

Introduction

This bulletin summarises the most recent official statistics as of August 2020 on people claiming 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 Scottish households affected by the Benefit cap.

Content

Page 2 shows how many people made one or more claims to Universal Credit. The data is broken down by the month and day of claim. Statistics for April 2020 have been revised upwards by DWP since the dashboard edition of the June 2020 publication. The statistics used in this publication were released by DWP on 11 August 2020 and are expected to be updated on 10 November 2020.

Page 3 presents how many people began to receive Universal Credit, broken down by month the award started, the age and the gender of claimants. These statistics were also released by DWP on 11 August 2020 and are expected to be updated on 10 November 2020.

Pages 4 & 5 look at how many people were in receipt of Universal Credit, otherwise known as the Universal Credit caseload, in a given month. A summary of how the composition of the Universal Credit caseload has changed in recent months with respect to conditionality group, and how the caseload has changed across different Local Authorities, is also provided.. These Universal Credit caseload statistics were released by DWP on 11 August 2020 and are scheduled for update on 15 September 2020.

Pages 6 & 7 focus on the Alternative Claimant count, a time-series of unemployment benefit statistics which controls for the differences between the rules of the legacy benefits system and the new Universal Credit system which is replacing it. Statistics are shown on the unemployment benefit caseload, on- and off-flows and the types of benefit claimant starting new unemployment benefit claims. Considering the significant surge in on-flows during the Coronavirus crisis, analysis of the age and gender composition of people starting new unemployment benefit claims is also provided. Alternative Claimant Count statistics were last released by DWP on 16 July 2020 and are scheduled for update on 13 October 2020.

Page 8 presents the most up-to-date Benefit Cap statistics, including a breakdown of Benefit Capped households by family type. These statistics were released by DWP on 6 August 2020 and are scheduled for update on 5 November 2020.

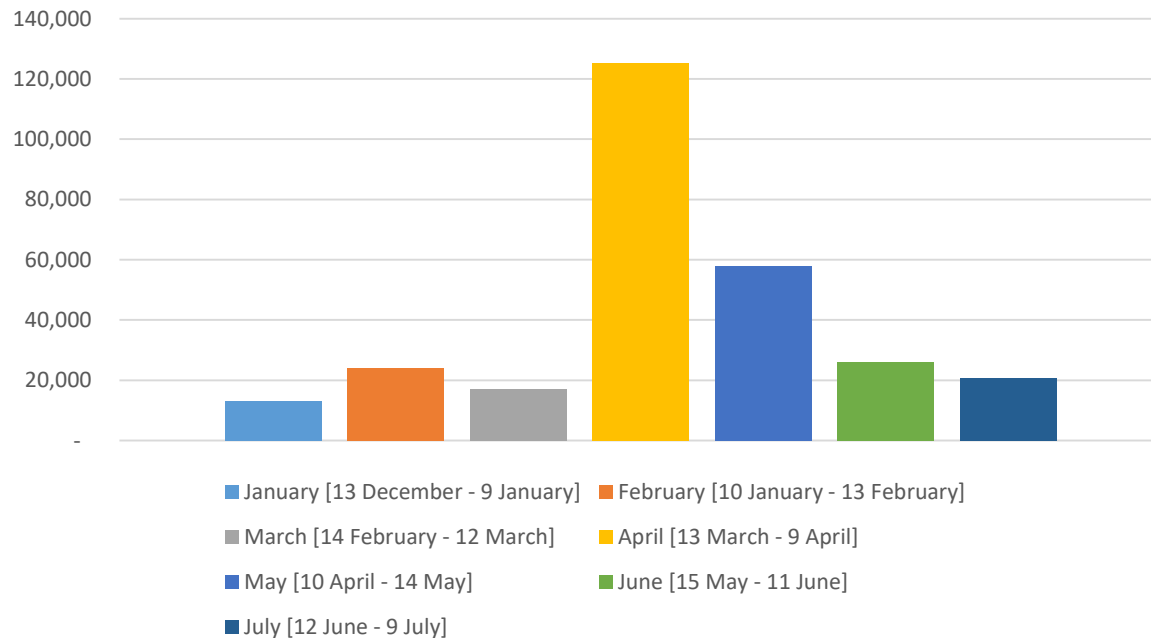
Claims to Universal Credit

These official statistics count the number of people making one or more claims during the month. They include unsuccessful claims that did not progress to become a Universal Credit award, and are only available at individual rather than household level. In official statistics, each month covers claims made between the second Friday of the previous month and the second Thursday of the current month.

The chart on the left shows that in the period 12 June to 9 July around 20,000 people made a claim to Universal Credit. This roughly corresponds to the number of claims being made on a monthly basis before the lockdown, and means the number of claims made continued to fall after peaking at the end of March.

