

Introduction

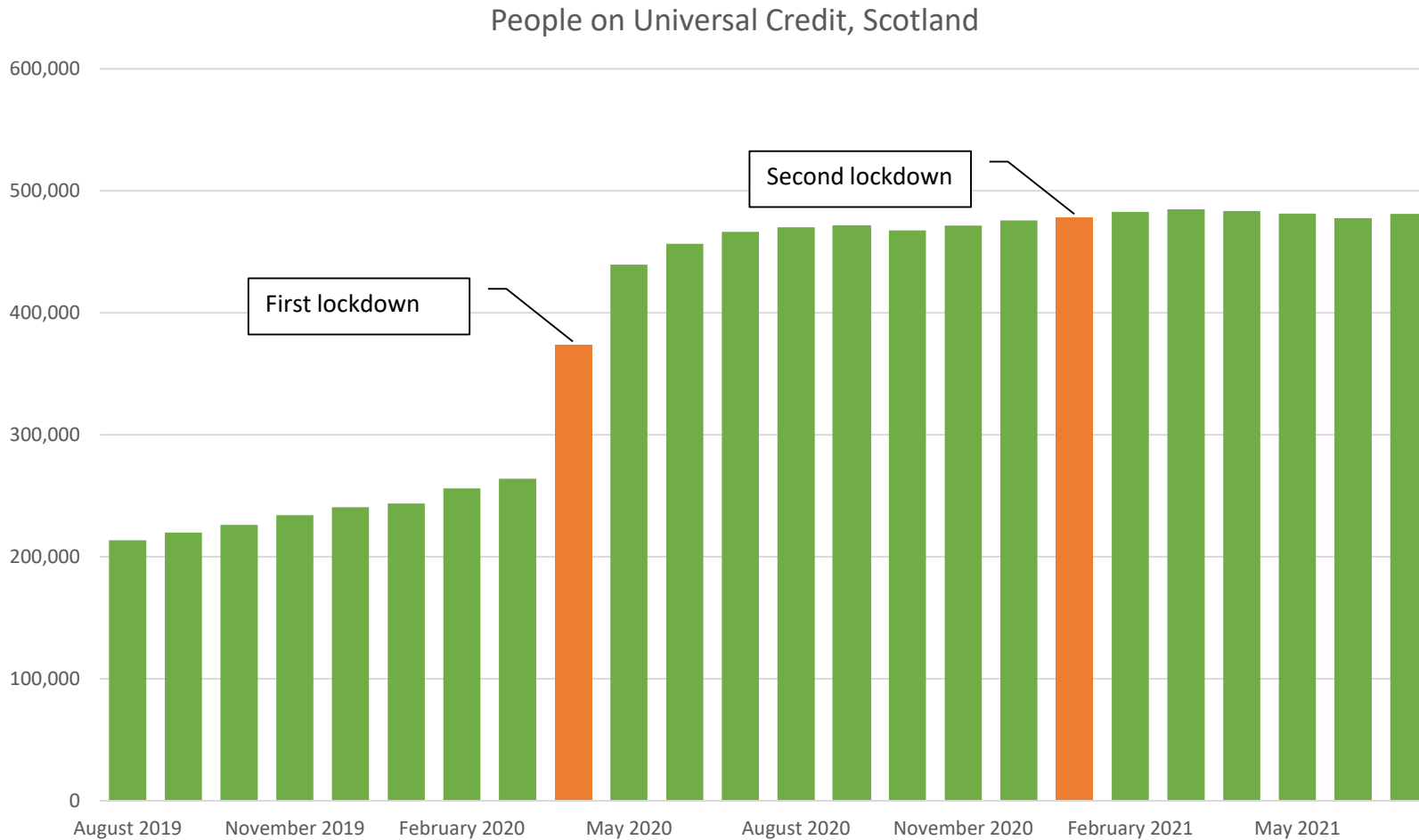
This bulletin summarises the most recent official statistics on people claiming, receiving, and starting on Universal Credit in Scotland, taken directly from the Department of Work and Pension’s (DWP) collection of [Universal Credit Statistics](#). It also summarises recent statistics on unemployment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

Contents

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	Yes	February 2021	November 2021
10	Benefit Cap	Number of households with benefits reduced by the benefit cap	Family type	No	February 2021	September 2021
11-13	Spotlight	The two-child limit	Exceptions, type of household, number of children	N/A	N/A	N/A

People on Universal Credit



As of July 2021 there were around 480,000 people on Universal Credit (UC). This compares to around 470,000 people receiving UC in July 2020, meaning that the caseload increased by over 3% over the past year. The increase comes after the initial surge in numbers in March 2020.

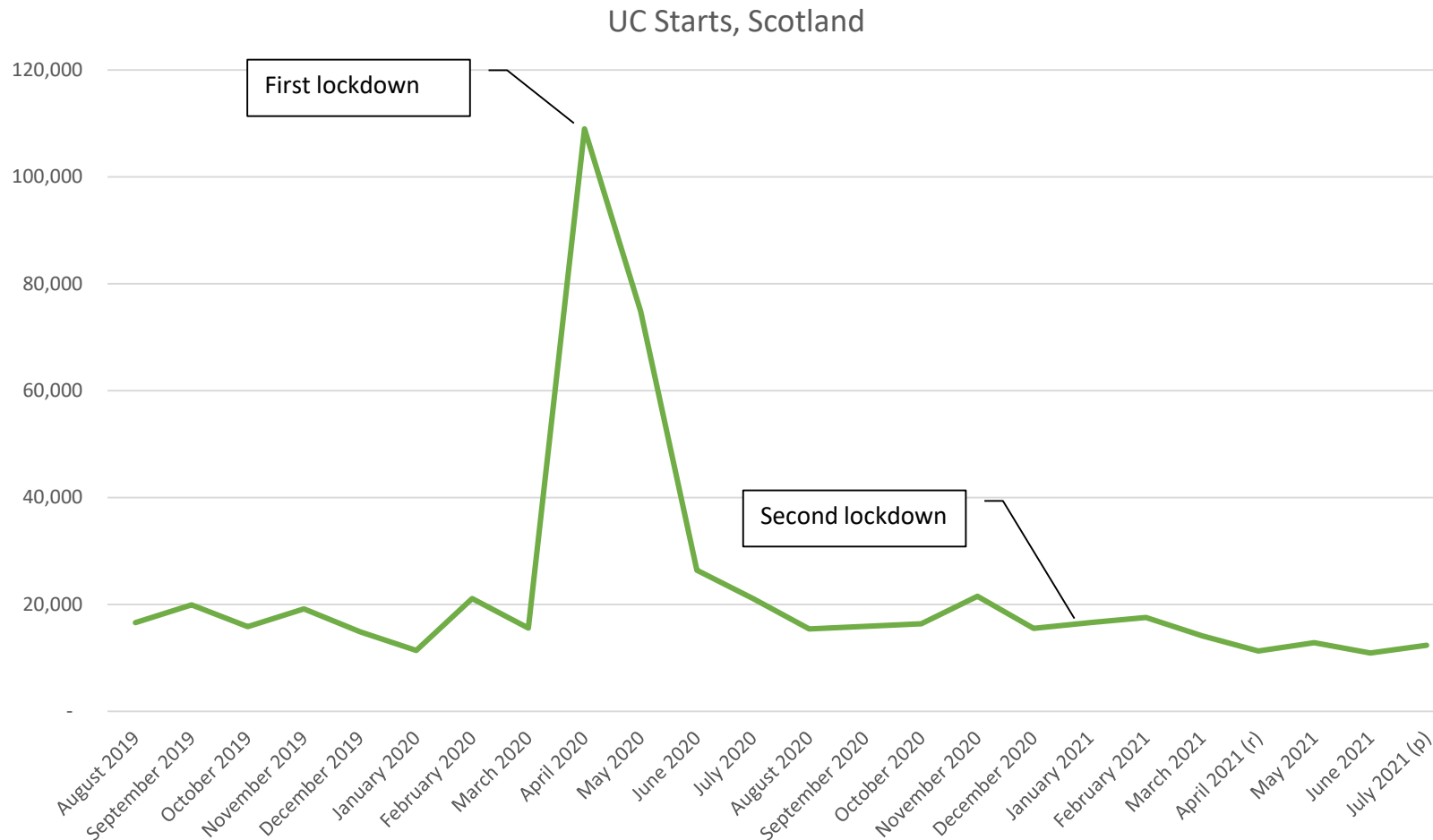
COVID-19 restrictions may have caused some of the increase over the past year, though the main spike in caseload came before, at the onset of the first lockdown. The subsequent lockdown period over the winter did not cause another large spike in the caseload.

