

# **Approach to Measuring Take-Up of Low-Income Benefits**

**October 2021**

# Contents

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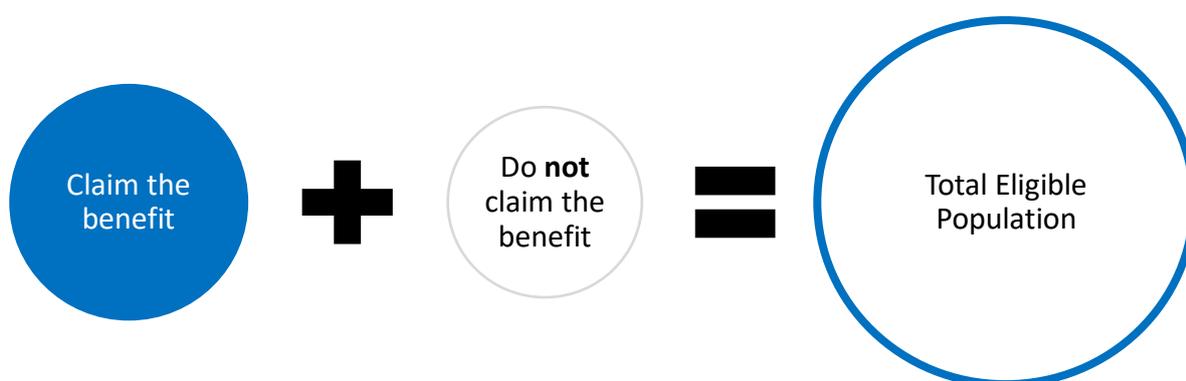
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## 1. Approach to Calculating Take-up

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Take-up is a measure of the extent to which people who are eligible for a benefit receive it. It is calculated by comparing the number of recipients of a given benefit to the population of people who are eligible for that benefit. We refer to those people who are eligible for a given benefit and receive it as **benefit recipients**. We refer to the total number of people who meet the eligibility criteria for a benefit, whether or not they claim it, as the **eligible population**.

**Figure 1.** Composition of the Eligible Population



Take-up is expressed as a ratio (or percentage), where the number of benefit recipients is divided by the eligible population. Figure 2 is an infographic that is an illustrative example of how take-up is calculated (the figure of 70% is for illustrative purposes).

**Figure 2.** Illustrative Example of How Take-Up is Calculated

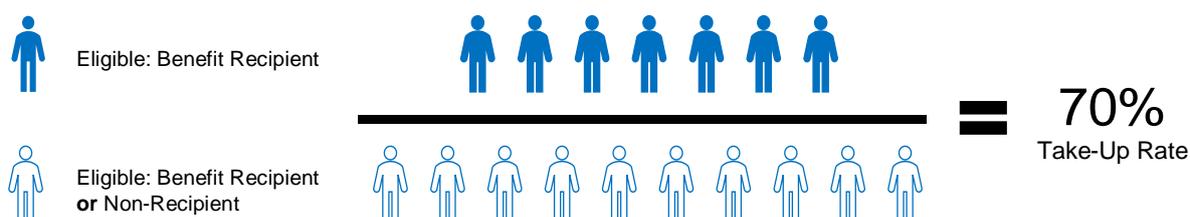
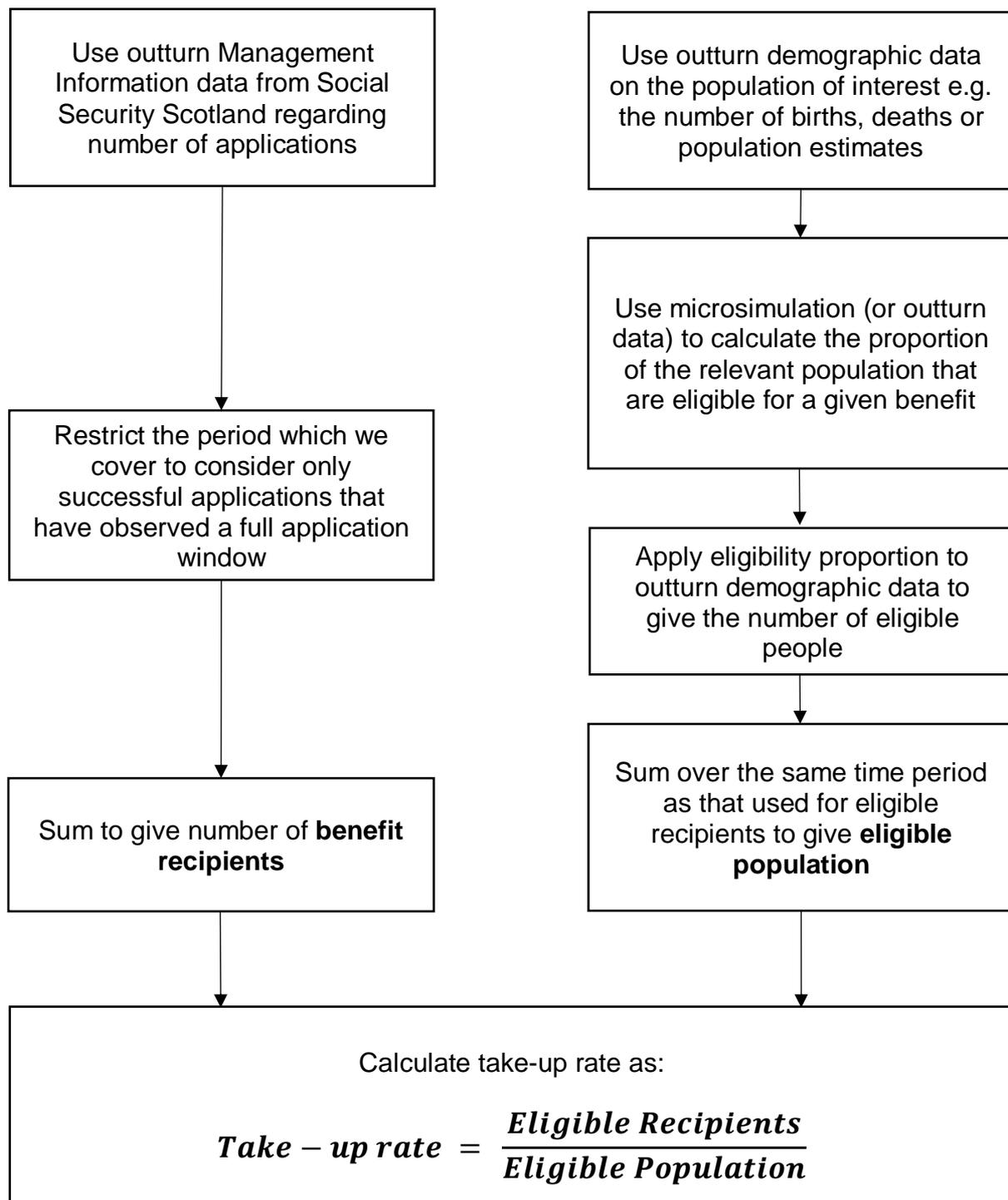


Figure 3 is a flowchart which summarises our approach to calculating estimates of take-up rates across a range of low-income benefits which we present in the second Take-up Strategy report<sup>1</sup>.

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<sup>1</sup> [Strategy report](#)

**Figure 3.** Flowchart of Steps to Calculate Take-Up



Taking **benefit recipients** first, we often use Management Information (MI) data as it typically aligns better with our estimates of the eligible population. It can also help us to identify cohorts of clients that had a full application window<sup>2</sup> to apply for the benefit, which is an important consideration when measuring take-up. This is because we cannot say that an eligible person has not taken up their eligibility until

<sup>2</sup> An application window refers to the amount of time an eligible person has to apply for a benefit.

the full length of the application window has been observed. Therefore, we ensure that take-up is not misrepresented when we exclude from the calculation application data that do not meet this criteria. There are some limitations associated with using MI data. Generally, MI data are not always as robust and reliable as official statistics; more specific limitations associated with the MI data used for each estimate are explained in the relevant sections.

