UNIVERSAL CREDIT SCOTLAND BULLETIN – MARCH 2021

Introduction

This bulletin summarises the most recent official statistics on people claiming, receiving, and starting on Universal Credit in Scotland, taken directly from the Department of Work and Pension's (DWP) collection of Universal Credit Statistics. It also summarises recent statistics on unemployment benefit claims and households affected by the Benefit cap. This bulletin is updated with the latest available statistics on the last Friday of every month.

In the statistics presented here, each month covers claims made between the second Friday of the previous month and the second Thursday of the current month. The latest month of data is provisional and subject to revision within a 2% margin in the next release.

Since the publication of the February bulletin, DWP has released new statistics on people in receipt of Universal Credit (pages 2 to 4).

Contents

People on Universal Credit

As of February 2021 there were around 490,000 people on Universal Credit. This compares to around 260,000 people receiving Universal Credit in February 2020, meaning that the caseload almost doubled over the past year.

The effects of COVID-19 have caused the majority of the increase as evidenced by the surge in April and May. However, this has happened alongside the ongoing transition from legacy benefits onto Universal Credit, which was already generating a gradual increase in the UC caseload.
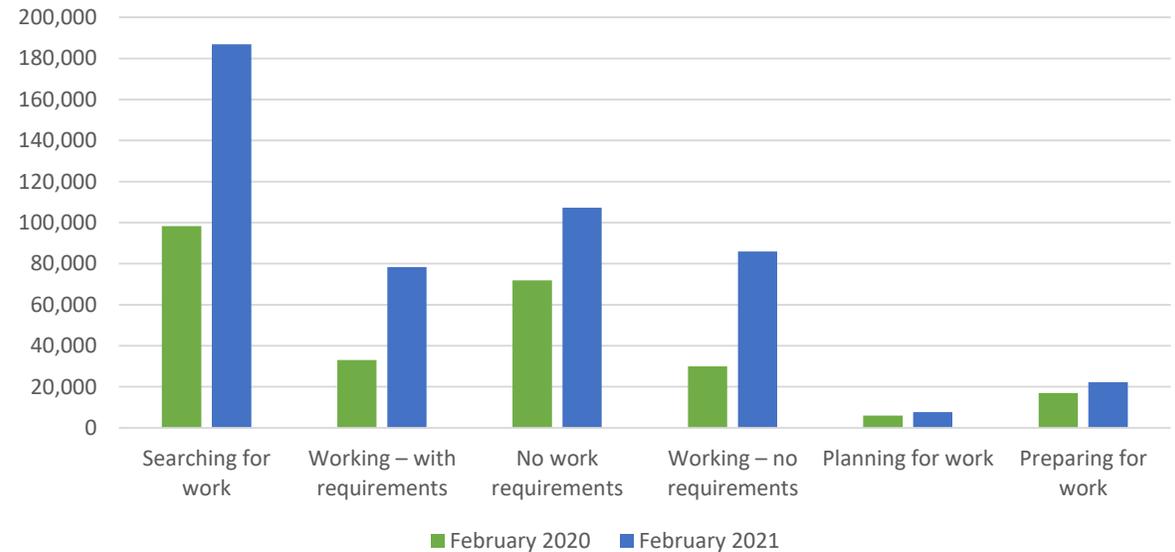
People on Universal Credit
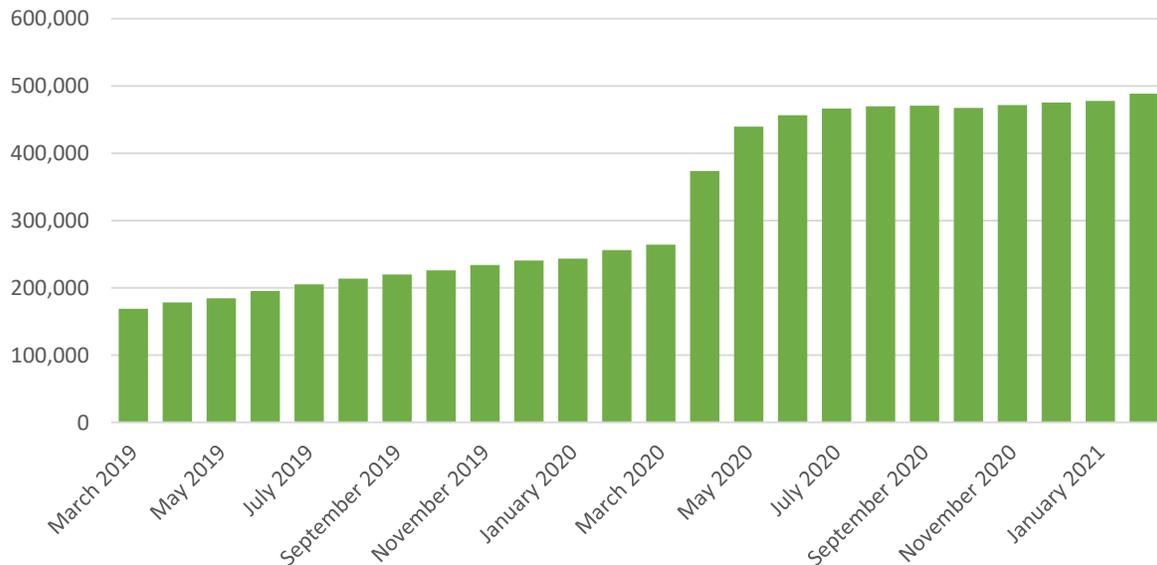
Source: StatXplore.

