

## 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 UC (pages 2 to 4), the number of Households in receipt of UC (page 5) and the number of households subject to the Benefit Cap (page 8).

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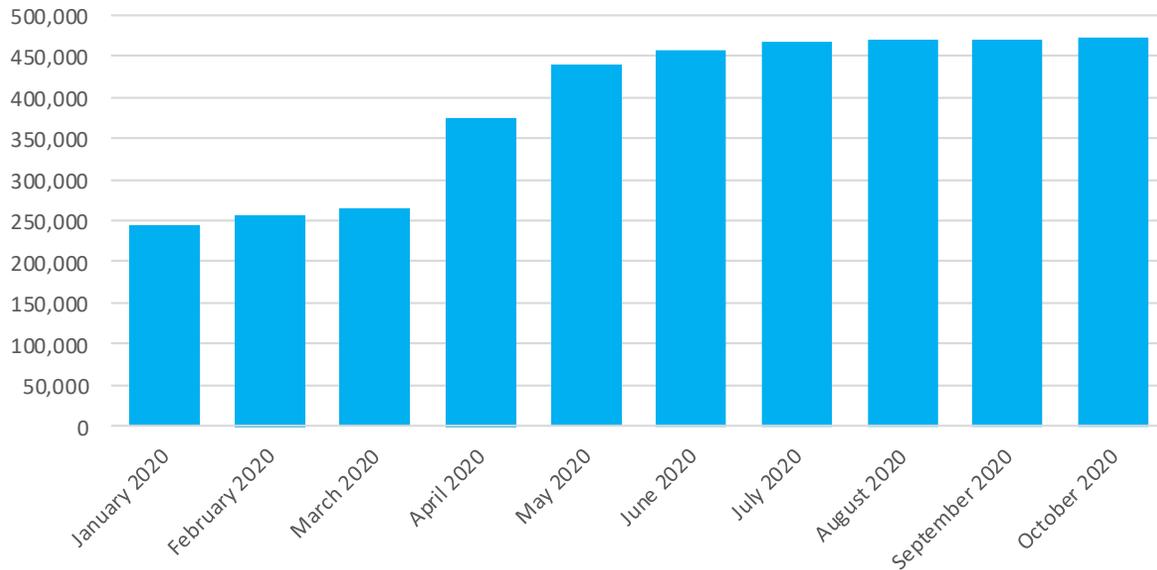
Page	Topic	Description	Breakdowns	Latest month	Next updated
2-4	<a href="#">People on Universal Credit</a>	Number of people receiving UC	Age, gender, conditionality, local authority	October 2020	December 2020
5	<a href="#">Households on Universal Credit</a>	Number of households receiving UC	Family type	August 2020	February 2021
6-7	<a href="#">Alternative Claimant Count</a>	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
8	<a href="#">Benefit Cap</a>	Number of households with benefits reduced by the benefit cap	Family type	August 2020	April 2021

## People on Universal Credit

As of 8 October 2020 there were around 473,000 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



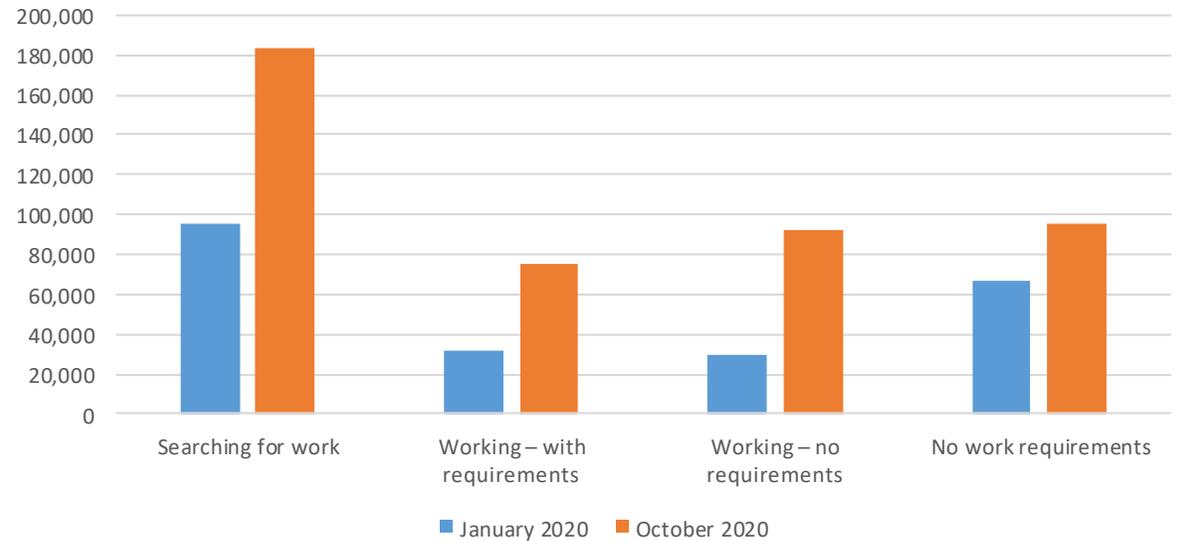
Source: [StatXplore](#).

