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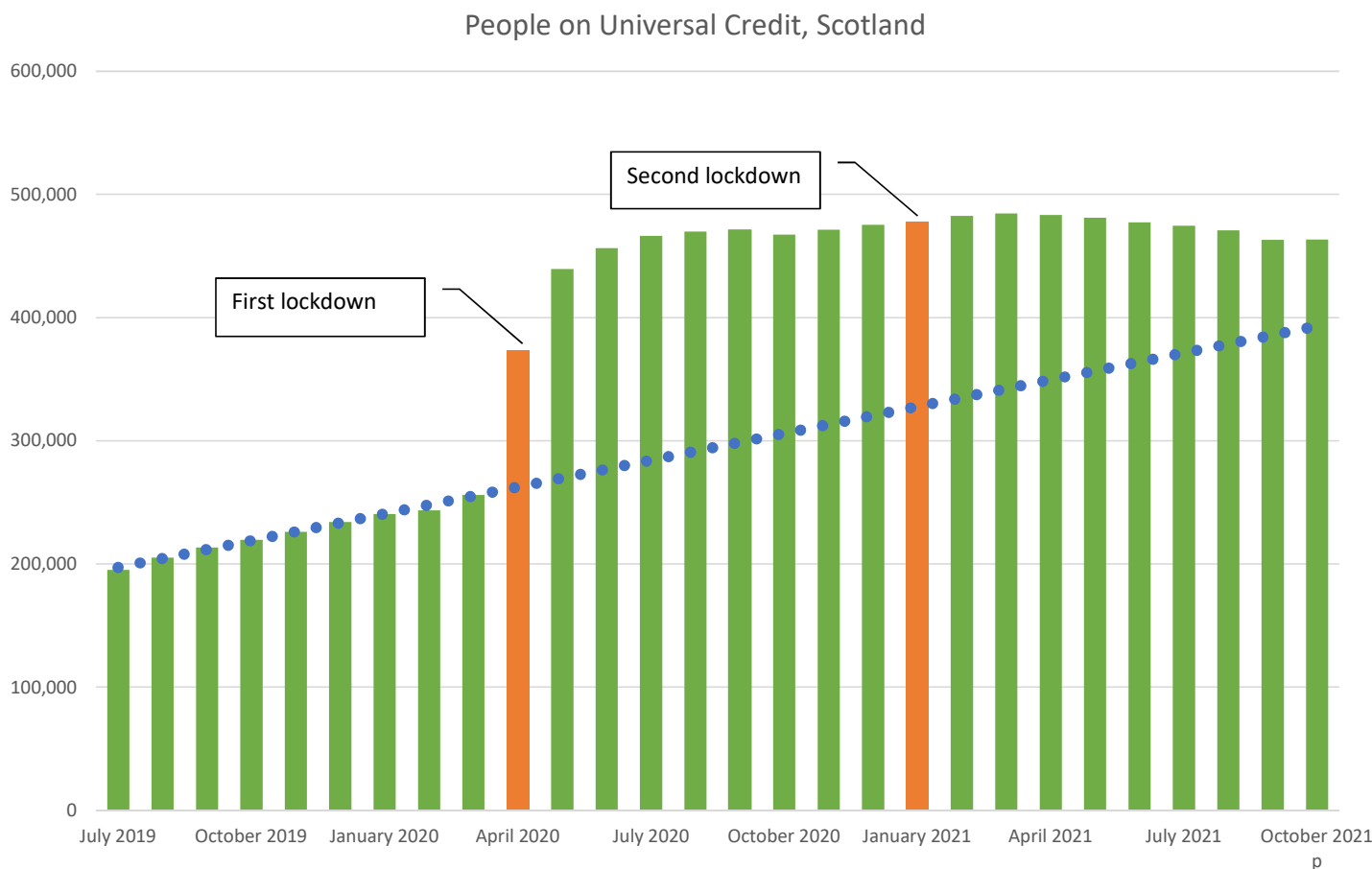
In the statistics presented here, each month covers claims made between the second Friday of the previous month and the second Thursday of the current month. The latest month of data is provisional and subject to revision within a 2% margin in the next release.

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2-3	People on Universal Credit – summary statistics	Key indicators for UC uptake	Caseload, On-flows, Legacy Benefits	Yes	October 2021	December 2021
4	Alternative claimant count, Legacy benefits	People on unemployment related benefits and a comparison to legacy benefit caseload	N/A	Yes (Legacy)	May 2021	January 2022
5-6	People on Universal Credit – characteristics	Further detail on the composition of the UC caseload	Gender, age, conditionality	Yes	October 2021	December 2021
7-8	People on Universal Credit – geography	Comparisons between Local Authorities and between England, Wales and Scotland	LA/Nation/Region	Yes	October 2021	December 2021
9	Households on Universal Credit	Further detail on the composition of the UC caseload	Family type	Yes	August 2021	February 2021
10	Benefit Cap	Number of households with benefits reduced by the benefit cap	Family type	No	May 2021	December 2021

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People on Universal Credit

People on Universal Credit, Scotland

As of October 2021 there were around 460,000 people on Universal Credit (UC). This compares to 470,000 people receiving UC in October 2020, meaning that the caseload decreased by 1% over the past year. However, October 2021 is the first month since March 2021 where the caseload has increased.

