



Wales Centre for Public Policy
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Poverty and social exclusion: review of international evidence on take-up of cash transfers

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Summary

- Interventions designed to increase take-up of cash transfers can maximise available support and tackle both individual barriers to take-up (e.g. stigma, knowledge, perceived costs) and administrative/ scheme-related factors (e.g. complexity, level of support).
- Greater understanding of current take-up levels in Wales and the development of robust evaluation strategies are essential.
- ‘Passporting’ of benefits (e.g. through streamlined or automated cross-enrolment) can increase take-up and could be applied to some devolved benefits.
- Such solutions can operate in conjunction with localised interventions which are better suited to build local knowledge, adopt suitable pro-active outreach activities, and can provide effective support to particularly vulnerable households.
- There are connections between take-up of cash transfers and policy areas covered in other reviews, for instance:
 - **Digital exclusion:** Increasing digitalisation of social security provision makes improving digital inclusion a priority alongside providing suitable alternatives for those who may benefit from personalised, face-to-face services.
- **Household debt; Food insecurity; Fuel poverty:** Local programmes that integrate a number of services can serve a range of purposes together with claiming assistance (e.g. debt advice, energy management etc.).
- We conclude the review with some promising actions around the use of automated cross-enrolment and of localised integrated initiatives, including:
 - Auditing existing data sharing arrangements and evaluating potential synergies, offering alternative claiming routes and assessing whether the system increases ‘simplicity’ for both administrators and claimants.
 - Support localised initiatives including through evaluations that include an analysis of distributional outcomes and go beyond assessing outputs.

Background

The Wales Centre for Public Policy (WCPP) was commissioned by the Welsh Government to conduct a review of international poverty and social exclusion strategies, programmes and interventions. As part of this work, the Centre for Analysis of Social Exclusion (CASE)¹ at the LSE was commissioned to conduct a review of the international evidence on promising policies and programmes designed to reduce poverty and social exclusion across twelve key policy areas. This report focuses on take-up of cash transfers.

The key questions addressed in each of the twelve policy reviews are:

- What effective international poverty alleviation policies, programmes and interventions exist?
- What are the key or common characteristics/standards and features of these different approaches?

The questions are addressed by providing:

- The Welsh context of each policy area and main initiatives being undertaken by the Welsh Government;
- Detailed information on the relationship between the policy area and poverty and social exclusion;
- A summary of evidence of lived experience, which could help to understand how people may experience and respond to policy interventions;
- An overview of the international evidence of policy effectiveness (including case studies); and
- Challenges and facilitating factors associated with policy implementation.

In addition to the twelve policy reviews, we have produced an overview report which summarises the key evidence from each of the individual reviews, highlights connections between different policy areas and reflects on all the evidence to make a number of policy recommendations, or promising actions, within each of the twelve

¹ The Centre for Analysis of Social Exclusion (CASE) at the London School of Economics and Political Science (LSE) was established in 1997. It is a multi-disciplinary research centre exploring social disadvantage and the role of social and public policies in preventing, mitigating or exacerbating it. Researchers at CASE have extensive experience in conducting policy reviews covering evidence in the UK and international literature.

areas. Please refer to the Annex for detail on methodology, including how the twelve policy areas of focus were chosen.

This work forms part of a suite of reports produced by WCPP as part of its work on poverty and social exclusion for the Welsh Government. As well as this work by CASE, there are two reports on the nature, scale and trajectory of poverty and social exclusion in Wales – one focusing on quantitative data and evidence, and a second focusing on lived experience evidence (Carter, 2022a; 2022b). WCPP also commissioned the New Policy Institute to conduct a review of international poverty alleviation strategies (Kenway et al., 2022) which examines overarching governmental approaches to tackling poverty.

Introduction

This report reviews international evidence on the role of increasing take-up of cash transfers in reducing poverty and social exclusion. Incomplete take-up of cash transfers is recognised as an important issue in Wales (KPMG, 2010; ELGCC, 2019; WRAC, 2019), and rates of take-up vary between different benefits. In the UK, low take-up is common for Jobseeker’s Allowance (60-67%) and Pension Credit (60-76%) (DWP, 2020), while Council Tax Reduction take-up in Wales is around 55-65% (Aston et al., 2020).

Differences between groups also emerge – for instance, in relation to Housing Benefit, take-up among families in the social rented sector was 88% in 2018/19, compared to 69% in the private rented sector. This is equivalent to 92% and 80% of the total amount that could have been claimed respectively (DWP, 2020). Entitlements for families and children have higher rates of take-up, which is also found in other European countries (Nelson, 2011; Eurofound, 2015; OECD, 2018). For example, take-up of Child Benefit is generally high – 93% according to estimates for 2017/2018 (HMRC, 2019). However, gaps in take-up remain: for instance, take-up of Free School Meals is around 85% in Wales (Welsh Government, 2021), having increased from around 73% in 2011 (Welsh Government, 2013).

Policy context

Social security benefits, tax credits, allowances, and payments in Wales are largely reserved matters. The Discretionary Assistance Fund and Council Tax Reduction Scheme are devolved while Discretionary Housing Payments are administered by the Welsh Government.

Reforms to the UK tax and benefit systems from 2010 to 2019 have been shown to be regressive (Cooper and Hills, 2021; Bourquin et al., 2019a). The social security system has become significantly less generous, especially for certain types of households. Low-income households have lost out from these changes overall, especially families with children. Bourquin et al. (2019) show average losses of 11% of income (£1,200 per year) among the poorest 10% of UK households as a direct result of welfare reforms. Low-income families with children have been hit even harder, with losses of around 20% (£4,000 per year).

Cooper and Hills (2021) highlight that the last five years have seen a significantly worsening relationship between the minimum income guaranteed by the UK social security system and the relative income poverty line, especially for working-age single people, couples with no children, and families affected by the two-child limit for Universal Credit (UC). Restrictions to Council Tax support, Housing Benefit shortfalls and the repayment of UC advances, further exacerbate these trends.