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, and this may now be the primary reason for the ongoing increase.

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.

Source: [StatXplore](#).

Universal Credit – number of starts



This graph shows that the number of starts every month to UC 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.

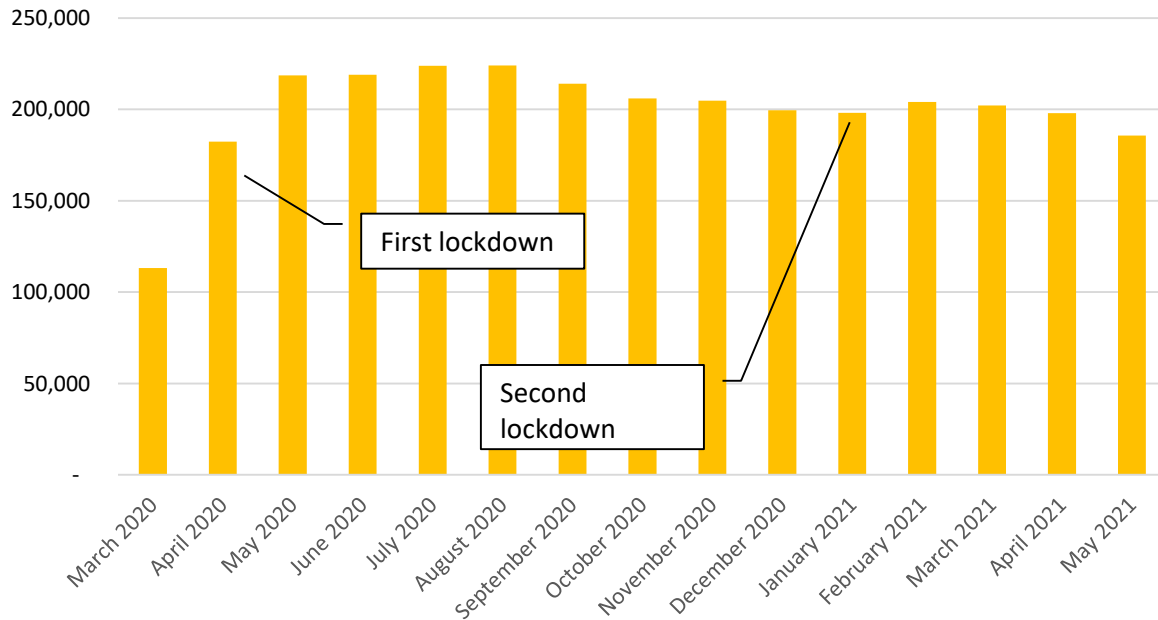
Context: Individuals starting on UC have completed the UC claim process and accepted their claimant commitment. They may have experienced the so-called “Five-week-wait” for a first payment and other disruptive elements of starting to claim for UC.

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](#)

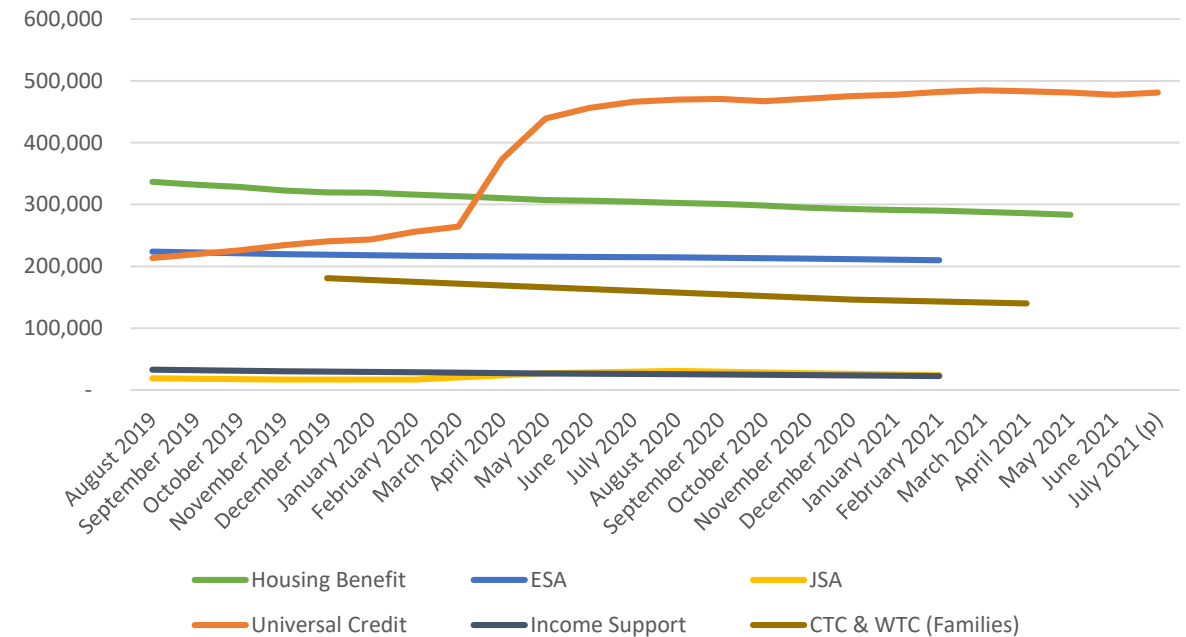
More details on the Alternative Claimant Count and how it is derived are available [here](#).