Whilst outturn data can be used to calculate the number of benefit recipients, we need to estimate the size of the eligible population for each of the benefits that we provide an estimate of take-up for in this strategy. We produce our own estimates of the size of the eligible population, rather than using those produced by the Scottish Fiscal Commission (SFC), where available. This is because the SFC focus on *future* years and typically publish eligibility estimates extending back to the financial year prior to that which their latest forecast is published in. For example, Scotland's Economic and Fiscal Forecasts, published in August 2021<sup>3</sup>, includes eligibility estimates from 2020-21 onwards. Our focus lies in a *retrospective* measure of the size of the eligible population in the period prior to 2020-21. Given this difference in focus, it would be more appropriate for the purposes of calculating take-up estimates to use our own estimates of the size of the eligible population. Box A provides a detailed overview of the steps followed to calculate the size of the eligible population for low-income benefits.

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<sup>3</sup> Scottish Fiscal Commission (August 2021) - Scotland's Economic and Fiscal Forecasts ([link](#))

## **Box A. Steps to calculating the size of the eligible population for low-income benefits**

There are two main steps we use to estimate the size of the eligible population. Firstly, we use outturn demographic data on the population of interest e.g. the number of births, deaths or population estimates (typically produced by National Records of Scotland).

The second step is to use microsimulation modelling to calculate the proportion of the relevant population that are eligible for a given benefit. Microsimulation applies tax and benefit rules to household survey data, which is representative of the population, and can be used to predict entitlement to low-income benefits. The Department for Work and Pensions (DWP) similarly incorporate microsimulation into their approach to estimating take-up of income-related benefits.<sup>4</sup>

We have used the latest version (A2.51) of the microsimulation model 'UKMOD'<sup>5</sup> in this analysis. This incorporates the tax and benefit rules from the UK Government's Spring Budget in 2021, as well as the Office for Budget Responsibility's (OBR) assumptions on the unemployment impact of COVID-19 from their Economic and Fiscal Outlook in March 2021. We also use the latest, 3 year pooled version of the Family Resources Survey (FRS) that is available for use in UKMOD, which includes data up to 2018/19. We have made a change to the default version of UKMOD A2.51, and that is to use the OBR's latest Welfare Trends Report (March 2021) forecast of the rate of transition from legacy benefits to Universal Credit. We use UKMOD to estimate the percentage of people who are likely to be eligible for each benefit. These are known as our eligibility proportions.

An important limitation of UKMOD is the accuracy with which it predicts benefit caseload. When compared with outturn data, the forecast caseload is typically lower. The reason for this difference lies in the FRS data that UKMOD uses, which grosses up sample observations to yield estimates for the overall population. Grossing up sample observations to match population values is a process called calibration. For example, the FRS estimate for the number of children aged 0 to 9 will match ONS population estimates for the number of children aged 0 to 9. Calibration is a complex process that, in the FRS, accounts for demographic and geographic factors, but not benefit caseload. We account for this issue by

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<sup>4</sup> Department for Work and Pensions - Income-related benefits: estimates of take-up ([link](#))

<sup>5</sup> Richiardi M, Collado D, Popova D. UKMOD (2021) – a new tax-benefit model for the four nations of the UK. *International Journal of Microsimulation*, forthcoming. The results presented here are based on UKMOD version 2.51. UKMOD is maintained, developed and managed by the Centre for Microsimulation and Policy Analysis (CeMPA) at the Institute for Social and Economic Research (ISER), University of Essex. The process of extending and updating UKMOD is financially supported by the Nuffield Foundation (2018-2021). The results and their interpretation are the Scottish Government's sole responsibility.

multiplying the number of people that UKMOD predicts to be eligible for each benefit by adjustment factors. The adjustment factors are different for each benefit, but generally are equal to the ratio of outturn qualifying benefit caseload to UKMOD predicted qualifying benefit caseload, respectively for each benefit. These adjustment factors are calculated on a financial year basis and applied dependent on whether the predicted qualifying benefit is Tax Credits, Universal Credit, Housing Benefit or Pension Credit. This overall process improves the accuracy of our eligibility estimate.

The following sections, which cover each of the benefits that we provide an estimate of take-up, explain the methodology and associated limitations for calculating the take-up rate for the respective benefits in more detail. Box B provides an overview of key considerations of the take-up analysis more broadly.

### **Box B. Key considerations of the analysis**

A key consideration for this analysis is that the take-up estimates are only initial as they rely on a methodology that is still in development stage and may change in future publications.

Some of the low-income benefits, like Scottish Child Payment, have not yet reached their 'steady state'. This occurs when growth in the number of benefit recipients flattens, and the number of benefit recipients settles at its natural level. Calculating take-up prior to this is not incorrect from a methodological perspective – it would represent take-up of the benefit at that point in time. However, it could misrepresent the 'natural' level of take-up as we would expect this to increase until the steady state is reached.

The take-up estimates presented throughout this report should be treated as initial analysis of take-up and not Official Statistics. It would not be appropriate at this stage to attempt to badge this type of analysis Official Statistics because of the early stage we are at in developing our approach to estimating take-up and the methodology and the fact that the underlying data may change in future publications. However, the developed methodological approach and associated limitations have been made transparent and the spirit of the Code of Practice has been followed where possible.

## 2. Best Start Grant: Pregnancy and Baby Payment

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### Background

The Pregnancy and Baby Payment is one of three, one-off payments that constitutes Best Start Grant. This payment helps with the costs of a new baby and is made to eligible families around the time of their child's birth. It is currently worth £606 for a family's first child and £303 for subsequent children. In most cases, an application can be made for the Pregnancy and Baby Payment from 24 weeks pregnant until the child is 6 months old (if someone takes over looking after the child, they have until the child turns one to make an application).<sup>6</sup>

### Approach to Estimating Take-Up

To calculate take-up of the Pregnancy and Baby Payment, we express the number of benefit recipients as a percentage of the total number of people who are eligible for the benefit.

To calculate the number of **benefit recipients**, we use management information from Social Security Scotland on the number of children that have had a Pregnancy and Baby Payment claimed for them. This data includes the number of 'eligible' children attached to a paid application, by their month of birth. The child's date of birth from the application form is used to determine which Best Start Grant payment they are 'eligible' for. The data we use is different to the official statistics for Best Start Grant, which are reported on the basis of the number of applications, where one application can be made for multiple children, or the total value of payments.

We need to estimate the total number of people who are **eligible** for the Pregnancy and Baby Payment. This is the number of births where the child's parents or carers receive a qualifying benefit (or qualifies through other means), and is estimated by month of birth cohorts. To do this, we use UKMOD to first estimate the percentage of children under 6 who are eligible for a Best Start Grant payment (i.e. their parent or carer is predicted to be in receipt of a qualifying benefit). This is our eligibility rate, which is combined with data from National Records of Scotland (NRS) on the monthly number of births to calculate the size of the eligible population. We base our calculations using UKMOD on children under 6 because the sample size of the FRS is too small to produce eligibility rates for narrower age groups.