Welfare reform over the past decade has also had an uneven geographical impact across the UK. Financial losses have accrued in areas where the concentration of claimants is higher, and average annual losses have been particularly high in some areas, including Wales (Beatty and Fothergill, 2014; 2017; Welsh Government, 2014). The hardest hit local authority areas have been Neath Port Talbot, Blaenau Gwent and Merthyr Tydfil, where losses per working-age adult were higher than average at around £600pa. These losses are largely due to changes in the uprating of benefits (including freezes) and changes to Disability Living Allowance (DLA) and Employment and Support Allowance (ESA) – reflecting higher concentrations of people claiming disability and sickness benefits in the most affected areas, and in Wales in general compared to the UK.

In Wales there is evidence that UC reduces average Council Tax Reduction awards (Aston et al., 2020). Moreover, council tax arrears are both more common and more severe under UC than under legacy benefits. Rent arrears (especially in terms of levels) also increase under UC. Factors shaping these effects are UC's award levels, issues with passported benefits, the five-week wait and the move to direct monthly payments. UC advances are important to mitigate shocks produced by the five-week wait, but subsequent reductions increase hardship for claimants (Aston et al., 2020).

UC claims increased during the Coronavirus pandemic: caseloads across the UK doubled in comparison to pre-pandemic levels, and new claims during 2020 account for 60% of current caseload (Brewer and Handscomb, 2021). About half of all single parents are now claiming UC, while 39% of adults claiming UC are in work. Despite the temporary £20 weekly uplift in UC during the pandemic, one-in-three new UC claimants' family incomes were at least 40% lower than pre-pandemic levels; three-

in-ten new claimant families are more in debt; and one-in-five are behind on essential bills.

Increases in benefit take-up play an important role in the overall impact of UC (De Agostini et al., 2014). One of the main arguments put forward in favour of UC is exactly the way in which it consolidates various social security payments and claim processes into one – which has the potential to lead to increases in take-up. It is argued that some of the most disadvantaged should gain from this, who may have only taken up some of the entitlements that were available to them under the old system. However if the full take-up gain assumed by the Office for Budget Responsibility (OBR) is not forthcoming, UC will be £1.5 billion less generous than the previous system (Brewer et al., 2017; Gardiner and Finch, 2020).

As noted, this review will focus on policies to increase take-up of cash transfers. Take-up was the subject of a joint statement by devolved administrations to the Department for Work and Pensions in November 2020 (Scottish Government, 2020) and is part of the Welsh Government’s poverty strategy. This envisions ‘targeted activities to raise awareness of benefit entitlements, encourage take-up and facilitate longer term behavioural change amongst groups least likely to claim the financial support they are entitled to’ (Welsh Government, 2020). Six pilot projects (ending in March 2021) focus on increasing take-up among specific priority groups (BAME households; families with disabled children/disabled adult(s); people experiencing domestic violence; low-income households). Action to improve take-up of all benefits in Wales, both devolved and non-devolved, is one of the key recommendations in the recent Equality, Local Government and Communities Committee inquiry *Benefits in Wales: Options for better delivery* (2019) and was accepted in principle by the Welsh Government: the report stresses, in particular, policy options related to raising awareness, integration and streamlining of the existing system and engagement with local authorities for the provision of advice and support services.

Relationship to poverty and social exclusion

Social security systems have overlapping goals:

- Poverty prevention and relief;
- The protection of incomes and living standards against unexpected shocks (e.g. illness or unemployment);

- Smoothing incomes over the life-cycle (e.g. when people transition from working age to retirement, or when people are faced with new childcare needs and responsibilities); and
- Reducing inequalities between those who, because of their circumstances, have different needs (e.g. because of a disability).

Non-take-up (full or partial, permanent or temporary) undermines the effective coverage of social protection systems and their ability to fulfil these goals.²

Ensuring households have adequate levels of income is necessary in relation to several policy areas covered in other reviews (e.g. food insecurity; fuel poverty; household debt; affordable housing supply) which in turn bear on health, well-being, and educational and employment outcomes. There is strong evidence that income has significant positive effects on a range of children's outcomes, such as cognitive development and school achievement, social and behavioural development and children's health (Cooper and Stewart, 2017). By protecting against vulnerabilities related to the life-cycle and differential levels of need, social security is essential for the social and economic participation of those affected. Adequate social protection can strengthen the resilience of vulnerable individuals and families and help them avert negative coping strategies that would exacerbate social exclusion. In light of this, it is particularly worrying that UC has been linked to a range of negative outcomes – from increased use of foodbanks to deteriorating mental health but also, to evidence of women being pushed into sex work to make ends meet and experiences of domestic abuse (Cooper and Hills, 2021).

The design of social security affects its ability to ameliorate or prevent social exclusion. For instance, the design of social security can exacerbate social divisions not just by excluding certain groups but because strict targeting may fuel stigmatisation of recipients. These factors related to non-take-up are essential to consider in order to identify policies to increase participation (Matsaganis et al., 2008; 2013; Daigneault et al., 2012).

Shame or stigma are well-documented influences that shape claiming decisions. Some European studies have shown that variations exist in relation to the psychological costs faced by claimants living in different contexts (Hümbelin, 2019; Fuchs, 2009). They intersect with community-specific norms and affect take-up: for

² Besides the fact that households miss out on their entitlements, low take-up by certain groups and in certain areas has consequences for poverty because it affects the accuracy of instruments tracking levels of deprivation (e.g. the Index of Multiple Deprivation). This has consequences for the allocation of public resources which could be used to relieve poverty – for instance in particular areas where the population is less likely to receive the benefits they are entitled to (Bramley and Watkins, 2013).

