

REQUEST FOR DIRECTOR DECISION – DD2605

Pension Credit uptake campaign

Executive summary:

Approval is sought for expenditure of up to £125,000 to grant-fund Policy in Practice (PIP), to deliver a data-driven Pension Credit uptake campaign over a three-month period.

The funding would allow PIP to work in partnership with participating boroughs to: identify and proactively engage older Londoners that are eligible for, but not claiming, Pension Credit; and support them to make a claim and increase their income.

Decision:

That the Executive Director, Communities and Skills approves expenditure of up to £125,000 to fund Policy in Practice to work in partnership with London boroughs to deliver a data-driven targeted Pension Credit uptake campaign.

AUTHORISING DIRECTOR

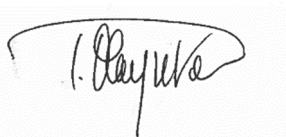
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Tunde Olayinka

Position: Executive Director,
Communities and Skills

Signature:



Date: 18/10/2022

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. Pension Credit is a state benefit designed to ensure a minimum level of income for pensioner households (currently £182.60 per week for single pensioners and £278.70 for a couple). Claiming Pension Credit can often see household incomes rise by as much as £3,000 a year, and can entitle an older person to other forms of support – for example, the Warm Home Discount, Housing Benefit (if the claimant rents their home) and free NHS dental care. Pension Credit has also been used as a qualifying benefit for cost-of-living payments.
- 1.2. Over the past two years the GLA has worked with a range of partners to distribute Pension Credit leaflets to older Londoners. This has included partnerships with GPs during the initial COVID-19 vaccination programme; and distribution through local authorities, London Fire Brigade and local Age UKs in London. Distributing leaflets is an important part of continued awareness-raising of available support – particularly for potential claimants that might be digitally excluded – and is relatively inexpensive. However, it is difficult to measure its impact.
- 1.3. This decision document seeks approval to provide grant funding to Policy in Practice (PIP), to contribute to the costs of carrying out its data-led Pension Credit uptake campaign between January and March 2023. PIP will work in partnership with boroughs to identify and contact older residents who are eligible for, but not claiming, Pension Credit. All households contacted will be provided with the information they need to make a claim themselves; those with more complex needs will be referred to additional support to make a claim.
- 1.4. PIP is a leading software and analytics social enterprise that works with organisations to analyse the impact of policy, the people impacted, and the effectiveness of interventions. In June 2022 PIP published a [press release](#) that set out how data could be used to improve Pension Credit uptake. In London, this drew on the example of Islington Council and the 39 per cent success rate achieved through a targeted data-driven campaign. In late July 2022 PIP contacted the Financial Hardship team with a proposal to scale its approach to Pension Credit at the London level.
- 1.5. In London, PIP estimates that around £250m worth of Pension Credit is unclaimed annually, with just over 145,000 pensioner households missing out.¹ Carrying out a targeted campaign has the potential to generate a substantial amount of additional income for older Londoners; and to make a tangible difference to these Londoners' ability to mitigate the rising cost of living. For example, in Islington claims could reach up to £3,000 a year.
- 1.6. This proposal builds on the programme of work described in MD2891 to deliver a range of activities to help Londoners mitigate the worst effects of the cost-of-living crisis; and in MD2869, which authorised expenditure on a programme of work in 2021-22 and 2022-23 aligned to the Robust Safety Net recovery mission.

¹ Estimates of unclaimed Pension Credit through DWP's Stat-Xplore, PIP, 2022

2. Objectives and expected outcomes

- 2.1. Overarching aim: to help Londoners mitigate the worst effects of the cost-of-living crisis by connecting them with the support they need to reduce their outgoings, and increase their incomes.
- 2.2. Primary objective: to increase the number of older Londoners claiming Pension Credit by delivering a data-driven targeted communications campaign.
- 2.3. Secondary objectives:
 - The project will demonstrate the value in applying a data-driven approach to rights and entitlements campaigns at the local level. By working with PIP on the data-sharing and subsequent communications, local authorities will be able to evaluate their own capability to apply such an approach themselves.
 - The project will identify what works across different areas and with different communities of older people in terms of messaging, forms of communication and support needs. The communications with older households will also provide information and advice on related issues – such as social connections, and health and wellbeing.
 - The project will inform advocacy asks about what local authorities and national government should do to increase benefit take-up. There may be specific asks of government about the sharing of administrative data to support the expansion and scaling-up of this approach.
 - There is potential for the approach to be applied and expanded to other rights and entitlements.