In our calculation of the size of the eligible population, we account for mothers under the age of 18 being eligible for the Pregnancy and Baby Payment regardless of

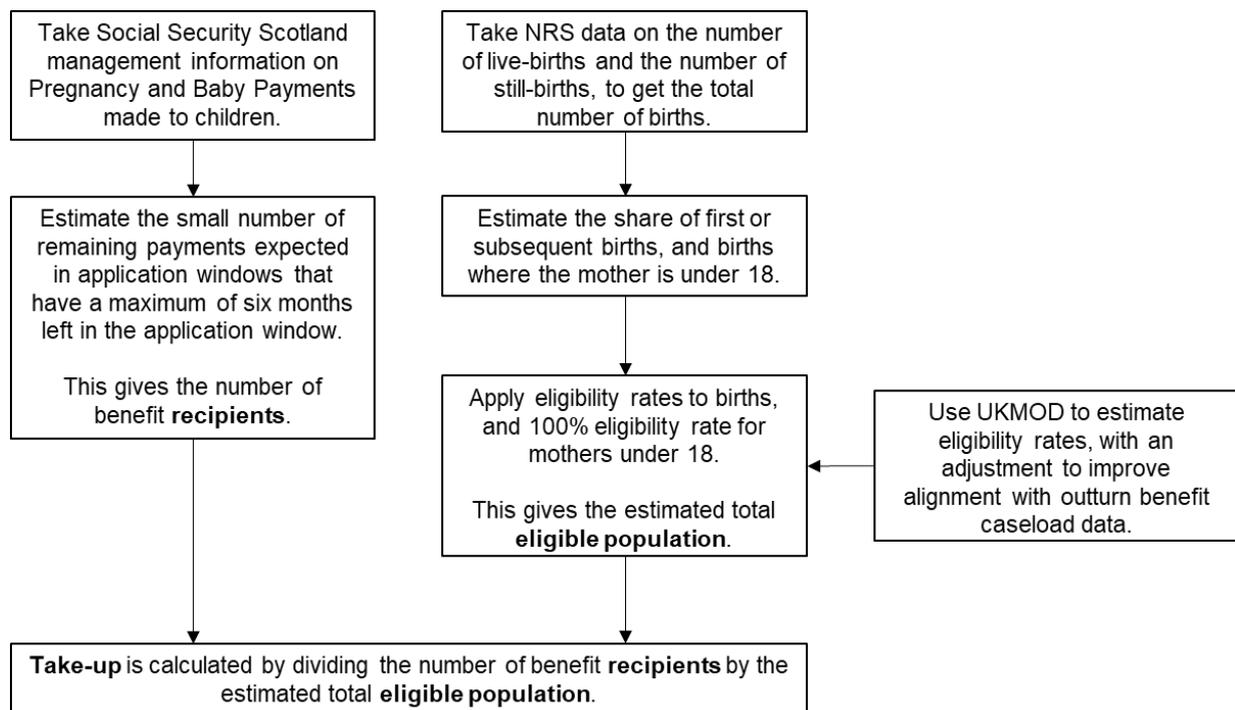
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<sup>6</sup> More information about the Pregnancy and Baby Payment can be found here: <https://www.mygov.scot/best-start-grant-best-start-foods>

whether they receive a qualifying benefit. In addition, we account for the fact that the Pregnancy and Baby Payment can be claimed for still births.

Our estimate of the size of the eligible population for the Pregnancy and Baby Payment is calculated for first and subsequent births separately. We differentiate between the two on the basis of whether a benefit unit has only one child, or multiple children, in our calculation of the eligibility rate using UKMOD. This serves as a proxy for a first or subsequent birth, respectively.

**Figure 4.** Methodology to Calculate Take-Up of Best Start Grant Pregnancy and Baby Payment

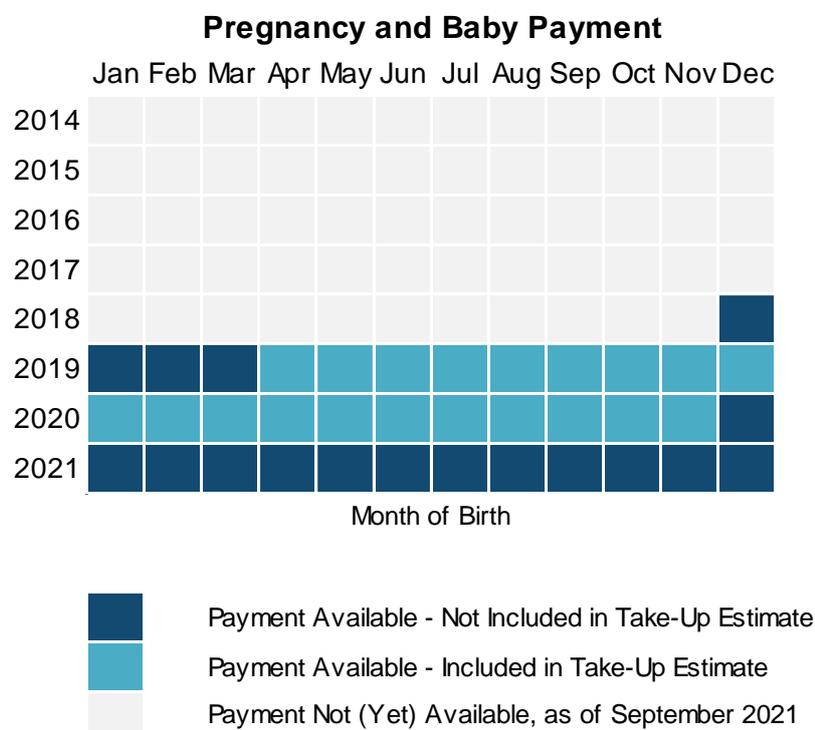


Take-up of the Pregnancy and Baby Payment is calculated for children born from April 2019 to November 2020. We do not consider children born from December 2018 to March 2019 because parents or carers of these children could still have received the UK Government’s Sure Start Maternity Grant and did not have a full application window to apply. An application window is the period of time around the child’s birth when an application for Pregnancy and Baby Payment can be made (typically from four months prior to birth to six months after birth). As such, these clients are not directly comparable with later clients. We have included children born up to November 2020 as this was the last month where the opportunity to apply for a Pregnancy and Baby Payment had closed, as of the data cut-off date.

## Estimate of Take-Up

For children born from April 2019 to November 2020, we estimate that take-up of the Pregnancy and Baby Payment was 79%. We have also estimated the take-up rate for first and subsequent births separately. Over the same time period, we estimate that take-up of the Pregnancy and Baby Payment was higher for subsequent births (83%) than for first births (71%). The following diagram illustrates the coverage of our estimate of take-up:

**Figure 5.** Coverage of Estimate of Take-Up of Best Start Grant: Pregnancy & Baby Payment



## Comparing Take-Up Estimates of Best Start Grant Pregnancy and Baby Payment

In the first Benefit Take-Up Strategy, we had published a first estimate of take-up for the Pregnancy and Baby Payment that was 67% for children born from 1 December 2018 to 31 March 2019. These cohorts of children are not included in our current estimate of take-up (79%) because clients did not have a full application window to apply and could still have received the UK Government's Sure Start Maternity Grant, so are not directly comparable with later clients. For reference, we would now estimate take-up over this period to be 71%, an increase of 4 percentage points. This difference reflects new payment data from Social Security Scotland, updated eligibility estimates and changes to our approach to calculating take-up.

## Caveats and Limitations

In addition to the limitations set out in Boxes A and B, there are some key caveats attached to this take-up estimate.

We use management information produced by Social Security Scotland for the number of benefit recipients. This data accounts for instances of multiple births, using information included in the client's application form on the 'expected number of children' they will have. This information is not available for a small number of applications (0.4%) so the modal value (one child) is used.

We estimate the small number of payments remaining for those cohorts of children where the application window has not closed, and there are up to six months until the child turns one. We estimate that this accounts for a very small number of payments (less than 3% of payments in a given month of birth cohort, based on the profile of payments in completed, full application windows). This maximises the coverage of our take-up estimates and ensures we make efficient use of the available payment data. These figures will be revised with outturn data going forward.

### 3. Best Start Grant: Early Learning Payment

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#### Background

The Early Learning Payment is one of three, one-off payments that constitutes Best Start Grant. This payment helps with the costs of early learning and is made to eligible families when the child is aged between 2 and 3 ½ years old. It is currently worth £252.50 per child.<sup>7</sup>

#### Approach to Estimating Take-Up

To calculate take-up of the Early Learning Payment, we need to express the number of benefit recipients as a percentage of the total number of people who are eligible for the benefit.