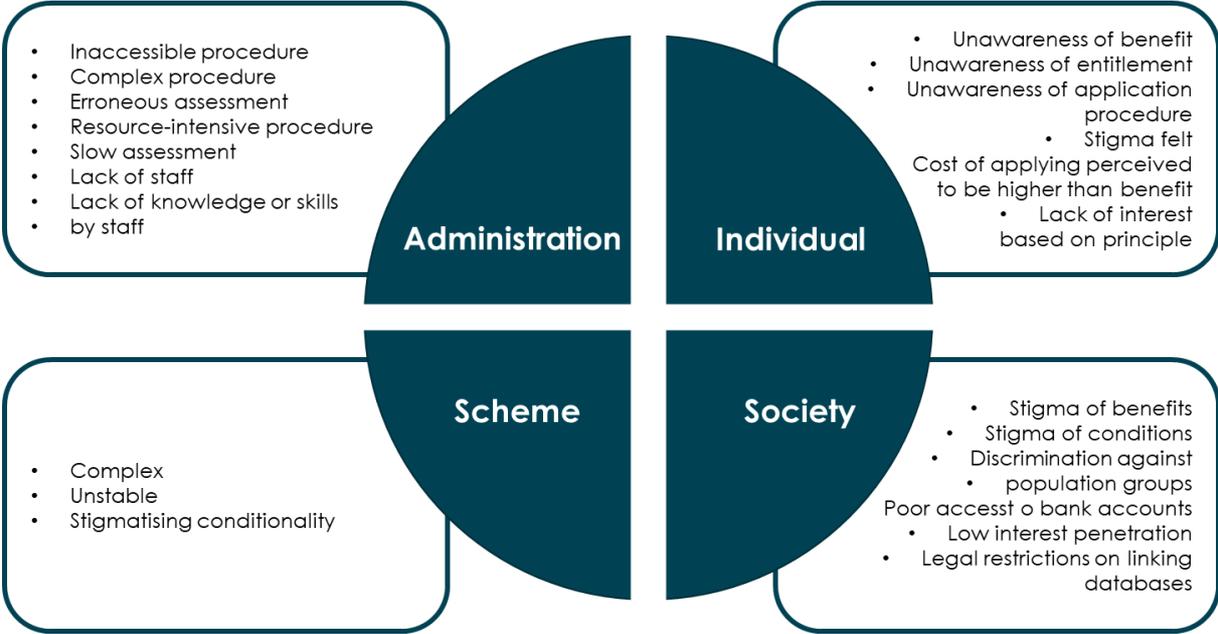
instance, they may explain lower take-up rates in rural communities, where it is hard to ensure anonymity and claimants may feel exposed. Provision of alternative ways to claim (e.g. online applications) can ameliorate this but may not be sufficient for those who face digital exclusion or for those who may benefit from personalised, face-to-face services.

Moreover, those eligible for social security payments must be aware of their entitlements, but also perceive themselves as eligible, and be informed about the process and how to undertake a claim. The decision of filing a claim entails both costs and benefits – the former may be related to costs associated with travel or time spent; the latter relate to the financial value and duration of the benefit. People are less inclined to claim if these benefits are perceived as limited, inadequate or have substantial conditions and sanctions attached. Mismatches between caseload and expenditure take-up rates suggest that people who are eligible for higher value benefits are more likely to claim than people who are eligible for lower value benefits (Ribar, 2014). This is reflected in the UK context: for instance, Gardiner and Finch (2020) found that among working families, lower take-up of UC is generally conditioned by low entitlement amounts reducing incentives to embark on the claiming process; while out-of-work single people are discouraged by benefit conditionality, especially if they are only out of work for short periods.

Generosity, conditionality and sanctions were shown by Ribar (2014) to explain different rates of participation in the US Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP). Reforms to both in the 1990s saw high rates of take-up plummet for both schemes as numerous restrictions were introduced. While TANF maintained restrictive policies in relation to work requirements, time limits and sanctions, and continued to see lower take-up rates, more accommodating eligibility rules and streamlined administration processes saw SNAP take-up rates increase – this resulted in a coverage gap between the two policies of nearly 50%.

Finally, non-take-up may result from a rejection by the authorities (for instance due to administrative errors). Figure 1 provides a way of categorising the different risk factors associated with non-take-up, showing that these relate not only to the individual recipients but also to the social context, the administrative process and the scheme itself.

Figure 1: Risks factors for non-take-up



Source: Eurofound, 2015

Through this framework it is possible to see, for instance, how UC may work to increase take-up: it represents a simplification in comparison to the previous system and the blurring of the distinction between in-work and out-of-work benefits can reduce the stigma attached to claiming. However, other characteristics of the system may work in the opposite direction. Setting aside recent temporary changes connected to the Coronavirus pandemic (which have subverted some of the cuts that have occurred in the last five years and suspended conditionality arrangements), UC is less generous than the legacy system it replaces for certain types of households and in certain areas (Cooper and Hills, 2021; Gardiner and Finch, 2020) and is characterised by a regime of increased conditionality and sanctions.

Relationship to lived experience of poverty and social exclusion

Changes to the UK social security system have been interpreted as placing ‘self-responsibility at the centre of welfare reform’ (Millar, 2018). Understanding people’s lived experience in accessing their entitlements is thus all the more important in the

face of a shifting onus of responsibility onto claimants to successfully manage their money and make ends meet.

Lived experience evidence from Wales highlighted that changes to the benefit system, including the introduction of UC, had led to a reduction in household income which resulted in significant financial struggles for many (Citizens Advice Cymru, 2014). Perceptions of the Council Tax Reduction Scheme and of debt recovery practices also affect participation: misunderstandings about separate claiming procedures for UC and the Council Tax Reduction Scheme as well as fear of debt arising from overpayments have been identified as take-up barriers (Aston et al., 2020).

Furthermore, administrative simplicity does not translate to simplicity for claimants, as the simplification has introduced inflexibilities that do not accommodate the reality of claimants' lives (Summers and Young, 2020). This is supported by emerging evidence on the lived experience of claiming UC that has highlighted challenges with the system that may undermine take-up (Gardiner and Flinch, 2020; EAC, 2020; Summers and Young, 2020). The reduction of payment frequency to monthly often clashes with the budgeting preferences and practices of many on low incomes who are often paid at more frequent intervals (Carter, 2022b). Aside from the already mentioned problems with the five-week wait, monthly assessments in arrears can make payments unpredictable (e.g. depending on how people's changing circumstances occur in relation to the assessment period) – this can undermine financial security and stability of claimants' lives (Summers and Young, 2020).

Errors or interruptions in claims cause significant hardship, since the consolidation of multiple benefits may leave claimants with nothing to fall back on (EAC, 2020). The experience with claiming online emerges as polarising (Gardiner and Flinch, 2020), while direct payments to landlords are generally unpopular, leaving many claimants feeling vulnerable and at risk of eviction (EAC, 2020). Meanwhile, despite the fact that actual sanctions are rarely experienced, the threat of sanctions is very vivid and imbues interactions with Job Centre Plus services with anxiety (Gardiner and Flinch, 2020).