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

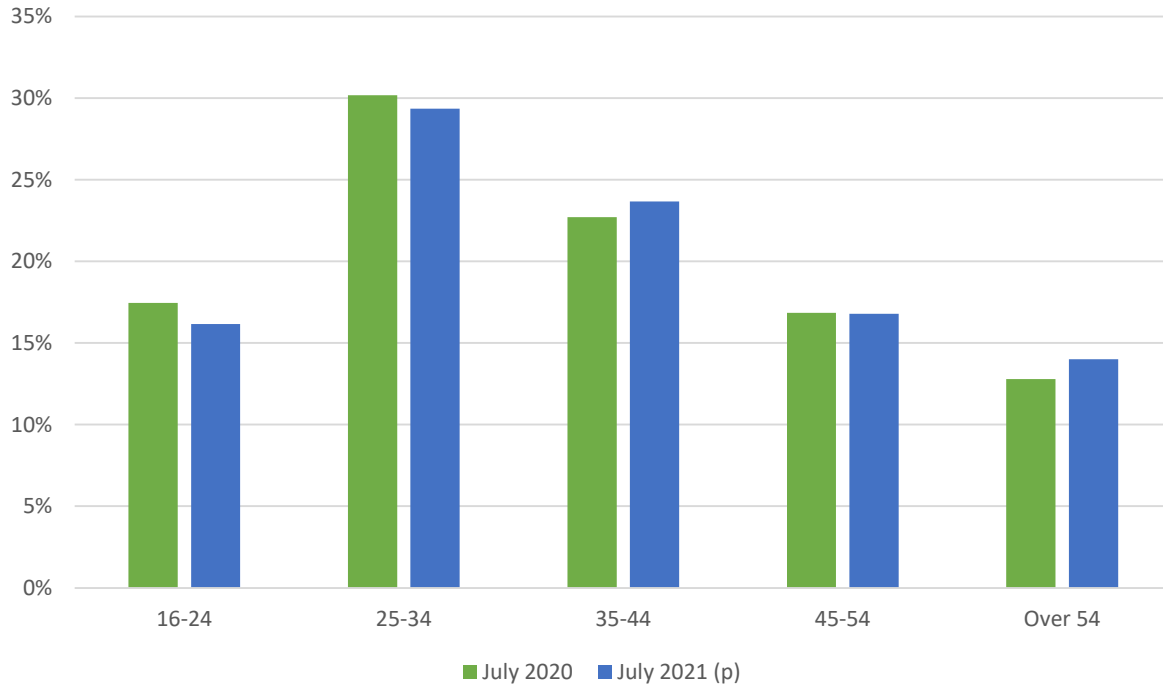


Source: [StatXplore](#), [Child and Working Tax Credits statistics: provisional awards geographical analyses - GOV.UK \(www.gov.uk\)](#)

People on Universal Credit by age

As shown in the chart below, the age distribution of UC claimants has remained broadly unchanged over the last year. The 35-44 and over 54 age groups saw the largest absolute increases, both growing by around 8,000. The over 54 age group saw the largest percentage increase at 13%, followed by the 35-44 age group at 8%. Note that these changes came after the initial surge in caseload in March and April 2020.

Proportion of people claiming UC, by age, Scotland

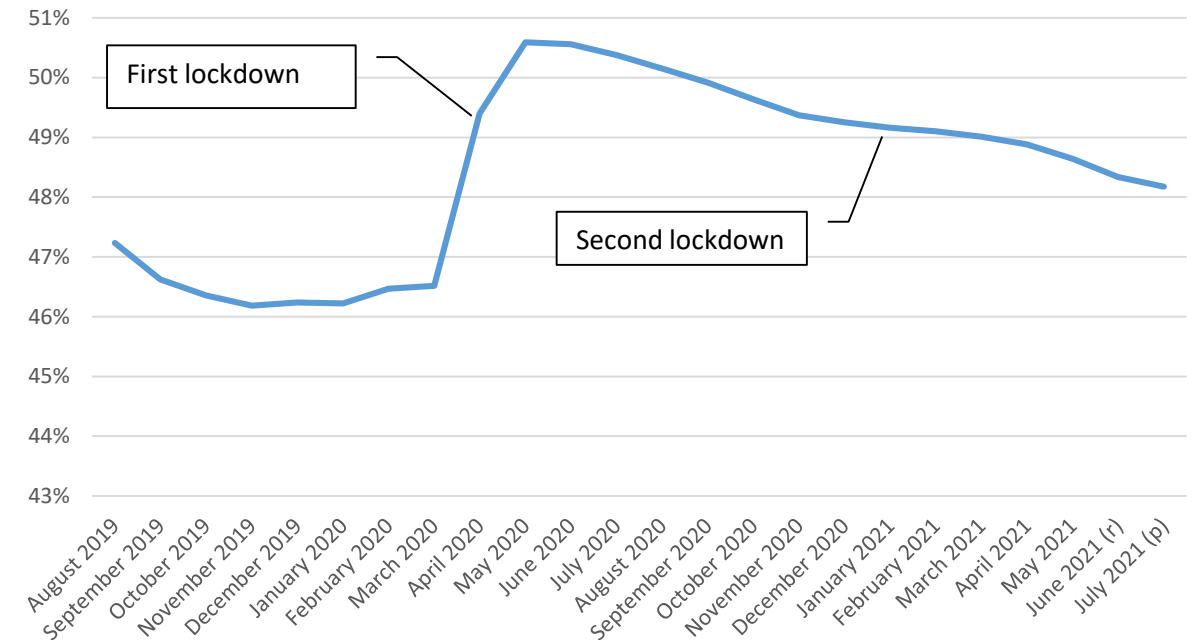


Source: [StatXplore](#).

People on Universal Credit by gender

In July 2020 there were 231,000 women on UC, compared with 234,000 men – a difference of 3,500. By July 2021 this difference had inverted and there were 17,500 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.