Outcomes

- 2.4. In line with the objectives above, the primary outcome that this project would seek to measure is the increase in Pension Credit claimed by London households. This means increased numbers of older people claiming Pension Credit with around 30% per cent of targeted eligible households going on to make a success claim, resulting in higher incomes of around £2,000 to £3,000 each year.
- 2.5. Other outcomes associated with the secondary objectives would include:
 - an increase in the number of London boroughs reporting a high level of confidence in taking a data-driven approach to entitlement campaigns
 - an increase in the number of boroughs intending to apply a similar approach to rights and entitlement campaigns in future
 - an increase in the number of older people being referred and signposted to services for additional forms of support around various issues (e.g. social isolation, housing, health and wellbeing)
 - available evidence, at the London level, to support our advocacy asks for the necessary approach to rights and entitlement campaigns

- improved understanding about the viability of applying a similar approach to other rights and entitlements.

3. Equality comments

- 3.1. The Robust Safety Net Mission primary focus is on preventing and responding to financial hardship experienced by Londoners. There are multiple ways in which Londoners with protected characteristics, as defined and protected under the Equality Act 2010, are at greater risk of financial hardship.
- 3.2. Due to the qualifying criteria for Pension Credit this project has a primary focus on supporting older people (aged 66 and over).
- 3.3. There is evidence, published by the Department for Work and Pensions, that shows that an older person is more likely to be eligible for Pension Credit if they are also:
- amongst the older old (i.e. 75+ years of age)
 - female
 - single
 - disabled.
- 3.4. There is further evidence that older people are more vulnerable to the rising cost of living than some other groups. For example, older people (aged 65 and over) spend a higher percentage of household income on essentials such as food and non-alcoholic drink, electricity, gas and other fuels than other age groups. Research published by Age UK after the announcement of the Energy Price Guarantee shows that just under three in 10 (29 per cent) older households (2.8m overall) will be in fuel poverty this winter. This represents an increase of 1.8m older households compared to a year earlier.

4. Other considerations

- 4.1. The key risks and issues are as follows:

Risk	Impact	Mitigation
<u>Low borough participation</u> We need to ensure a minimum number of boroughs take part to make the project viable. The exact number will depend on which boroughs take part, but we expect a minimum of ten boroughs.	Without enough boroughs taking part the project will not be viable for PIP and will not provide sufficient reach, thus reducing the programme's impact.	Working with London Councils, we will send out an Expression of Interest to all boroughs. This often includes multiple contacts for each council. PIP currently works with 16 London boroughs, and has relationships with even more. We also have our own relationships, which we can use to encourage councils to take part.
<u>Inadequate advice capacity</u>	Older people with more complex needs will require	The Expression of Interest will ask councils if they can support older

Some older people will require casework-style advice to claim Pension Credit.	ongoing support to make a claim. We know that council services and advice providers are already dealing with high demand that outpaces supply. As a result, some older people may not be sufficiently supported to make the claim. This could result in a lower-than-expected success rate.	residents with complex needs in making a claim. When we know which boroughs are taking part, and advice capacity, we may be able to pool resources to meet needs more effectively. At this stage we will also be able to explore which GLA-funded projects could provide advice capacity.
<u>Inability to quantify successful claims and evaluate financial gain to households</u> The project will need to track older households across datasets to measure financial impact.	This would limit our ability to report against the objectives of the project, and therefore greatly limit the ability to make the case for this approach to be carried out by councils.	An agreement will be reached with PIP and boroughs around how the number of claims, and the financial impact, will be measured. If necessary, agree a sufficient timeline into project delivery to account for a longer evaluation period.

Considerations for the provision of grant funding and subsidy control

4.2. It is proposed that the funding constitutes the award of grant-payment funding, rather than a contract for services, because:

- it would support an existing third-party (rather than GLA) project that aligns with the Mayor's priorities, but is the initiative of the third party in question
- the GLA would not receive a direct or indirect benefit as a result, with the benefits accruing instead to Londoners.

4.3. PIP is in a unique position to deliver the project for the following reasons:

- through its Lower Income Family Tracker (LIFT), PIP has an established working relationship with 16 London boroughs
- PIP has data-sharing arrangements in place with over half of London boroughs that could be used or amended for this project, which will help in adhering to the three-month delivery timeframe
- PIP has already delivered this style of campaign in London, working in partnership with Islington Council, and achieved a high success rate
- PIP is used to delivering high-quality data analysis for local authorities, and has considerable skills and experience relevant to the delivery of the project
- in exploratory meetings with PIP, it has asserted its capacity, within the organisation, to deliver the campaign in the three-month timeframe.

