

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.

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 September bulletin, DWP has released new statistics on the number of people in receipt of Universal Credit (pages 4 to 6) and on the Alternative Claimant Count (pages 8 and 9). We have also added statistics on Households on Universal Credit (page 7).

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3	Starts to Universal Credit	Number of people starting UC	Age, gender	July 2020	November 2020
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7	Households on Universal Credit	Number of households receiving UC	Family type	May 2020	January 2021
8-9	Alternative Claimant Count	Number of people receiving benefits and obliged to search for work under UC rules	On/off-flows, age and gender (on-flows)	August 2020	January 2021
10	Benefit Cap	Number of households with benefits reduced by the benefit cap	Family type	May 2020	November 2020

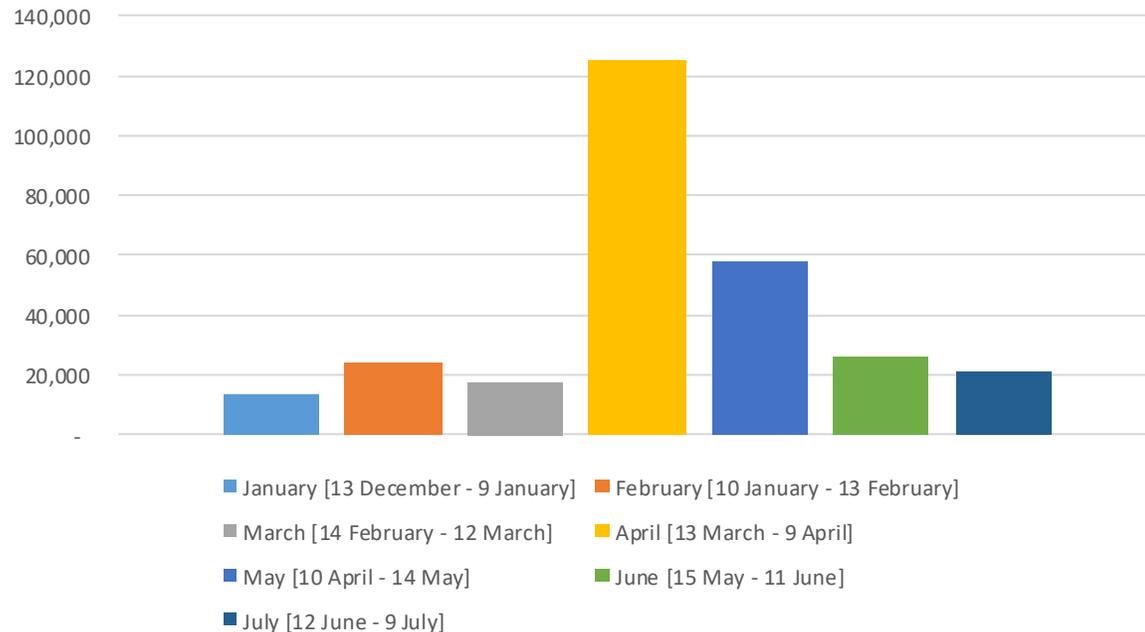
Claims to Universal Credit

These official statistics count the number of people making one or more claims (i.e. applications) to Universal Credit. They include unsuccessful claims that did not progress to become a Universal Credit award, and are only available at individual rather than household level.

The chart on the left shows that the number of claims has continued to fall after peaking at the end of March. In the period 12 June to 9 July around 20,000 people made a claim to Universal Credit, which roughly corresponds to the number of claims made each month before the lockdown period.

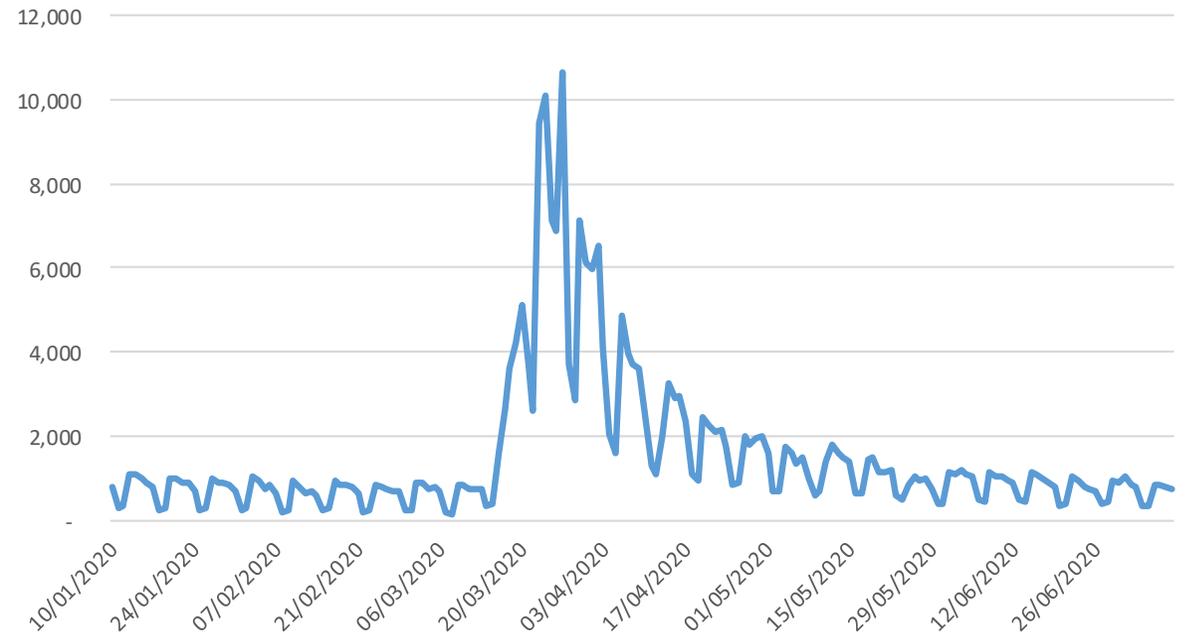
The chart on the right shows that daily individual claims to Universal Credit started increasing from 16 March when the first major restrictions were put in place, before reaching a daily high of 10,500 on 27 March.