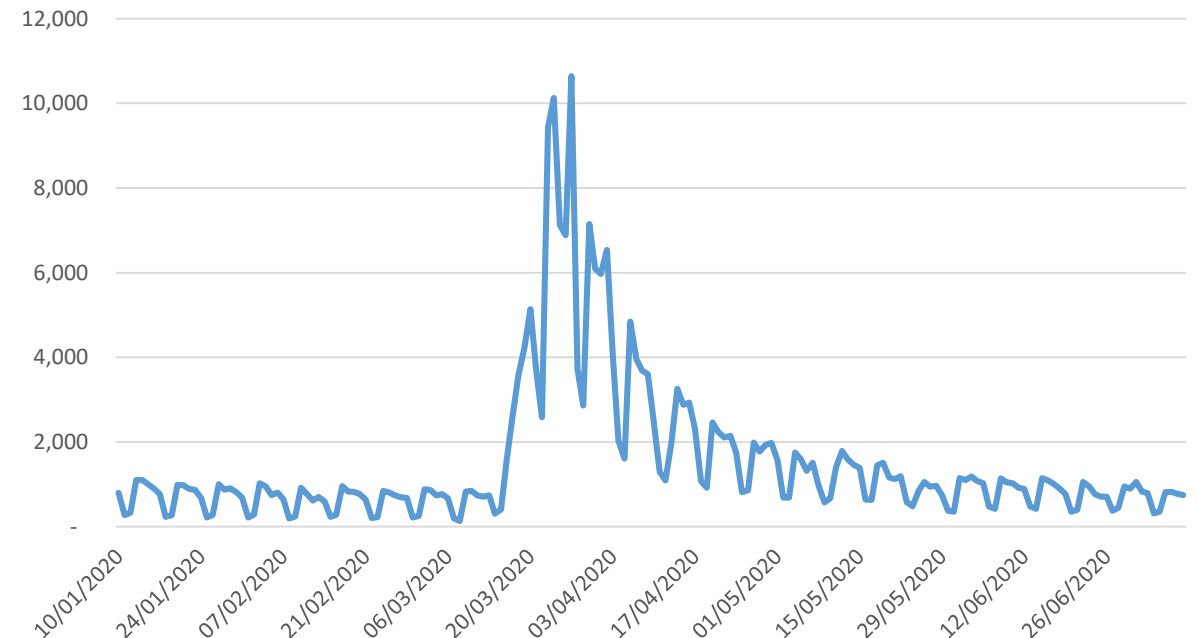
The chart on the right shows that daily individual claims to Universal Credit started increasing from 16 March when the first major restrictions were put in place, before reaching a daily high of 10,500 on 27 March.

Individual claims to Universal Credit



Source: [StatXplore](#)

Daily individual claims to Universal Credit



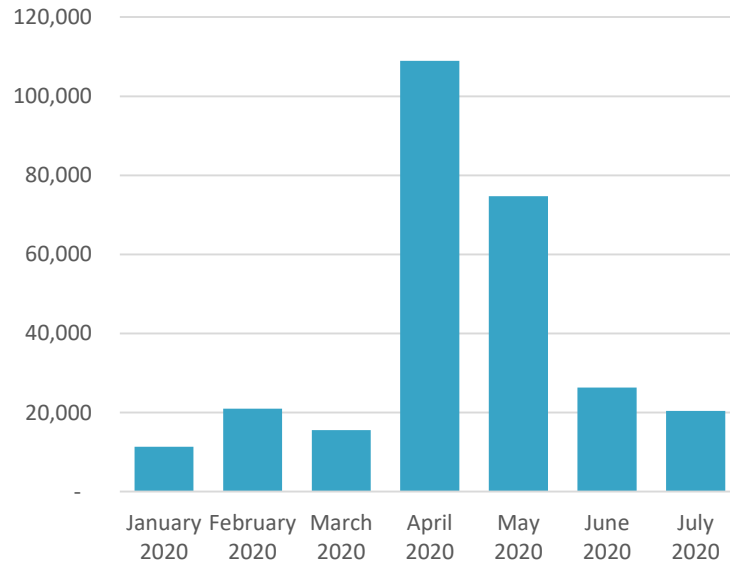
Source: [StatXplore](#)

Starts to Universal Credit

A starter to Universal Credit is an individual whose claim successfully completed the Universal Credit application process and who has accepted their Claimant Commitment. In official statistics, each month covers starts between the second Friday of the previous month and the second Thursday of the current month. Figures show **all successful claims per individual**.

In July (covering the period 12 June to 9 July), over 20,000 people started receiving Universal Credit. This figure is significantly lower than in the previous months with a downward trend already starting in June.