Barriers to take-up described above – such as low entitlement amounts or not wanting to engage with benefit conditionality – appear to be relevant in relation to UC, but in general the scheme appears to suffer a reputational problem which may further hinder participation (EAC, 2020). Take-up of Alternative Payment Arrangements (APAs) – which give people options about how they receive their UC payments and how to pay their rent – is also low: APAs emerge as valuable from the perspective of UC claimants, but APAs are not automatically offered and low

awareness, lack of clarity and a rigid system mean that very few benefit from them (Hobson et al., 2019).

Stigma was also highlighted as a key issue affecting take-up in Wales within lived experience evidence, particularly in rural areas. Linked to this is research into the lived experience of food poverty in rural areas in Wales which found that there was a culture of rural self-sufficiency and pride which increased the stigma around claiming benefits in these communities (ap Gruffudd, et al., 2017). No such corresponding study on attitudes towards benefits in urban communities in Wales was found.

Evidence of policy effectiveness

Intervention	Strength of evidence	Effectiveness
Passporting and automation	Strong	Effective
Local, integrated approaches	Generally weak evaluation	Likely effective
Provision of information	Strong	Mixed
Assistance with the claiming process	Strong *note: including evidence of outcomes resulting from <i>lack</i> of assistance	Effective
Partnership building	Good evidence of their role, less on direct outcomes	Effective

The importance of adequate social security and minimum income protection in relation to poverty reduction has long been established across countries (Kenworthy, 1999; Collado et al., 2016; Cantillon, 2011; Fraser and Marlier, 2016). Changes in benefit levels and in coverage are key drivers of changes in poverty, in terms of headcount and poverty gap (Leventi et al., 2019), while there is evidence that the decline in generosity of the income support element of social security has contributed to stagnating (or even increasing) poverty rates in Europe, despite growth of average incomes and of employment (Fraser and Marlier, 2016).

There is good evidence that take-up has an impact on poverty (Finn and Goodship, 2014). Using microsimulation methods, Matsaganis et al. (2008) showed that incomplete take-up affects the anti-poverty performance of European benefit systems: reducing the extent to which benefits reduce poverty. They showed that in comparison to a 'full-take-up' scenario, imperfect take-up increased the poverty rate in the UK by 4% with respect to a poverty line at 60% of median household income. Imperfect take-up has an even greater impact at the bottom of the income distribution, with a 30% increase in the poverty rate with respect to a poverty line set at 40% of median household income. The poverty gap also increased by 16%, or 27% when considering a weighted poverty gap.³ Increasing take-up can thus make a difference, especially for the poorest.

Passporting and automation

Improving the administration of social security can increase take-up, as non-take-up is less likely to occur when benefit receipt is initiated automatically; for instance, when entitlement is based on administrative data (Currie, 2004). Auto-enrolment overcomes important barriers to take-up such as inertia, lack of awareness and knowledge and, potentially, stigma. Moreover, by focusing on the administration of benefits, non-take-up is framed as a failure of administrators rather than claimants. Beyond relieving claimants from a burden and easing the process, the policy signals an 'endorsement' by the authorities which can reduce stigma (Jachimowicz et al., 2019).

In the US, there are ongoing efforts to explore linkages between social security programmes and the potential for automatic or streamlined cross-enrolment opportunities (Ambegaokar, 2017). The Supplemental Security Income (SSI) is a means-tested benefit paid to blind or disabled people (including children), or those aged 65 and over, with limited income or financial resources. Varying by state, SSI recipients can also receive medical assistance (Medicaid) and their application for SSI can serve as an application for food assistance e.g. the Supplemental Nutrition Assistance Program (SNAP). Rupp and Riley (2016) assessed the effect on Medicaid coverage of three distinct state enrolment policies: 1) automatic Medicaid enrolment based on SSI; 2) a separate Medicaid application but with a reliance on SSI eligibility to establish Medicaid eligibility; and 3) a separate Medicaid application with more restrictive eligibility criteria than SSI.

³ A weighted poverty gap increases the weighting the further incomes fall below the poverty line.

They found that Medicaid coverage was higher in states using auto-enrolment, without altering distributional patterns (meaning that automatic enrolment did not skew the likelihood of certain groups' access to Medicaid). Evaluation of SSI/SNAP Combined Application Projects (CAP) showed that enrolling SSI recipients automatically into SNAP increased SNAP participation – in the period between 2000-2008 CAP states saw an average relative increase in SNAP participation of 48% (Dorn et al., 2014).

Case Study 1 outlines a recent example of automatic enrolment of old age means-tested benefits in Canada. While the Canadian and UK pension systems work differently, both the Guaranteed Income Supplement (GIS) in Canada and Pension Credit in the UK are forms of means-tested top-up which have been shown to have – or, in the UK, have the potential to have (Hirsch and Stone, 2020)⁴ – a strong impact on poverty reduction.

Case Study 1. Guaranteed Income Supplement in Canada

Most Canadians over the age of 65 are eligible to receive the Old Age Security (OAS) pension. Receipt is conditional on certain residency requirements but does not require any history of paid employment. The Guaranteed Income Supplement (GIS) is an additional non-taxable benefit provided to 2 million low-income pensioners. In the early 2000s, a number of studies highlighted concerns with GIS take-up rates (Shillington, 2006; HRSDC, 2010; Ben-Ishai et al., 2019).

The past 20 years have seen increasing efforts to improve take-up, including comprehensive outreach programmes. Automatic enrolment was introduced for OAS in 2012. In December 2017, automatic enrolment was expanded to GIS, for new OAS applicants eligible for the scheme (around 18,000 a year). Those who are not selected for automatic enrolment can still apply in writing. Recipients must then file a tax return every year but need not reapply.

This is part of a broader strategy, an 'action plan to increase take-up' to ensure that people from 'vulnerable groups receive the services and support they need' (ESDC, 2019a). The strategy includes outreach to improve take-up of Canada Child Benefit among Indigenous people and an OAS Toolkit to help community-level organisations support Canadians in understanding and applying for OAS.

⁴ Recently, Hirsch and Stone (2020) estimated that full take-up of Pension Credit would result in a 4.6% fall in the percentage of pensioners whose income is below 60% of median income after housing costs. This would lift around 440,000 pensioners out of poverty. They also estimate that this reduction in poverty would result in substantial savings to the NHS and social care systems over the long term.