To calculate the number of **benefit recipients**, we use management information from Social Security Scotland on the number of children that have had an Early Learning Payment claimed for them. This data includes the number of 'eligible' children attached to a paid application, by their month of birth. The child's date of birth from the application form is used to determine which Best Start Grant payment they are 'eligible' for. The data we use is different to the official statistics for Best Start Grant, which are reported on the basis of the number of applications, where one application can be made for multiple children, or the total value of payments.

We need to estimate the total number of people who are **eligible** for the Early Learning Payment. This is the number of children that satisfy the age criterion of the Early Learning Payment and whose parents or carers receive a qualifying benefit. We estimate the number of eligible children by month of birth cohorts. To do this, we use UKMOD to first estimate the percentage of children under 6 who are eligible for a Best Start Grant payment (i.e. their parent or carer is predicted to be in receipt of a qualifying benefit). This is our eligibility rate. We then estimate the monthly profile of births, using National Records of Scotland (NRS) data on births and population estimates, and apply our eligibility rate to this estimate of the monthly number of births. We take this approach instead of just using births data as it accounts for deaths and migration. We base our calculations using UKMOD on children under 6 because the sample size of the Family Resources Survey (FRS) is too small to produce eligibility rates for narrower age groups.

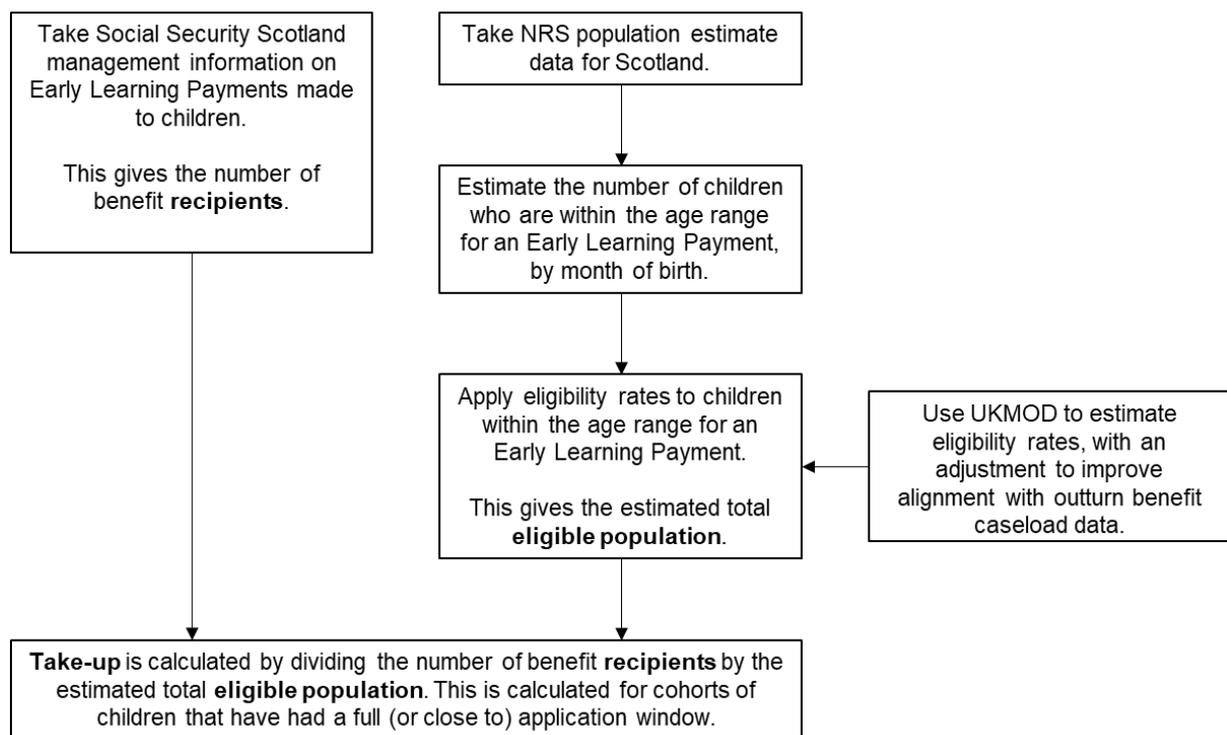
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<sup>7</sup> More information about the Early Learning Payment can be found here: <https://www.mygov.scot/best-start-grant-best-start-foods>

We calculate take-up by dividing the number of children that received an Early Learning Payment by our estimate of the number of children eligible for an Early Learning Payment, by month of birth cohorts. Our estimate of take-up covers children born from November 2016 to November 2017. We have included cohorts of children where the applicant had at least 12 months to apply when the payment was introduced (rather than the full application window length of 18 months). This is because the shortened length of time to apply does not appear to have affected the number of children receiving a payment in these cohorts. We have included children born up to November 2017 as this was the last month where the opportunity to apply for an Early Learning Payment had closed, as of the data cut-off date.

Figure 6 provides a high-level summary of the approach taken to calculate take-up of the Early Learning Payment.

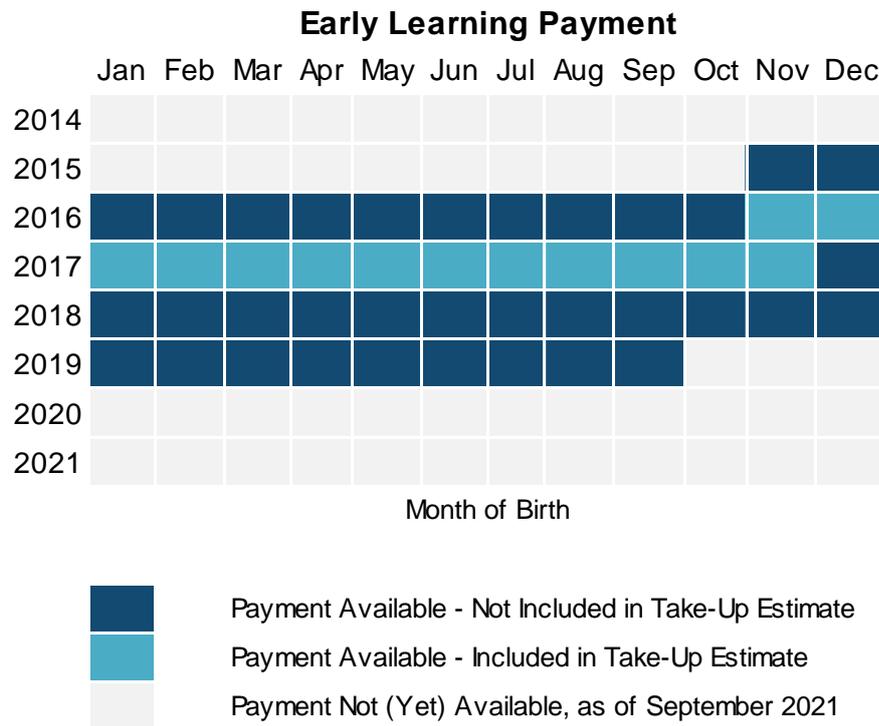
**Figure 6.** Methodology to Calculate Take-Up of Best Start Grant Early Learning Payment



### Estimate of Take-Up

For children born from November 2016 to November 2017, we estimate that take-up of the Early Learning Payment was 84%. The following diagram illustrates the coverage of our estimate of take-up:

**Figure 7.** Coverage of Estimate of Take-Up of Best Start Grant: Early Learning Payment



**Caveats and Limitations**

In addition to the limitations set out in Boxes A and B, there are some key caveats attached to this take-up estimate.