Individuals starting on Universal Credit



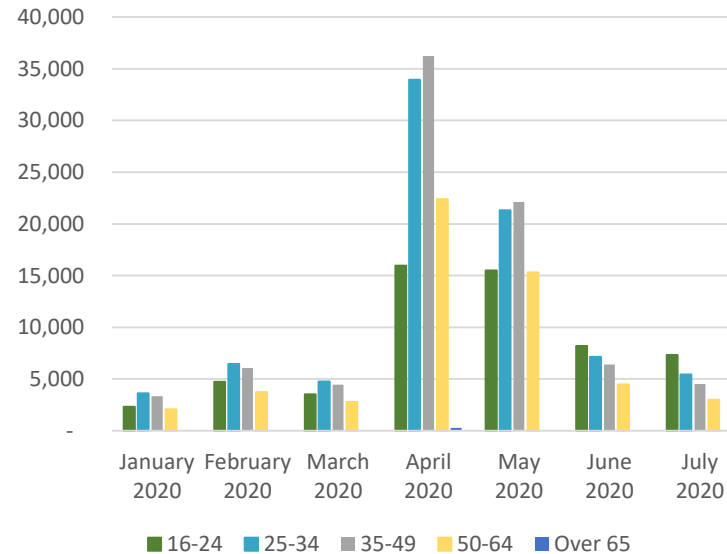
Source: [StatXplore](#)

Starts to Universal Credit by age

In June and July (the period 15 May to 9 July), a higher proportion of people starting on Universal Credit have been in the 16-24 age group than at any point in the last several years.

A potential explanation for this may be that, while older working-age people who were already in work were particularly hard hit by job furloughs and the lockdown, the weak post-lockdown job market is hitting young people particularly hard. People leaving education at the current time are likely to find it significantly harder to find a new job than in previous years.

Starts to Universal Credit by age



Source: [StatXplore](#)

Starts to Universal Credit by gender

In July (the period 12 June to 9 July), new starts to Universal Credit were split almost 50/50 by gender. This means the share of men starting on Universal Credit has dropped by around five percentage points since the first two months of the lockdown in April and May.

Starts to Universal Credit by gender



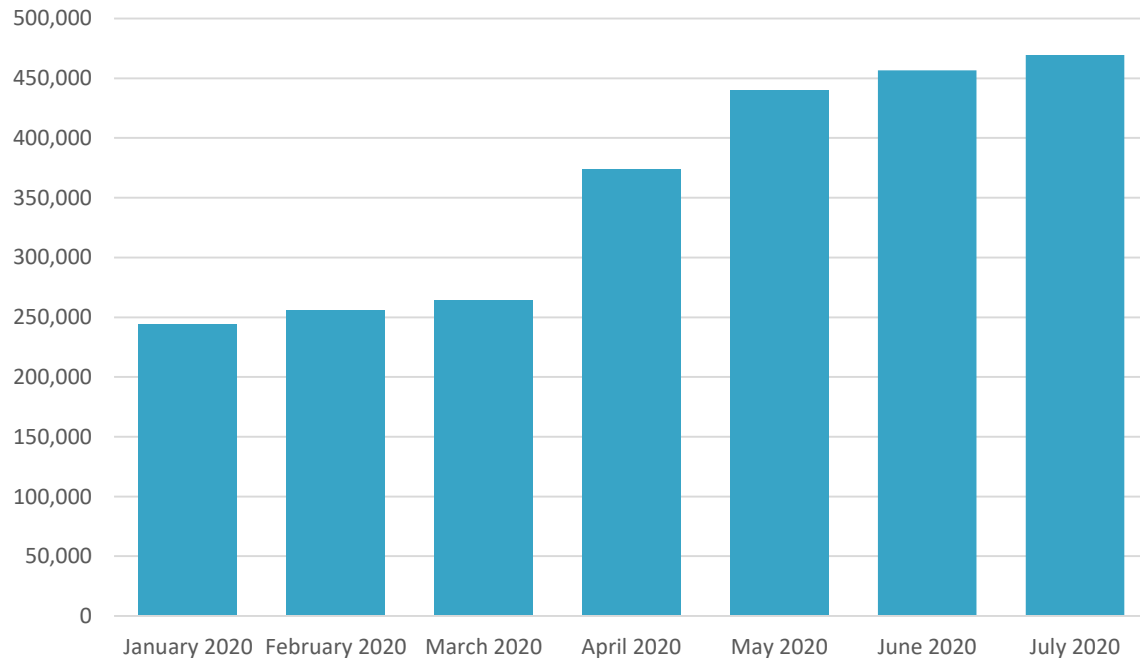
Source: [StatXplore](#)

People on Universal Credit

As of 9 July 2020 there were around 470,000 people on Universal Credit. This compares to 243,000 people claiming Universal Credit in January 2020, meaning that the caseload has almost doubled in that time. The effects of COVID-19 have caused the majority of this rapid increase in caseload, however it is worth noting that this has happened alongside an already ongoing and steady increase in caseload caused by the transition from legacy benefits onto Universal Credit.