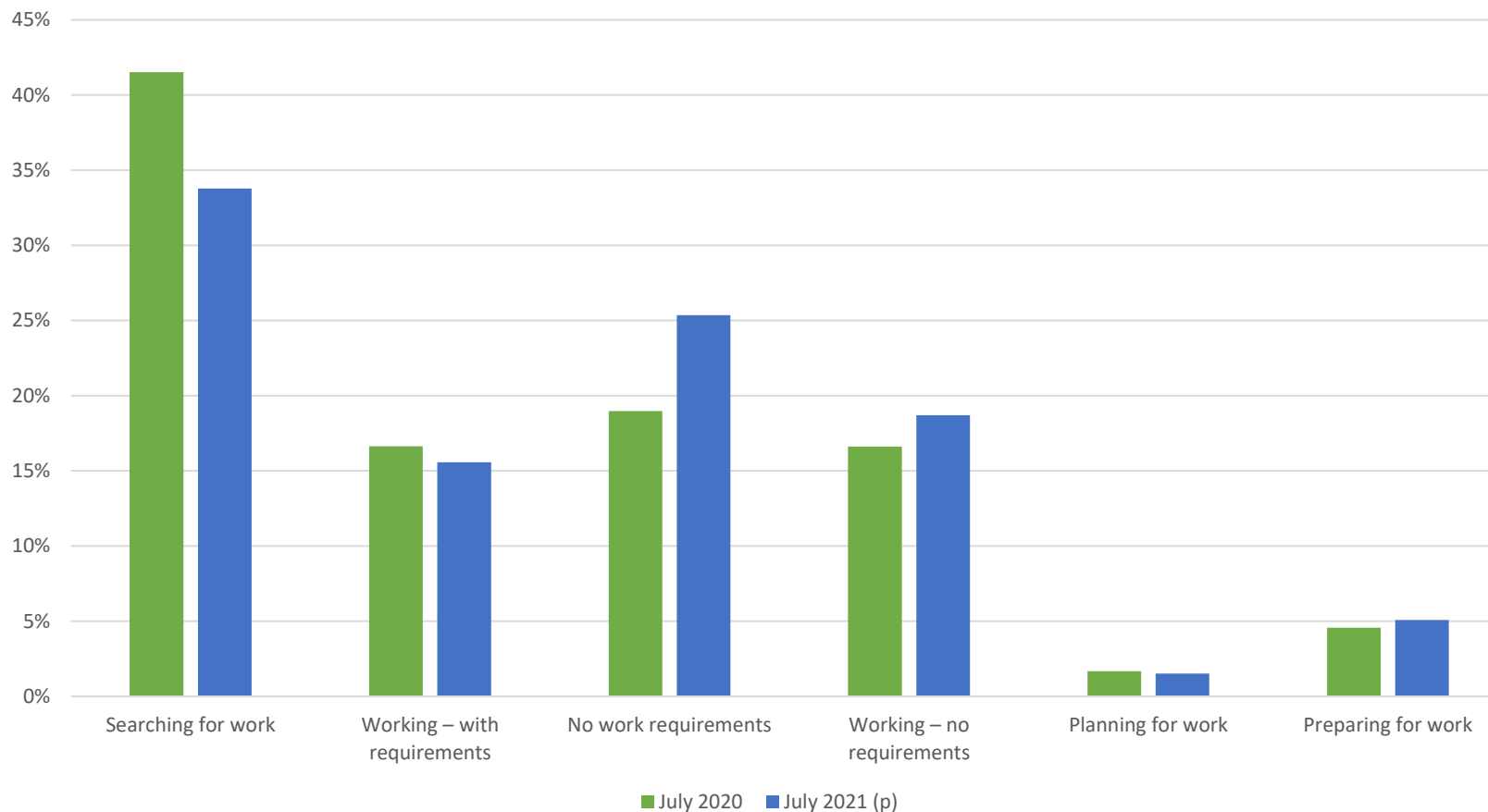
Male proportion of UC caseload, Scotland



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 33,000 (38%). Consequently, as shown in the chart, this group represented 25% of the total UC caseload in July 2021, compared with 19% in July 2020.

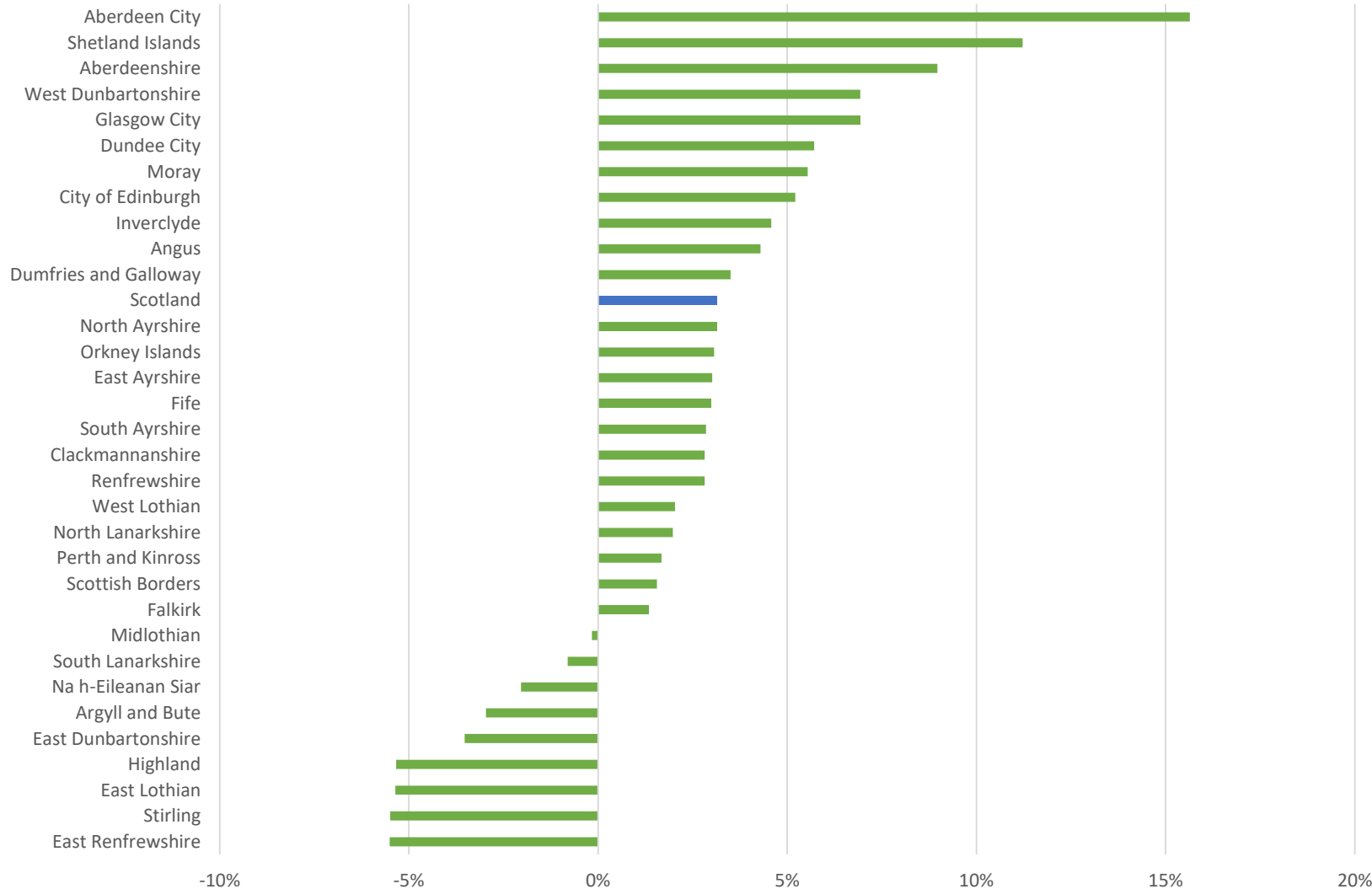
The ‘Working - no requirements’ group (comprising people with higher household earnings) also saw an increase of 12,000 (16%), while the number searching for work decreased by 31,000 (-16%).