The main increase in caseload came at the onset of the first lockdown in the spring of 2020. The subsequent lockdown period over the winter did not cause another large spike in the caseload.
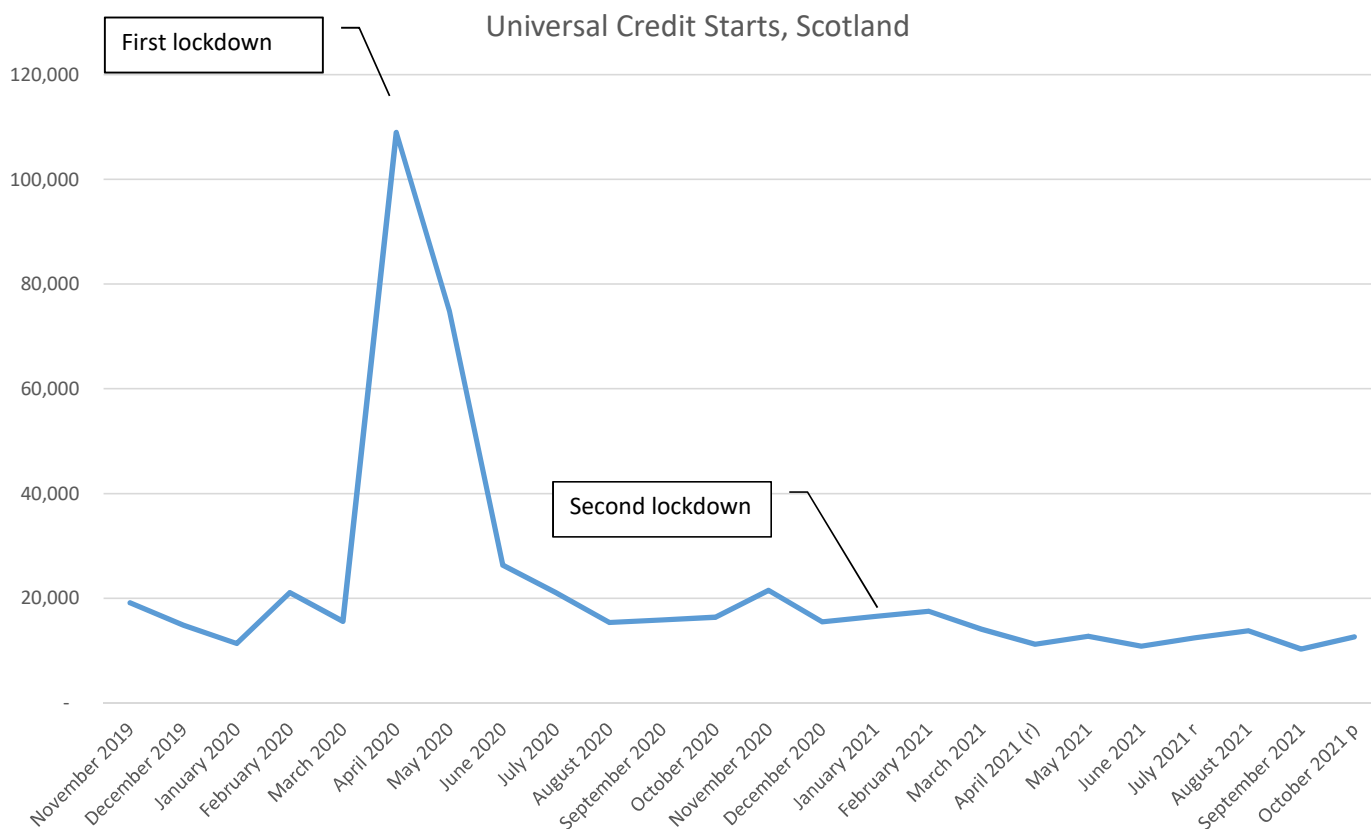
There is an ongoing transition from legacy benefits to Universal Credit which was already generating a gradual increase in the UC caseload before the pandemic of around 7,500 people a month, represented here by the blue trend line. The gap between this line and the current caseload has closed in recent months from a high of 170,000 in July 2020 to around 50,000 in October 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.