After COVID-19 and its policy responses caused large spikes in Universal Credit caseload in April and May, the rate of caseload increase slowed significantly in June and July.

People on Universal Credit



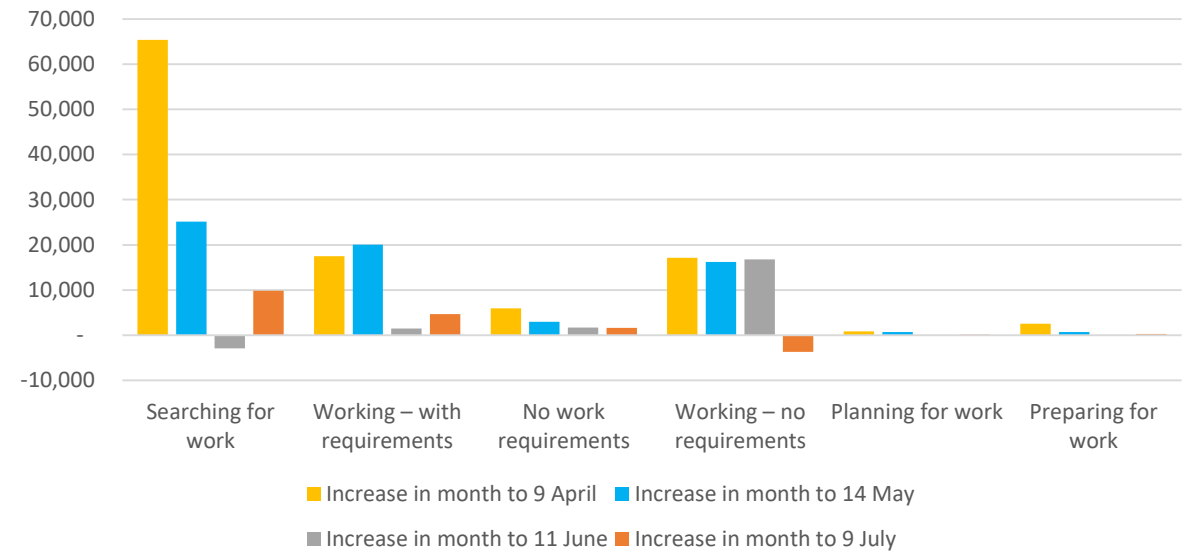
Source: [StatXplore](#)

People on Universal Credit by conditionality group*

As the rate of Universal Credit caseload increase has slowed down, this has been reflected in slower increase in the number of people in the searching for work group, and in fact the month to 11 June saw the number of people in this conditionality group decrease.

However, in the month to 9 July, 75% of the increase in Universal Credit caseload was comprised of people in the searching for work group. This remains extremely high relative to historic trends. In this same time period the caseload of the working – no requirements group (for people with higher earnings) decreased. This may indicate that people in this category have experienced income reductions, and have been moved to another conditionality group by DWP. Some of these claimants may also have increased their income and hence ceased to qualify for Universal Credit, although this is less likely given the current economic downturn.

Increase in people claiming UC, by conditionality group



Source: [StatXplore](#)

