

PRESS RELEASE

£18.7 billion of support go unclaimed every year according to new analysis

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

A forthcoming report from Policy in Practice estimates the value of unclaimed benefits and social tariffs.

The report finds:

- 1. National benefits administered by the DWP make up the largest share of unclaimed benefits. £7.5 billion of Universal Credit goes unclaimed by 1.2 million eligible households.
- 2. Council tax support is the most underclaimed government benefit in England, with 2.7 million people missing out on £2.8 billion of support.
- 3. Social tariffs are also significantly underclaimed. People on means-tested benefits should check their eligibility. There are at least 5 million households who could access lower costs social tariffs with their water, broadband, and energy providers.

Benefits go unclaimed due to administrative complexity, a lack of awareness and increasing fragmentation 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.
- 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.
- **Stigma:** Negative perceptions around claiming benefits may discourage eligible people from engaging in the benefit system



Our policy recommendations:

- 1. **Set national benefit rates at a level that covers essential costs:** Inadequate benefit levels partially contribute to an ever-increasing web of support to fill growing gaps in social security.
- Reduce complexity and increase awareness of benefits: The DWP and local authorities should have a responsibility to raise awareness of benefits eligibility, and share data to maximise take-up.
- 3. **Change the messaging around benefits**: The pandemic and the cost of living crisis highlighted how we all need access to social security in times of crisis. Public attitudes appear to be changing, government messaging should be supportive of social security, to ensure that all those that are eligible access support.

Deven Ghelani, Director of Policy in Practice, said:

"It is shocking that £19 billion of benefits and support is unclaimed at any time, let alone during a cost of living crisis. Universal Credit simplifies access to support, but a growing patchwork of support has emerged to plug austerity driven gaps in social security. Government needs to act to raise awareness of all unclaimed benefits and people should check their eligibility using a free benefits calculator."

Notes to editors:

Policy in Practice was founded by one of the architects of Universal Credit to make the welfare system simple to understand. We help individuals and organisations identify households who are struggling, and missing out on support. Our software helps people to access support and gives them the clarity and confidence to make decisions.

The <u>Better Off Calculator</u> is a free benefits calculator on GOV.UK. It is used by 2 million people each year putting over £700 million into people's pockets. [embed link here: bit.ly/3YHfGK0]

The <u>LIFT analytics</u> platform is used by over sixty local authorities to unlock access to around £1 billion of support each year.

Deven was part of the team that developed Universal Credit at the Centre for Social Justice and he has written and spoken extensively as an expert on welfare reform.

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