Studies exploring the effects of Canadian retirement income policy have shown that the GIS has made an important contribution to the drastic reduction of poverty among the elderly population and is successful in protecting older people from severe hardship (Veal, 2012; Schirle, 2013; Milligan and Schirle, 2013). The OAS/GIS programme contributed to reducing the percentage of old people below Canada's Low-Income Cut-off to 4%, 19 percentage points lower than it would have been without the programme (ESDC, 2019b). Increasing take-up ensures more people benefit from the policy, ameliorating their risk of poverty.

Notably, this is not a case of a pure default: only *new* OAS recipients are automatically enrolled (others still need to apply), and annual tax returns are still required – something that suggests that other barriers to take-up (financial literacy, positive experiences with the process) remain important.

Recent evidence suggests that, while lower than for OAS, the participation rate among those eligible for GIS has risen in the wake of automatic enrolment (Ben-lshai et al., 2019). Evaluations carried out in relation to Canada's Action Plan (ESDC, 2019a; 2019b) do not cover the most recent impact of GIS auto-enrolment but they do identify certain groups who are likely to benefit from auto-enrolment arrangements, with consequences for overall take-up:

- Recent OAS pensioners whose lack of participation is probably due to lack of awareness of GIS (28.2% of eligible non-recipients);
- Old people with variable income (e.g. due to rental or self-employment income) facing temporary exclusion (20.9%); and
- Pensioners whose income is just under the cut-off level and who have smaller financial incentives to claim (6.8%).

The case study highlights that automation of means-tested benefits is effective if:

- Adequate data-sharing protocols and legal frameworks are in place to enable automation – data sharing is the greatest barrier to automation. In this sense, an audit of existing data sharing arrangements within and between different agencies to identify opportunities for full or semi-automation is a priority.
- Alternative claiming routes are offered – for instance, to fix potential administrative errors that exclude eligible claimants.
- Individual and societal barriers such as digital exclusion and financial literacy are taken into account and addressed.

- **The system relies on procedures recipients understand well and that are in line with their habits and practices (e.g. filing of tax reports, which is common practice in the Canadian context).**
-

Clearly, matching administrative data and using it to identify eligible people and automatically enrol them is something which can be applied beyond the old age benefits case discussed. For instance, potential for automatic enrolment can be evaluated in relation to benefits which are among those administered at the local level. It could be considered as a strategy to facilitate Council Tax Reduction take-up – in line with recent suggestions by the Bevan Foundation (2020). CPAG (2019) highlight experiences with streamlined cross-enrolment practices in Scotland, where families entitled to some devolved grants are identified from their Housing Benefit and Council Tax Reduction records and sent pre-completed forms to be signed to release the payment or even paid automatically with no signature necessary. Making automation part of a central take-up strategy would decrease fragmentation and ensure best practices are shared. In general, automation can be explored as a means to deliver a system of ‘passporting’ benefits which would make it easier and quicker to apply for social security support in Wales.

Local, integrated approaches

Local, integrated approaches include a range of elements that can address individual drivers of non-take-up. They involve the provision of information about the benefits as well as advice and support with the application process. They rely on partnerships with key actors in civil society – this facilitates outreach through informal networks but can also leverage on trusted relationships, affecting attitudes and norms related to stigma. The international evidence around these types of interventions individually (provision of information, assistance with the claiming process and partnership building) is assessed in separate sections below. Here the focus is local initiatives integrating this range of interventions and resulting in approaches that can, by engaging key target groups, and relying on peer support, weaken norms against take-up and thus increase the propensity to claim. These approaches help to identify and reach potential claimants, decrease the costs of acquiring information about entitlements and the claiming process for claimants, while also attempting to make the claiming process appropriate and positive.

These characteristics can be found in Case Study 2 – the ‘form brigades’ in the Netherlands. The case study, however, also exemplifies the shortcomings of many of these approaches when it comes to evaluating effectiveness. Finn and Goodship (2014) noted how several small-scale, locally driven projects often lack robust impact

evaluation and tend instead to produce guidance about best practices, or focus just on output indicators (e.g. increased service contacts). Lack of robust evaluation makes it harder to understand:

- which specific elements of the initiatives work;
- for whom they work (something that is important if we want to identify left-behind groups and develop adequate strategies to reach them);
- whether the initiative has produced benefits beyond the target population; and
- the extent to which there is deadweight associated with imperfect targeting.

Case Study 2. 'Formulierenbrigades' in the Netherlands

'Form brigades' (*formulierenbrigades*) are municipal services in the Netherlands that inform people about entitlements to benefits and provide practical help and advice to complete application forms. They comprise of paid staff as well as trained volunteers (e.g. social work students or former beneficiaries) and use a wide range of outreach activities to engage potential claimants – they engage regional and local newspapers, use leaflets and posters, social media and websites. They provide personalised assistance with filing claims, including home-visits. They also organise information campaigns involving a variety of organisations (NGOs, community centres, women's, parent and child centres, churches, mosques and schools). These dissemination and outreach activities are supported by organisations such as the Centre for Work and Income, the Welfare Office, the Employee Insurance Agency, community centres, private social care services, child healthcare centres and volunteering organisations.

Form brigades operate somewhat differently across municipalities, but they overall represent an example of partnership between municipalities and a range of diverse civil society actors, who also refer potential claimants, aiding form brigades in approaching their target groups through informal contacts. The form brigades' activities related to take-up are part of an integrated, broader approach which also include debt management and income maximisation strategies.

While these types of services have been established since the mid-2000s (Eurofound, 2015), it must be noted that municipalities have played a progressively greater role in relation to the provision of social assistance over time. In particular, after the 2015 'Participation Act' there was a large shift of responsibilities from national to local government level (decentralisation) and municipalities have a bigger role in providing all kinds of support to disadvantaged groups (Knijn and Hiah, 2019).

Eurofound (2015) provides an analysis based on early evaluations and key informant interviews highlighting exemplary practices, challenges and key outcomes. However, evaluations relate to pilots involving specific partnerships and largely focus on the number of referrals and type of support provided. They show that issues with take-up are only tackled in roughly three in ten referrals and often involve people who are non-eligible but may require financial advice and debt-management services. They also point to challenges form brigades face in terms of limited capacity and pressure of training costs. Nevertheless, this kind of multiple agency working allows stronger local knowledge to be built.