We use management information produced by Social Security Scotland for the number of benefit recipients. The data we use for the Early Learning Payment includes the number of paid children, based on the month the application for the payment was received in. This is calculated by dividing the total value of Early Learning Payments issued in a month by £250 (the value of one payment, prior to uprating) to get the number of unique children paid. This payment data is linked to application data, which includes the date of birth of all children attached to the application. For each paid application, the month of birth is calculated for each child who meets the eligible age range for the Early Learning Payment.

For a small number of applications (5%), the application data did not have details of a child within the eligible age range for the Early Learning Payment. This could be because the application was late or the client made an error in their application form that was later corrected by case managers at Social Security Scotland. Given the payment data reflects the ‘true’ number of unique children receiving the payment, we use this to scale our profile of the month of birth of children receiving an Early Learning Payment. This ensures that the number of children receiving an Early

Learning Payment that we use in our calculations is in line with the 'true' number of unique children receiving an Early Learning Payment, and we are able to calculate the number of children receiving an Early Learning Payment based on their month of birth.

## 4. Best Start Grant: School Age Payment

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### Background

The School Age Payment is one of three, one-off payments that constitutes Best Start Grant. This payment helps with the costs of preparing for school and is made to eligible families around the time the child is first old enough to start Primary school. It is currently worth £252.50 per child. There is a set window of time (1 June – 28 February, 9 months) that parents or carers of eligible children born five years prior (1 March – 28 February, 12 months) can apply in<sup>8</sup>.

### Approach to Estimating Take-Up

To calculate take-up of the School Age Payment, we need to express the number of benefit recipients as a percentage of the total number of people who are eligible for the benefit.

To calculate the number of **benefit recipients**, we use management information from Social Security Scotland on the number of children that have had a School Age Payment claimed for them. This data includes the number of 'eligible' children attached to a paid application, by the month of application. The child's date of birth from the application form is used to determine which Best Start Grant payment they are 'eligible' for. The data we use is different to the official statistics for Best Start Grant, which are reported on the basis of the number of applications, where one application can be made for multiple children, or the total value of payments.

We need to estimate the total number of people who are **eligible** for the School Age Payment. This is the number of children that satisfy the age criterion of the School Age Payment and whose parents or carers receive a qualifying benefit. We estimate the number of eligible children by month of birth cohorts. To do this, we use UKMOD to first estimate the percentage of children under 6 who are eligible for a Best Start Grant payment (i.e. their parent or carer is predicted to be in receipt of a qualifying benefit). This is our eligibility rate. We then estimate the monthly profile of births, using National Records of Scotland (NRS) data on births and population estimates, and apply our eligibility rate to this estimate of the monthly number of births. We take this approach instead of just using births data as it accounts for deaths and migration. We base our calculations using UKMOD on children under 6 because the sample size of the FRS is too small to produce eligibility rates for narrower age groups.

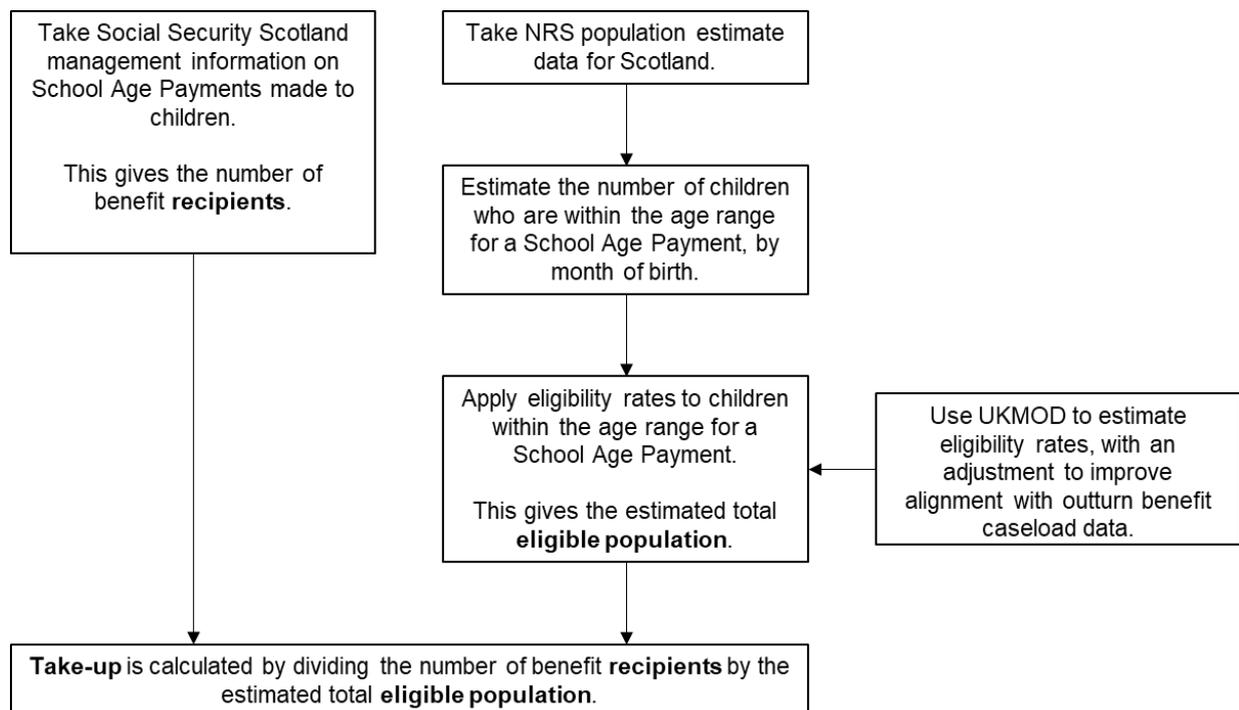
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<sup>8</sup> More information about the School Age Payment can be found here: <https://www.mygov.scot/best-start-grant-best-start-foods>

We calculate take-up by dividing the number of children that received a School Age Payment by our estimate of the number of children eligible for a School Age Payment. Our estimate of take-up covers the first two application windows since the benefit's launch i.e. children born from March 2014 to February 2016, or applications for the 2019-20 and 2020-21 years.

Figure 8 provides a high-level summary of the approach taken to calculate take-up of the School Age Payment.

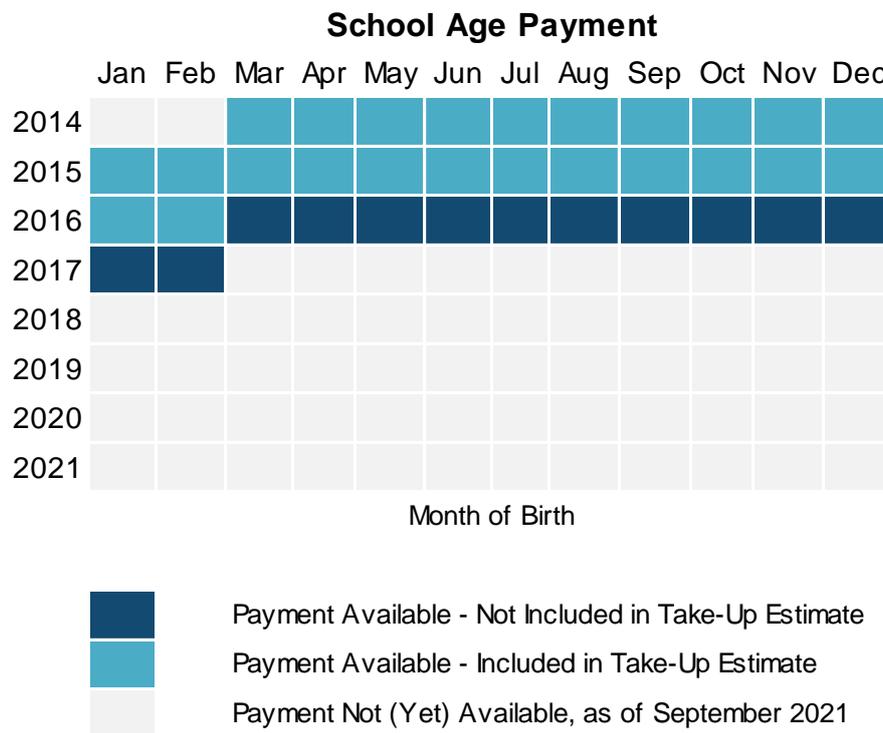
**Figure 8.** Methodology to Calculate Take-Up of Best Start Grant School Age Payment



### Estimate of Take-Up

For children born from March 2014 to February 2016, or applications for the 2019-20 and 2020-21 years, we estimate that take-up of the School Age Payment was 81%. The following diagram illustrates the coverage of our estimate of take-up:

**Figure 9.** Coverage of Estimate of Take-Up of Best Start Grant: School Age Payment



### Caveats and Limitations

In addition to the limitations set out in Boxes A and B, there are some key caveats attached to this take-up estimate.