People on Universal Credit by conditionality group

People on UC are assigned to a 'conditionality group' depending on whether they are in work, and whether they are obligated to search for work while receiving the benefit. The largest increases in the past year were among those searching for work (i.e. unemployed). This group increased by around 89,000.

However, other categories have seen larger percentage increases. The 'working – no requirements' group, which comprises people with higher household earnings, increased by 186%, meaning it nearly tripled over the past year. Similarly the 'working – with requirements group', comprising people with lower household earnings, has increased by 137%, meaning it more than doubled.

People claiming UC, by conditionality group

Source: StatXplore. More information on the definitions of UC conditionality groups is available from Universal Credit statistics: background information and methodology.

People on Universal Credit by age

The age distribution of UC claimants has remained broadly unchanged over the last year as all age groups have grown by at least 85%. The 25-34 and 35-44 age groups saw the largest increases, growing by 67,000 and 55,000 respectively. The over 54 age group saw the largest percentage increase at 98%, followed by the 35-44 age group which saw a similar increase (95%).
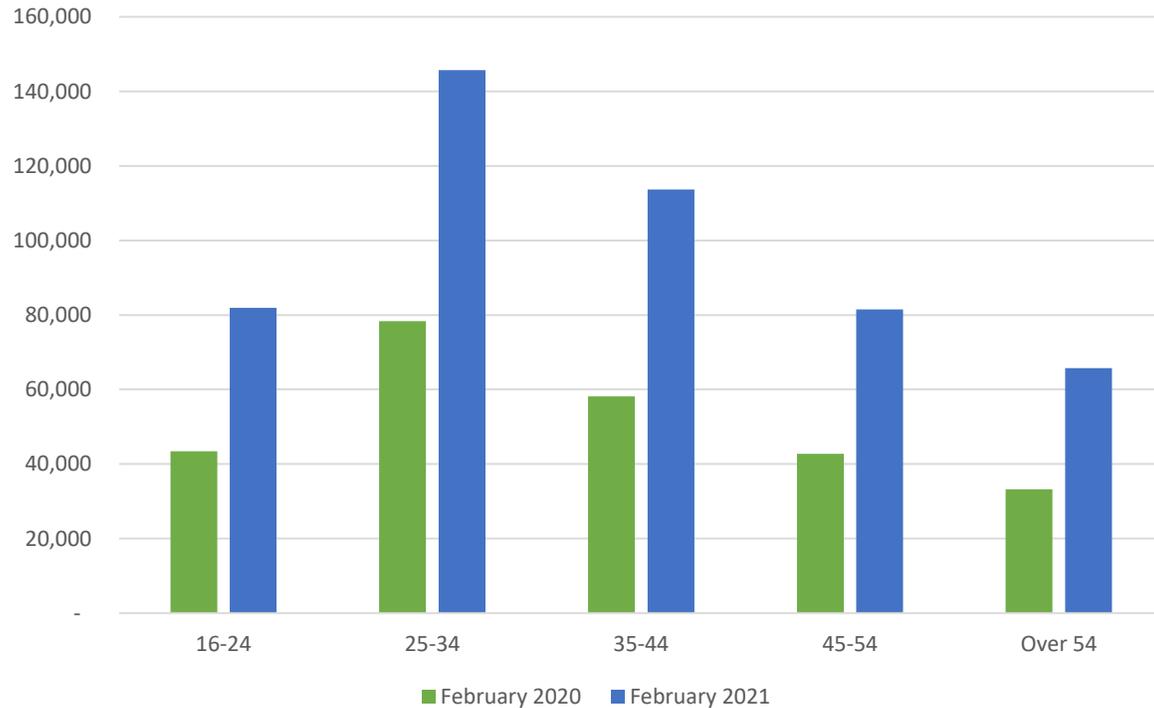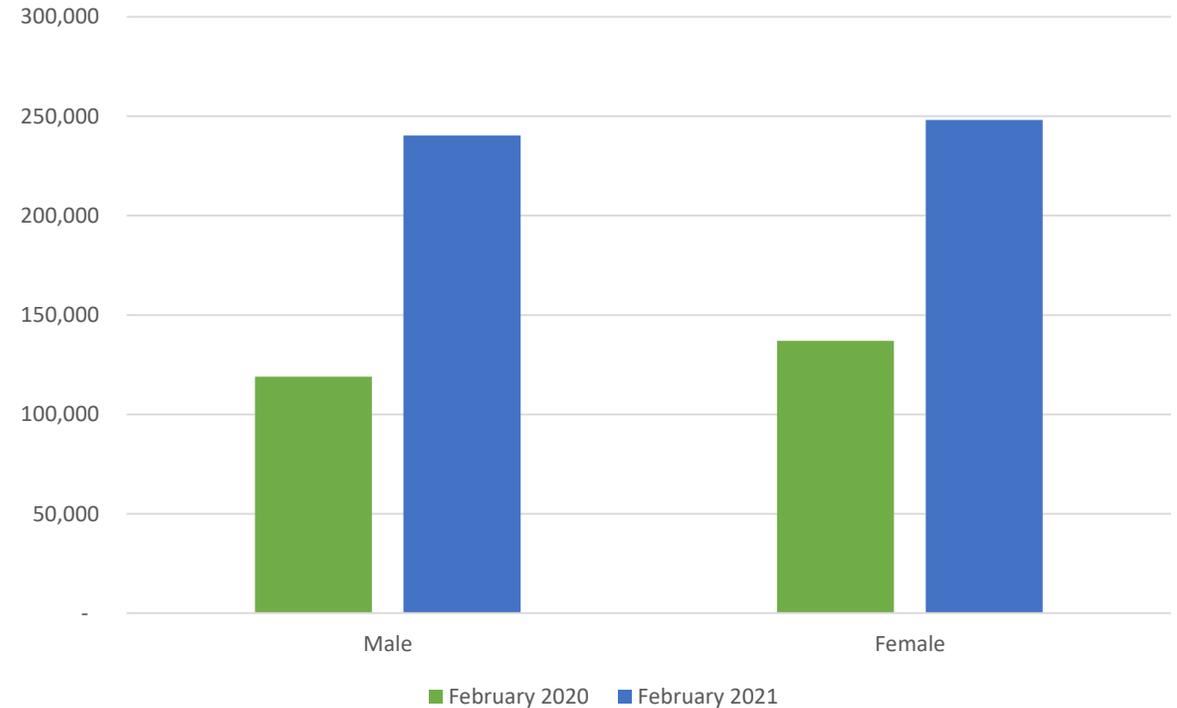
People on Universal Credit by gender