Through their access to a diverse network, these localised programmes may enable a more tailored assessment of the specific barriers to take-up. For instance, in Rijnstad the form brigades identified key networks with high prevalence of eligible non-claimants, but also collected information related to reasons for not claiming among its beneficiaries – identifying lack of awareness, beliefs about eligibility and difficulties with the application process as main barriers. To sum up, evaluations have not focused on the specific impact of the initiative on take-up but rather reveal how it provided broader financial advice and support which may also lead to better identification of barriers to take-up.

Despite these challenges, these local, integrated approaches can be seen as encompassing some key elements which are explored in different international settings: 1) the provision of information, 2) assistance with the claiming process and 3) partnership building. This analysis provides useful insights about what is likely or less likely to work to increase take-up.

The provision of information

Many studies have explored the role of information in relation to take-up. What they find is that its impact on participation is mediated by characteristics of the target population, type of benefit, and type of information. Much of this evidence comes from the US and is based on experimental or quasi-experimental designs, which are particularly well-suited to assess impact.

Clear messaging can increase take-up even for people who had not responded in the past (Manoli and Turner, 2014). However, these effects remain short-term (meaning that repeated notices and engagement may be necessary to increase take-up each year). Bhargava and Manoli (2013) also find that *simpler* information boosted claiming and *better* information about potential benefits increased this figure even further. In this case, stigma-reducing messaging was not more effective – something

that can be explained by the fact that stigma was not strongly attached to the particular programme evaluated (Halpern-Meekin et al., 2016).

More recently, also in the US, Finkelstein and Notowidigdo (2019) have shown that receiving reminders and information improves enrolment and that combining these measures with assistance with the claiming process increases take-up even more. However, they also found that those who apply and enrol as a result of the intervention are generally less disadvantaged. This suggests that different take-up interventions may be better suited to reach different populations and policy makers should be mindful of the effect of these interventions on targeting.

The incentives associated with a certain benefit also play a key role: Armour (2018) showed negligible effects of providing information about Social Security Disability Insurance (DI) in the US. The exception are workers for whom DI is especially generous. These findings are consistent with UK evidence around the limits of the efficacy and cost effectiveness of advertising campaigns (Finn and Goodship, 2014). Diminishing returns of these measures in relation to Pension Credit suggest that there is a dynamic relationship between the means of communication, types of benefit and the characteristics of the target population. They showed that entrenched negative attitudes and passivity led to negative or diminishing returns of even supposedly 'proven' interventions attempting to increase take-up through the provision of information.

Assistance with the claiming process

Providing personal assistance with the claiming process produces generally positive impacts on take-up (Wiggin and Talbot, 2006; Finn and Goodship, 2014). These services are more expensive than the simple provision of information (Finkelstein and Notowidigdo, 2019), but their costs should be assessed in relation to the significant 'multiplier effect' that increased take-up has on the local economy (Wiggin and Talbot, 2006).

Lack of assistance can significantly lower take-up, especially for certain groups. Deshpande and Li (2017) used a quasi-experimental design to assess the impact of closing Social Security Administration field offices in the US. These offices provide assistance with filing applications for disability-related benefits and their closures were shown to lead to a significant decline in the number of disability benefit recipients in surrounding areas. This was explained by the fact that 1) potential applicants faced greater costs because they must travel farther for in-person assistance and 2) still-open offices became congested.

Closures also reduced targeting efficiency and discouraged more vulnerable and disadvantaged applicants, who face greater barriers in accessing alternatives to the

closed field offices. In fact, people with lower socioeconomic status and educational levels were also less likely to use online alternatives. The discouragement effects were found to persist for at least two years after an assistance office closed. A less efficient administration and negative experiences with the process both undermine engagement.

Partnership building

There is convincing evidence of the importance of proactive approaches to building partnerships and engaging social networks (Eurofound, 2015; Finn and Goodship, 2014; Daigneault et al., 2012; Ribar, 2014). Social networks can play an important role in:

- Identifying and involving recipients who may otherwise find it difficult to reach services;
- Communicating information;
- Providing advice and support with application procedures; and
- Increasing trust in the assessment process.

As in the case of the 'form brigades', these partnerships can engage communities through a diverse, layered approach, employing a range of communication channels, culturally appropriate messengers and local, familiar, trusted, less stigmatised and more accessible settings.

Challenges and facilitating factors

A summary of the challenges and facilitating factors relating to policies that aim to address poverty and social exclusion by increasing take-up of benefits is provided in Table 1.

Table 1: Challenges and facilitating factors

Challenges	Facilitating factors
<ul style="list-style-type: none"> • Estimates of take-up are often not available or are under-estimated because of incomplete reporting of cash transfers in household surveys. • Administrative errors in systems designed to streamline or automate cross-enrolment may lead to exclusion. Minimising errors is all the more important in these systems, because linkages across programmes make administrative mistakes riskier for claimants as they result in severe curtailing of income when more than one benefit is interrupted. • Simplification efforts may end up determining entitlement criteria in ways that undermine policy goals (e.g. because benefits are paid to people for whom it is easy to automate the claim, with the result of excluding those whose complex needs and circumstances may be harder to process). • The stigma attached to claiming benefits is a persistent challenge. Local initiatives – e.g. relying on partnerships with key 	<ul style="list-style-type: none"> • Policies and services boosting digital inclusion or financial literacy can aid efforts to increase take-up by improving claimants’ confidence, capability and knowledge. • Welfare benefit advice services can assist claimants holistically across a range of issues (e.g. supporting legal challenges against DWP, including considering assets, debts). • Embedding interventions in broader income maximisation, financial inclusion and anti-poverty strategies can foster coordination across levels, build sustainable practices, and avoid fragmentation. • Public and political support can strongly accelerate administrative reforms. While a push towards administrative simplicity can boost automation efforts (promising public service savings and greater efficiency), the way in which it

actors in civil society, informal networks – can leverage on trusted relationships, affecting attitudes and norms related to stigma, but may lack the sustained support they need, particularly if they rely on local delivery in a context of widespread cuts.

translates to simplicity for claimants should be subject to careful assessment, especially because negative claimant experiences and attitudes can undermine policies aiming to increase take-up.

