

Introduction

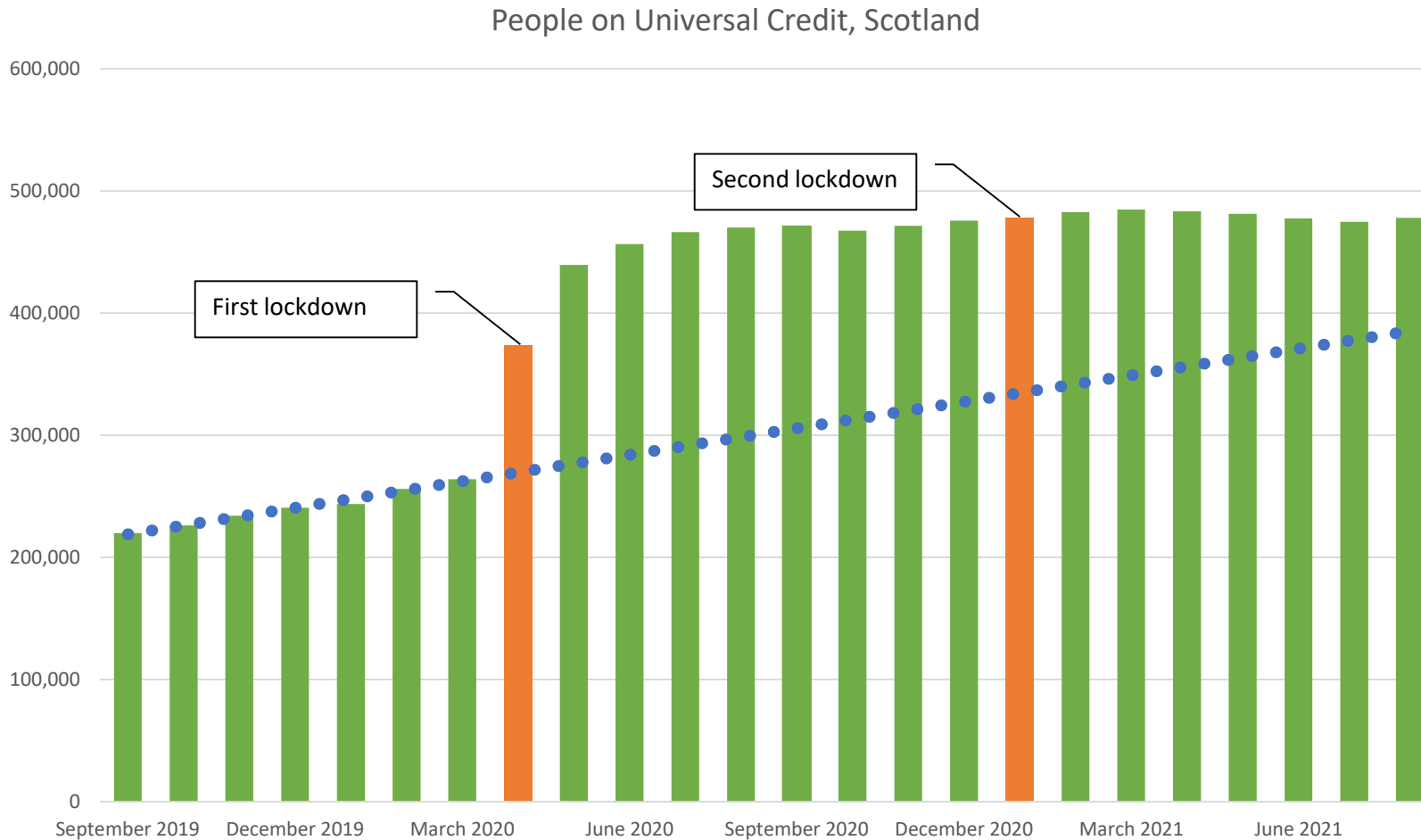
This bulletin summarises the most recent official statistics on people claiming, receiving, and starting on Universal Credit in Scotland, taken directly from the Department of Work and Pension’s (DWP) collection of [Universal Credit Statistics](#). It also summarises recent statistics on unemployment 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.

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Page	Topic	Description	Breakdowns	Updated?	Latest month	Data next updated
2-4	People on Universal Credit – summary statistics	Key indicators for UC uptake	Caseload, On-flows, Legacy Benefits	Yes	July 2021	September 2021
5-6	People on Universal Credit – characteristics	Further detail on the composition of the UC caseload	Gender, age, conditionality, household type	Yes	July 2021	September 2021
7-8	People on Universal Credit – geography	Comparisons between Local Authorities and between England, Wales and Scotland	LA/Nation/Region	Yes	July 2021	September 2021
9	Households on Universal Credit	Further detail on the composition of the UC caseload	Family type	No	May 2021	November 2021
10	Benefit Cap	Number of households with benefits reduced by the benefit cap	Family type	Yes	May 2021	December 2021
11-12	Spotlight	Removal of the £20 uplift	Type of household, Local Authority	N/A	N/A	N/A

People on Universal Credit



As of August 2021 there were around 480,000 people on Universal Credit (UC). This compares to around 470,000 people receiving UC in August 2020, meaning that the caseload increased by around 2% over the past year. The increase comes after the initial surge in numbers in March 2020.

