Element/no LCWRA	1,050,070	£414	£435						
In work (2)	430,529	£385*	£166	WTC	67	86	212,051	£324	£353
Not in work (3)	619,541	£434*	£269	JSA	60	59	413,028	£2,242	£2,447
LCW/LCWRA element (4)	963,524	£1,008	£971	ESA	90	94	107,058	£744	£812
All households	4,243,993	£824	£3,497		77	86	1,255,318	£6,931	£7,565

- Universal Credit claimant and award figures from August 2022, taken from DWP-StatXplore.
- Legacy benefit take up figures are published at <https://www.gov.uk/government/collections/income-related-benefits-estimates-of-takeup--2>; the most recent figures are used for each benefit.
- As average awards are not broken down by employment status in Stat-Xplore, average awards for households in groups 2 and 3 were estimated using the difference in average awards between UC claiming households in and out of work in Policy in Practice's LIFT data.
- The total unclaimed value for 2022/23 has been uprated by 9.15% to get the total figure for 2023/24. This reflects the uprating of standard allowances by 10.1% and the ongoing freeze of the housing element. The ratio of UC recipients with a housing element was calculated from administration data held by local authorities.



Locally administered benefits

Locally administered benefits	Eligible households not claiming	Caseload take up (%)	Average award per year (£)	Estimated unclaimed (£m)
Council Tax Support	2,729,000	62%	£1,003	£2,873
Free School Meals ^a	244,689	73%	£651	£159
Healthy Start ^b	211,558	63%	£283	£65

^a Free School Meals: The cost of each meal uses the unit rate for Universal Free School Meals, which allocates £551 per year per child for meals in 2022-2023, or £2.90 per meal. This has been uprated by the latest (February 2023) ONS food inflation rate of 18.2% to be worth £651.28 per year per child.

Free School Meals - England: Liberal Democrats report: up to 234,500 eligible pupils missing out on FSM in England <https://www.theguardian.com/global/2022/dec/29/government-criticised-200000-children-missing-out-free-school-meals>

Free School Meals - Wales: StatsWales. Pupil Level Annual School Census. 2022. <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Pupils/pupils-by-localauthorityregion-yeargroup>

^b Healthy Start: NHS Business Services Authority. NHS Healthy Start up take data. 2022. Available at: <https://www.healthystart.nhs.uk/healthcare-professionals/>



Council Tax Support

No published take up data exists for Council Tax Support (CTS) since it was devolved in England in 2012. To calculate take up we first looked at the engine behind our Better Off Calculator which models every CTS scheme in the country to arrive at an average of current working-age schemes. 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.

Next we calculated the maximum income at which different household types would be eligible for working-age Council Tax Support under the average scheme. We used an average Band C council tax liability. While the national average is band D, people on lower incomes are more likely to be in lower rated properties. The same was done for pension-age households using the standard pension-age scheme.

Finally, we used the Family Resources Survey to estimate how many households in the country are below the relevant income thresholds with a council tax liability and compared this to published CTS caseload numbers.

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, so 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. This is expected due to the issue of reduced take up as households migrate to Universal Credit.



Council Tax Support

Universal Credit claimants	Number of households ²	People per household	Number of people
Single with no children and earning below £17,500	1,153,924	1	1,153,924
Couple with no children and earning below £17,500	168,491	2	336,982
Single with children and earning below £11,000	448,312	2.79	1,250,790
Couple with children and earning below £11,000	267,203	4.03	1,076,828
Housing Benefit claimants			
Single no children, earning below £12,000	741,149	1	741,149
Single with children, earning below £13,500	383,082	2.79	1,068,799
Couple no children, earning below £15,000	212,305	2	424,610
Couples with children, earning below £16,000	112,627	3.99	449,382
Claiming neither UC or HB			
Single no children, earning below £12,000	3,181,729	1	3,181,729
Single with children, earning below £13,500	167,611	2.78	465,959
Couple no children, earning below £15,000	737,795	2	1,475,590
Couples with children, earning below £16,000	291,996	3.99	1,165,064
Pension age			
Single, pension income below £17,400	2,357,735	1	2,357,735
Couple, pension income below £22,560	963,239	2	1,926,478
Total	11,187,198		17,075,019

² Source: Family Resources Survey 2020/21

Statistic	Count
UK population	67,330,000
Dwellings chargeable for council tax	28,470,000 ³
People per chargeable dwelling	2.36
Total households eligible eligible	7,220,047 ⁴
CTR caseload - England	3,760,705 ⁵
CTR caseload - Wales	268,020 ⁶
CTR caseload - Scotland	462,670 ⁷
CTR caseload - UK	4,491,395
Take up rate	62%
Households not claiming	2,728,652
Annual £s unclaimed 2022/23	£2,736,838,222
Annual £s unclaimed 2023/24	£2,873,406,450 ⁸

³ <https://www.gov.uk/government/statistics/council-taxbase-2022-in-england/local-authority-council-taxbase-in-england-2022#:~:text=There%20were%2025.2%20million%20dwellings,were%20liable%20for%20council%20tax.>

⁴ People eligible / people per chargeable dwelling

⁵ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-local-government-finance#local-council-tax-support>

⁶ <https://www.gov.scot/publications/council-tax-reduction-scotland-2021-22/#:~:text=However%20there%20were%20large%20rises,than%20when%20the%20scheme%20began.>

⁶ <https://www.gov.wales/sites/default/files/pdf-versions/2022/8/5/1661504337/council-tax-reduction-scheme-annual-report-2021-2022.pdf>

⁷ Upated by 4.99% to reflect annual council tax liability increases

Energy support and social tariffs

Social tariffs and energy support	Eligible households not claiming	Caseload take-up (%)	Average award per year (£)	Estimated unclaimed (£m)
Water social tariffs ^a	5,714,000	17%	£160	£900
Broadband social tariffs ^b	5,334,332	3%	£144	£768
Warm Home Discount ^c	2,092,138	53%	£150	£314
Unclaimed energy voucher ^d	380,000	76%	£400	£152
Free TV licences ^e	850,000	70%	£159	£135

^a Water Social Tariffs: eligible households calculated from benefits administration data held by local authorities and compared to the total number of households eligible for Universal Credit and Pension Credit. There are currently 1.2 million households accessing water social tariffs (source: <https://www.discoverwater.co.uk/helping-people-pay>). While schemes differ in generosity, we estimate that the average award is 40% of the average water bill.

^b Broadband Social Tariffs: Ofcom. Total households not claiming is 97% of the total number of households eligible for Universal Credit. Households miss out on an average of £144 per year. <https://contact.org.uk/about-contact/news-and-views/97-broadband-social-tariff-customers-missing-out-are-you/>

^c Warm Home Discount: eligibility is passported through the receipt of means-tested benefits. Pension Credit recipients receive WHD automatically, other means-tested benefits must live in a property with EPC rating of Band D or above. The total households not claiming was calculated by taking the total number of eligible households not claiming UC, multiplied by the percentage of dwellings that are EPC Band D or above (59% - source: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-energy-performance-of-buildings-certificates#epcs-for-all-dom-estic-properties-existing-and-new-dwellings>). This was then added to the total number of eligible households not claiming

^d Unclaimed energy vouchers: BBC report - 380,000 energy vouchers not redeemed each month: <https://www.bbc.co.uk/news/business-64541204>

^e Free TV licence: The same unclaimed figure is used as for Pension Credit, as receipt of Pension Credit is used as an eligibility passport for a free TV licence. This is an underestimation as there will also be households receiving Pension Credit who have not applied for a free TV licence.