In February 2020, there were 137,000 women on UC, compared to 119,000 men – a difference of 18,000. By February 2021, this difference had narrowed to 8,000 as the male caseload increased disproportionately during the initial lockdown.

People claiming UC, by age

February 2020 | February 2021

People claiming UC, by gender


February 2020 | February 2021

Source: StatXplore.

Source: StatXplore.
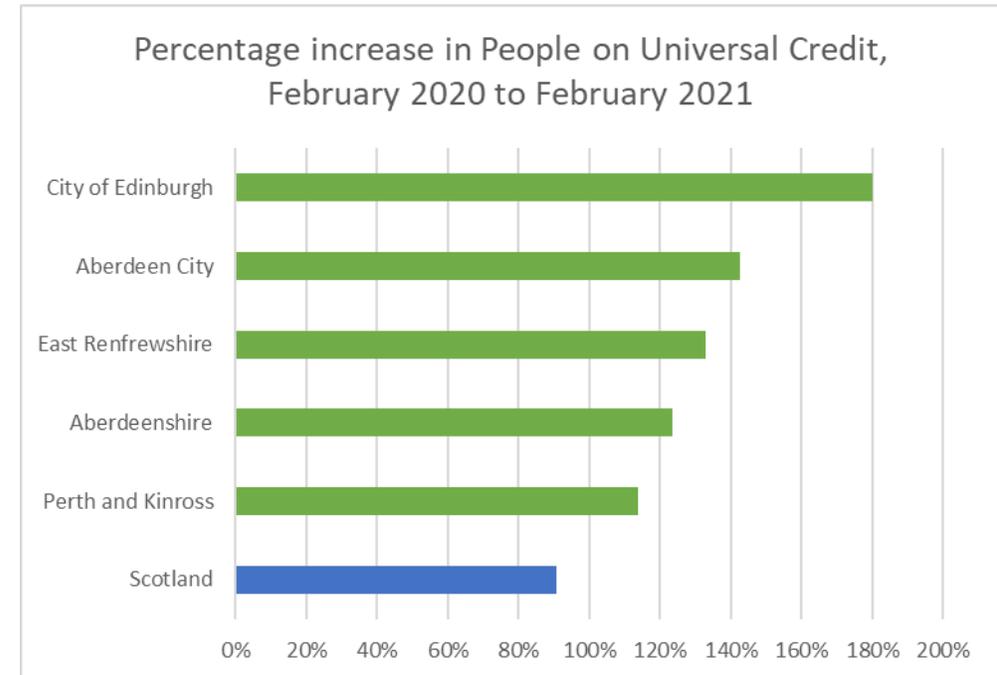
People on Universal Credit by Local Authority

The UC caseload increased in all Local Authorities in Scotland over the last year. The largest increase was observed in Glasgow, where the caseload grew by 37,000. While this represented an increase of 104% – meaning the caseload more than doubled – other Local Authorities saw larger percentage increases. The largest percentage increase was observed in Edinburgh, where the caseload grew by 180%, meaning it nearly tripled over the last year.