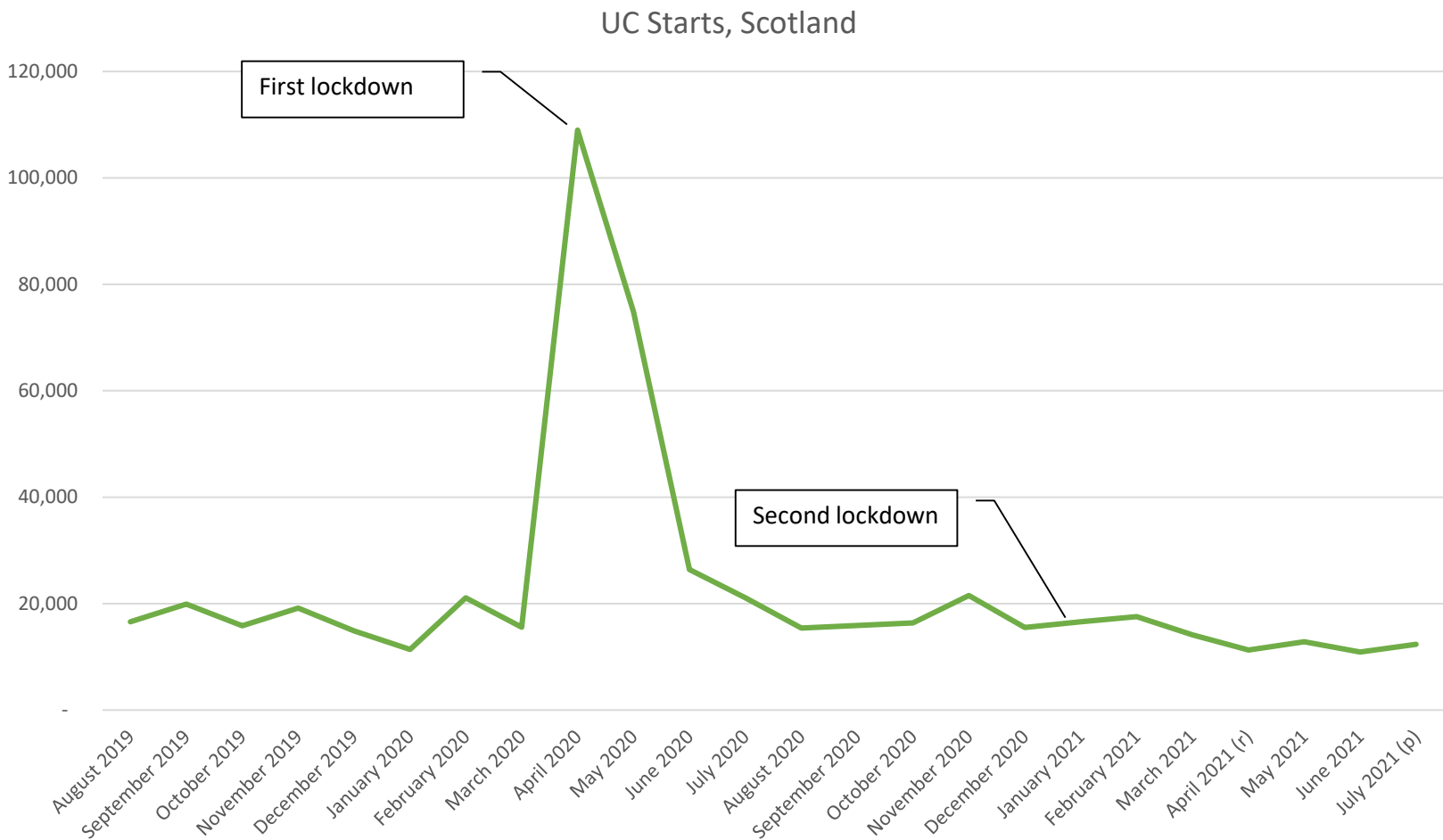
COVID-19 restrictions may have caused some of the increase over the past year, though the main spike in caseload came before, at the onset of the first lockdown. The subsequent lockdown period over the winter did not cause another large spike in the caseload.

There is an ongoing transition from legacy benefits to Universal Credit which was already generating a gradual increase in the UC caseload before the pandemic of around 7,500 people a month, represented here by the blue trend line. The gap between this line and the current caseload has closed in recent months from a high of 170,000 in July 2020 to around 84,000 in August 2021.

Looking forward, we might expect the caseload to decrease as restrictions ease, though this depends on economic conditions and might be countered by the withdrawal of other financial support such as the furlough scheme and the ongoing migration from legacy benefits.

Source: [StatXplore](#).

Universal Credit – number of starts



This graph shows that the number of starts to Universal Credit was stable in the months running up to the start of the pandemic, even though the overall UC caseload was increasing due to gradual replacement of legacy benefits.

The onset of the first lockdown period led to a sharp increase in the number of starts to UC. However, since then, the number of starts has reverted to pre-pandemic levels, suggesting that the UC caseload, though much larger, has become more stable in subsequent months, with relatively fewer people coming on (and off) UC.

Context: Individuals starting on UC have completed the UC claim process and accepted their claimant commitment. They may have experienced the so-called “Five-week-wait” for a first payment and other disruptive elements of starting to claim for UC.

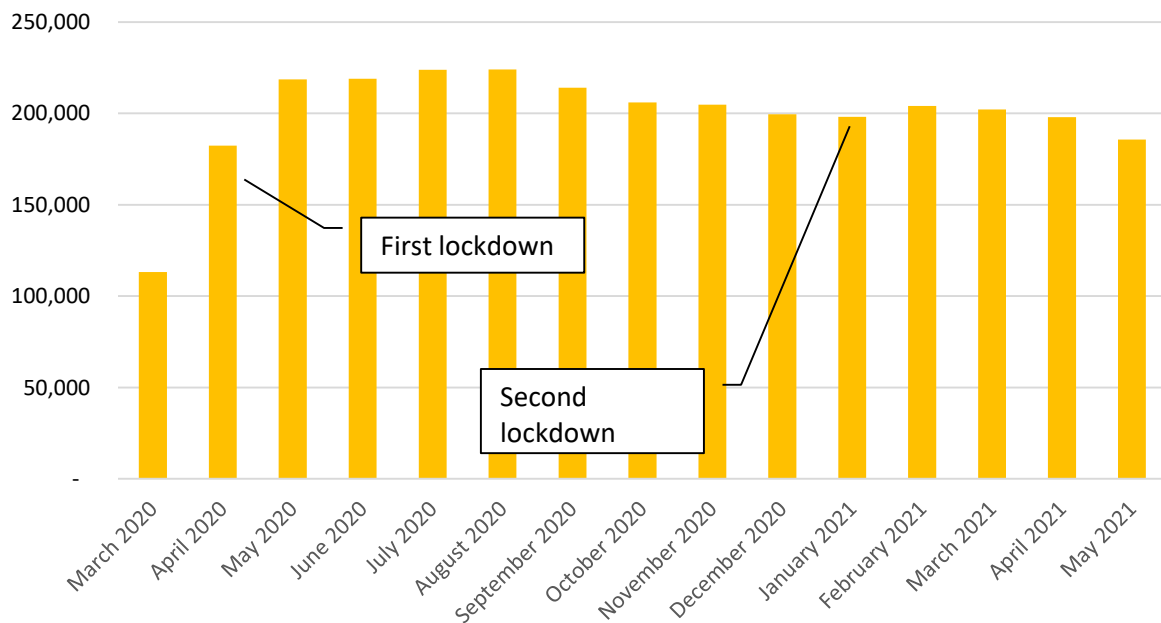
Source: [StatXplore](#).

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 UC system which is replacing it, the ACC provides a consistent measurement of the number of people on unemployment related benefits over time.

At the onset of COVID-19 there was a near doubling of the ACC caseload. After peaking in August 2020, the number of people claiming unemployment related benefits gradually fell until February 2021, when there was a small increase as Scotland went through a period of lockdown over the winter period. It appears that the reduction in the caseload has recommenced over the spring of 2021.