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Universal Credit – number of starts

Universal Credit Starts, Scotland

First lockdown

Second lockdown

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.
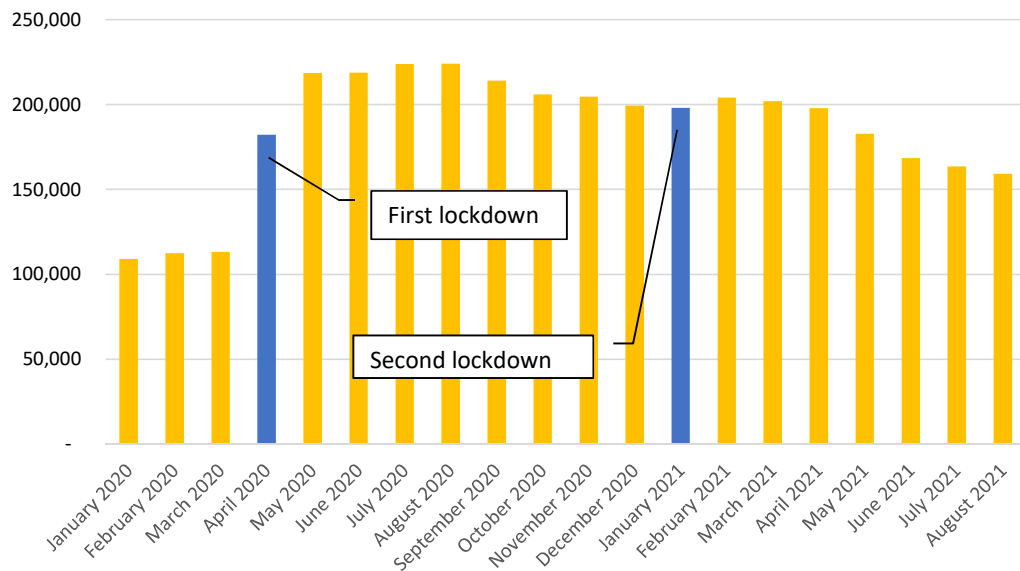
Source: StatXplore.

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. The caseload continued to decrease over the summer of 2021.
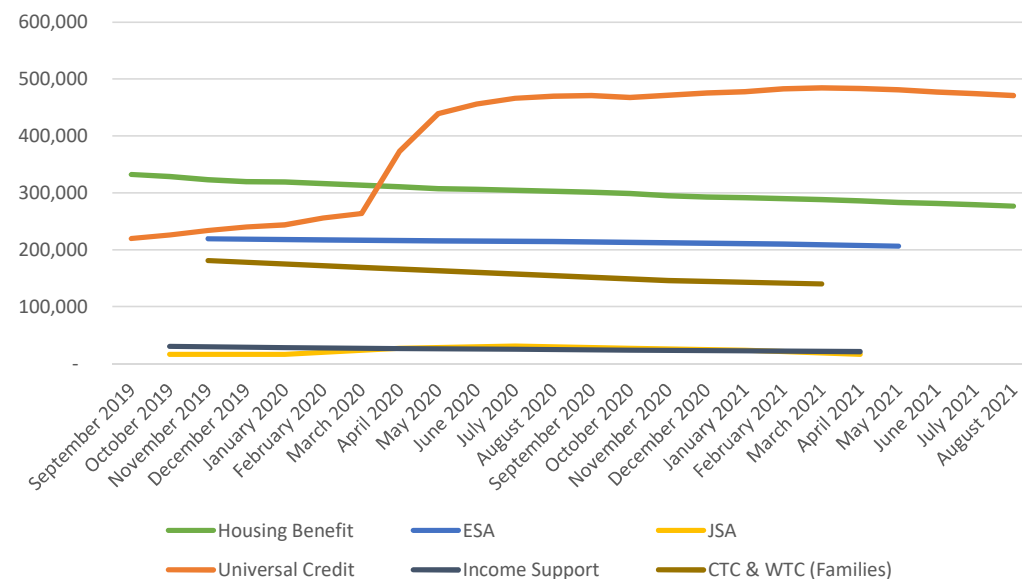
Alternative Claimant Count, Scotland

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. For example, the number of people claiming Job Seekers Allowance decreased by 39% from May 2020 to May 2021, though Housing Benefit claimants decreased by only 8% over the same period.

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.

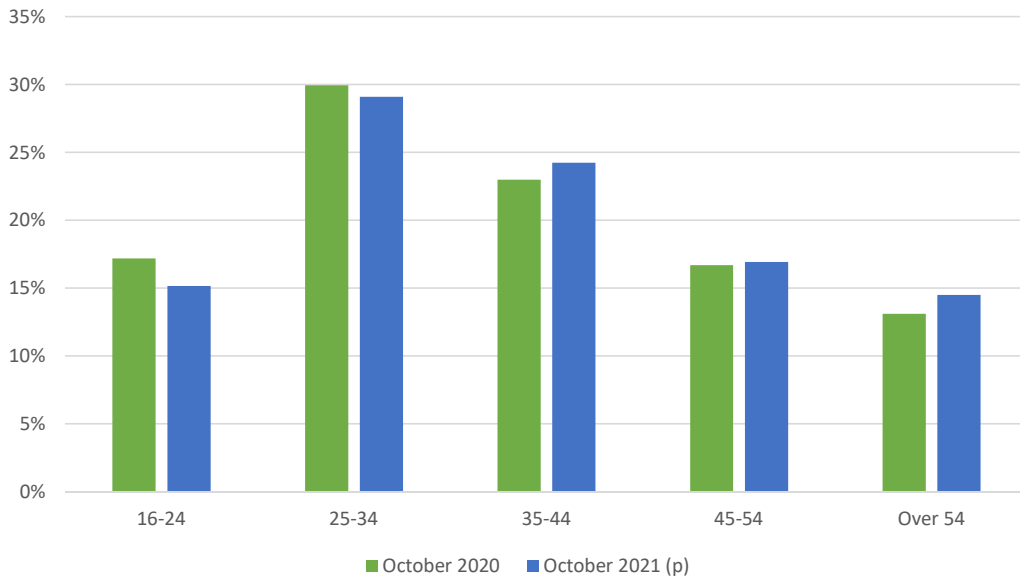### People on Legacy Benefits and Universal Credit, Scotland