As a result, UC claimants are less likely to be searching for work than they were in July 2020, though this remains the largest conditionality group for UC claimants. As shown in the chart, this group represented 34% of the total UC caseload in July 2021, compared with 42% in July 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, July 2020 to July 2021



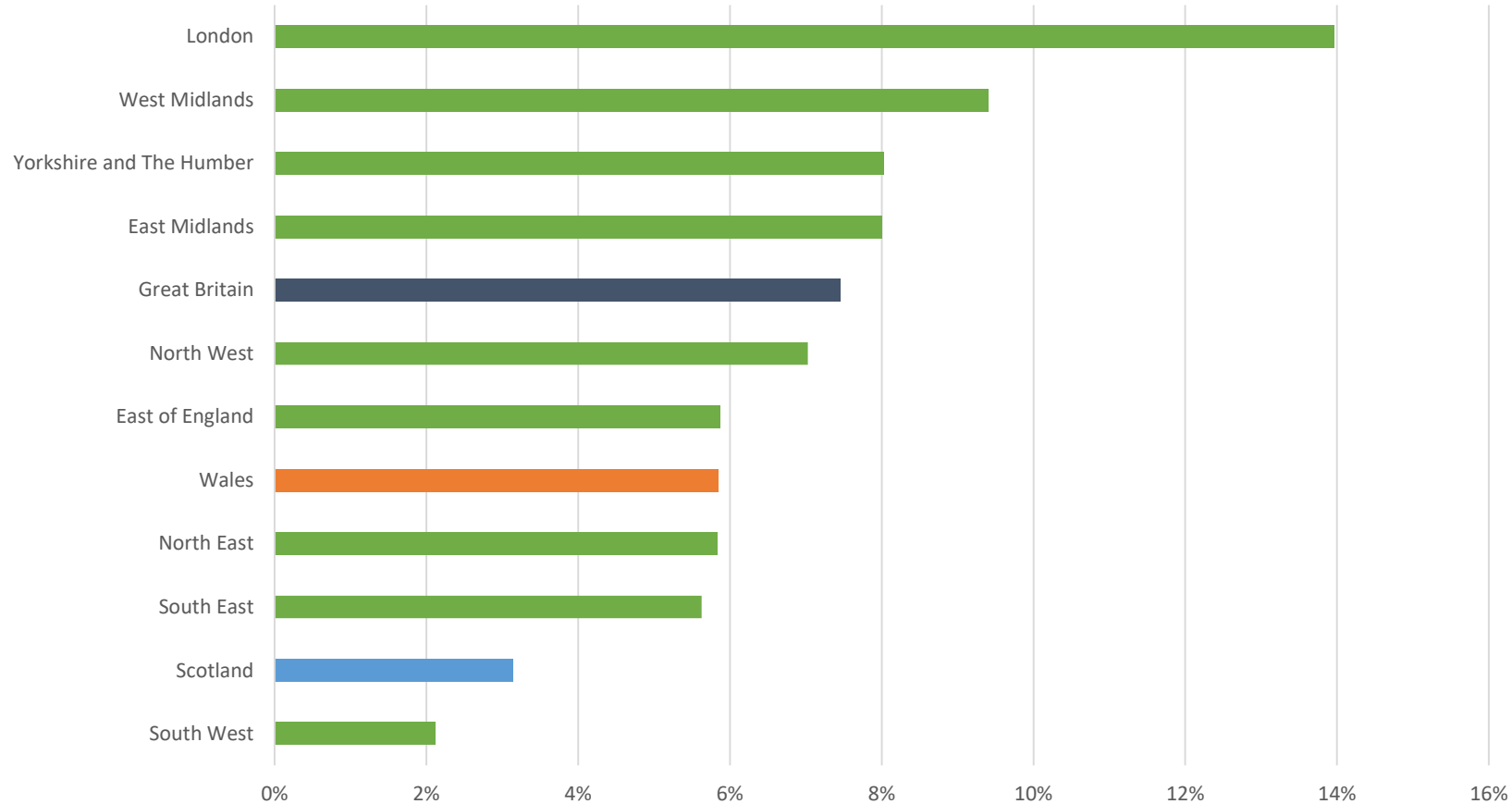
The UC caseload increased in 23 Local Authorities in Scotland over the last year. These increases were subsequent to the initial surge in the caseload in March 2020.

The largest increase was observed in Glasgow, where the caseload grew by 4,700. 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.

People on Universal Credit- Great Britain

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



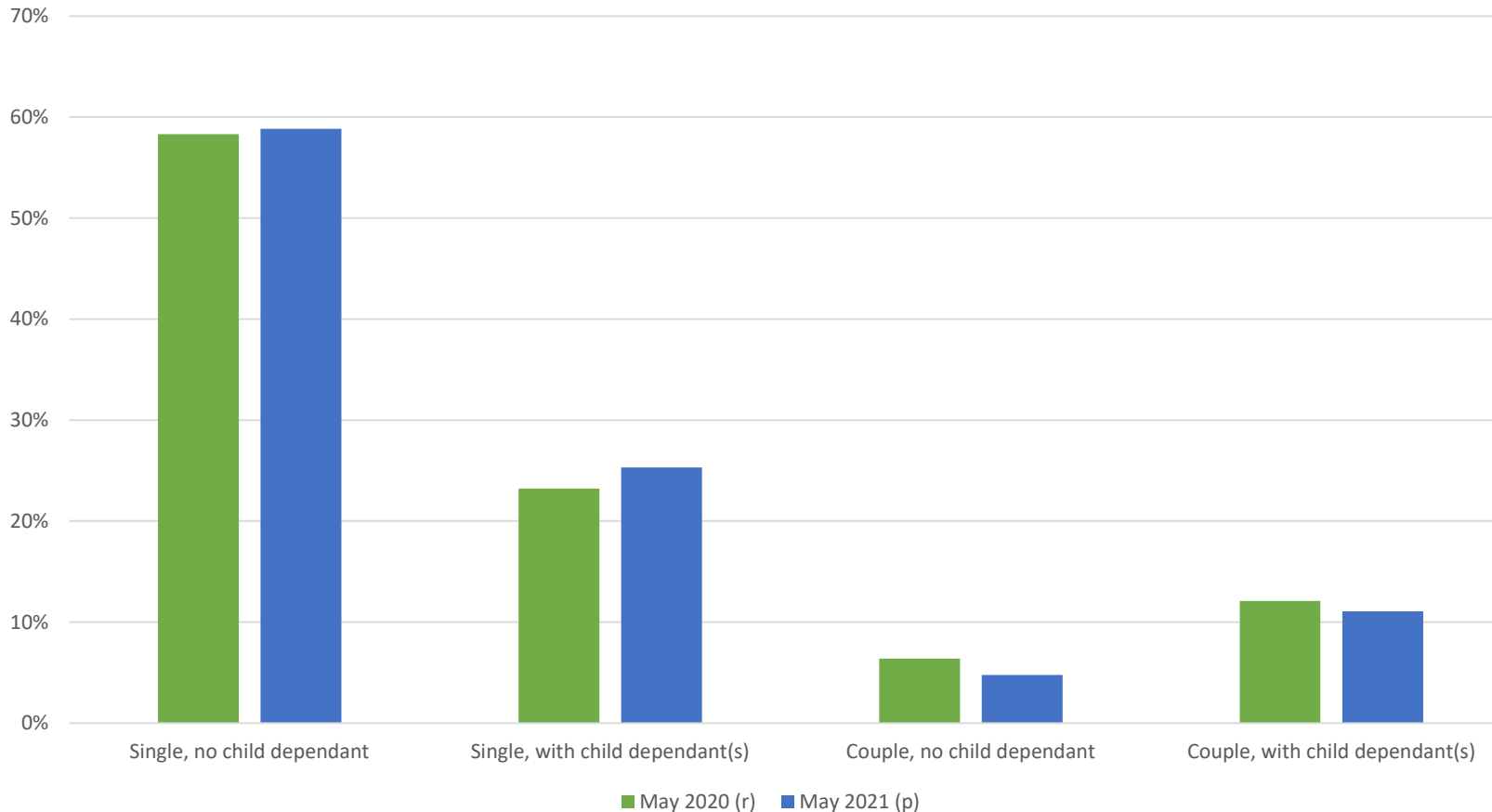
The UC caseload increased in all parts of Great Britain over the last year. The largest increase was observed in London where the caseload grew by 124,000. This represented an increase of 14%, as shown in the chart.