Alternative Claimant Count, Scotland



Source: [StatXplore](#)

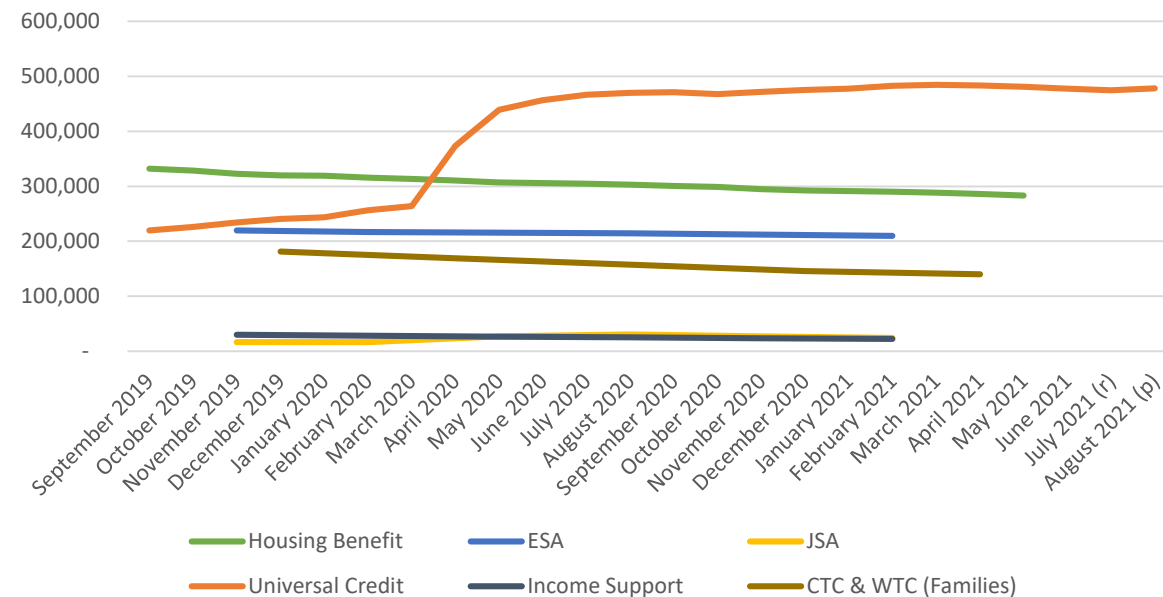
More details on the Alternative Claimant Count and how it is derived are available [here](#).

Legacy Benefits

A significant number of people in Scotland still claim Legacy Benefits, though this caseload has gradually decreased as a result of the migration to UC. The number of people claiming Job Seekers Allowance increased slightly over the last year, though the majority of people newly claiming for unemployment related benefits continue to do so through Universal Credit.

Note: All data are quarterly except for UC and Housing Benefit which are monthly. The data for Tax Credits are for families and are therefore not directly comparable to data for other benefits.

People on Legacy Benefits and UC, Scotland

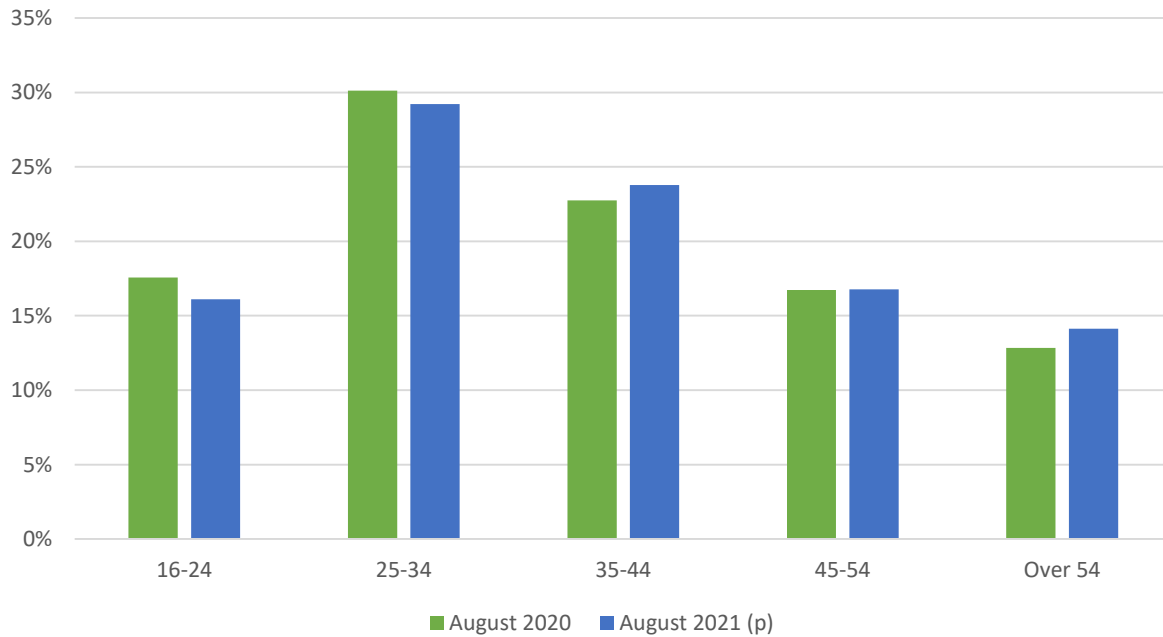


Source: [StatXplore](#), [Child and Working Tax Credits statistics: provisional awards geographical analyses - GOV.UK \(www.gov.uk\)](#)

People on Universal Credit by age

As shown in the chart below, the UC caseload is slightly older than they were at this point last year. The 35-44 and over 54 age groups saw absolute increases of 6,700 and 7,200 people, respectively, while the number of people in the 16-24 bracket dropped by 5,600. The over 54 age group saw an increase of 12% while the 16-24 age group decreased by 7%. Note that these changes came after the initial surge in caseload in March and April 2020.

