

4 October 2012

Department for Work and Pensions Consultation: 'INCOME RELATED BENEFITS: ESTIMATES OF TAKE-UP, PROPOSED CESSATION OF THE NATIONAL STATISTICS SERIES'.

ELIZABETH FINN CARE RESPONSE - OCTOBER 2012

Elizabeth Finn Care is a national charity that gives direct financial support to individuals in need and through Turn2us helps millions more to gain access to the money available to them in welfare benefits, charitable grants and other financial help.

Q1. Do you use information from Income-related Benefits: Estimates of Take-up?

1. EFC uses the statistics of estimated take-up to raise awareness amongst individuals in financial need, who are not claiming, but are likely to be eligible for welfare benefits. The data allows for more refined targeting, meaning resources and campaigns can be more effectively channelled towards those groups where take-up is low and need concurrently high.
2. The statistics allow EFC to identify under-claiming trends, as well as provide an insight into the barriers around uptake. This allows EFC to:
 - a. tailor our services to maximise resource and ensure those most in need are helped
 - b. make specific funding approaches based on evidence, which if successful can facilitate ensuring some of the most marginalised members of society are fully aware of their welfare benefit entitlements and claiming the money that could contribute to alleviating their acute financial need.

Q2. What would be the effect of not having this information?

3. EFC would find it much more difficult to identify the welfare benefits that are being under-claimed, therefore reducing the scope to target campaigns towards those most in need of our services.
4. Without the take-up figures we would be in a weaker position when vying for funding. A reduced income would negatively affect the number of people we can help, both directly with grants and through Turn2us.
5. As the information is integral to the Charity's work, we would have to spend significant resources on establishing the figures from primary data; this would move funds away from our core activities, including the direct financial help we offer.

Q3. Have you any other views or comments on the proposal to discontinue the statistics?

6. It should be recognised that there is a social cost associated with under claiming income-related benefits, and much of this cost is displaced to other Government departments (health, justice) or to local government (education, housing). A failure by a household to take up their full entitlement to income-related benefits can lead to debt, disadvantage and social exclusion.
7. EFC believes the perceived cost savings from the cessation of the publication of take-up figures is low by comparison with the additional costs likely to be incurred by government and others, when attempting to identify and communicate with those not claiming the benefits they are entitled to. Evidence-based targeting, particularly by NGOs & charities, would become more difficult, leading to less efficient blanket approaches when communicating with individuals in financial need.
8. Whilst EFC recognises some shortcomings of the statistical data in question (due to its wide range and sample size) it does not consider that reason enough to discontinue with publication of take-up statistics. The noted shortcomings pertain to limitations in methodology - instead of discontinuing the statistics the DWP would be better advised to develop a more consistent, reliable and robust approach to collecting data. Furthermore, this is also the reason why EFC has rejected the stated 'Option 2' – '...publish the same range of benefits using a simplified methodology'. Given the consultation document recognises that there are flaws in the existing methodology, reducing the rigour of current approaches even further, would only limit the use of the statistics.
9. The DWP wishes to end the statistical series, in part due to the introduction of Universal Credit (UC) and the changes in the welfare system.
 - a. EFC believes there is a need to develop comparable UC take-up statistics which would provide evidence of whether UC is achieving its aims and indeed whether take-up is still an issue.
 - b. The DWP plans to end the statistical series ending with the most recently available data which covers the period 2009/2010 - however UC is not expected to be fully implemented until 2017, which means that the last release date should, in theory, be in 2019. We believe the availability of the statistics about the take up of existing income-related benefits during the conversion period, would provide a useful tool for DWP when evaluating the impact of UC; whilst allowing charities in the welfare sector, like EFC, to continue to be able to target funds most efficiently, whilst new approaches are considered.
10. EFC believes that these statistics are important in demonstrating openness and transparency within government which is committed to through the Coalition Agreement.

Q4. If you are not in favour of the main proposal, which if any of the options do you prefer and why?

11. In the absence of further options, EFC supports Option 1. We believe that the estimated take-up statistics of income-related Benefits allows welfare charities to better expend resources to help those experiencing the most acute financial need. We also believe this is only a short term cost saving to government, and in the long run could be counterproductive and harmful to the Government's aspirations to reduce poverty. However, we believe refining the current methodology to adapt to UC would allow for more detailed and concise statistics, thereby increasing the value of these reports.
12. EFC rejects Option 2 for the reasons mentioned above (point 7). Furthermore damaging the integrity and reliability of statistics weakens the ability for charities, NGO's and others to deliver forward thinking operational changes which impact the lives of service-users, and reduces organisation's abilities to tackle poverty in accordance with their remits.
13. EFC rejects Option 3 because we believe this is not inline with the Government's own commitment to transparency, which we fully support. We also believe it is the Government's responsibility to produce accurate data so it is fully informed when allocating funding and services.

For additional information contact:

Farhana Ali, Policy and Public Affairs Officer: Farhana.Ali@elizabethfinn.org.uk