Individual claims to Universal Credit



Source: [StatXplore](#)

Daily individual claims to Universal Credit



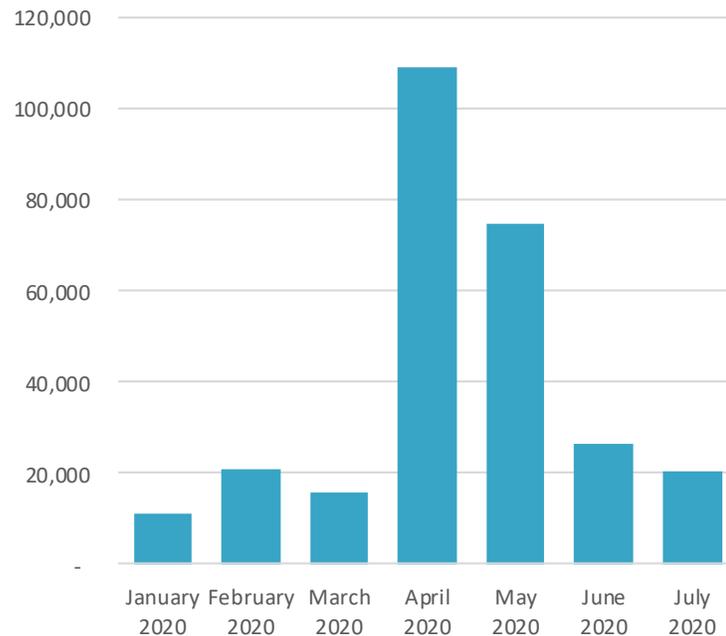
Source: [StatXplore](#)

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.

Since spiking in April at around 109,000, the number of monthly starters has fallen back to pre-lockdown levels, with around 20,000 people starting in July.

Individuals starting on Universal Credit



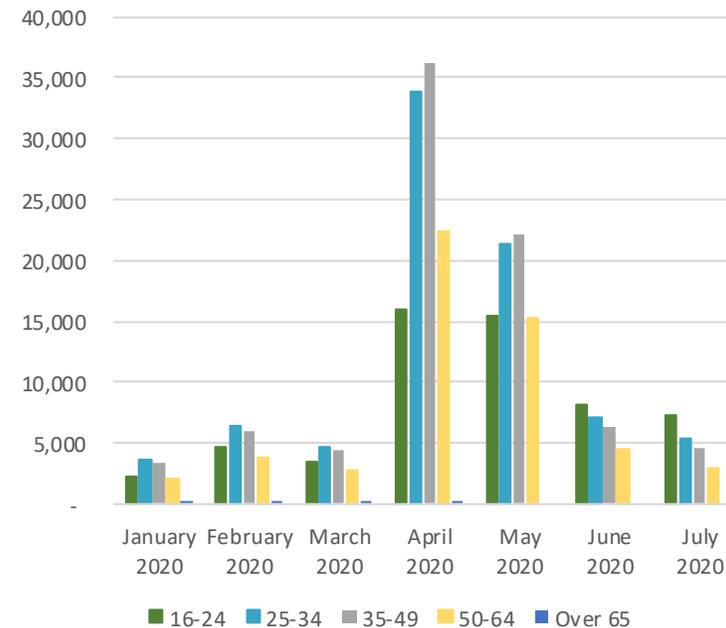
Source: [StatXplore](#)

Starts to Universal Credit by age

Over the initial lockdown period of April to May, all age groups saw similar increases in Universal Credit starts, although the 35-49 group overtook the 25-34 group.

In the following two months, the highest proportion of starts were in the 16-24 age group for the first time in several years. This reflects the disproportionate impact that the deterioration of the labour market is having on young people, including those leaving education.

Starts to Universal Credit by age

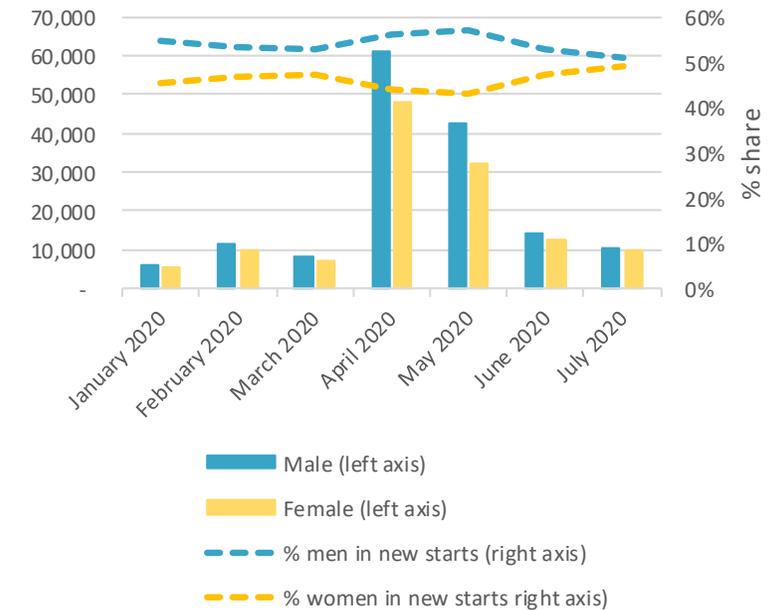


Source: [StatXplore](#)

Starts to Universal Credit by gender

While the number of both men and women starting on Universal Credit increased significantly over the lockdown period, there was a rise in the proportion of starters who were men. However, by July, new starts were split almost 50/50 by gender.