Proportion of people claiming UC, by age, Scotland

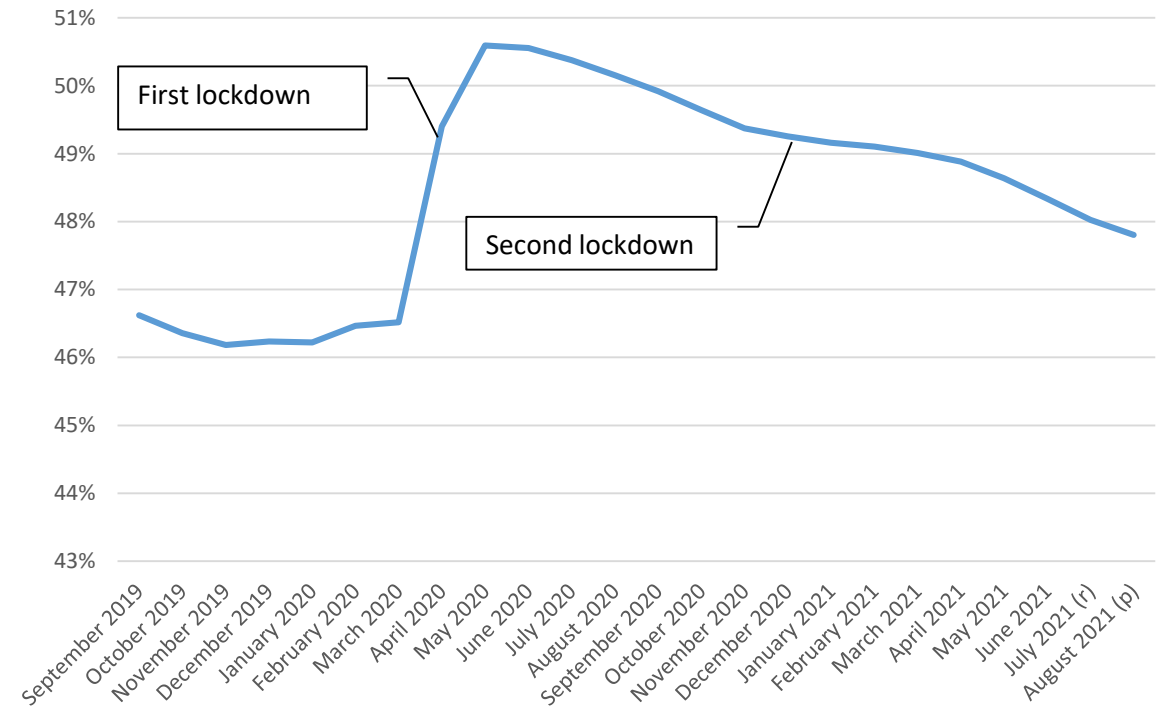


Source: [StatXplore](#).

People on Universal Credit by gender

In August 2020 there were 234,000 women on UC, compared with 236,000 men – a difference of 1,400. By August 2021 this difference had inverted and there were 21,000 more women than men on UC as the split between the genders began to revert back to the pre-lockdown distribution, as shown in the chart below.

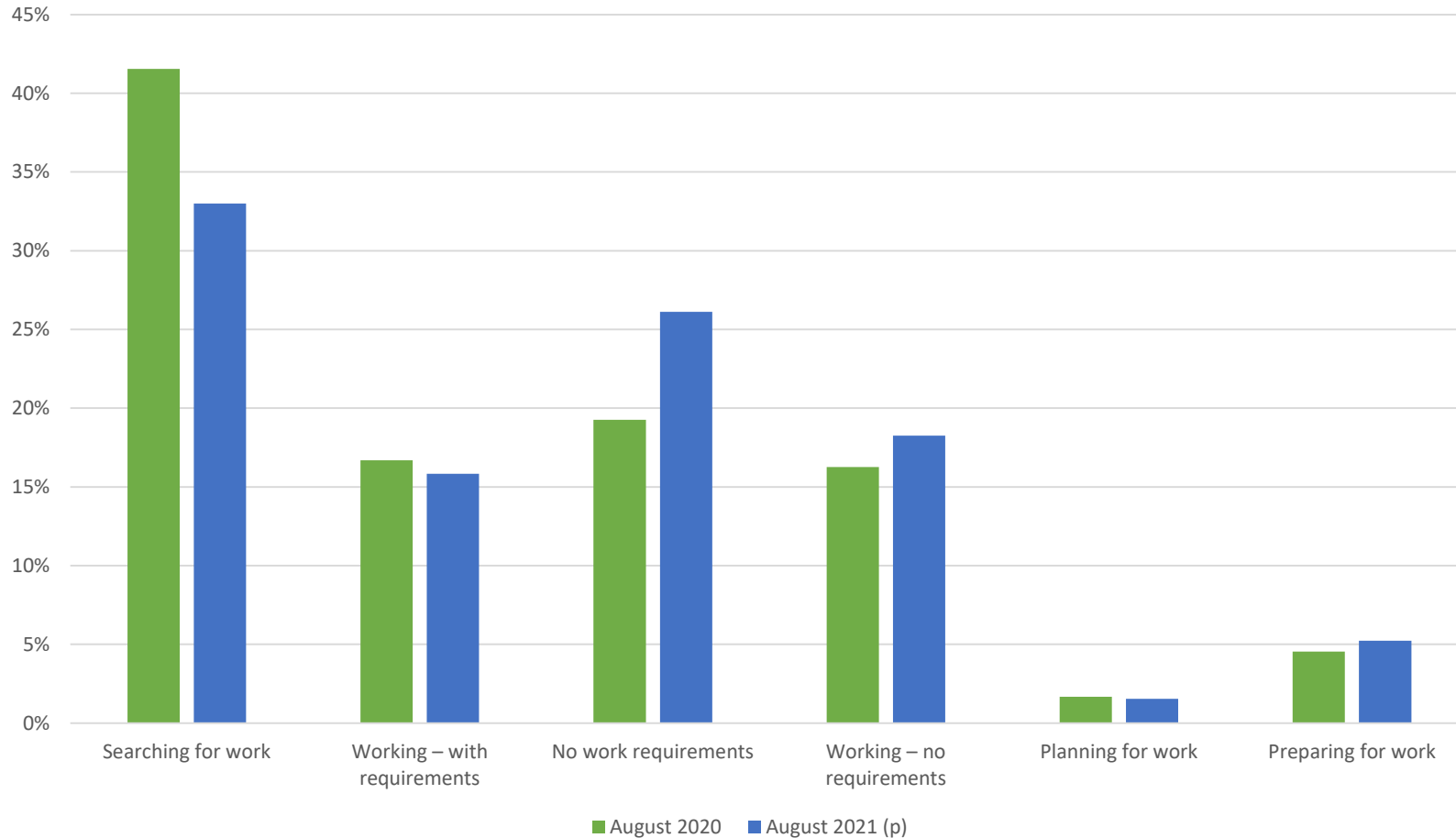
Male proportion of UC caseload, Scotland



Source: [StatXplore](#).

People on Universal Credit by conditionality group

People claiming UC, by conditionality group, proportion of total



People on UC are assigned to a ‘conditionality group’ depending on whether they are in work or whether they are obligated to search for work while receiving the benefit.

The largest increases over the past year, subsequent to the initial surge in caseload in March 2020, were in the ‘No work requirements’ group, which comprises people who cannot do paid work due to health conditions or caring responsibilities. This group increased by around 34,000 (38%). Consequently, as shown in the chart, this group represented 26% of the total UC caseload in August 2021, compared with 19% in August 2020.