Conclusion

Social security is a key policy area relating to poverty and social exclusion amelioration, but some especially critical aspects are outside the remit of Welsh Government powers. Interventions designed to increase take-up of cash transfers can maximise available support and tackle both individual barriers to take-up (e.g. stigma, knowledge, perceived costs) and administrative/scheme-related factors (e.g. complexity, level of support). Greater understanding of current take-up levels and the development of robust evaluation strategies are essential. ‘Passporting’ of benefits (e.g. through streamlined or automated cross-enrolment) can increase take-up and could be applied to some devolved benefits. Such solutions can operate in conjunction with localised interventions which are better suited to building local knowledge, adopting suitable pro-active outreach activities and providing effective support to particularly vulnerable households.

Transferability to Wales

Policies in this area are aligned with Welsh Government priorities and strategic vision. Automation and ‘passporting’ have the potential to increase take-up of a range of UK social security benefits in Wales. Such policies require a thorough evaluation of data requirements and development of a coordinated strategy.

At the same time, local initiatives providing a range of support services that rely on multi-channel, multi-partnership strategies can be effective, especially for those who are most vulnerable. They can also serve to understand people’s experience more closely and address specific barriers. Such initiatives require robust evaluations and an assessment of sustainability challenges.

Promising actions

This section concludes with **promising actions** to consider in the Welsh context as emerging from the analysis of the international literature.

1. **Automation** (see Case Study 1) is effective at improving take-up and can decrease fragmentation, ensuring that best practices are shared. Facilitating the process of claiming can address important barriers to take-up, such as inertia, lack of awareness and knowledge and, potentially, stigma. Priorities should include:
 - **Auditing existing data sharing arrangements and evaluating potential synergies** in order to identify opportunities for automation.
 - Useful lessons can be drawn from the Scottish initiative to link a number of devolved grants to Housing Benefit or Council Tax Reduction records.
 - **Alternative claiming routes must be offered** in order to fix potential administrative errors and reduce risks of excluding claimants.
 - There should be an assessment of whether automated systems increase ‘simplicity’, as this cannot just be assumed. There is evidence that often administrative simplicity does not translate to simplicity for claimants. **Evidence of the lived experience of claimants and administrators can offer insights.**
2. Local initiatives can integrate a range of interventions, from the provision of information to advice and assistance in claiming. Partnerships with civil society actors leverage established relationships of trust, which can be crucial to reach and support the most vulnerable claimants and account for attitudes and norms related to stigma (see Case Study 2). However, these types of programmes often lack robust evaluation. **Evaluation should consider:**
 - Which specific elements of the initiatives work;
 - For whom they work (which is particularly important to identify left-behind groups and develop adequate strategies to reach them);
 - Whether the initiative has produced benefits beyond the target population;
 - The extent to which there is deadweight; and
 - Outcomes (e.g. improved take-up) rather than just output indicators (e.g. increased service contacts).

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Annex: Methodology

Definition of poverty and social exclusion

For the purposes of this project it was agreed that a multidimensional concept of disadvantage, including social as well as economic dimensions, would be adopted. The Bristol Social Exclusion Matrix (B-SEM) (Levitas et al., 2007) provides the theoretical structure that underpins the selection of policy areas. The B-SEM uses the following working definition of social exclusion:

“Social exclusion is a complex and multi-dimensional process. It involves the lack or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities, available to the majority of people in a society, whether in economic, social, cultural or political arenas. It affects both the quality of life of individuals and the equity and cohesion of society as a whole.” (Levitas et al., 2007, p.9).

It is structured around three main domains and ten sub-domains (see Table A1).

Table A1: B-SEM domains and sub-domains

A. Resources:	
A1: Material/ economic resources	Includes exclusion in relation to income, basic necessities (such as food), assets, debt and financial exclusion.
A2: Access to public and private services	Relates to exclusion from public and private services due to service inadequacy, unavailability or unaffordability. The range of services encompass public services, utilities, transport, and private services (including financial services).
A3: Social resources	Reflects an increasing awareness of the importance of social networks and social support for individual well-being. A key aspect relates to people who are separated from their family and those who are institutionalised.

B. Participation:

B1: Economic participation	Includes participation in employment – which is not only important for generating resources but is also an aspect of social inclusion in its own right. Whether work is a positive, inclusionary experience depends partly on the financial rewards it brings, and partly on the nature and quality of work. Work is understood broadly and includes caring activities and unpaid work.
B2: Social participation	Comprises participation in common social activities as well as recognising the importance of carrying out meaningful roles (e.g. as parents, grandparents, children).
B3: Culture, education and skills	Covers cultural capital and cultural participation. It includes the acquisition of formal qualifications, skills and access to knowledge more broadly, for instance digital literacy inclusion. It also covers cultural and leisure activities.
B4: Political and civic participation	Includes both participation in formal political processes as well as types of unstructured and informal political activity, including civic engagement and community participation.

C. Quality of life:

C1: Health and well-being	Covers aspects of health. It also includes other aspects central to individual well-being such as life satisfaction, personal development, self-esteem, and vulnerability to stigma.
C2: Living environment	Focuses on the characteristics of the 'indoor' living environment, with indicators of housing quality, inadequate housing and exclusion in the form of homelessness; and the 'outdoor' living environment, which includes neighbourhood characteristics.
C3: Crime, harm and criminalisation	Covers exposure to harm, objective/ subjective safety and both crime and criminalisation. This reflects the potentially exclusionary nature of being the object of harm, as well as the exclusion, stigmatisation and criminalisation of the perpetrators.

Notes: the descriptions of the sub-domains are the authors' understanding of what each sub-domain includes based on Levitas et al. (2007).