Scotland's caseload increased by 3%, below the British average of 7%.

Note that these increases came after the initial surge in the caseload in March 2020.

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.

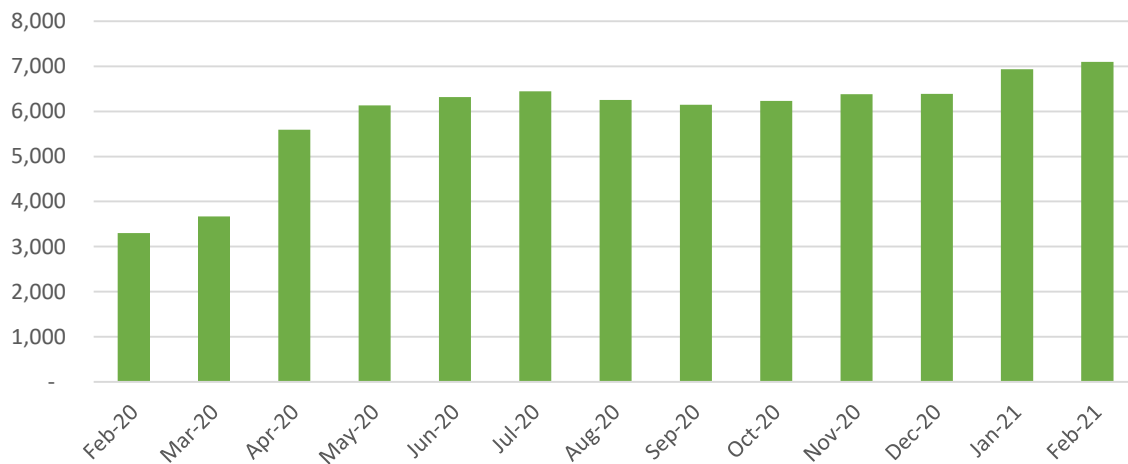
Note: Data on Households on UC are classified as Experimental Official Statistics. They lag behind the People on UC data and are not directly comparable. For example, if an individual has not provided all the information needed to work out their entitlement, or their entitlement is still in the process 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 more than doubled over the past year, from around 3,300 in February 2020 to around 7,100 in February 2021. 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 reduced from around £51 per week to £49, worth around £2,500 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](#).

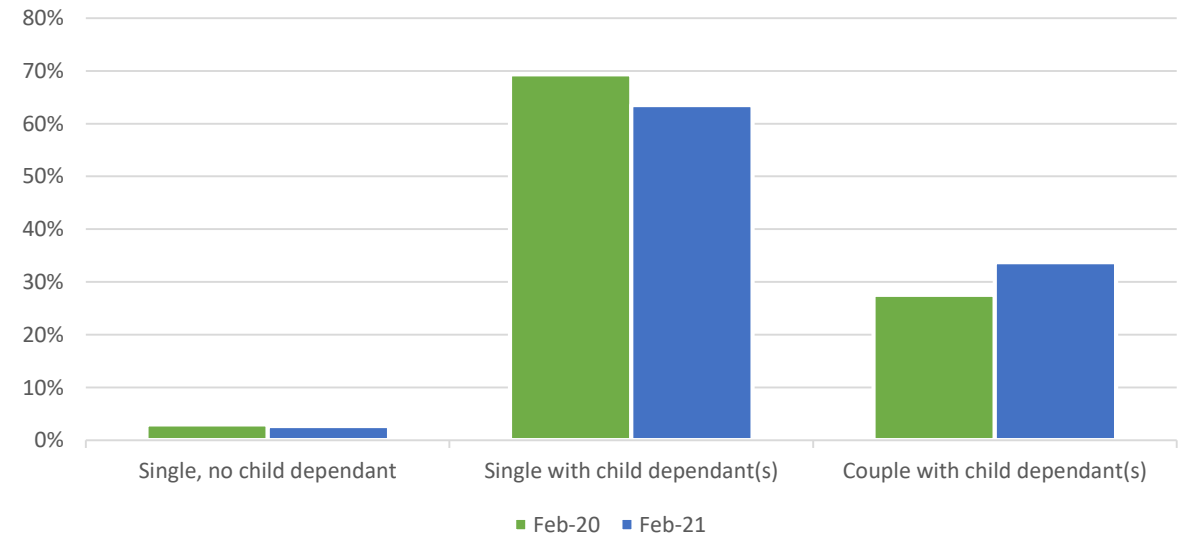
The family structure of Benefit Capped households

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 February 2021, around 97% of Benefit Capped households contained children. 64% were lone parent families and 34% were couples with children. The remainder were single people without children; there were no couples without children who were affected by the Benefit Cap.

Compared with February 2020, single households make up a smaller proportion of households affected, though they remain the largest family type.