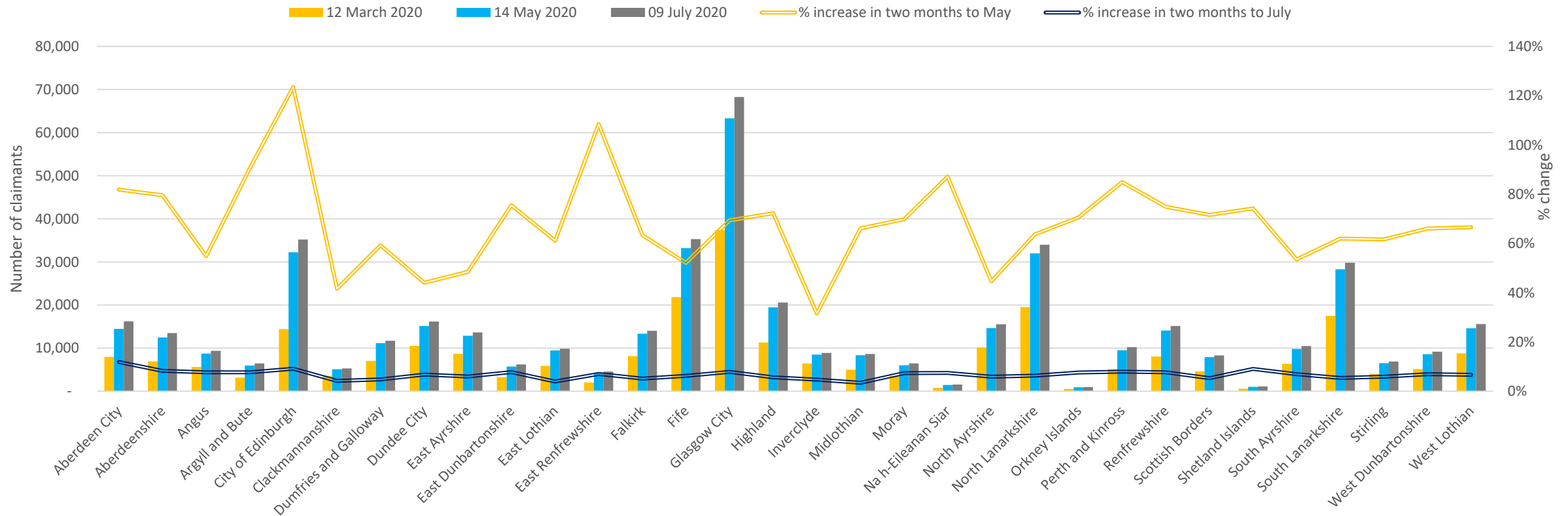
*More information on the definitions of UC conditionality groups is available from [Universal Credit statistics: background information and methodology](#).

People on Universal Credit by Local Authority

This chart shows how the number of people receiving Universal Credit changed over two months of lockdown (March- May) relative to the two subsequent months (May – July). Between March and May some Local Authorities were harder hit than others. For example, the number of people receiving Universal Credit more than doubled in both the City of Edinburgh (a 123% increase) and East Renfrewshire (108%).

In the subsequent two months the rate of Universal Credit caseload increase slowed greatly. The highest rate of increase occurred in Aberdeen City, where the caseload increased 12%, while no other Local Authority’s caseload increased by more than 9%. Aberdeen City was also relatively hard hit during the March – May period, as Universal Credit caseload increased 82%, relative to a national average of 66%.

People on Universal Credit by Local Authority

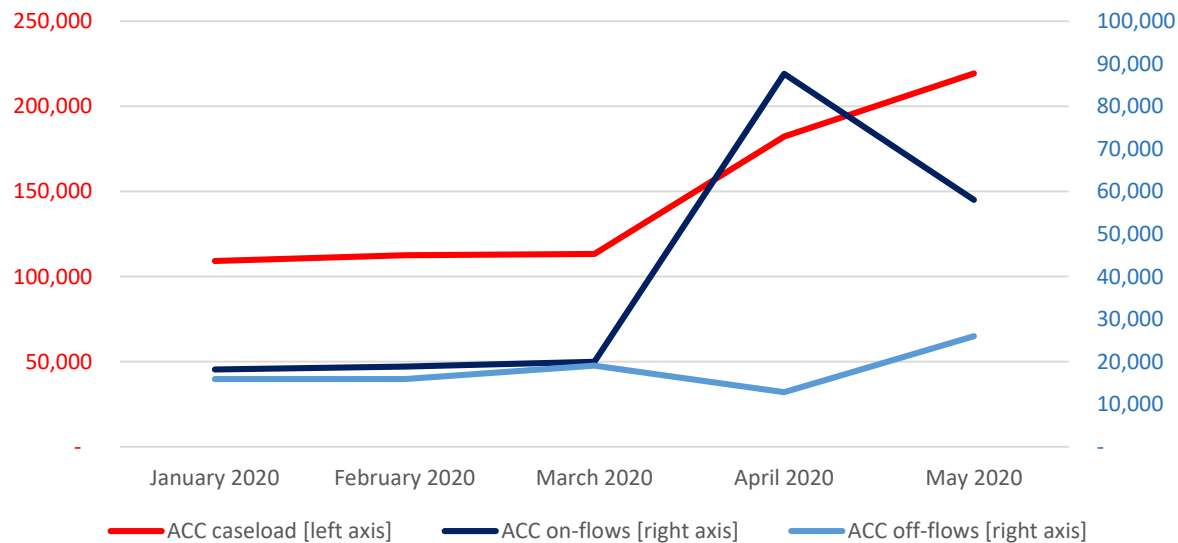


Alternative Claimant Count

The Alternative Claimant Count (ACC) is a set of experimental official statistics, intended to provide consistent information about the number of unemployed people by controlling for the differences between the rules of the legacy benefits system and the new Universal Credit system which is replacing it. This means the Alternative Claimant Count acts as a better indicator of labour market change over time than examining the caseload of the individual benefits themselves.