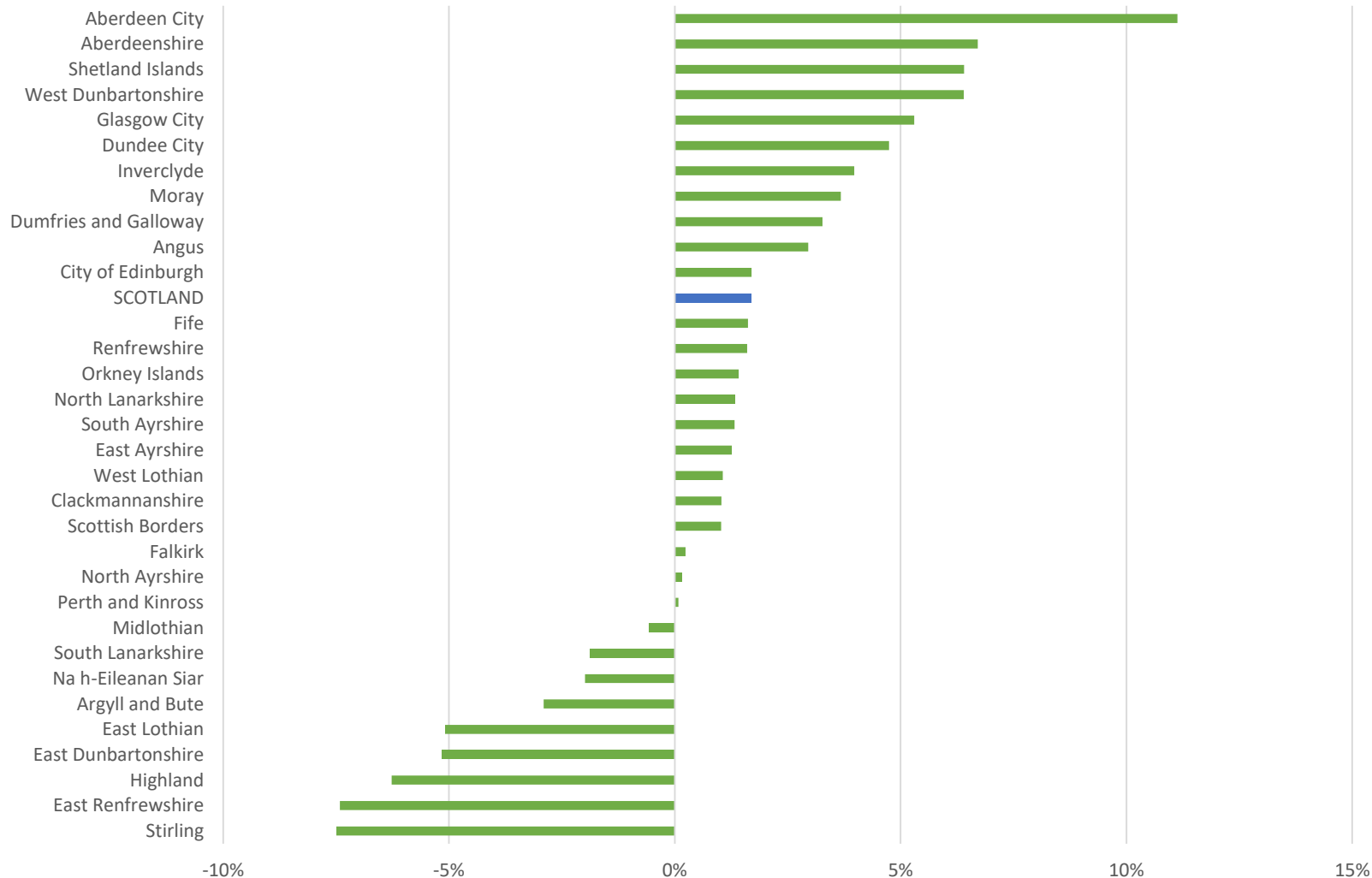
The ‘Working - no requirements’ group (comprising people with higher household earnings) also saw an increase of 11,000 (14%), while the number searching for work decreased by 38,000 (-19%).

As a result, UC claimants are less likely to be searching for work than they were in August 2020, though this remains the largest conditionality group for UC claimants. As shown in the chart, this group represented 33% of the total UC caseload in August 2021, compared with 42% in August 2020.

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 Local Authority

Percentage change in People on Universal Credit, August 2020 to August 2021



The UC caseload increased in 23 local authorities in Scotland over the last year. These increases were subsequent to the initial surge in the caseload in March 2020.

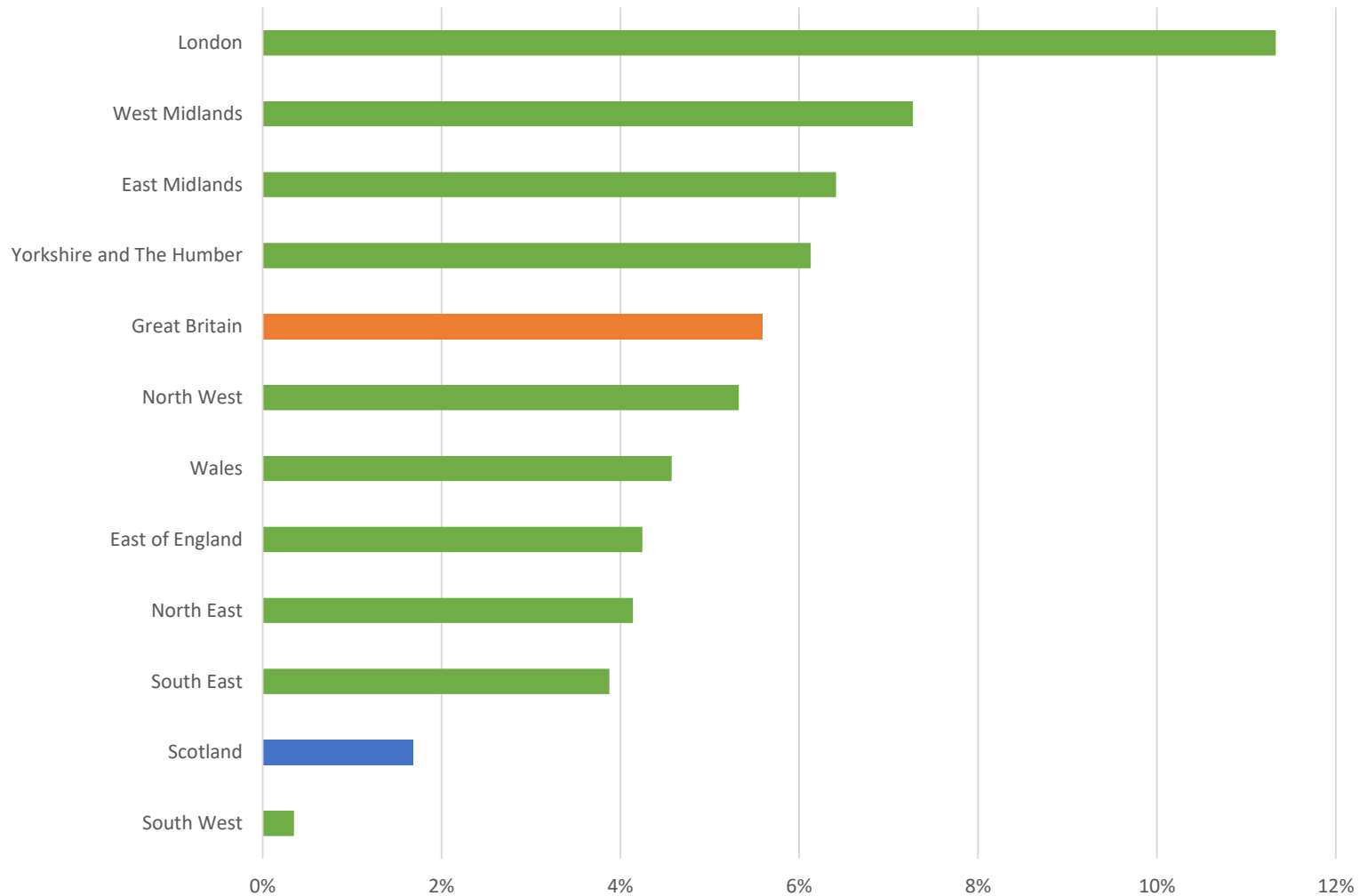
The largest increase was observed in Glasgow, where the caseload grew by 3,700. However, as shown in the chart, other local authorities saw larger percentage increases. The largest increases were observed in Aberdeen, Aberdeenshire and the Shetland Islands.