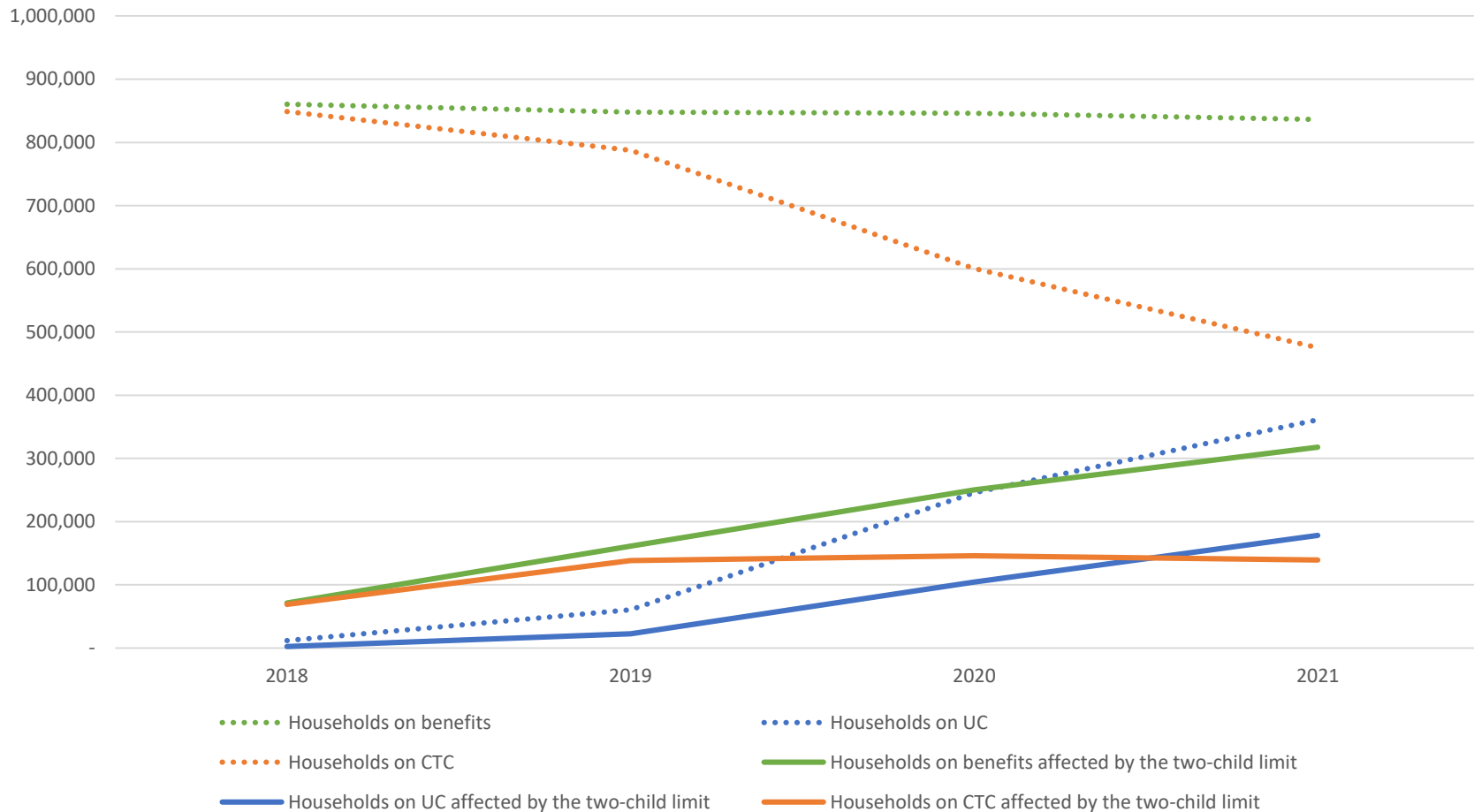
Proportion of households affected by the Benefit Cap by family type



Source: [StatXplore](#)

The two-child limit

Households on benefits with three or more children, UK



Claimants for Universal Credit and Child Tax credits do not receive an additional payment for any child born after 6 April 2017 if they are already responsible for two children.

Between 2018 and 2021, the number of UK households who might be affected by the two-child limit (including those receiving an exception) increased from 70,000 to 320,000.

This was because the number of children born on or after 6 April 2017 is growing over time: in April 2018, only 8% of households on Universal Credit or Child Tax Credit with three or more children had a third or subsequent child born on or after this date, but this proportion grew to 38% by April 2021 and will continue to increase until all families with three or more children are affected by the limit. On the current rate of growth we project that this could be around 2027.

Since 2018 the proportion of affected households who are on Universal Credit increased from 3% to 56% as the roll out of Universal Credit continues to replace Child Tax Credits.

Note: This comparison is not available at a Scotland-only level.

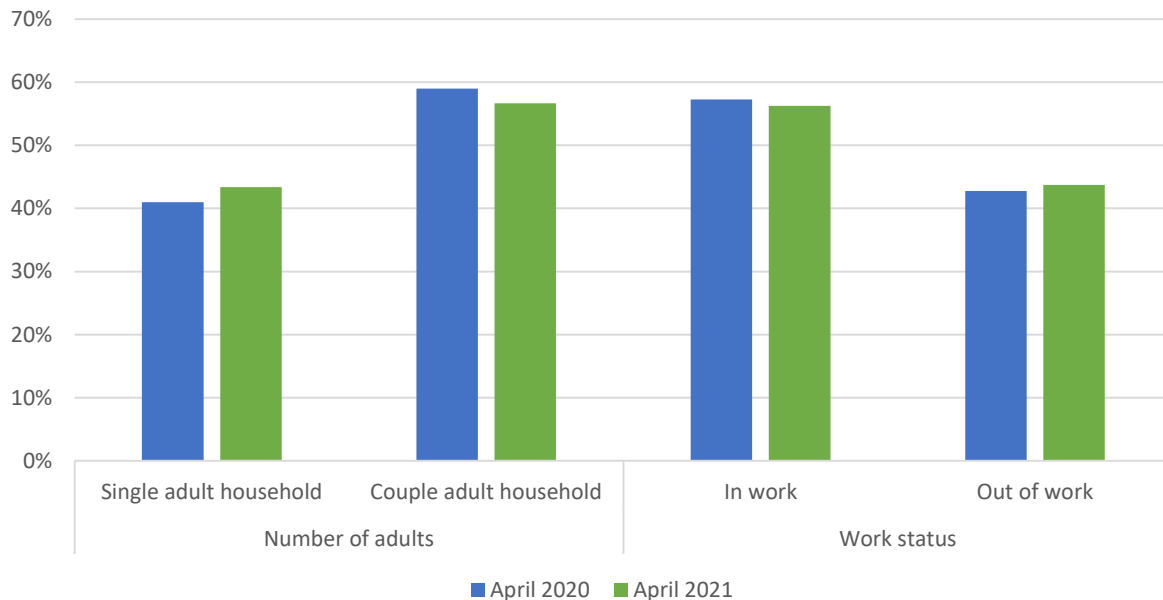
Source: [Universal Credit and Child Tax Credit claimants: statistics related to the policy to provide support for a maximum of 2 children, April 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/universal-credit-and-child-tax-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children-april-2021)

Two-child limit by household type

Across the UK, households with nobody in paid work make up 44% of all households whose benefits have been capped due to the two-child limit. Single adult households make up 43% of all households subject to the limit. The proportions have remained largely the same over the past year.

Single adult households make up a larger proportion of affected households under Universal Credit compared with Child Tax Credit, while in-work households make up a larger proportion of households effected under Child Tax Credit compared with Universal Credit.

Proportion of all “limited” households by type, UK



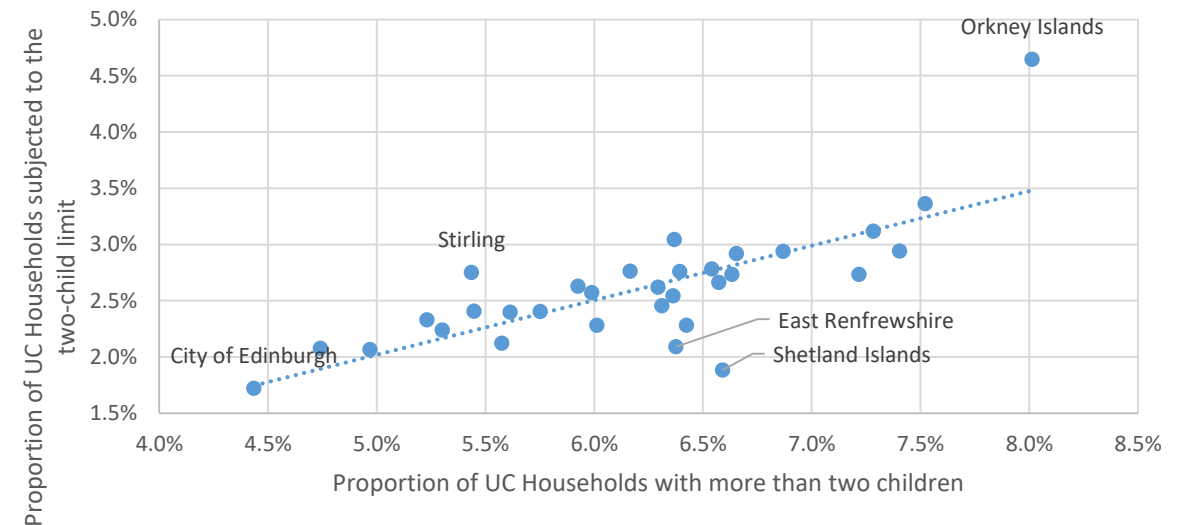
Source: [Universal Credit and Child Tax Credit claimants: statistics related to the policy to provide support for a maximum of 2 children, April 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/universal-credit-and-child-tax-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children)