ACC statistics show 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 lockdown began. However after lockdown the number of on-flows surged upwards, resulting in a near doubling of the caseload.

Alternative Claimant Count



Source: [StatXplore](#)

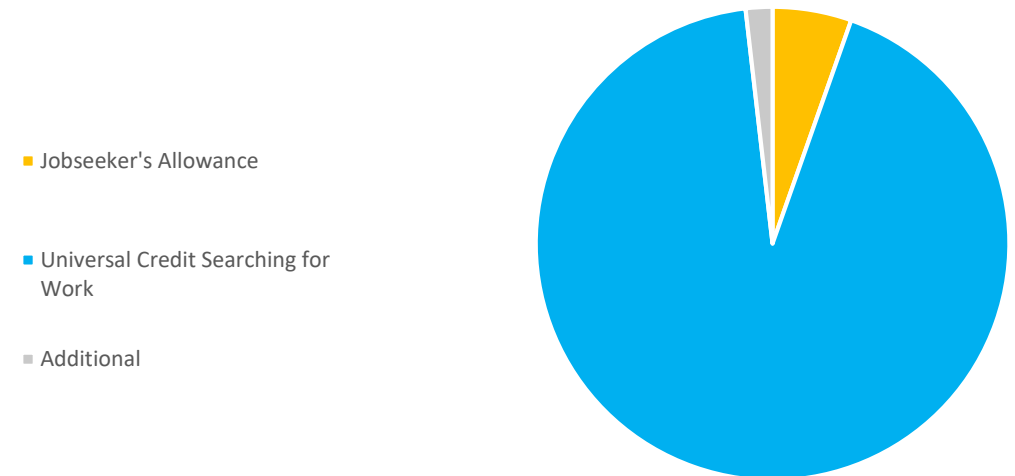
More details on the Alternative Claimant Count and how it is derived are available [here](#).

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 people who only claimed Housing Benefit or Child Tax Credits, but who are required to search for work under Universal Credit.

The chart below shows that around 93% of on-flows since the start of 2020 entered the Universal Credit Searching for Work group. Around 5% claimed Jobseeker’s Allowance, while the remainder are people who would be categorised as ‘Additional’, as their personal circumstances would require them to search for work if they were in receipt of Universal Credit.

Alternative Claimant Count on-flows between January and May 2020

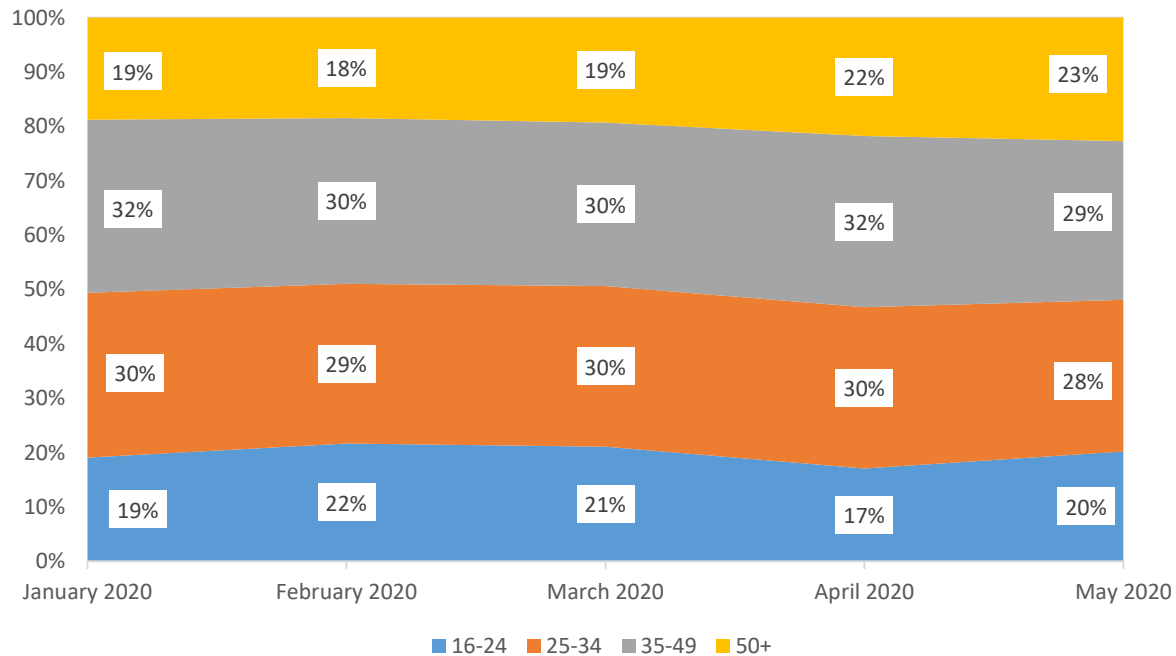


Source: [StatXplore](#)