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

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People on Universal Credit by age

As shown in the chart below, the UC caseload is older than it was at this point last year. The 35-44 and over 54 age groups saw absolute increases of 4,900 and 6,000 people, respectively, while the number of people in the 16-24 bracket dropped by 10,200. The over 54 age group saw an increase of 10% while the 16-24 age group decreased by 13%.
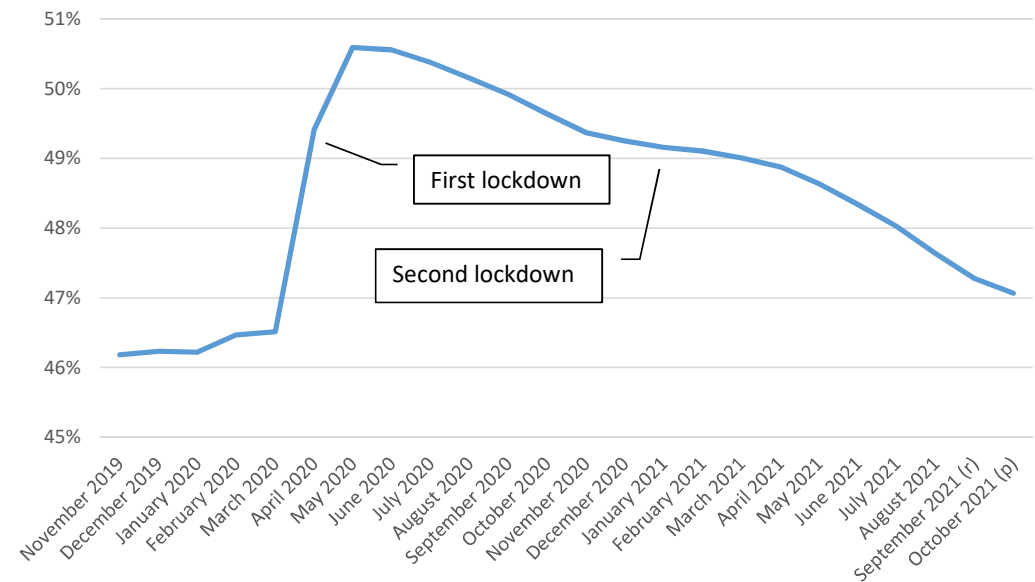
Proportion of people on Universal Credit by age, Scotland

Source: StatXplore.

People on Universal Credit by gender

In October 2020 there were 235,000 women on UC, compared with 232,000 men – a difference of 3,400. By October 2021 there were 27,000 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 graph below.