Increase in UC caseload, January – January 2021, by Local Authority

Top five absolute increases

Absolute increase in people on Universal Credit, February 2020 to February 2021
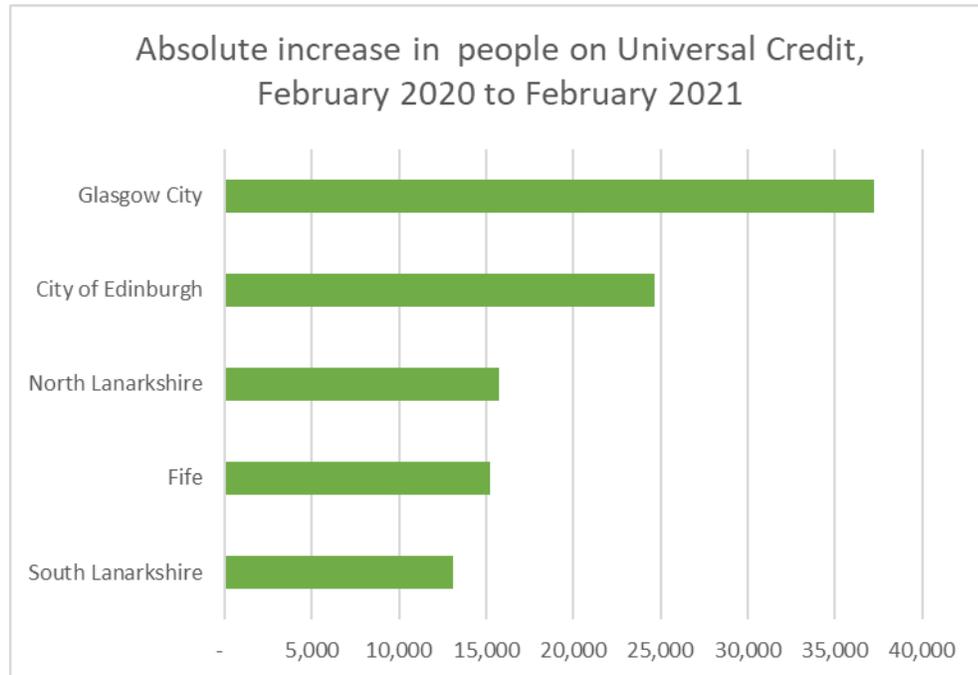
Top five percentage increases

Percentage increase in People on Universal Credit, February 2020 to February 2021
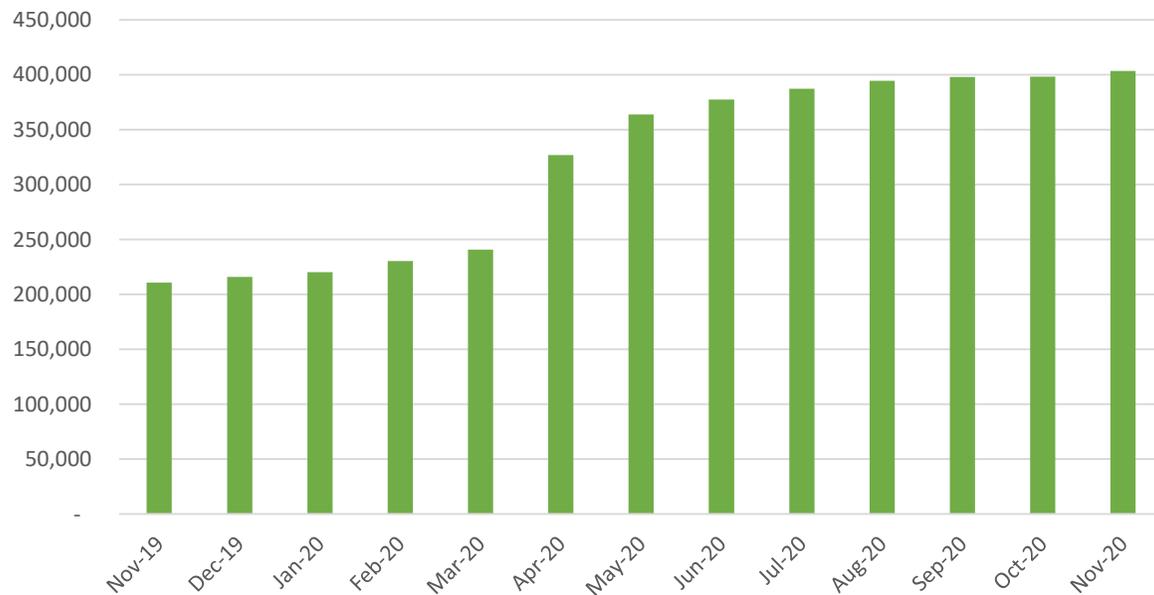
Source: StatXplore.

Households on Universal Credit

Data on Households on Universal Credit are classified as Experimental Official Statistics. They lag behind the People on UC data and are not directly comparable. For example, if an individual has not provided all the information needed to work out their entitlement, or their entitlement is still in the process of being calculated, they may appear in the People measure but not in the Households measure. These data are also subject to a greater degree of revision in future releases as the methodology continues to be updated.