Alternative Claimant Count on-flows by age

The age distribution of on-flows shifted somewhat during the lockdown period, as people in older age groups came to represent a greater share of new starts than in previous months. This is most obvious in the share who were aged over 50, which increased several percentage points during lockdown. The number of people aged over 50 flowing on increased almost five-fold in April 2020, from just under 4,000 per month in March to just over 19,000 in April. The Starts to Universal Credit data on page 3 of this bulletin showed increased numbers of people aged 16-24 starting on UC in June and July, and therefore we may also see more people in this age group flow on to the ACC caseload in June and July, once this data is released.

Alternative Claimant Count on-flows by age

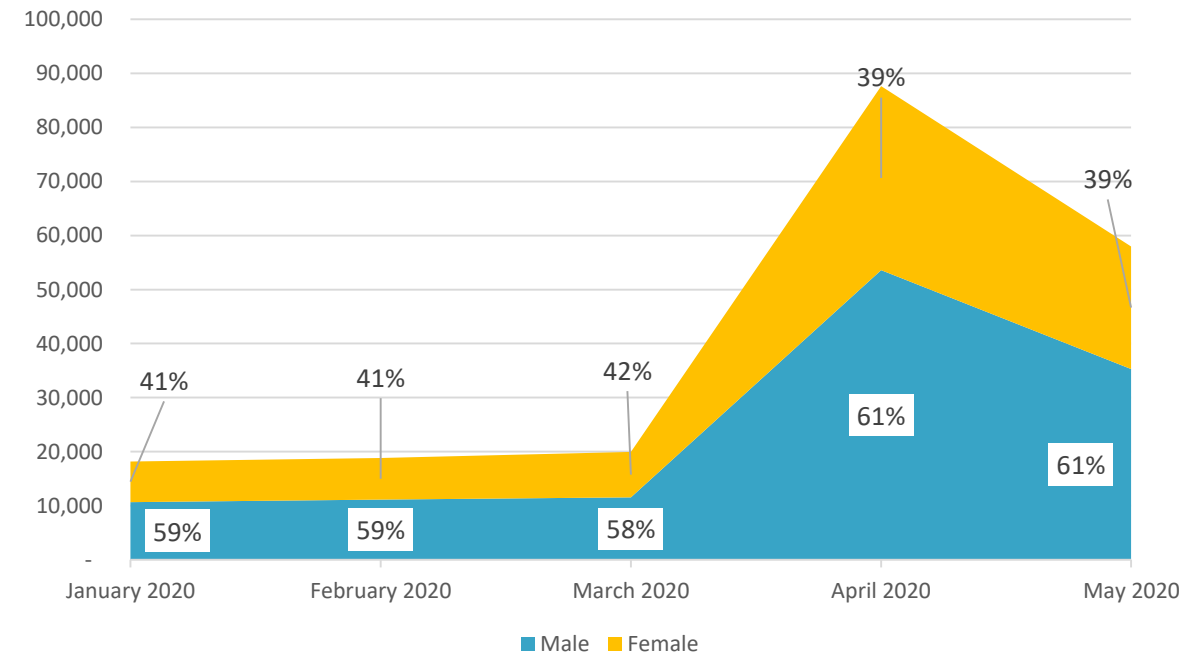


Source: [StatXplore](#)

Alternative Claimant Count on-flows by gender

During the lockdown a slightly larger proportion of new unemployment benefit recipients were men than was the case in previous months. During the lockdown months of April and May a total of 89,000 unemployment benefit claims were started by men, compared to 57,000 new unemployment benefit claims from women. Should ACC claims follow the same trend as starts to Universal Credit, we might expect the share of women in on-flows to increase once statistics are published for June and July.