Starts to Universal Credit by gender



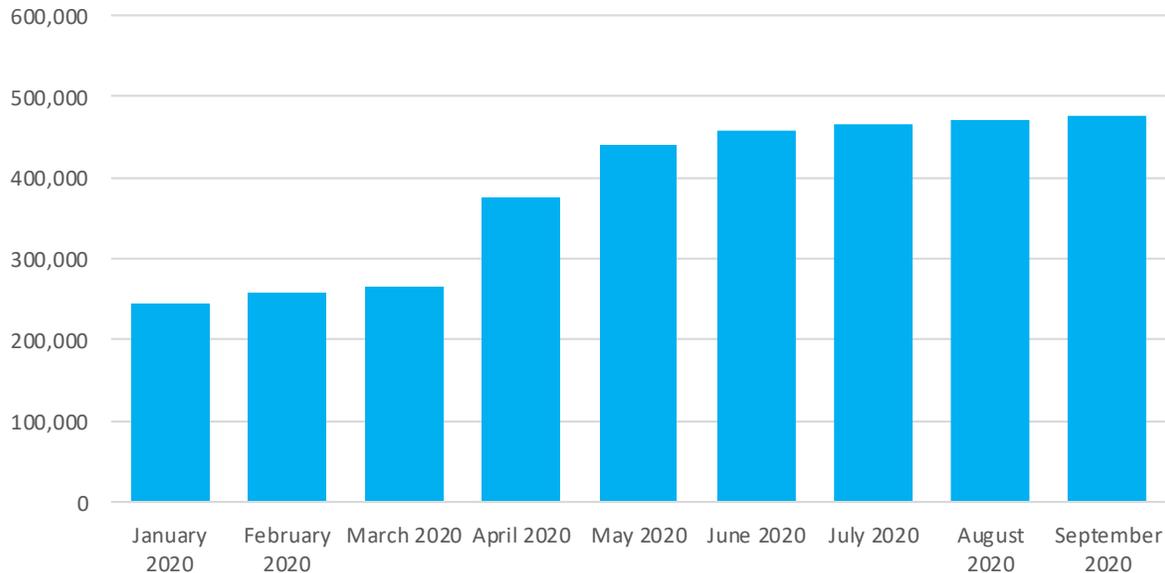
Source: [StatXplore](#)

People on Universal Credit

As of 10 September 2020 there were around 477,000 people on Universal Credit. This compares to 244,000 people receiving Universal Credit in January 2020, meaning that the caseload has almost doubled this 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



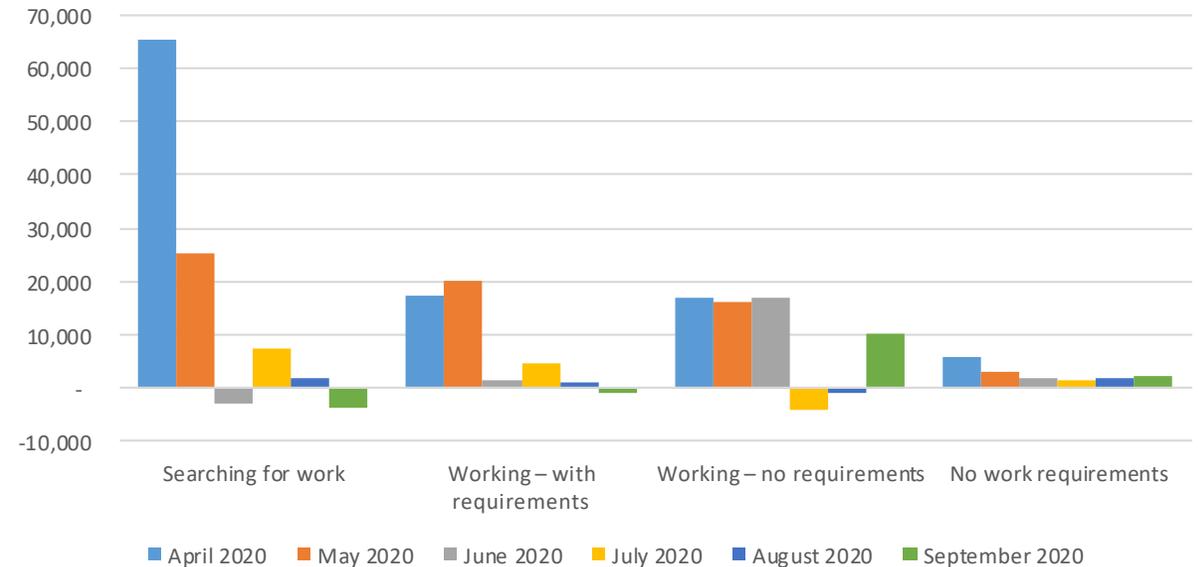
Source: [StatXplore](#).

People on Universal Credit by conditionality group*

The surge in UC caseload in April was concentrated in the ‘searching for work’ group, i.e. those who are required to search for work in order to receive UC. In May, there was a more even spread across this group and the groups already in work, namely ‘working – with requirements’ (those with lower household earnings) and ‘working – no requirements’ (those with higher household earnings). In June, most of the increase was concentrated in the ‘working – no requirements’ group. Conditionality was not enforced over April, May, and June but was gradually reintroduced beginning in July.

As the UC caseload has levelled off, the number of people joining each group has significantly decreased. However, it is notable that in September there were 10,000 more people in the ‘working – no requirements’ group.