There does not appear to be clear-cut relationship between deprivation and the increase in UC caseload across local authorities. Areas such as Glasgow, which has a large local share of deprived areas, have experienced large increases. However, some council areas with high underlying levels of deprivation such as North Lanarkshire have seen relatively smaller percentage increases, while areas with low levels of deprivation such as the Shetland Islands and Aberdeenshire have seen higher ones.

Compared with January 2020 (and thus before the onset of the COVID-19 pandemic) the Scotland caseload has increased by 196%. Inverclyde (151%), Clackmannanshire (156%) and East Lothian (162%) have seen the smallest increases, while Edinburgh (285% - more than London), Aberdeen (258%) and Aberdeenshire (235%) have seen the largest.

People on Universal Credit- Great Britain

Percentage increase in people on Universal Credit, August 2020 to August 2021



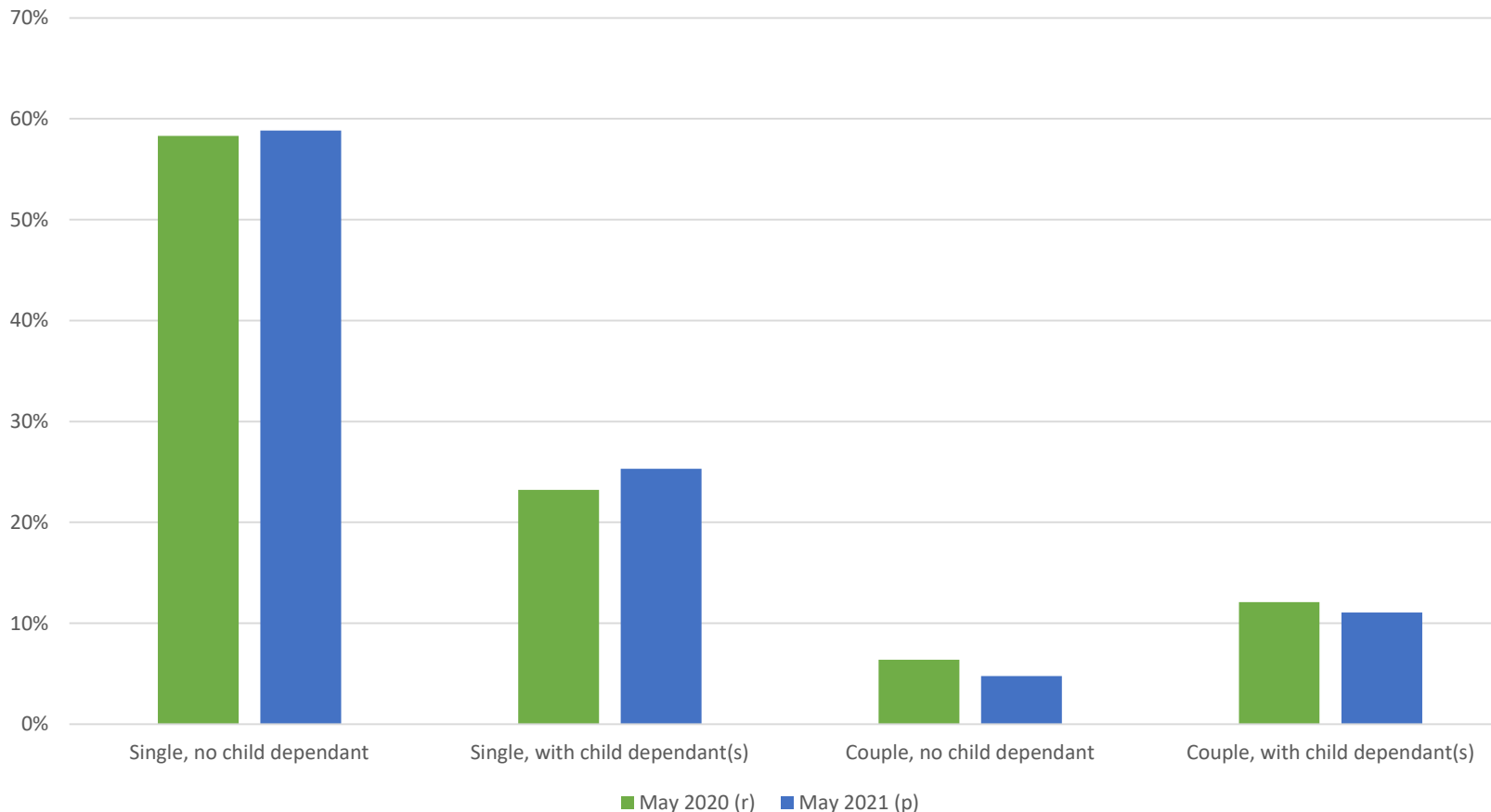
The UC caseload increased in all parts of Great Britain over the last year. The largest increase was observed in London where the caseload grew by 102,000. This represented an increase of 11%, as shown in the chart.

Scotland's caseload increased by 2%, below the British average of 6%.

Note that these increases came after the initial surge in the caseload in March 2020. Compared with January 2020, the Great Britain caseload has increased by 212%, while in Scotland it has only increased by 196%. London has been worst hit by the pandemic (252%) while the North East of England has seen a smaller increase (177%).