Two-child limit by Local Authority

The number of Universal Credit Households subjected to the two-child limit will, eventually, be determined by the prevalence of larger families. In Orkney, for example, around 8.0% of all UC Households contain more than two children while in Edinburgh only around 4.4% do.

The chart below shows that there is a strong correlation between the percentage of UC households with more than two children and those affected by the limit. However, while around 60% of UC Households with more than two children have been “limited” in Orkney so far, only around 40% have been across Scotland. We can expect both these figures to approach 100% as more families are affected by the policy in the years to come.

Relationship between large families and the number of households subjected to the two-child limit, April 2021



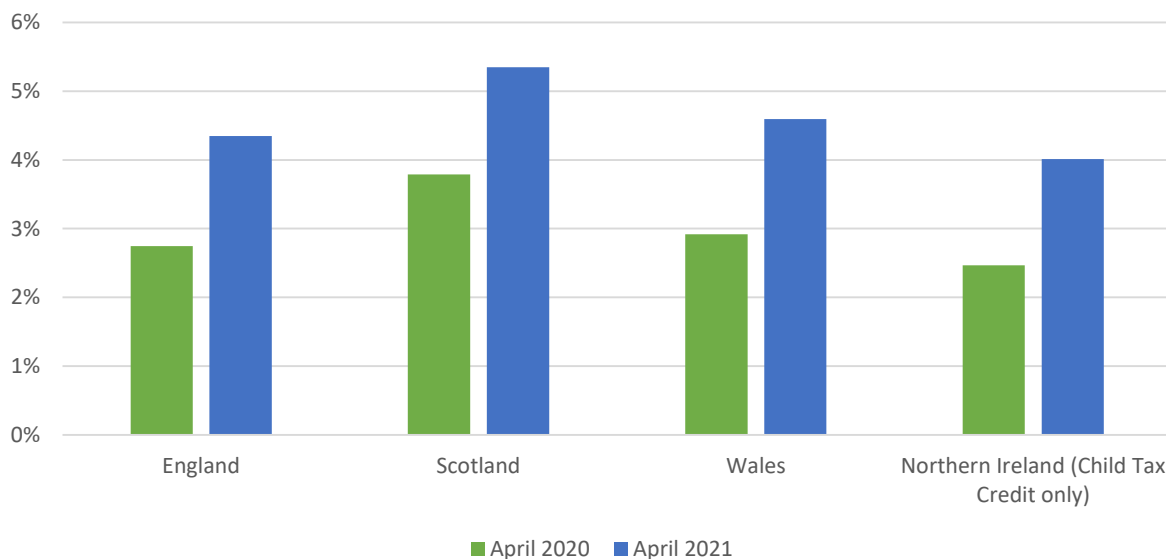
Source: [Universal Credit and Child Tax Credit claimants: statistics related to the policy to provide support for a maximum of 2 children, April 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/universal-credit-and-child-tax-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children)

Two-child limit exception rate by country

As of April 2021, around 17,800 households in Scotland were subject to the two-child limit compared with 13,700 in 2020. Around 60% of these households were in receipt of Universal Credit, with the remainder on Child Tax Credits.

However, around 990 households have been granted an “exception” to the two-child limit. The proportion of households which received an exception was higher in Scotland than any other part of the UK and higher than in 2020.

Exception rate from the two-child limit



Source: [Universal Credit and Child Tax Credit claimants: statistics related to the policy to provide support for a maximum of 2 children, April 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/universal-credit-and-child-tax-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children)

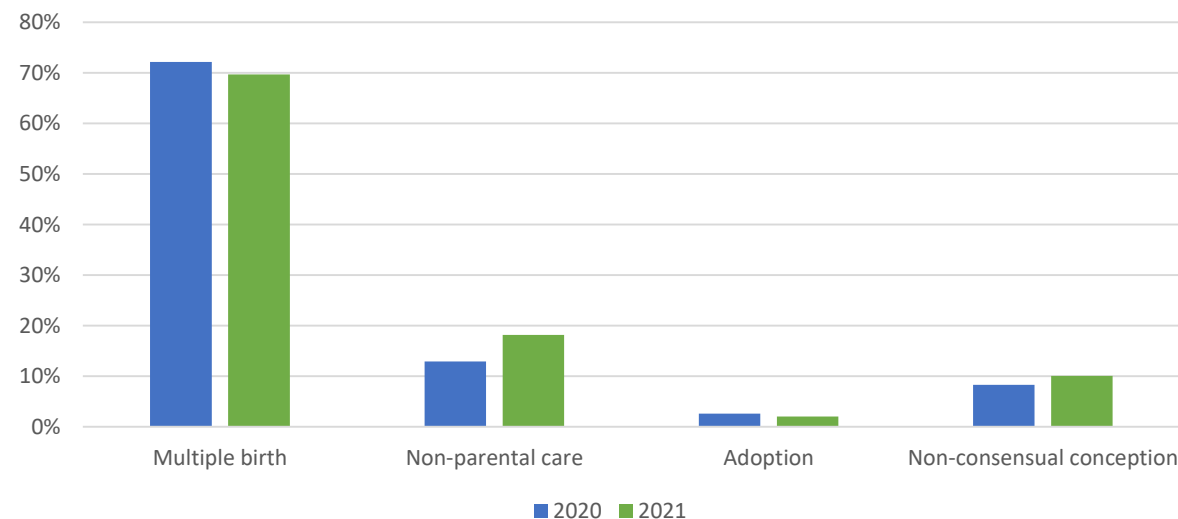
Reasons for two-child limit exception

DWP will pay Universal Credit for additional children if they are born together as part of a multiple birth. This is the primary reason for an exception being granted in Scotland, accounting for 690 of the 990 cases with exceptions.

In addition, 180 exceptions were granted for non-parental care, where adults care for children other than their own, and 20 for those who have adopted additional children.

The number of households granted an exception for what DWP/HMRC call “non-consensual conception”, including rape and where the parent was subject to ongoing control or coercion around the time of conception, was around 100 in Scotland. The proportion of exceptions granted for this reason was roughly consistent with other parts of the UK.

Proportion of exceptions by reason, Scotland



Source: [Universal Credit and Child Tax Credit claimants: statistics related to the policy to provide support for a maximum of 2 children, April 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/universal-credit-and-child-tax-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children)