Increase in people claiming UC, by conditionality group

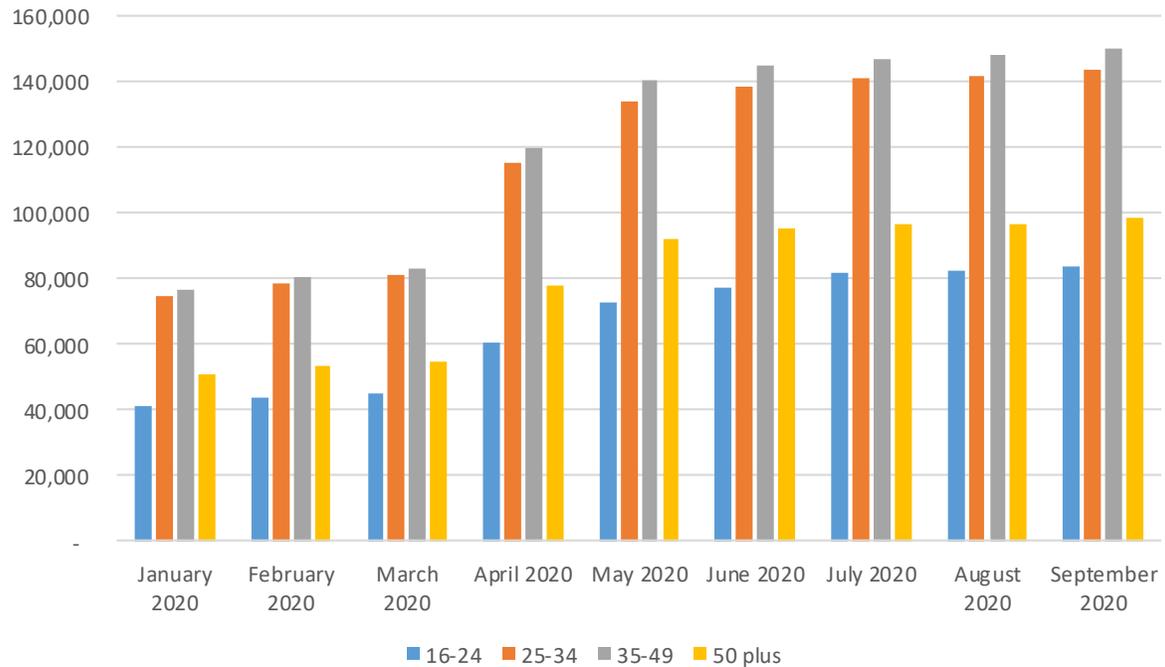


Source: [StatXplore](#). More information on the definitions of UC conditionality groups is available from [Universal Credit statistics: background information and methodology](#).

People on Universal Credit by age

The age distribution of people on Universal Credit in Scotland has remained broadly similar over the course of the year, with all age groups experiencing increases. However, the 16-24 group has seen the largest increases in percentage terms: this group more than doubled between January and August, from around 41,000 to around 84,000.

People on Universal Credit, by age

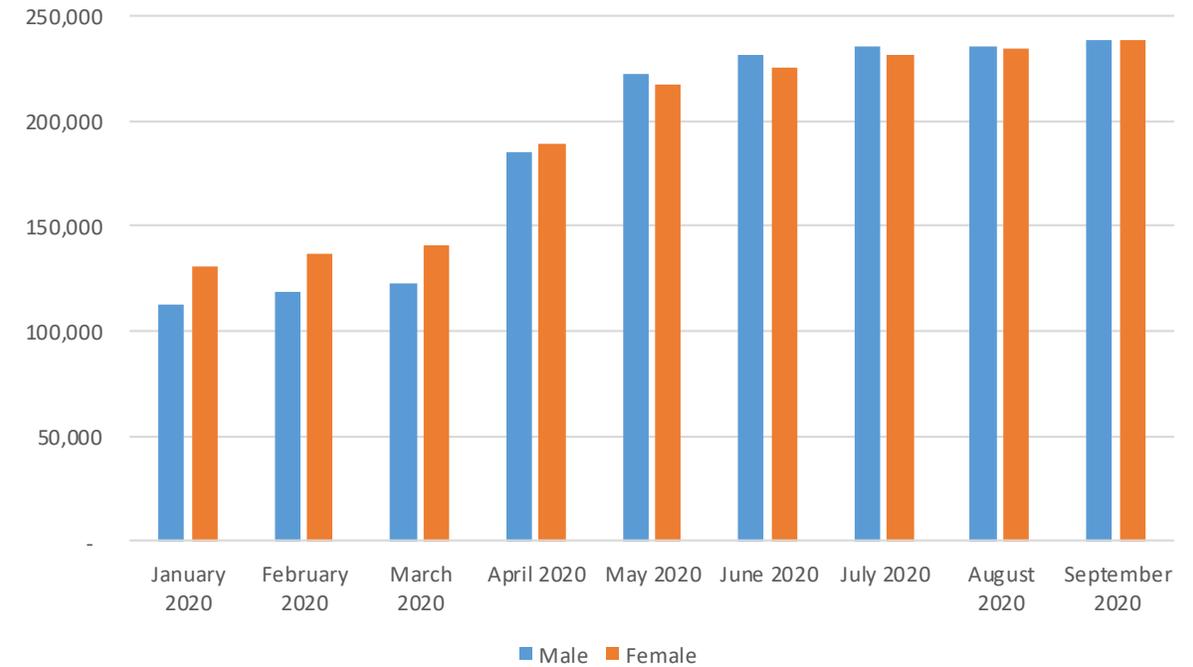


Source: [StatXplore](#).

People on Universal Credit by gender

In May, the number of men on Universal Credit exceeded that of women for the first time since February 2019, reflecting a disproportionate increase in the male caseload during the lockdown period. By September, however, the gender split was virtually even, with around 238,000 of each gender on UC.