Households on Universal Credit

Households on Universal Credit, by family type, proportion



All household types except for couples with no children have seen increases over the past year, with over half of the total increase attributable to single people with no children, who in May 2020 already made up more than half of the caseload. This group increased by around 31,000 between May 2020 and May 2021, amounting to a 14% increase. On the other hand, single people with dependent children have seen a larger percentage increase of 24% (20,000 households)

Consequently, as shown in the chart, households on UC are now more likely to include child dependants or to be single than they were previously. However, the overall distribution of family types on UC remains broadly unchanged.

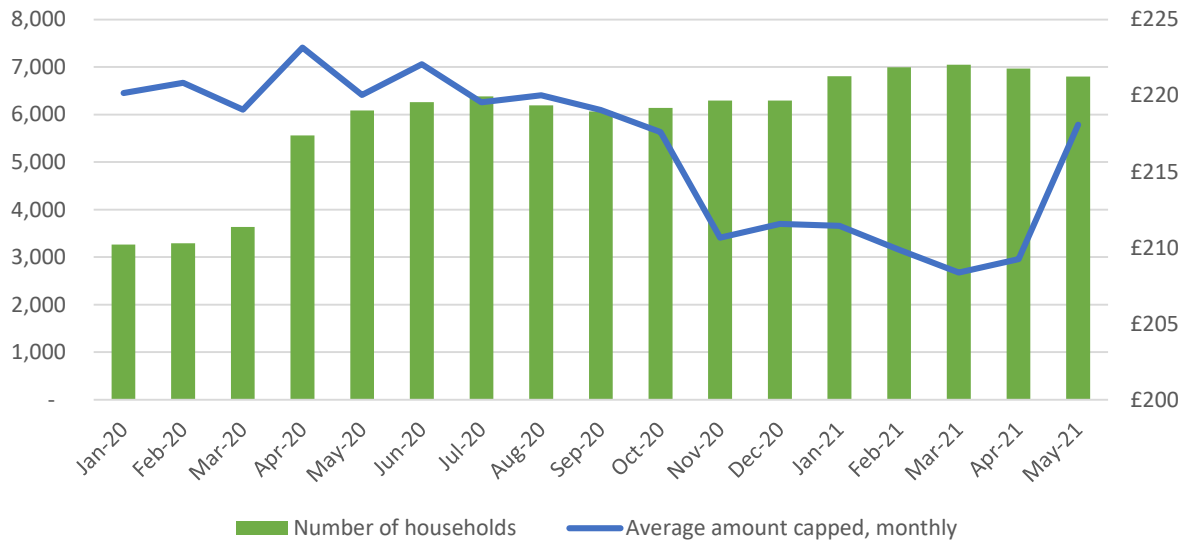
Note: Data on Households on UC are classified as Experimental Official Statistics. They lag behind the People on UC data and are not directly comparable. For example, if an individual has not provided all the information needed to work out their entitlement, or their entitlement is still in the process 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.

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 to an extent through Discretionary Housing Payments.

The number of households affected by the benefit cap has increased by 12% over the past year, from around 6,100 in May 2020 to around 6,800 in May 2021. During this time the average amount lost due to the Benefit Cap has decreased slightly from around £220 per month to £218.

Benefit Cap, Scotland



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](#).

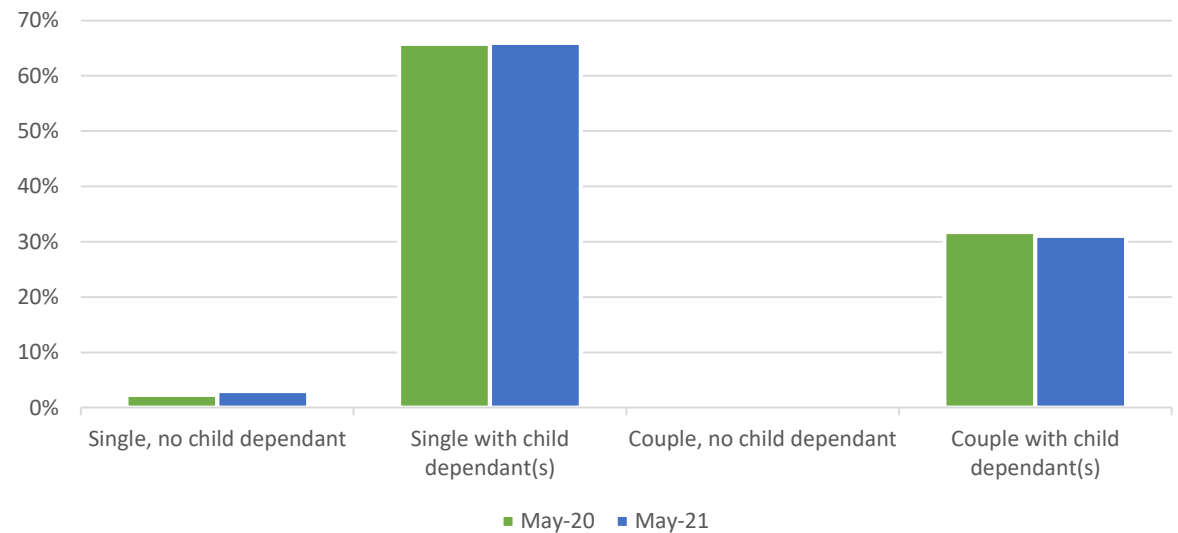
The family structure of Benefit Capped households

Households with children naturally have larger benefit entitlements and are therefore much more likely to be affected by the Benefit Cap than households without children. Couples may have larger earnings and thus receive smaller benefit payments.

As of May 2021, 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.

As shown in the graph, these proportions are largely the same as in May 2020.