Alternative Claimant Count on-flows by gender



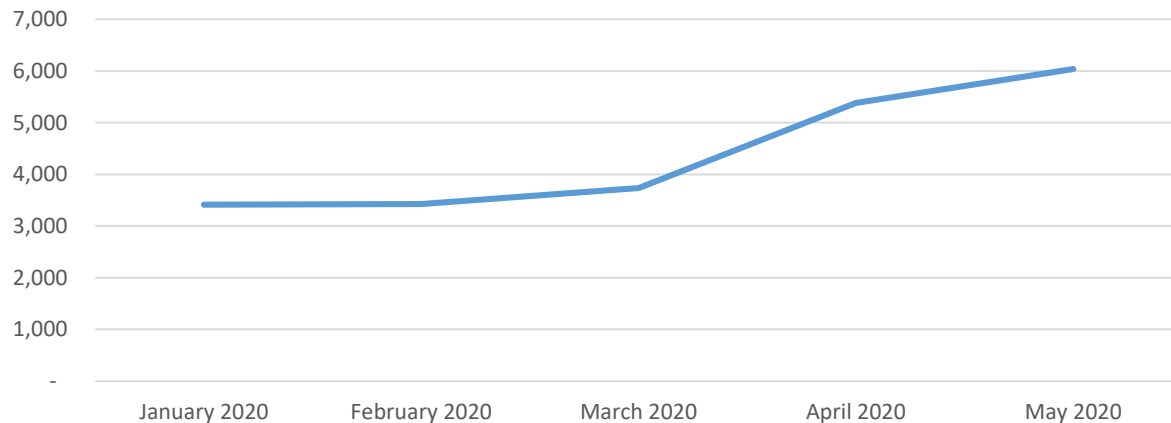
Source: [StatXplore](#)

The Benefit Cap

The Benefit Cap is a UK Government policy which limits the total amount of benefit a household can receive to £20,000 per year for lone parents and couples (with or without children), and £13,400 per year for single adults. Households which would ordinarily be entitled to more than this will receive a maximum of their capped amount, unless they meet the exemption criteria. In Scotland the effects of the Benefit Cap are mitigated by the Scottish Government through Discretionary Housing Payments.

A combination of factors, including the end of benefit freeze, the increase of Local Housing Allowance and Universal Credit standard allowances and the increase in Universal Credit caseload have led to a sizeable increase in the number of households affected by the cap, from 3,700 in March to just over 6,000 in May (a 62% increase). During this time the average amount each household loses out by due to the Benefit Cap has stayed approximately the same, at just over £50 per week, or £2,600 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](#).

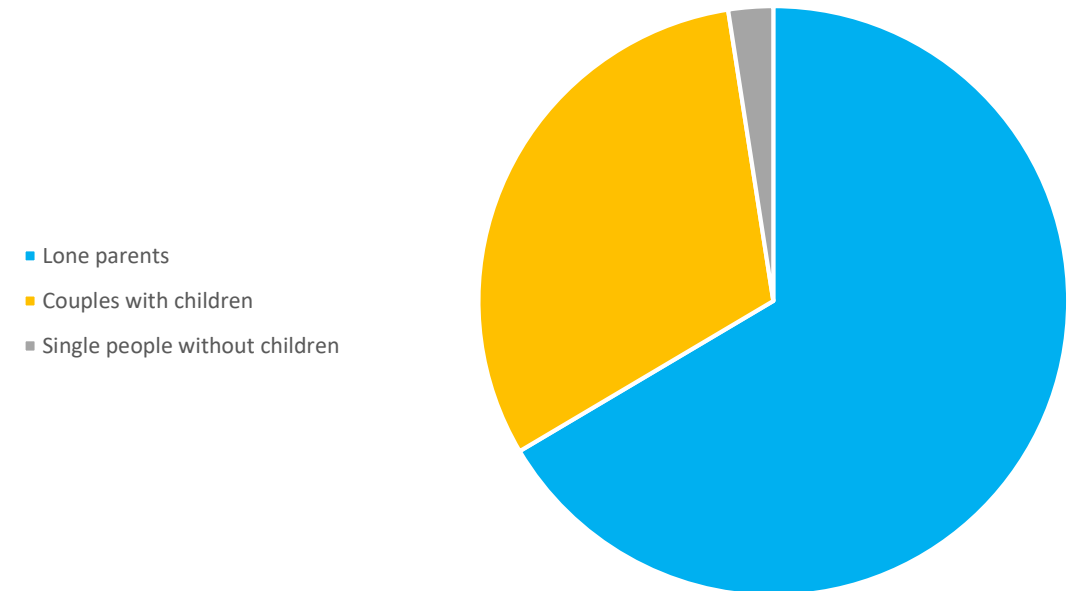
The family structure of Benefit Capped households

Families with children receive larger benefit entitlements, and therefore are much more likely to be affected by the Benefit Cap than households without children. As of May 2020, just over 4,000 (66%) households affected by the Benefit Cap in Scotland were lone parent families.

Couples with children made up 31% of all benefit capped households. Around 97% of Benefit Capped households contain children.

In May 2020 there were no couples without children who were affected by the Benefit Cap in Scotland.

Households affected by the Benefit Cap in May 2020



Source: [StatXplore](#)