People on Universal Credit, by gender



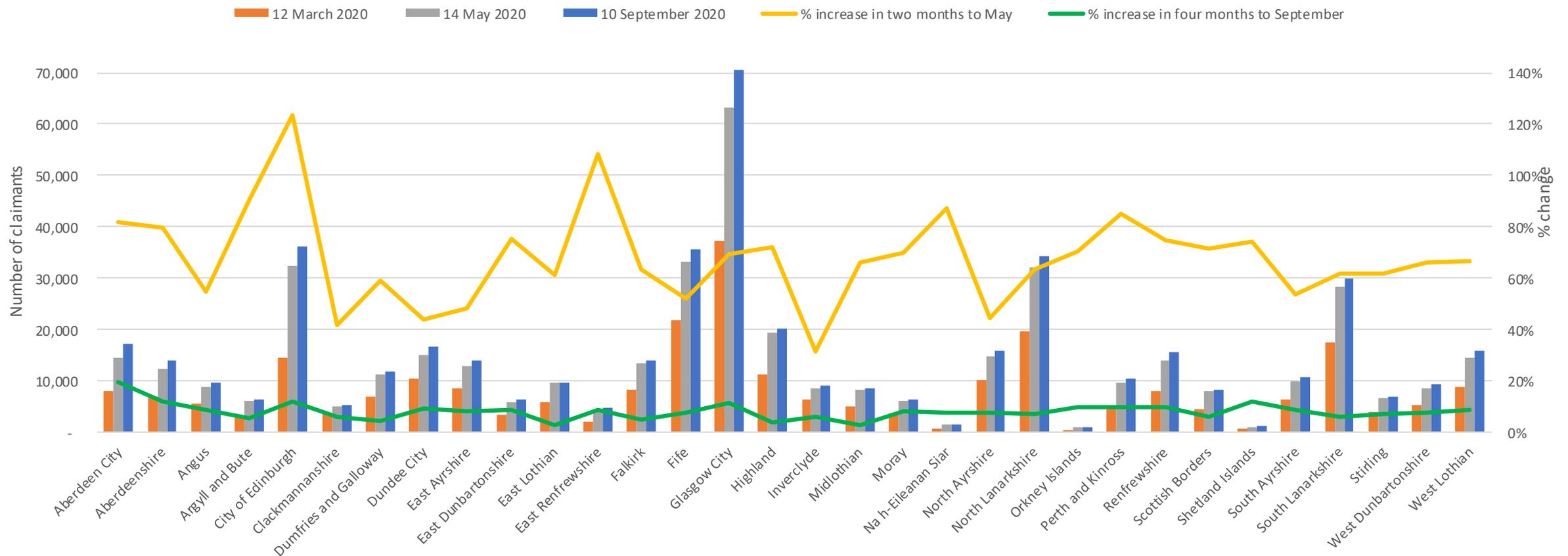
Source: [StatXplore](#).

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 four subsequent months (May - September).

Between March and May some Local Authorities were harder hit than others. For example, the number of people receiving UC more than doubled in both the City of Edinburgh (a 123% increase) and East Renfrewshire (108%). Over this period the UC caseload increased by 66% across Scotland as a whole. In the subsequent four months the rate increase slowed greatly, with the total increase across Scotland falling to 9%. The highest rate of increase over this time period occurred in Aberdeen City, where the caseload increased by 19%.

People on Universal Credit by Local Authority

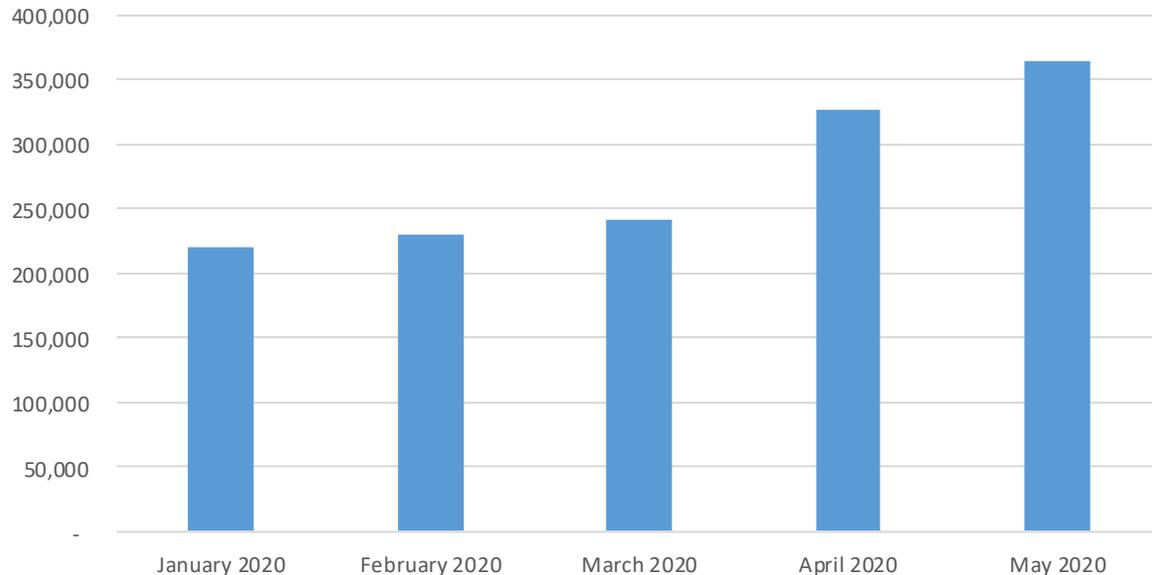


Households on Universal Credit

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 May 2020 there were around 364,000 households on Universal Credit in Scotland. This compares to around 220,000 in January 2020, meaning the caseload has increased by more than 50% over this period.