We use management information produced by Social Security Scotland for the number of benefit recipients. The data we use for the School Age Payment includes the number of paid children, based on the date the application was received. This is calculated by dividing the total value of payments in that month by £250 (the value of one payment, prior to uprating), to get the number of unique children paid. There were just less than 1,000 paid children where the client’s application was received in May 2020. Most of these were submitted close to the end of May and, given the proximity to the start of the application window for that year (June 2020 to February 2021), we have counted them in that application window. We are unable to tell if any of these were late payments (due to COVID-19) for the previous application window.

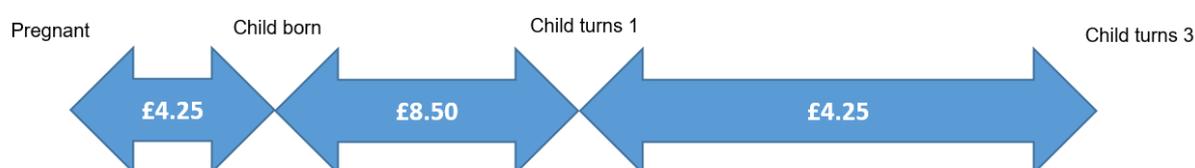
## 5. Best Start Foods

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### Background

Best Start Foods is a recurring payment designed to help qualifying pregnant women and families with children under the age of three to purchase healthy foods via a payment card<sup>9</sup>. It is a recurring payment paid to eligible parents every four weeks and is worth £4.25 a week for most clients and £8.50 a week for clients with children aged 0 to 12 months. Figure 10 shows the amounts an eligible person will receive per week depending on the age of their child.

**Figure 10.** Payment Values of Best Start Foods



### Approach to Estimating Take-up

To estimate take-up of Best Start Foods, we need to express the number of benefit recipients as a percentage of the total number of people who are eligible for Best Start Foods.

To estimate the number of **benefit recipients**, we used Management Information (MI) provided by Social Security Scotland on the number of Best Start Food payments made each payment cycle over the period between April 2020 and June 2021. We used this data to estimate how many children and pregnant mothers are receiving a Best Start Foods payment on each given payment cycle date. A payment cycle is 4 weeks in length with all payments to eligible claimants being made on the last day in the cycle. There are some important limitations of this data that should be considered when interpreting take-up estimates, which are discussed in the “Caveats and Limitations” section. MI data has been used rather than official statistics as the official statistics only cover total payment values by month rather than number of payments made each cycle.

As with all other benefits that we present our estimate of the take-up rate for in this strategy, we have produced our own eligibility estimates for Best Start Foods. To do this, we used population estimates from the National Records of Scotland (NRS),

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<sup>9</sup> More information on this benefit can be found here: [Best Start Grant and Best Start Foods - mygov.scot](https://www.mygov.scot/best-start-grant-and-best-start-foods).

where available, and projections to give number of children under the age of 3 living in Scotland. For pregnant mothers, we use NRS birth projections from the following year and multiply by a factor to account for the fact<sup>10</sup> that a pregnancy does not last a full year.

We use UKMOD to estimate the percentage of children under the age of 6<sup>11</sup> who are likely to be **eligible** for the Best Start Foods payment. The UKMOD outputs are then analysed off-model, incorporating the qualifying benefit and income limit conditions, to estimate the proportion of children and pregnant mothers who are eligible for an application for Best Start Foods to be made. This is our eligibility rate, which is applied to the total number of children and pregnant mothers. An adjustment is made to account for mothers under the age of 18, who are either pregnant or have a child under 12 months old, as they have 100% eligibility under the benefit criteria.

We have taken the average number of benefit recipients and divided it by the average size of the eligible population between April 2020 and June 2021 to estimate the take-up rate.

Although the benefit launched in August 2019 to replace Healthy Start Vouchers in Scotland, we have only included payments from April 2020. This is because when Best Start Foods was introduced, Healthy Start Vouchers was still available to be received in Scotland until March 2020. Therefore calculating a take-up rate which considers the period of transition would not provide an accurate representation of take-up. The period that we consider does not include any payment cycles where the recently increased rate has been available to claimants. This initial estimate covers the period April 2020 to June 2021 in order to cover as many payment cycles as possible.

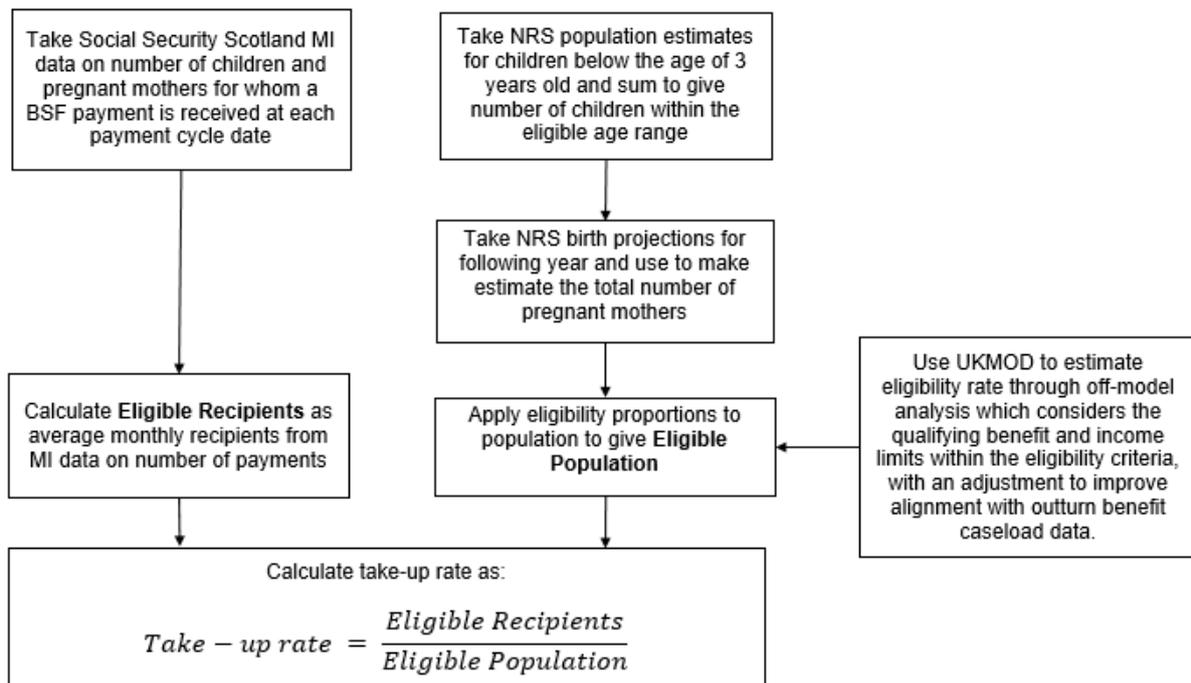
Figure 11 is a flowchart which summarises the methodology used to estimate the take-up rate of Best Start Foods.