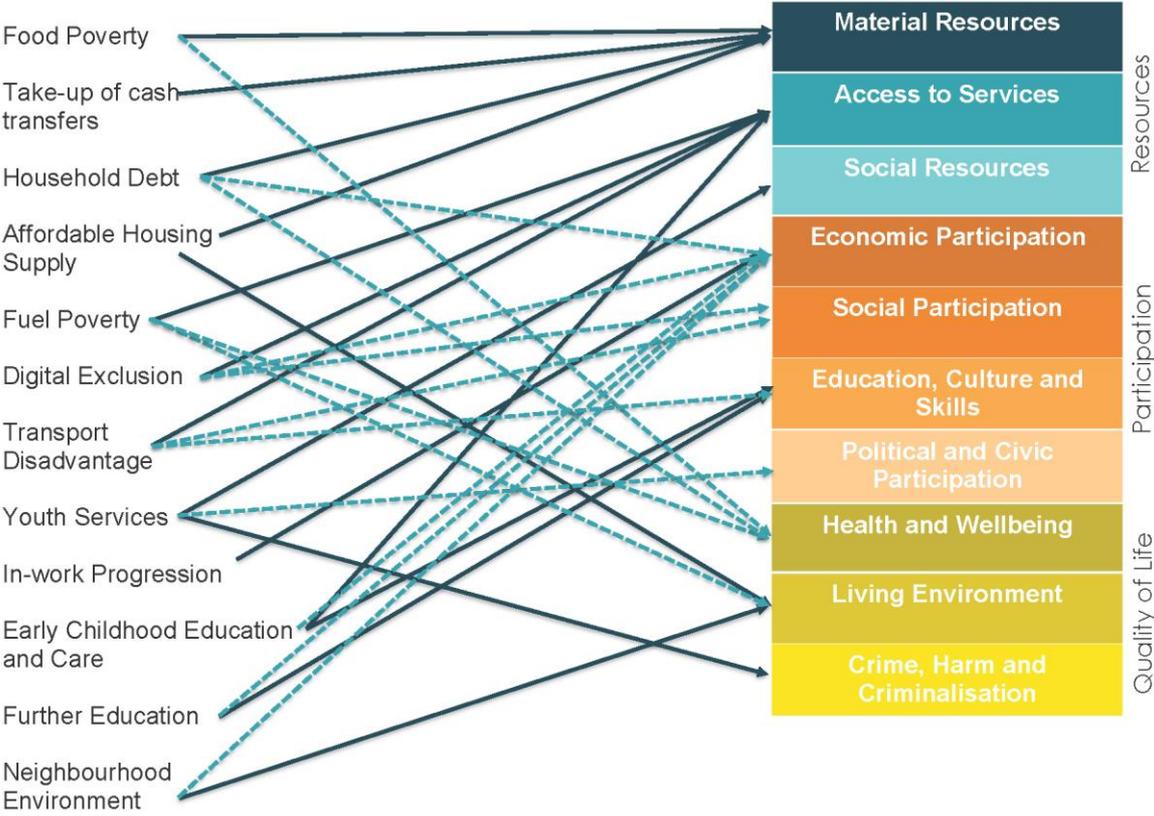
Selection of policy areas

The first step involved the research team identifying a long list of 40 policy areas with reference to the domains and sub-domains of the B-SEM. The long list was, in part, informed by a review of key trends in poverty and social exclusion in Wales, across the ten sub-domains, conducted by WCPP (Carter, 2022a); a consideration of the Welsh Government's devolved powers across policy areas; and meetings with experts. From this long list a shortlist of 12 policy areas was agreed. The shortlisting process took into account advice on priority areas identified by a focus group of experts, but ultimately the final list of 12 policies was selected by the Welsh Government.

The final set of 12 policy areas covers a broad spectrum within the B-SEM, and most are related to more than one sub-domain within the B-SEM (Figure A1). However, the final selection should not be considered exhaustive from a poverty and social exclusion policy perspective. This is because some important policy areas are not devolved to the Welsh Government and, therefore, were not included. For example, while adequacy of social security is a key driver of poverty the Welsh Government currently has no powers to set key elements of social security policy (e.g. rates and eligibility criteria for the main in-work and out of work benefits) and this is the reason why we focus on one aspect of social security, take-up of cash transfers, that the Welsh Government has power to influence.

Another factor was the project's scope and timescales, which limited the selection to 12 policy areas and meant that other important areas had to be excluded (for instance, social care, health care and crime). To make the reviews manageable, it was also necessary to identify a focus for each of the 12 policy areas. The research team identified a focus for each of the reviews on the basis of a brief initial scope of the research evidence and consultation with WCPP who, where relevant, consulted sector and policy experts. This means that there are likely to be additional policies which could be included in a poverty and social exclusion strategy by the Welsh Government *within* the 12 policy areas and *in addition to* the 12 policy areas reviewed.

Figure A1. The selected policy areas mapped to relevant B-SEM sub-domains



Source: prepared by the authors

Notes: The figure outlines the mapping of the 12 selected policy areas to the B-SEM matrix: bold lines show the relationship between each policy area and main B-SEM sub-domain(s), light dotted lines identify selected secondary B-SEM sub-domains the policies are related to (a full list of these ‘secondary subdomains’ is included in the specific reviews).

Review stages

In the ‘evidence of policy effectiveness’ section, while it was not possible to produce a full systematic review (although evidence from existing systematic reviews and meta-level analyses were included where available), a structured approach was adopted. This first involved an evaluation of the state of the relevant literature, focusing on whether effectiveness was assessed via methods standardly considered better suited to establish causality (e.g. on the basis of hierarchical grading schemes such as the Maryland Scientific Method Scale (Sherman et al., 1997) or the Oxford Centre for Evidence-Based Medicine’s (OCEBM) levels of evidence (Howick et al., 2011) such as randomised controlled trials (RCTs), meta-analyses of RCTs and other quasi-experimental studies. While RCTs are particularly powerful in identifying whether a certain intervention has had an impact in a given context, other forms of evidence, such as quasi-experimental and observational studies with appropriate

controls may be better suited, depending on the type of intervention, to establish the range of outcomes achieved as well as providing an understanding of distributional effects and allowing sub-group analysis (i.e. ‘for whom’ did the intervention work). In the process of assessing evidence, case studies were selected to further elaborate some of the key findings resulting from the review and to identify specific examples of promising policy interventions.

In a few areas, the literature review highlighted a lack of robust evaluations – the reviews underscore this and present the best available evidence found along with an assessment of the strength of the evidence. Where possible, an evaluation of the underlying mechanisms of change was also considered, allowing an explanation of not just whether, but why a certain intervention works, thus also facilitating the identification of challenges and facilitating factors, which is crucial in thinking about not just ‘what’ should be done but also ‘how’ it can best be implemented.

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- helped guide the identification of key policy areas;
- improved our understanding of the transferability of policies to Wales; and
- informed our consideration of implementation challenges and facilitating factors.

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