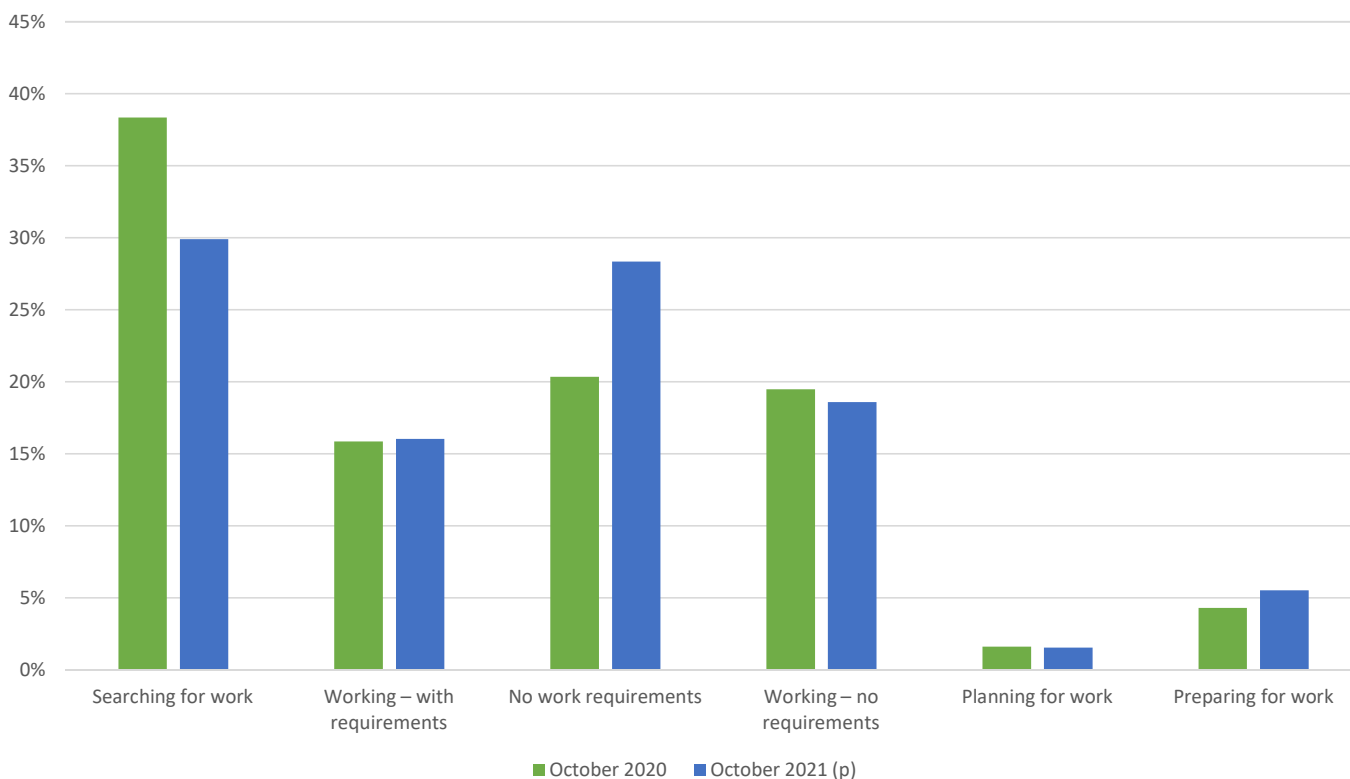### Male proportion of Universal Credit caseload, Scotland

First lockdown

Second lockdown

Source: StatXplore.

People on Universal Credit by conditionality group

Proportion of people on Universal Credit by conditionality group, Scotland

Legend: ■ October 2020   ■ October 2021 (p)

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 increase over the past year was 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 36,000 (38%). Consequently, as shown in the chart, this group represented 28% of the total UC caseload in October 2021, compared with 20% in October 2020.

The 'Preparing for work' group also saw an increase of 5,000 (27%), while the number searching for work decreased by 41,000 (-23%).
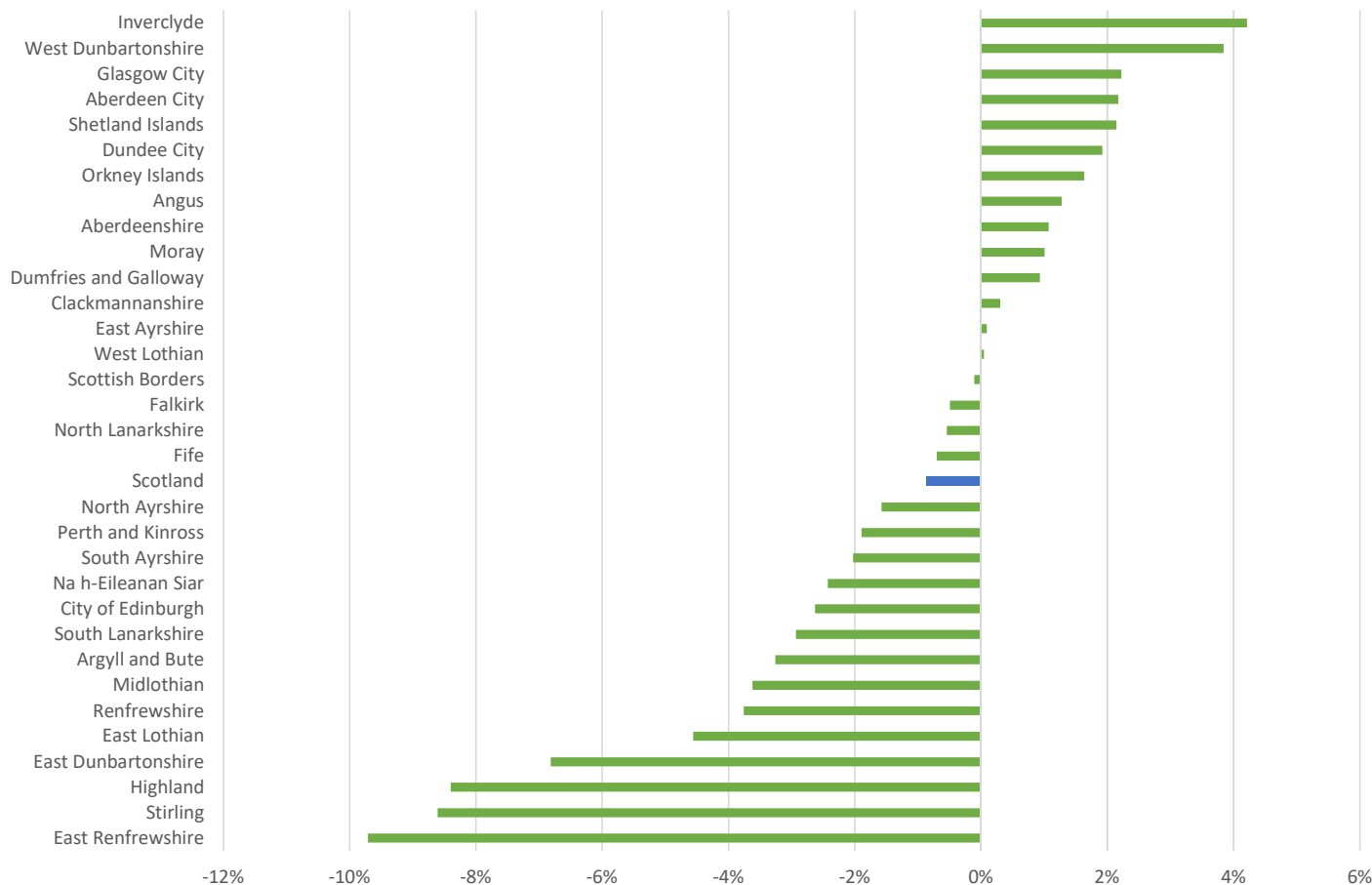
As a result, UC claimants are less likely to be searching for work than they were in October 2020, though this remains the largest conditionality group for UC claimants. As shown in the chart, this group represented 30% of the total UC caseload in October 2021, compared with 38% in October 2020.