As of November 2020 there were around 404,000 households on Universal Credit in Scotland. This compares to around 211,000 in November 2019, meaning the caseload has increased by more than 91% over this period.

Households on Universal Credit by family type

While all family types have seen increases since the beginning of the year, over half of the total increase is attributable to single people with no children. This group increased by around 124,000 between November 2019 and November 2020, amounting to a 102% increase. On the other hand, couples with no dependent children and couples with dependent children have seen larger percentage increases, increasing by 184% (14,000) and 124% (24,000) respectively.

Households on Universal Credit

Households on Universal Credit, by family type
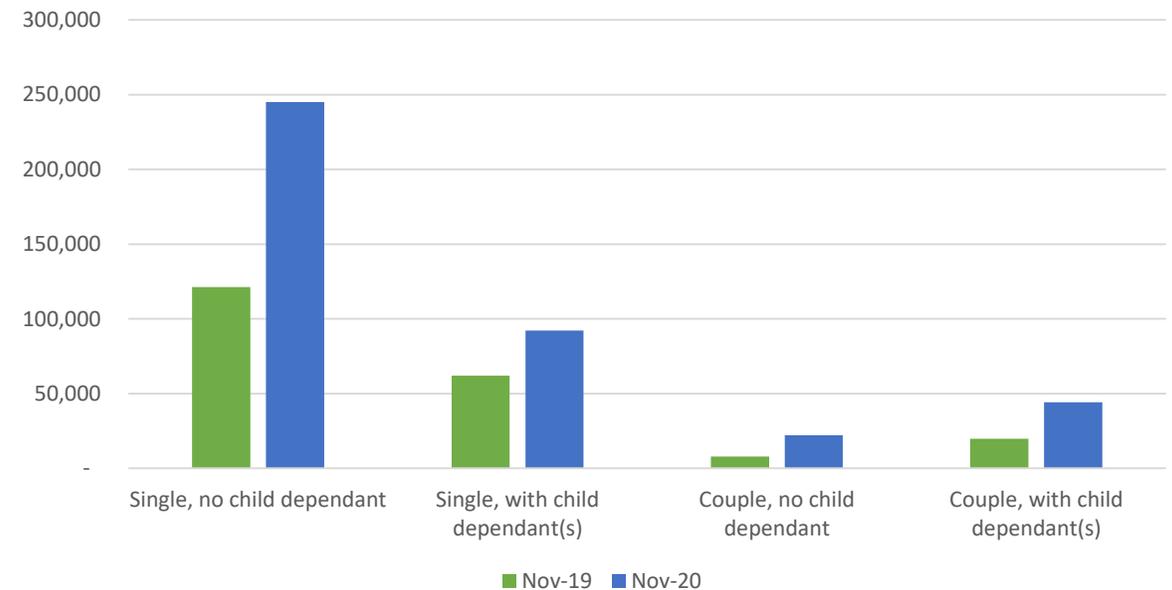
Source: StatXplore.

Source: StatXplore.

Alternative Claimant Count

The Alternative Claimant Count (ACC) is classified as Experimental Official Statistics. By controlling for differences between the rules of the legacy benefits system and the new Universal Credit system which is replacing it, the ACC provides a consistent measurement of people on unemployment related benefits over time.

The chart below shows that on-flows (people starting new claims to unemployment benefits) and off-flows (people ending their unemployment benefit claims, often due to starting work) were largely balanced before the initial lockdown. However during lockdown there was a spike in on-flows, resulting in a near doubling of the caseload over the past year.