- 4.4. Given the pressing needs of the ongoing cost-of-living crisis, it is proposed to award the funding to PIP rather than running a grant-application process. This is considered to provide value for money for the following reasons:
- PIP has reach with around half of London boroughs through its LIFT, putting it in a unique position to scale a London approach. It would not be possible to create this with another organisation in the time frame available.
 - PIP has previously delivered the campaign in London with Islington Council. As a result, it has experience of carrying out the data analysis, setting up and using the communication systems, project reporting and project evaluation.
 - PIP regularly works with local authorities, meaning it is used to tailoring approaches to local needs and responding to organisational requirements.
 - PIP has considerable experience working with several London boroughs on projects and programmes, meaning it can deliver at scale.
 - PIP has a wide range of roles and skills within the organisation that are relevant to the project – for example, data analysts, technology experts, policy specialists and client managers.
 - For a project operating at a London scale, and the potential for considerable financial gain among households, the cost of the project is reasonable.
- 4.5. PIP is paid by its LIFT clients, but it does not receive funding for either additional data analysis or targeted campaigns activity. This funding would allow councils to make the most effective use of their data and deliver the communications campaign. By funding the project, we are enabling a successful approach to Pension Credit uptake to be scaled at the London level; and providing evidence for councils to fund such activity in future.
- 4.6. Councils will provide their own resources to support the project. For example, some councils will decide to send out the communications themselves; and some will provide benefit-adviser capacity to support older people with more complex needs in making a claim.

Links to Mayoral strategies and priorities

- 4.7. This activity described in this decision document seeks to help Londoners mitigate the rising cost of living, which is a current Mayoral priority under the wider Getting London Back on its Feet priority.
- 4.8. Providing this grant funding will contribute towards the Robust Safety Net recovery mission's goal of ensuring that all Londoners can access the support they need to escape or avoid financial hardship.

Conflicts of interest

- 4.9. There are no conflicts of interest to note for anyone involved in the drafting or clearance of the form.

5. Financial comments

- 5.1. Approval is sought for expenditure of up to £125,000, which will be funded from the Low-income and Food programme budget 2022-23, held within the Community and Social Policy Budget.
- 5.2. The funding covers the following:
- Data-sharing arrangements.
 - Data analysis.
 - Development cost of text messaging, letter distribution and telephony management.
 - Two full time posts for making outbound phone calls.
 - Project management and reporting.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the director concern the exercise of the Authority's general powers and fall within the Authority's statutory power to do such things considered to further or that are facilitative of, or conducive or incidental to, the promotion of social development within Greater London; and in formulating the proposals in respect of which a decision is sought, officers have complied with the Authority's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom consult with appropriate bodies.
- 6.2. In taking the decisions requested, the director must have due regard to the Public Sector Equality Duty – namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; advance equality of opportunity between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the director should have particular regard to section 3 (above) of this report.

Grant funding

- 6.3. The proposed grant of up to £125,000 to PIP may be viewed as a conditional gift rather than a contract for services and supplies. As the officers have set out in paragraph 1.3, above, the Authority's grant would contribute towards PIP's own Pension Credit uptake campaign. Furthermore, as set out in paragraph 1.5, above, the benefits of the campaign would inure to older Londoners by making them aware of unclaimed pension credits to which they are entitled.
- 6.4. Finally, the officers must ensure that an appropriate funding agreement be put in place between the Authority and PIP before any part of the grant funding be paid.

7. Planned delivery approach and next steps

Activity	Timeline
Approach boroughs for Expression of Interest	November 2022
Prepare grant agreement	November 2022
Confirm participating boroughs	November 2022
Agree local approach to the campaign	November 2022
Set up data-sharing arrangements	November/ December2022
Data-sharing with PIP	November/December 2022
Data analysis by PIP	November/December 2022
First contact with households – Email/text/letter	January 2023
Three follow-up contacts with households – email/text/letter	January-February 2023
Phone calls to households	January-March 2023
Project evaluation	Spring-summer 2023

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Adrian McDowell, Senior Projects and Policy Officer, Financial Hardship (Equality and Fairness)

Assistant Director/Head of Service:

Tom Rahilly, Assistant Director, Communities and Social Policy Unit

Financial and Legal advice:

Abi Yussuf (Finance) and John Benson (Legal teams) have commented on this proposal, and this decision reflects their comments.

Corporate Investment Board

A summary of this decision was reviewed by the Corporate Investment Board on 17 October 2022

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date 20/10/2022