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

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People on Universal Credit by Local Authority

Percentage change in people on Universal Credit, October 2020 to October 2021

The UC caseload increased in 14 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 1,500. However, as shown in the chart, Inverclyde and West Dunbartonshire saw larger percentage increases.
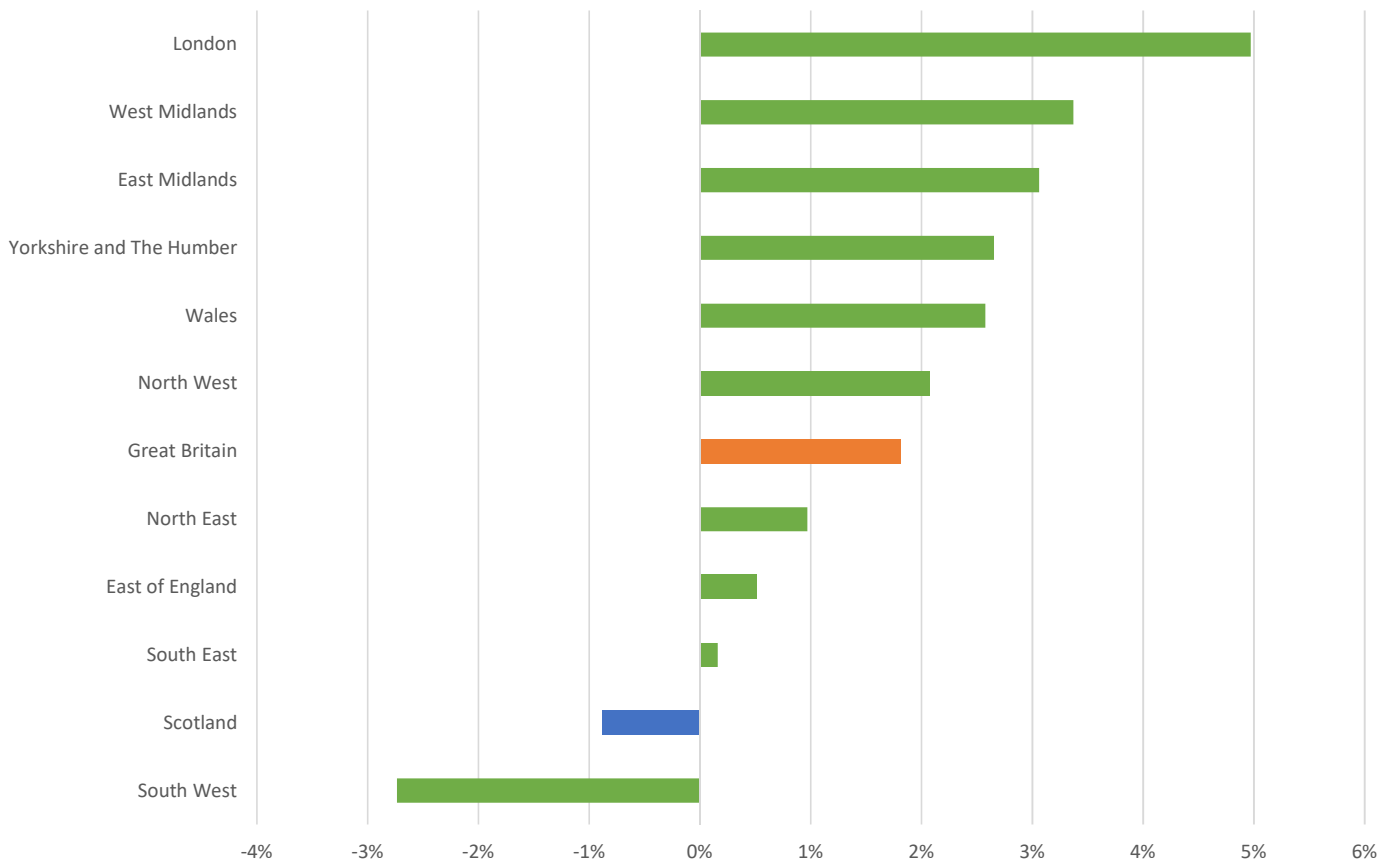
There was not been a clear-cut relationship between deprivation and the change in UC caseload across local authorities during the COVID-19 pandemic. However, since October 2020, increases have occurred primarily in areas with a large local share of deprived areas, such as Inverclyde, Glasgow and West Dunbartonshire. There are some exceptions, with North Ayrshire and North Lanarkshire seeing a decrease.