Households on Universal Credit



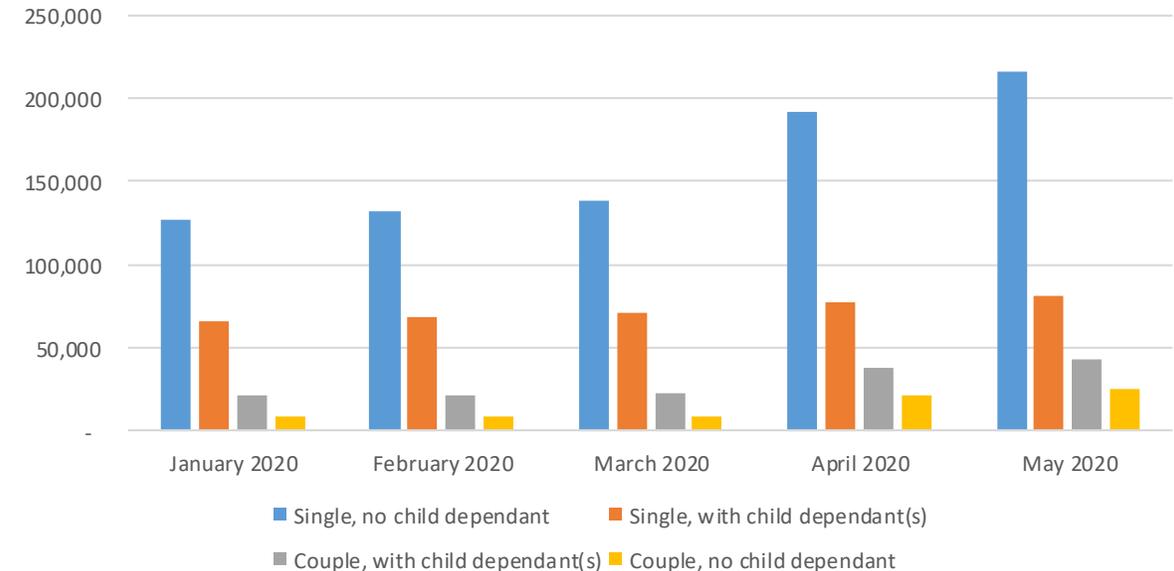
Source: [StatXplore](#).

Households on Universal Credit by family type

The chart below shows how the number of households on Universal Credit is divided between different family types.

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 89,000 between January and May, amounting to a 71% increase. On the other hand, couples with no dependent children and couples with dependent children have seen larger percentage increases, respectively increasing by over 200% (16,000) and over 100% (22,000).

Households on Universal Credit, by family type



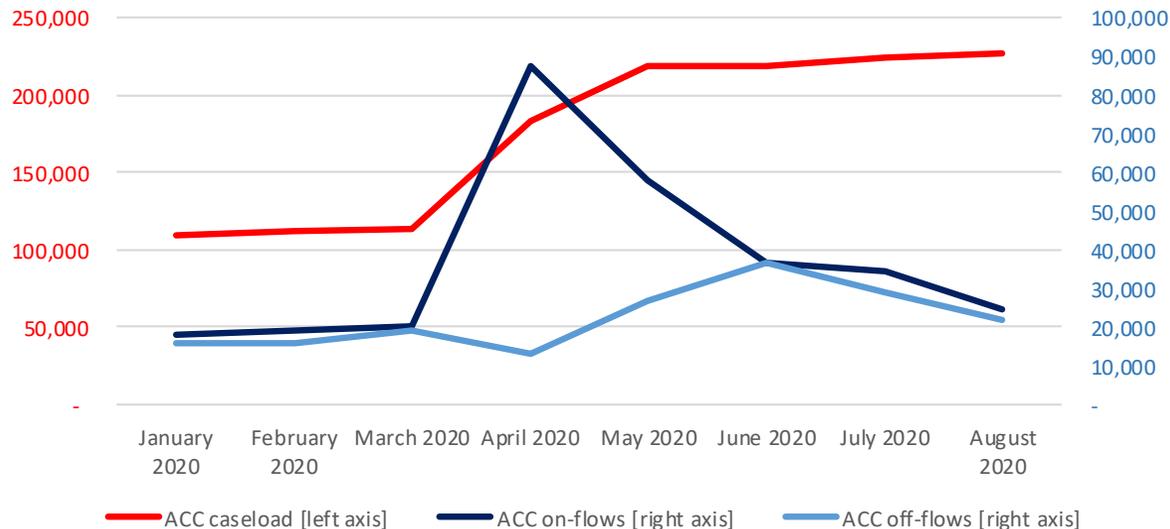
Source: [StatXplore](#).

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 unemployment overtime.

The chart bellows 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 lockdown began. However during lockdown there was a spike in the number of on-flows, resulting in a near doubling of the caseload. Since June, the gap between on-flows and off-flows has once again narrowed.

Alternative Claimant Count



Source: [StatXplore](#)

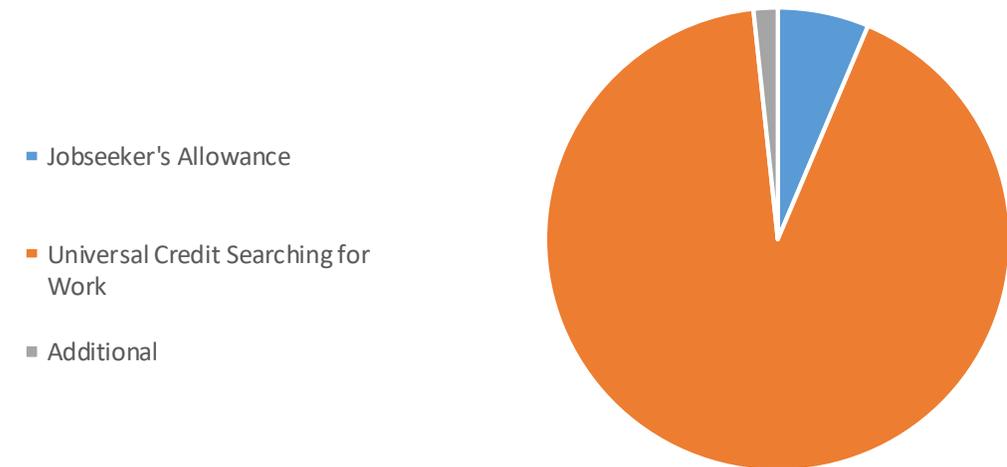
More details on the Alternative Claimant Count and how it is derived are available [here](#).