Alternative Claimant Count

Legend: ACC caseload [left axis] — ACC on-flows [right axis] — ACC off-flows [right axis]
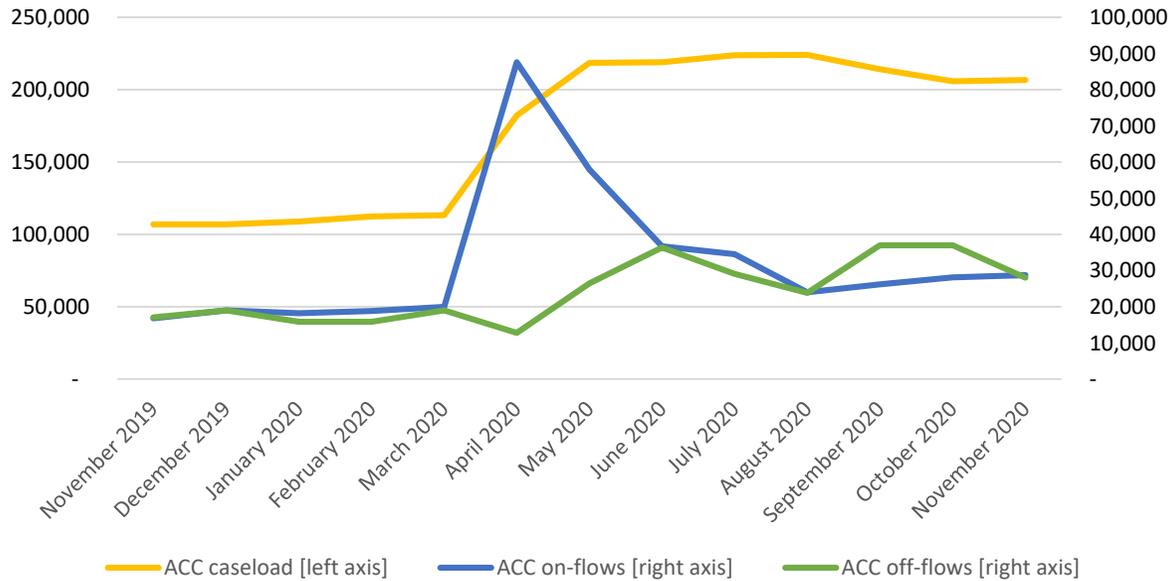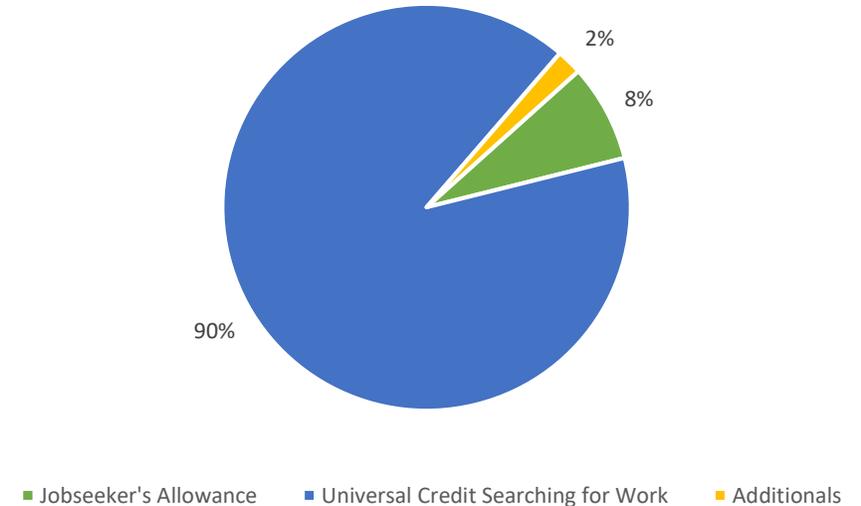
Source: StatXplore
More details on the Alternative Claimant Count and how it is derived are available here.

Composition of the Alternative Claimant Count

There are three categories of claimants which comprise the Alternative Claimant Count: people on Jobseeker's Allowance, people in the Universal Credit searching for work group and the more abstract 'Additional' claimants. These Additional claimants are people who would not have been required to search for work under legacy benefits, such as those who only claimed Housing Benefit or Child Tax Credits, but who would be required to search for work if they had instead claimed Universal Credit.

The chart below shows that around 90% of on-flows over the past year entered the Universal Credit Searching for Work group. Around 8% claimed Jobseeker's Allowance, while the remainder were categorised as 'Additional'.

Alternative Claimant Count on-flows , past 12 months

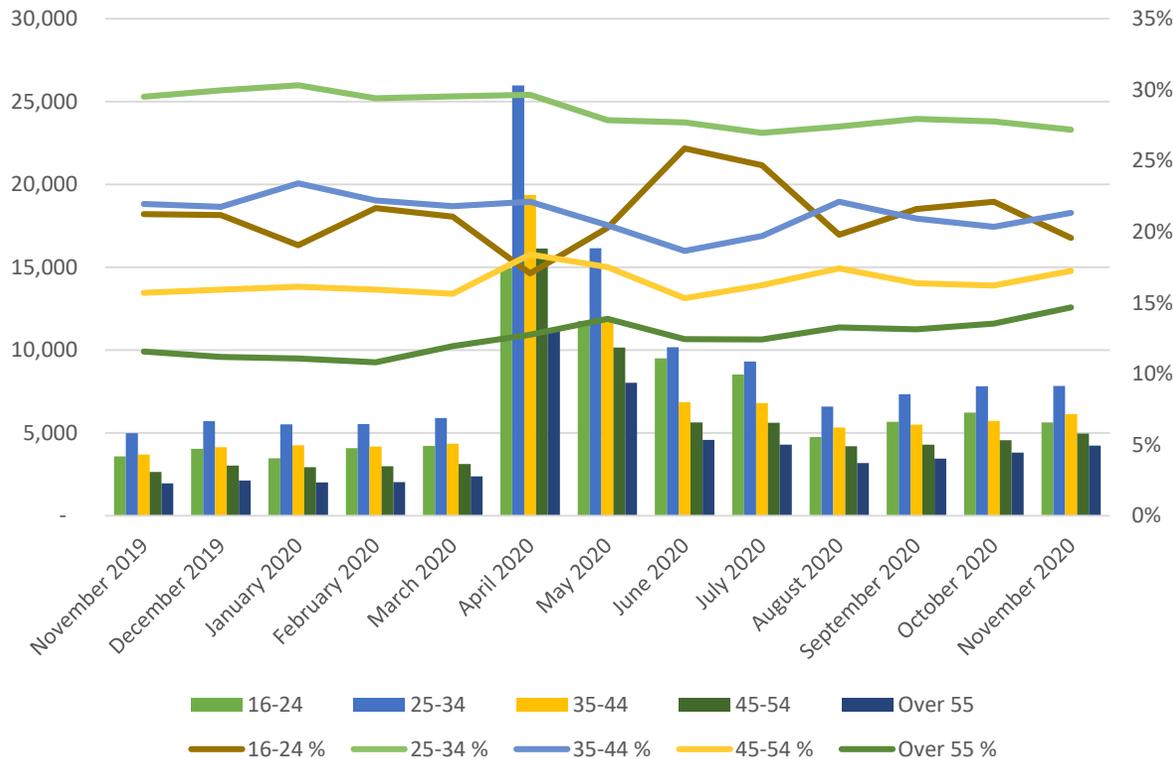Legend: Jobseeker's Allowance — Universal Credit Searching for Work — Additionals