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<sup>10</sup> We use 0.75 to represent three quarters of the year or 9 months

<sup>11</sup> Although Best Start Foods eligibility is under the age of 3, age of child under 6 is used in microsimulation as it increases the sample size and consequently our confidence in the results. This is also consistent with our approach for Best Start Grant and Scottish Child Payment.

**Figure 11.** Methodology to calculate take-up of Best Start Foods



## Initial Estimates of Take-up for Best Start Foods

We estimate that, from April 2020 to June 2021, the take-up rate of Best Start Foods is 77%.

## Caveats and Limitations

In addition to the limitations set out in Boxes A and B, there are some key caveats attached to this take-up estimate.

There is some uncertainty around the estimate of eligible pregnant mothers which must be considered when interpreting these results. The uncertainty can be attributed to two main factors. Firstly, the estimated number of pregnant mothers are based on NRS projections of births which were published in 2019. Whilst these are the most recent published projections, they are relatively outdated. A key consideration is that they were made pre-COVID-19 and thus do not incorporate any of the effects of the pandemic. The second factor is there a few assumptions that have been made about pregnant mothers due to the absence of evidence:

- it was assumed that for all births, the mother was living in Scotland throughout the pregnancy and was thus always met that part of the eligibility criteria;
- it was assumed that pregnant mothers' likelihood of eligibility is the same as that calculated for children; and

- it was assumed that there were no multiple births, i.e. one birth equals one pregnancy.

Furthermore, there is some inconsistency around the number of children under the age of 3 that we use in this analysis. For payment cycles in 2020, we use the mid-year population estimates from NRS. However, as estimates are not available for 2021, we use population projections instead. It should be noted that these are 2018-based and as such should be considered a limitation.

Finally, there is a limitation which relates to benefit recipients which must be borne in mind when interpreting these results. The number of Best Start Foods recipients paid each cycle is estimated as the number of child and pregnant mother payments made during each payment cycle. There are limitations with this approach that must be considered when interpreting the initial estimate of take-up, which mean that we may be underestimating the number of benefit recipients. Mainly, a small number of the child payments may be for more than one child. As each child payment is counted as one recipient, the estimated number of benefit recipients, and consequently the take-up rate, may be slightly underestimated.

The take-up rate for Best Start Foods is our best **estimate**, but, for the reasons discussed, there is some degree of uncertainty attached to this estimate.

## 6. Funeral Support Payment

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### Background

The Funeral Support Payment is a one-off payment which is designed to help people living in Scotland with the costs of a funeral they are responsible for organising<sup>12</sup>. The level of Funeral Support Payment that a claimant will receive is dependent on a number of components. The average payment is around £1,800 and there is no absolute maximum payment, although most components are bound by a maximum.

An application for the Funeral Support Payment can be made anytime from the registration of the death of the deceased until 6 months after the date of the funeral. We refer to this period as the application window.

### Approach to Estimating Take-up

To estimate take-up of the Funeral Support Payment, we need to express the number of benefit recipients as a percentage of the total number of people who are eligible for Funeral Support Payment.

For the number of **benefit recipients**, we use Management Information (MI) data provided by Social Security Scotland which covers deaths registered over the period between October 2019 and November 2020. This relates to the number of people responsible for organising a funeral that claimed Funeral Support Payment. The MI data is used rather than official statistics because the MI data shows Funeral Support Payment applications categorised by month of registration of death, whereas the official statistics show only applications by month of application. This MI data is reported on the same date of occurrence as National Records of Scotland (NRS) death statistics (date of registration) and includes only the months of registration of death for which full application windows have been observed. We cannot say that an eligible person has not taken up Funeral Support Payment until the full application window has been observed, therefore only including full application windows means we do not misrepresent take-up.

As with all other benefits that we present our estimate of the take-up rate for in this strategy, we have produced our own estimates of **people eligible** for Funeral Support Payment. Firstly, we use NRS death registration statistics categorised by month of registration and split into adults and children as our demographic data.

The next step is to use UKMOD to estimate three eligibility rates to account for the different characteristics of people we would expect to be organising a deceased

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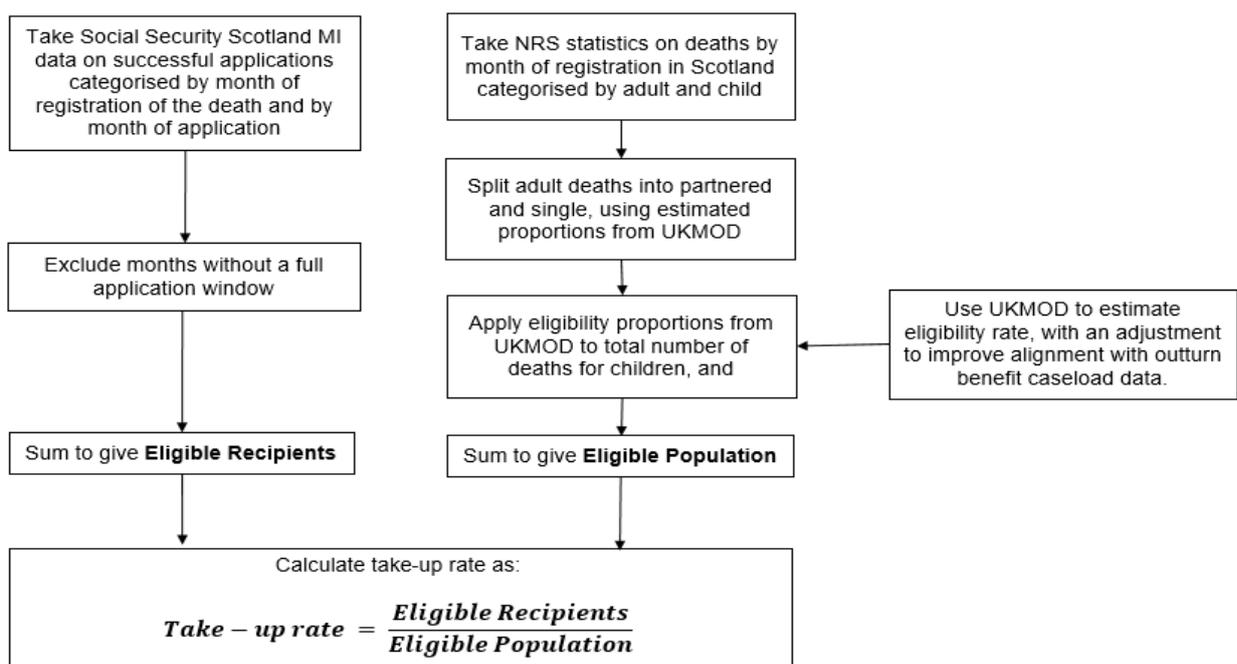
<sup>12</sup> More information can be found at: <https://www.mygov.scot/funeral-support-payment>.

person's funeral, effectively splitting deceased people into three distinct groups: children, adults with partners and single adults. The eligibility rates estimate how likely it is for the person responsible for the funeral of a deceased person to be in receipt of one of the qualifying benefits. For deceased children, the eligibility rate is calculated as the number of children living in households on qualifying benefits divided by the total number of children living in Scotland (we assume the child's parent or carer is responsible for the funeral). For deceased adults who had a partner, the eligibility rate is calculated by dividing the number of adults with a partner living in households where either person receives a qualifying benefit by the total number of partnered adults living in Scotland (we assume the deceased person's partner is responsible for organising the funeral). For deceased single adults, it is more difficult to model or identify who will be responsible for the funeral. We assume that the probability that the person responsible for organising the funeral is in receipt of a qualifying benefit is equal to the share of adults living in Scotland in receipt of a qualifying benefit.