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 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 92% of on-flows since the start of 2020 entered the Universal Credit Searching for Work group. Around 6% 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 had they been in receipt of Universal Credit.

Alternative Claimant Count on-flows between January and May 2020



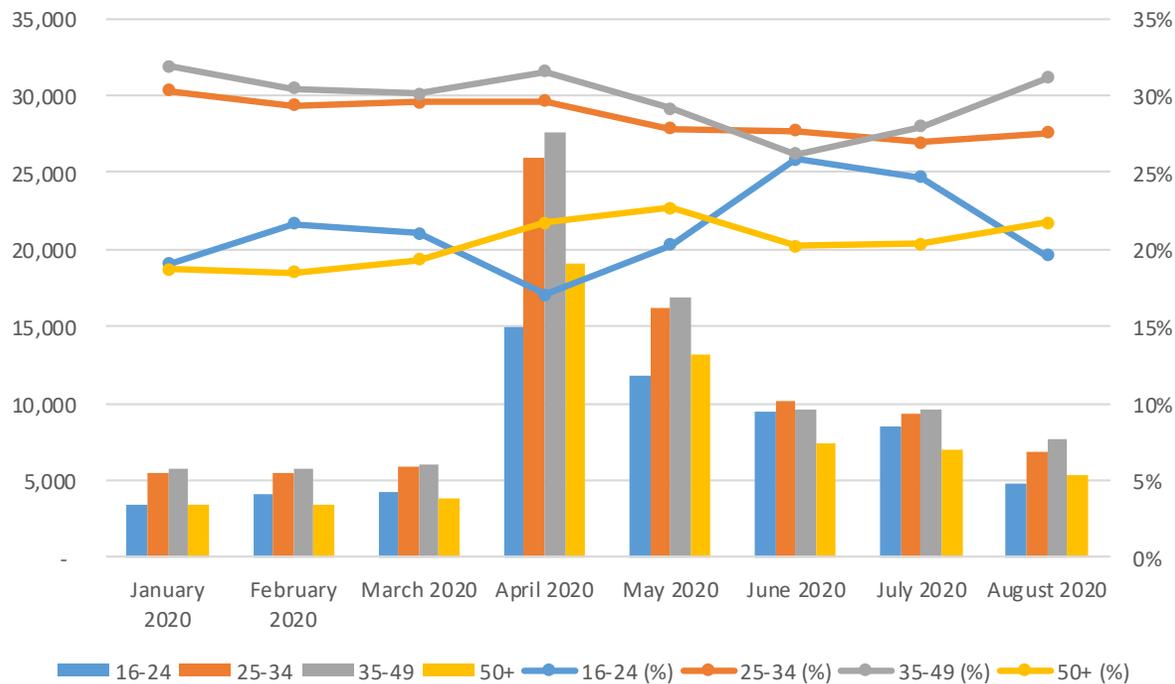
Source: [StatXplore](#)

Alternative Claimant Count on-flows by age

While the number of on-flows rose in all age groups during lockdown, the age distribution shifted, with people aged 50 and over representing a larger share of on-flows and those aged 24 and younger representing a smaller share.

After May, however, the proportion of on-flows aged 24 or younger rose notably, particularly in June and July when people in this age group represented around a quarter of all on-flows. In August, the age distribution appeared to settle to its pre-lockdown shape, although on-flows are still higher in all age groups than before lockdown.

Alternative Claimant Count on-flows by age

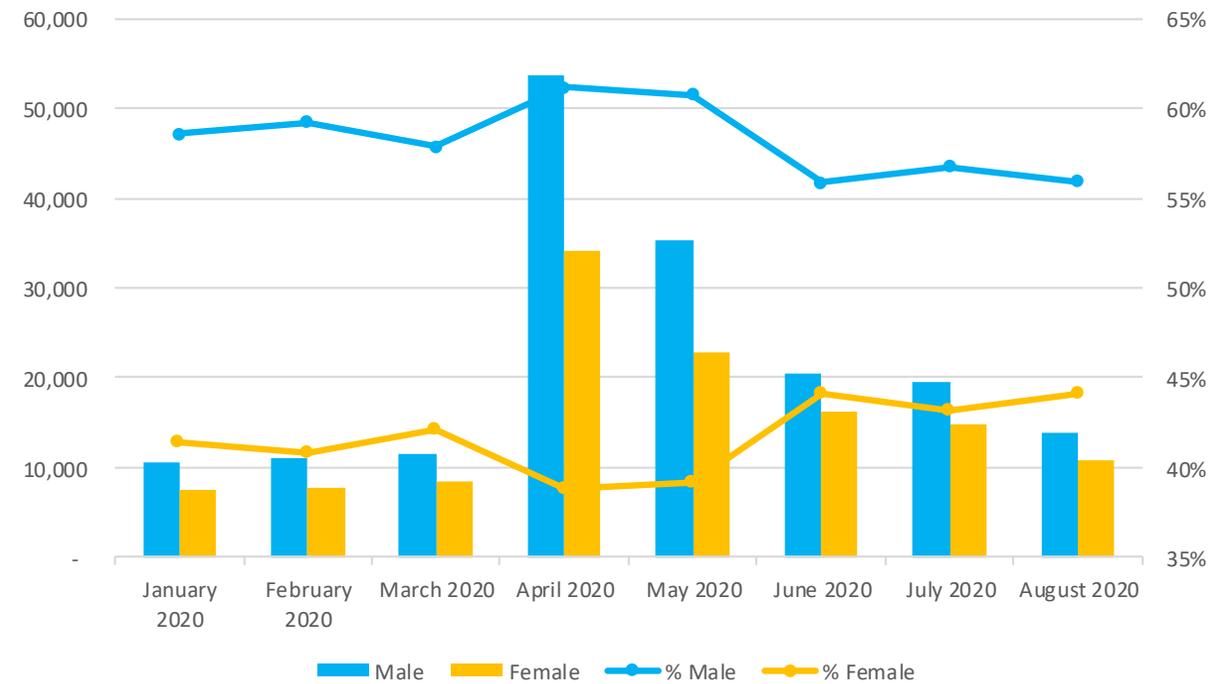


Source: [StatXplore](#)