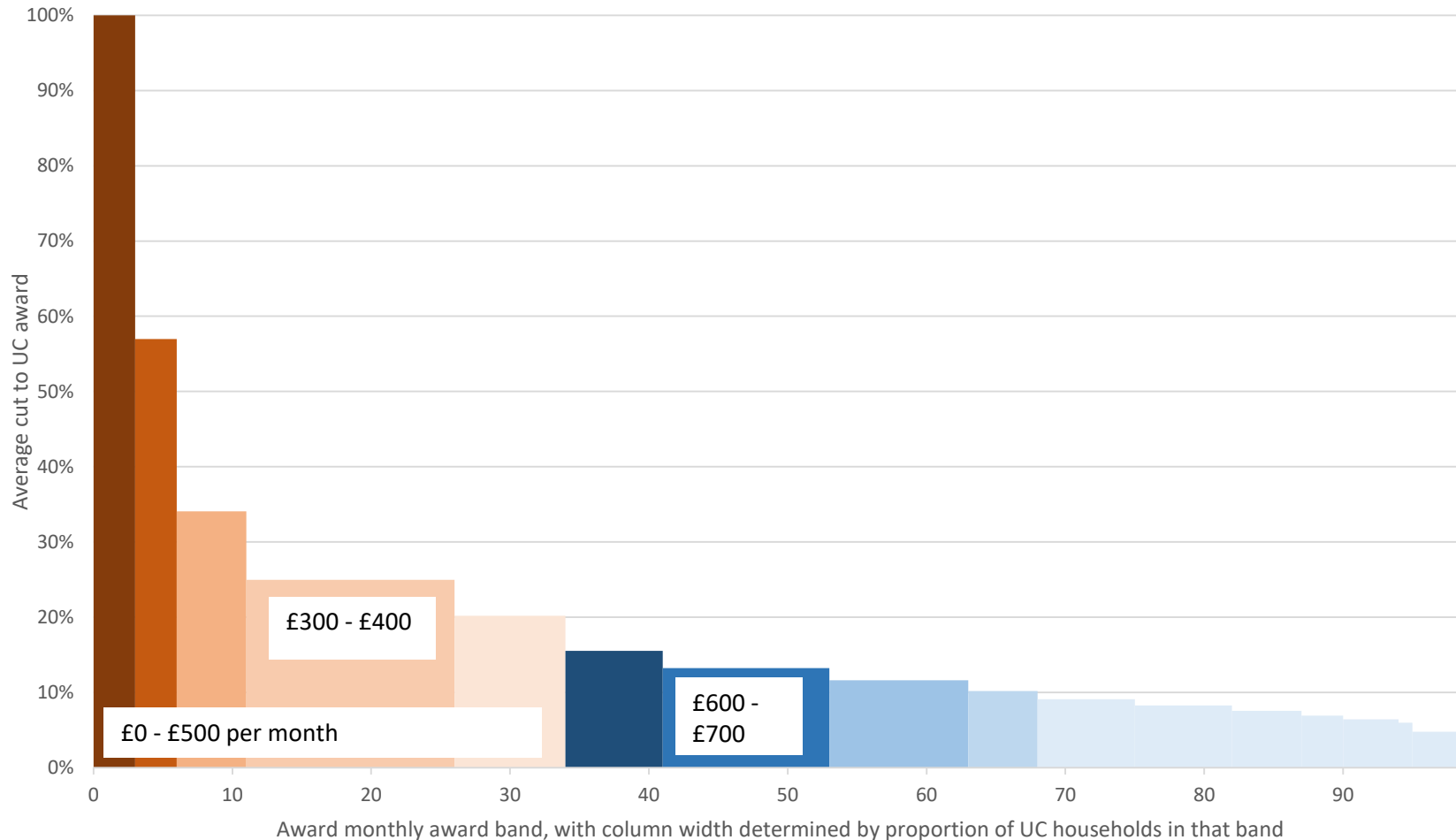
Proportion of Households affected by the Benefit Cap by family type, Scotland



Source: [StatXplore](#)

The removal of the £20 uplift

Average percentage cut to household UC award by award band, Scotland, May 2021



The Standard Allowance of Universal Credit was increased by £20 per week (£87 per month, £1040 per year) at the start of the COVID-19 pandemic. However, in October 2021, the UK Government plans to reduce the allowance to its pre-pandemic value. This cut will affect all 350,000 households currently in receipt of UC, except those subject to the benefit cap.

The withdrawal of the £20 uplift represents an average cut of around 12% in UC awards. However, as households receive different UC awards depending on their characteristics and income, this proportion varies across households.

For example, as shown in the chart, the average cut for households with a monthly award of £100 or less will be 100%, though only 3% of households sit in this category. These households will lose their full entitlement to UC.

The most common award band is £300 - £400 per month (49,000 households), experiencing a cut of 25%. However, the median award sits between £600 and £700 (13% cut) and the mean award is £722 per month (12% cut). Around a third of households will receive an average cut of over 20% (represented by the red area).

Source: [StatXplore](#)

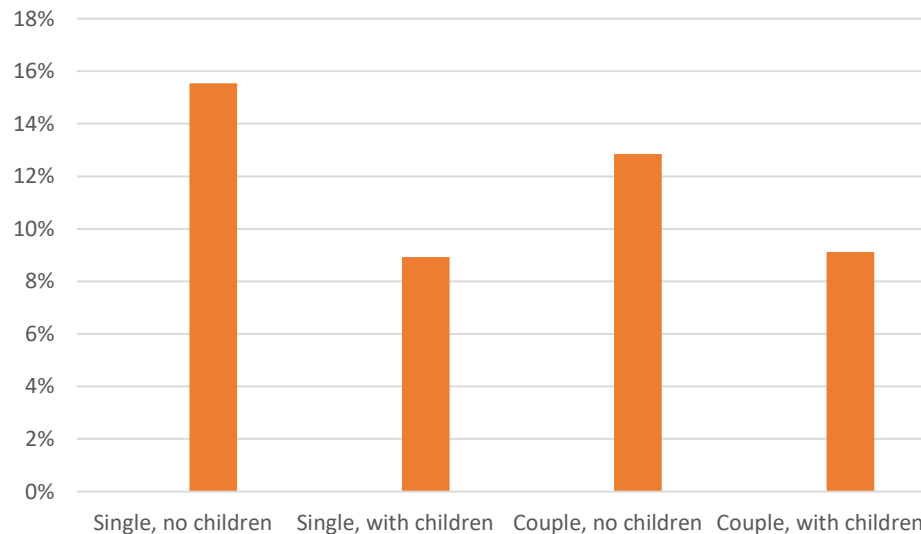
Note: This data does not take into account the benefit cap which effects single households (no children) with awards over £1117 per month, and other households with awards over £1667 per month. As such, our mean value will be a slight overestimate and the graph will overstate the number of households in the highest award categories.

£20 cut by household type

In proportional terms, we would expect the cut to the UC standard allowance to have a larger impact on those households not eligible for the additional allowances for children, disability, those living as a couple, or those getting support for housing costs.

However, households which are subject to the earnings taper may still have lower awards, even if they are entitled to multiple elements. As a result, the £20 cut will still represent a larger impact in proportional terms. This is demonstrated by the graph below: while, as expected, children influence the average award, the difference is not as large as expected between couples and single people with children. This may be because couples households have larger household incomes and therefore have more of their award withdrawn through the taper.

Average cut to UC award by household type, Scotland, May 2021



Note: This data does not take into account the benefit cap which effects single households (no children) with awards over £1117 per month, and other households with awards over £1667 per month. As such, our mean values will be a slight overestimate and the graph will overstate the number of households in the highest award categories.

£20 cut by Local Housing Allowance area

The average cut to UC award varies by Local Authority. We might expect that the difference is explained by housing costs, but an inspection of average UC awards and Local Housing Allowances (LHAs) find no correlation. In Lothian the average award is £718 with an LHA of £159, while in the Borders the average award is similar at £724 while the LHA is only £75. This is because earnings and other allowances also determine the level of UC awards and therefore the proportional impact of the £20 cut.

Average cut to UC award by LHA area, May 2021