Before applying our eligibility proportions, we must prepare the data further by splitting adult deaths into single adults and those living with a partner. We estimate this proportion using UKMOD because our definition of partner is broader than what is reported in the death statistics (i.e. we define partner as two adults living together). After apportioning deaths to children, partnered adults and single adults, we apply our eligibility rates to estimate the size of the eligible population.

Figure 12, below, is a flowchart which summarises the methodology used to estimate the take-up rate of the Funeral Support Payment.

**Figure 12.** Methodology to calculate take-up of Funeral Support Payment



## Initial Estimates of Take-up for Funeral Support Payment

We estimate that, for deaths registered from October 2019 to November 2020, the take-up rate of the Funeral Support Payment is 59%.

### Caveats and Limitations

In addition to the limitations set out in Boxes A and B, there are some key caveats attached to this take-up estimate.

One main limitation of this estimate is how we apply the eligibility proportions. This is based on a series of assumptions. For child deaths, we assume that another adult living within that household - most likely a parent - would be responsible for the funeral. For deaths amongst adults in couples, we assume that the surviving partner would take responsibility for the organisation of the funeral. For single adult deaths, it is much more difficult to predict who would assume responsibility for the funeral as there is a wide range of potential relations who may be considered. The eligibility proportion we apply to single adults assumes that the probability of the responsible person being eligible for Funeral Support Payment is the same as the probability of any person being eligible for Funeral Support Payment.

There is also a limitation surrounding how we distinguish between single adults and adults in couples. We estimate this proportion using UKMOD because our definition of partner is broader than what is reported in NRS death statistics. We define a couple as two cohabiting partners whereas death statistics would only consider those married or in civil partnerships as a couple.

There is an additional factor, which must be borne in mind when interpreting the take-up rate of Funeral Support Payment. Monies from the deceased person's estate are to be used for the main costs of the funeral, if available. If this is possible, then Funeral Support Payment can be claimed for only a small number of components, such as travel. We have not accounted for this rule in this analysis. This is because it would be difficult to make an assumption about the size of a deceased person's estate, owing to the complexity and the number of variables involved and available data in the Family Resources Survey on this. Moreover, a person would still be eligible for a payment if, for example, the deceased person's estate could cover main costs of a funeral, albeit the value of the payment would likely be for a relatively small amount. People in these situations may be less likely to take up their eligibility because of this, resulting in the take up rate shown above being lower than we might otherwise expect.

The take-up rate for Funeral Support Payment is our best **estimate**, but, for the reasons discussed, there is some degree of uncertainty attached to this estimate.

## 7. Scottish Child Payment

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### Background

Scottish Child Payment helps with the cost of raising young children. It is a weekly payment of £10 per child under the age of six in low-income families<sup>13</sup>.

### Approach to Estimating Take-Up

To calculate take-up of Scottish Child Payment, we need to express the number of **benefit recipients** as a percentage of the total number of people who are **eligible** for Scottish Child Payment.

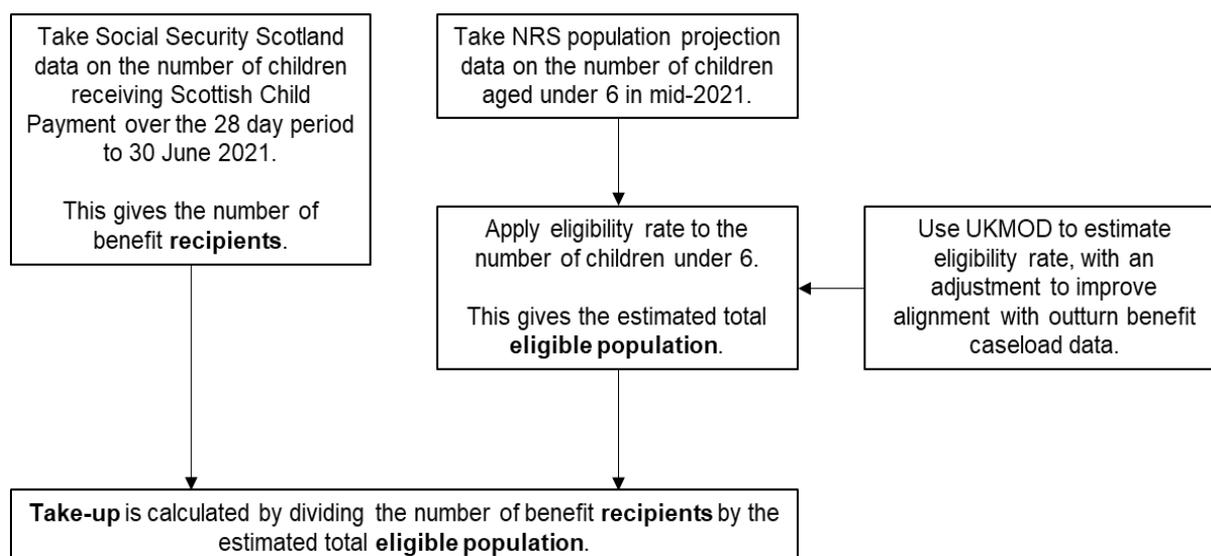
For the number of **benefit recipients**, we use data published by Social Security Scotland on the estimated number of children in receipt of Scottish Child Payment, as of 30 June 2021. We use this figure because it provides the most up-to-date picture of Scottish Child Payment caseload and, in turn, take-up. To calculate this figure, the total value of payments made in the 28 day period to 30 June 2021 has been divided by £40 – i.e. the value of Scottish Child Payment paid over a four week period for one child. A 28-day period was chosen because payments are made to clients once every four weeks from the day they receive their first Scottish Child Payment. This choice ensures that the total value of payments does not include more than one payment being made to any given client.

We need to estimate the total number of people who are **eligible** for Scottish Child Payment. This is the number of children under the age of six whose parents or carers receive a qualifying benefit. We use UKMOD to estimate the percentage of children under the age of six who are eligible for Scottish Child Payment (i.e. their parents or carers are predicted to be in receipt of a qualifying benefit) in 2021-22. This is our eligibility rate. As shown in Figure 13, our estimate of the size of the total eligible population is the product of our eligibility rate and the National Records of Scotland (NRS) (2018-based) population projection for the total number of children under the age of six in mid-2021.

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<sup>13</sup> More information about Scottish Child Payment can be found here: <https://www.mygov.scot/scottish-child-payment>

**Figure 13. Methodology to calculate take-up of Scottish Child Payment**



## Estimate of Take-Up

As of June 2021, we estimate that the take-up rate of Scottish Child Payment was 77%. We caution that our initial take-up rate of Scottish Child Payment is only an estimate and should not be interpreted as a statistic. There is a considerable degree of uncertainty attached to the calculations, therefore the 'true' take-up rate may be higher or lower than our estimate.

## Caveats and Limitations

In addition to the limitations set out in Boxes A and B, there are some key caveats attached to this take-up estimate.

The figure for the number of children in receipt of Scottish Child Payment, as of 30 June 2021, is an estimate, and there are a few limitations with the methodology used to calculate it.

First, a true point-in-time measure of the number of children in receipt of Scottish Child Payment on 30 June 2021 may differ to the figure we have used. For example, it is possible that some of the children paid in the 28 days to 30 June 2021 are no longer eligible on 30 June 2021. Equally, it is possible that some children may have recently been approved for Scottish Child Payment but not yet received their first payment by 30 June 2021.

Second, by dividing the total value of payments by £40 it is assumed that all children being paid are eligible for the entire cover period (28 days) of their latest payment, however, it is possible that a child was due to turn six within the payment cover period and was therefore paid less than the full £40.

For these reasons, the estimate of the number of children in receipt of Scottish Child Payment on 30 June 2021 has been rounded to the nearest thousand children.



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