Alternative Claimant Count on-flows by gender

Men historically make up the majority of job-seekers. During lockdown, a larger proportion of on-flows were men than had been the case in previous months, but both groups saw large increases. Since June, the proportion of on-flows who were men has been lower than before lockdown, although the majority of on-flows have still been men.

Alternative Claimant Count on-flows by gender



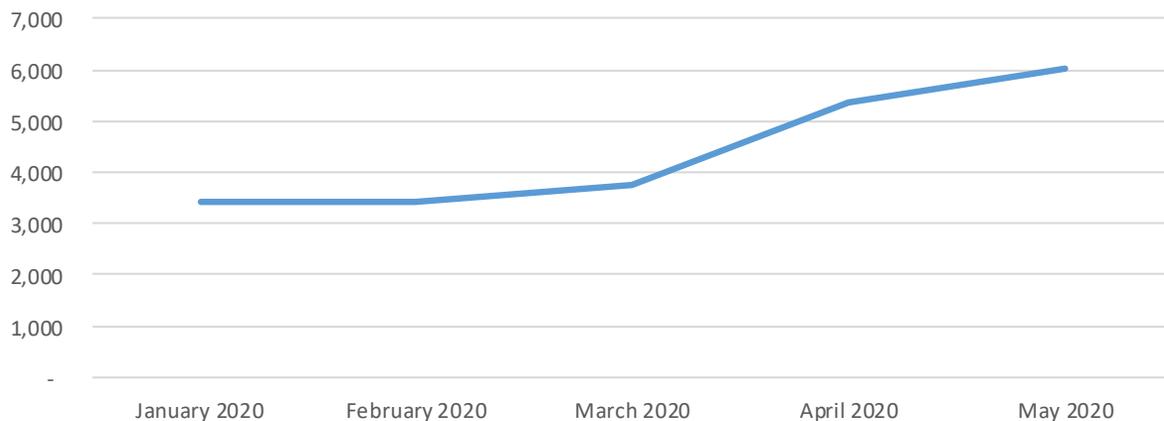
Source: [StatXplore](#)

The Benefit Cap

The Benefit Cap is a UK Government policy which limits the total amount of benefits 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, unless they meet the exemption criteria. The Scottish Government mitigates the effects of the Benefit Cap through Discretionary Housing Payments.

A combination of factors, including the end of benefit freeze, emergency increases in Local Housing Allowance and Universal Credit standard allowances, and the increase in Universal Credit caseload have led to a large increase in the number of households affected by the cap – from 3,700 in March to just over 6,000 in May. During this time the average amount each household lost 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



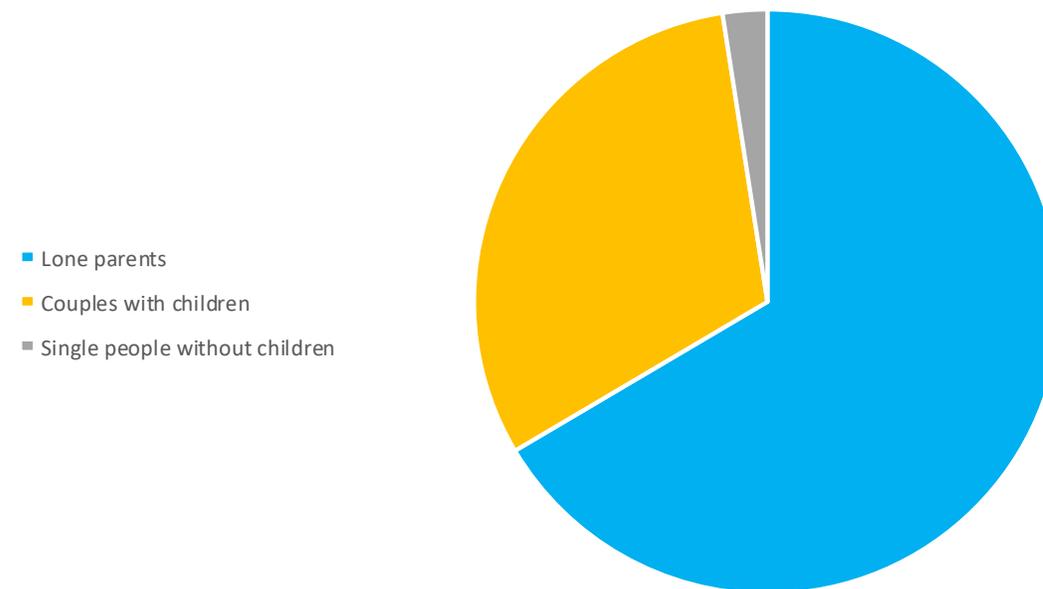
Source: [StatXplore](#). Figures include households capped through both Housing Benefit and Universal Credit. More details on the benefit cap and its exemption criteria are available [here](#), while details on how the statistics are compiled are available [here](#).

The family structure of Benefit Capped households

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

As of May 2020, around 97% of Benefit Capped households contained children. Just over 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 May 2020



Source: [StatXplore](#)