Source: StatXplore

Alternative Claimant Count on-flows by age

The number of on-flows rose in all age groups during the initial lockdown, with those aged 16-24 representing a larger proportion of on-flows than previously. By November, on-flows remained elevated in all age groups. However there was a compression of the age distribution, with the 16-24 and 50+ groups representing larger proportions than January and the 25-35 and 35-49 groups representing smaller proportions.
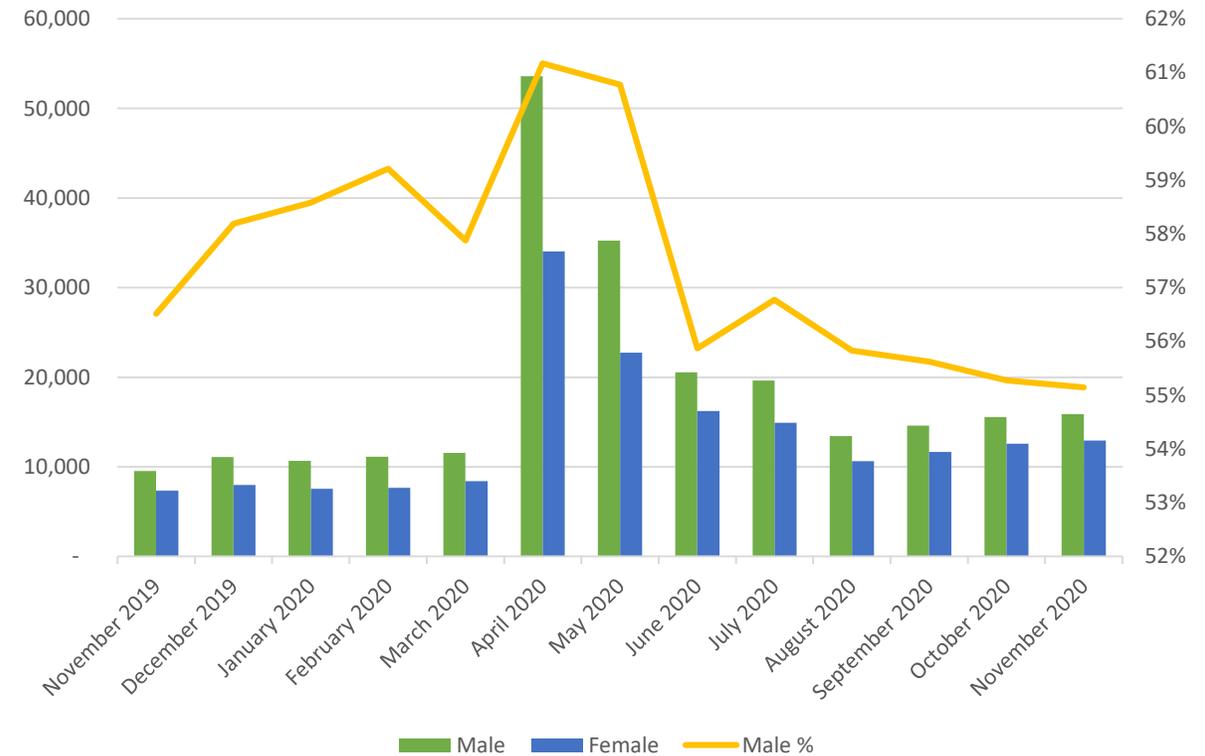
Alternative Claimant Count on-flows by gender

Men historically make up the majority of job-seekers. During the initial lockdown, a larger proportion of on-flows were men than had been the case in previous months, but both groups saw large increases. The proportion of on-flows who were men decreased between May and November, although the majority of on-flows (55%) were still men.