Compared with January 2020 (and before the onset of the COVID-19 pandemic) the Scotland caseload has increased by 90%. Inverclyde (50%), Clackmannanshire (54%) and North Ayrshire (58%) have seen the smallest increases, while Edinburgh (174% - larger than London), Aberdeen (146%) and Aberdeenshire (126%) have seen the largest.

Source: StatXplore, Scottish Index of Multiple Deprivation 2020: introduction - gov.scot (www.gov.scot).

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People on Universal Credit- Great Britain

Percentage change in people on Universal Credit, October 2020 to October 2021

The UC caseload increased in most parts of Great Britain over the last year. The largest increase was observed in London where the caseload grew by 47,000. This represented an increase of 5%, as shown in the chart.

Scotland's caseload decreased by 1%, while the British average increased by 2%.
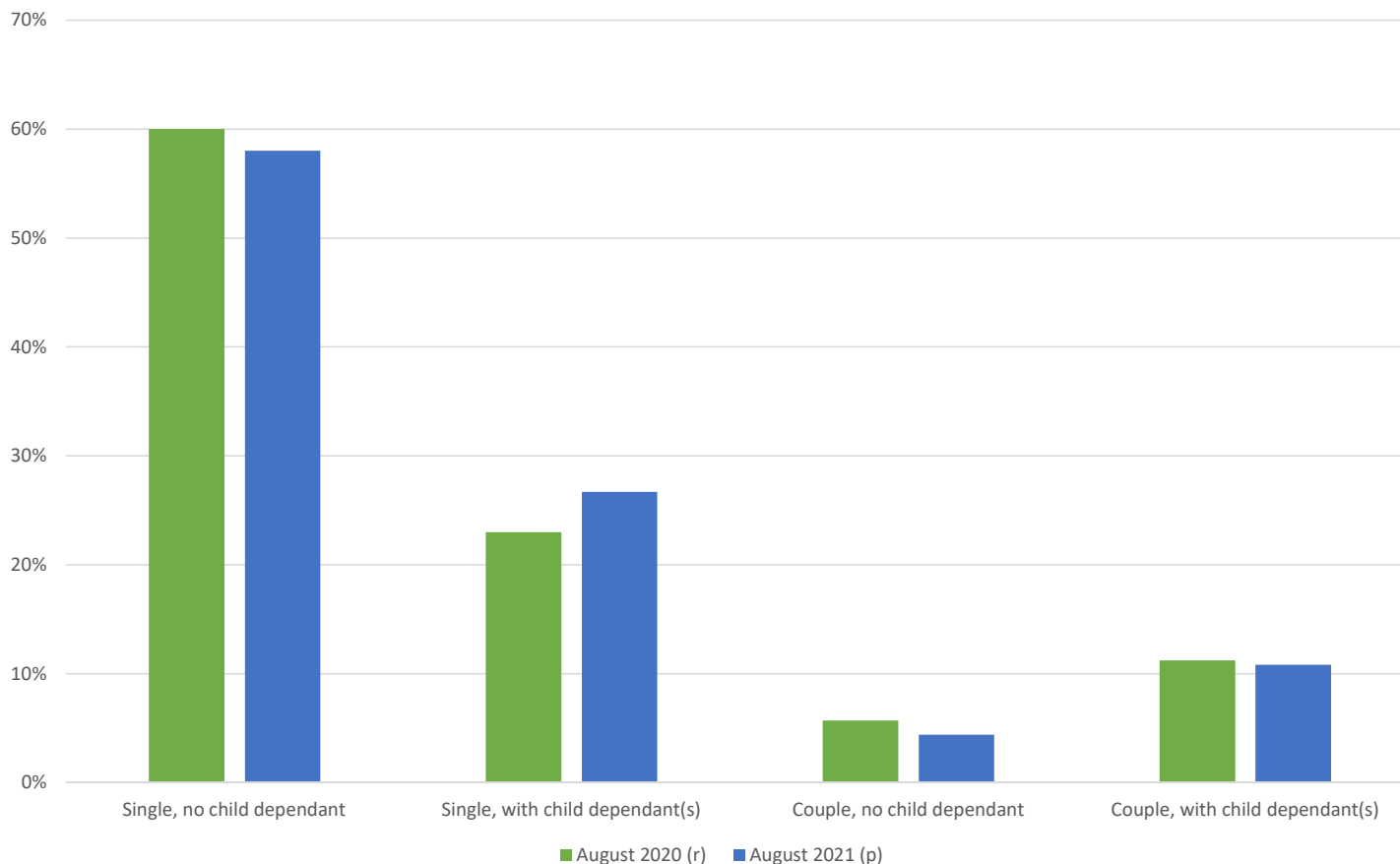
Note that these increases came after the initial surge in the caseload in March 2020. Compared with January 2020, the Great Britain caseload has increased by 108%, while in Scotland it has only increased by 90%. London has been worst hit by the pandemic (147%) while the North East of England has seen a smaller increase (75%).