Alternative Claimant on-flows by age

Legend: 16-24, 25-34, 35-44, 45-54, Over 55, 16-24 %, 25-34 %, 35-44 %, 45-54 %, Over 55 %

Source: StatXplore

Alternative Claimant Count on-flows by gender


Legend: Male, Female, Male %

Source: StatXplore

The Benefit Cap

The Benefit Cap is a UK Government policy which limits the total amount a household can receive in benefits to £20,000 per year for lone parents and couples (with or without children), and £13,400 per year for single adults, unless they meet the exemption criteria. The Scottish Government mitigates the effects of the Benefit Cap through Discretionary Housing Payments.

The number of households affected by the benefit cap has increased by 80% over the past year, from around 3,500 in August 2019 to around 6,400 in August 2020. This increase has resulted from a combination of factors, including increases in benefit rates and increases in the UC caseload due to the COVID-19 pandemic. During this time the average amount lost due to the Benefit Cap has stayed reduced from around £55 per week to £52, worth around £2700 per year.

Benefit Cap caseload over time
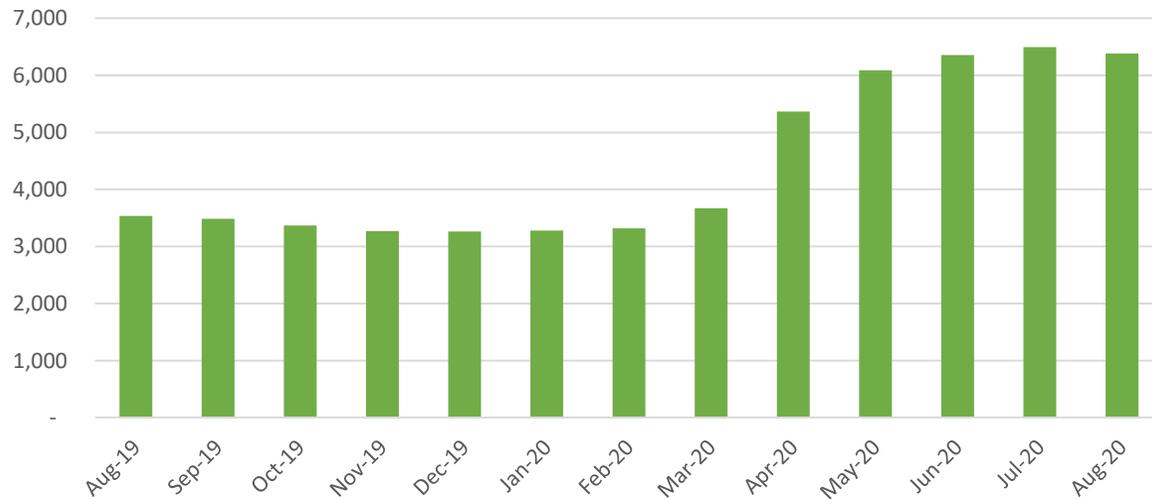
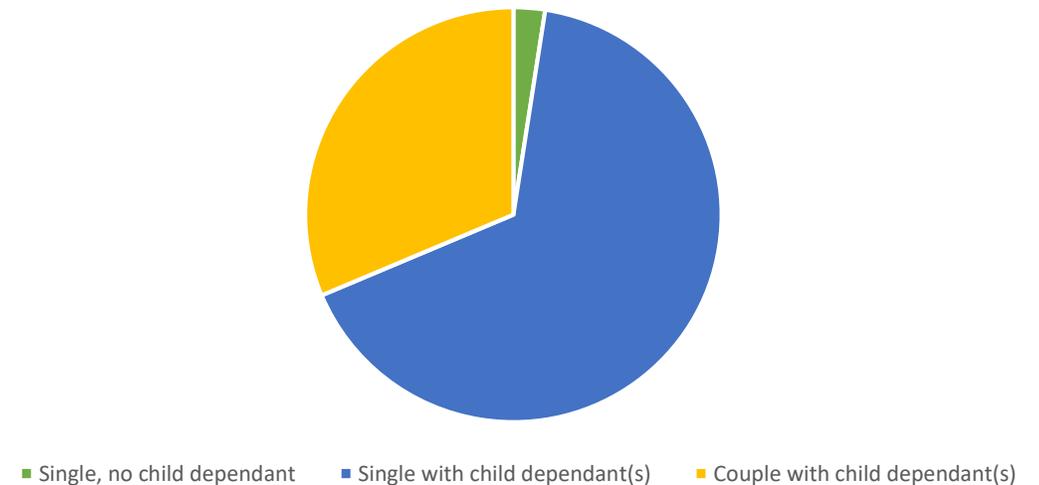*Source: StatXplore. Figures include households capped through both Housing Benefit and Universal Credit. More details on the benefit cap and its exemption criteria are available here, while details on how the statistics are compiled are available here.*

The family structure of Benefit Capped households

Families with children naturally have larger benefit entitlements, and are therefore much more likely to be affected by the Benefit Cap than households without children.

As of August 2020, around 97% of Benefit Capped households contained children. 66% were lone parent families and 31% were couples with children. The remainder were single people without children; there were no couples without children who were affected by the Benefit Cap.

Households affected by the Benefit Cap in August 2020

■ Single, no child dependant   ■ Single with child dependant(s)   ■ Couple with child dependant(s)

Source: StatXplore