However, since January 2020, some parts of Scotland such as Edinburgh and Aberdeen have seen increases as large as those in London, as described on the previous page.

Households on Universal Credit

Proportion of households on Universal Credit by family type, Scotland

Legend: ■ August 2020 (r) ■ August 2021 (p)

All household types except for single people with children have seen decreases over the past year. This group increased by around 17,900 between August 2020 and August 2021, amounting to a 20% increase.

The number of couple households with no children has decreased by 4,500 (20%), while there has been little movement in the other households types.

Consequently, as shown in the chart, households on UC are now more likely to be single with child dependents, though 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.
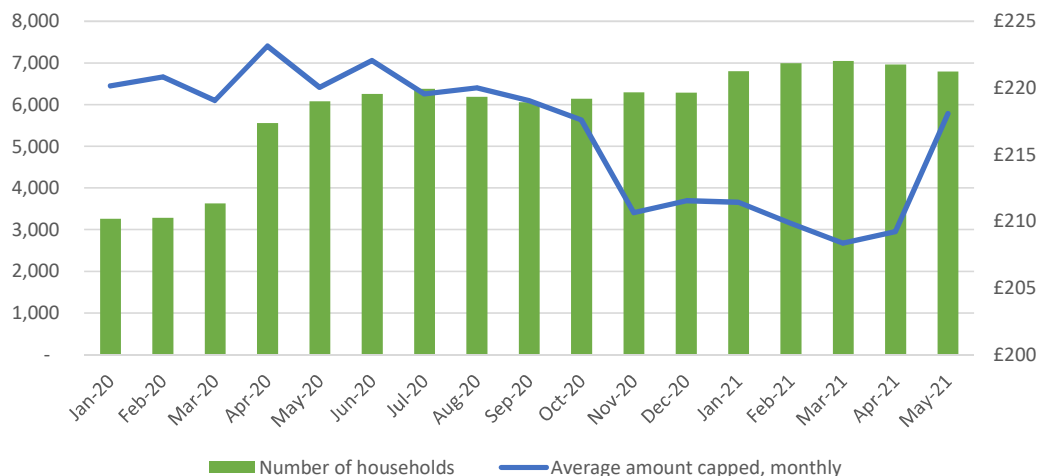
Source: StatXplore.

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 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.
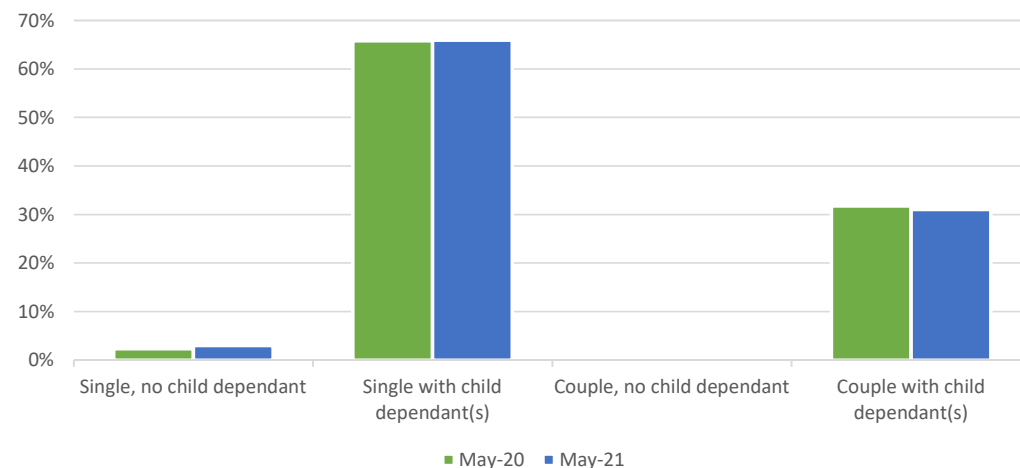
The family structure of Benefit Capped households

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