## People on Universal Credit by conditionality group

People on UC are assigned to a 'conditionality group' depending on whether they are in work, and whether they are obligated to search for work while receiving the benefit.

The largest increases since January have been among those searching for work (i.e. unemployed). This group has increased by around 88,000 since January. However, those in work have seen larger percentage increases. The 'working – no requirements' group, which comprises people with higher household earnings, has increased by 214%, meaning it has more than tripled this year. Similarly the 'working – with requirements group', comprising people with lower household earnings, has increased by 135%, meaning it has more than doubled.

People on Universal Credit, by conditionality group

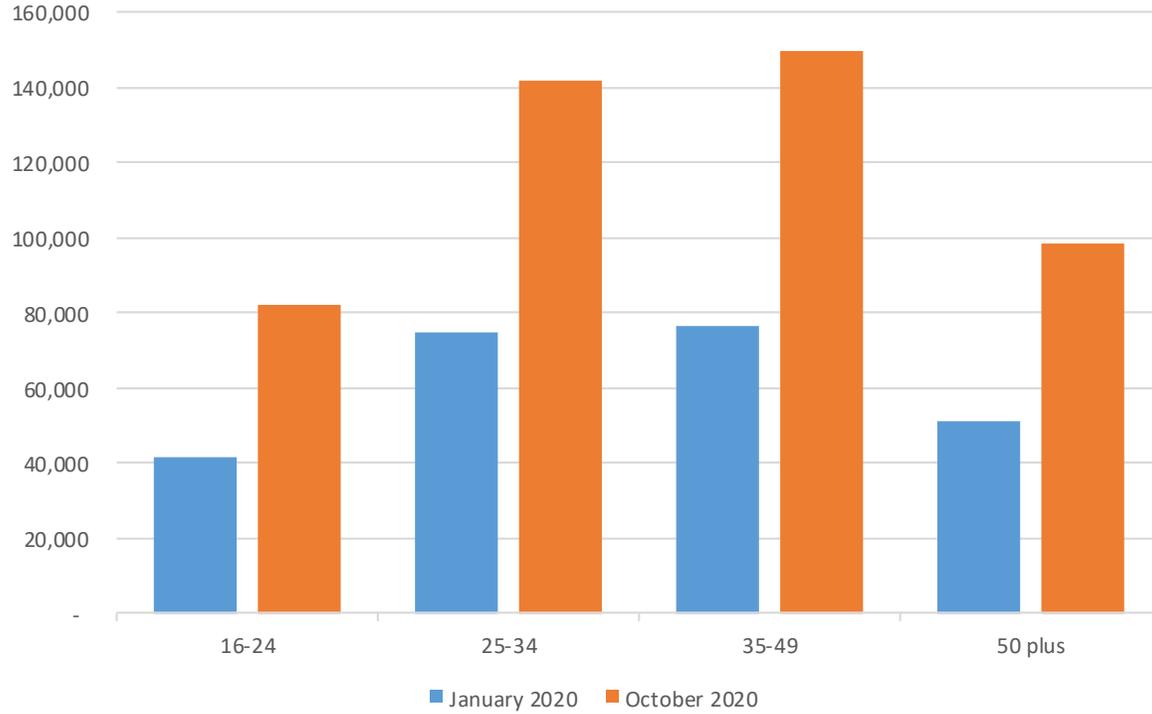


Source: [StatXplore](#). More information on the definitions of UC conditionality groups is available from [Universal Credit statistics: background information and methodology](#).

## People on Universal Credit by age

The age distribution of UC claimants has remained broadly unchanged since January as all age groups have grown by at least 90%. The 25-34 and 35-49 age groups saw the largest increases, growing by 67,000 and 73,000 respectively. However, the 16-24 age group saw the largest increase in percentage terms, growing by 98% between January and October.

People on Universal Credit by age

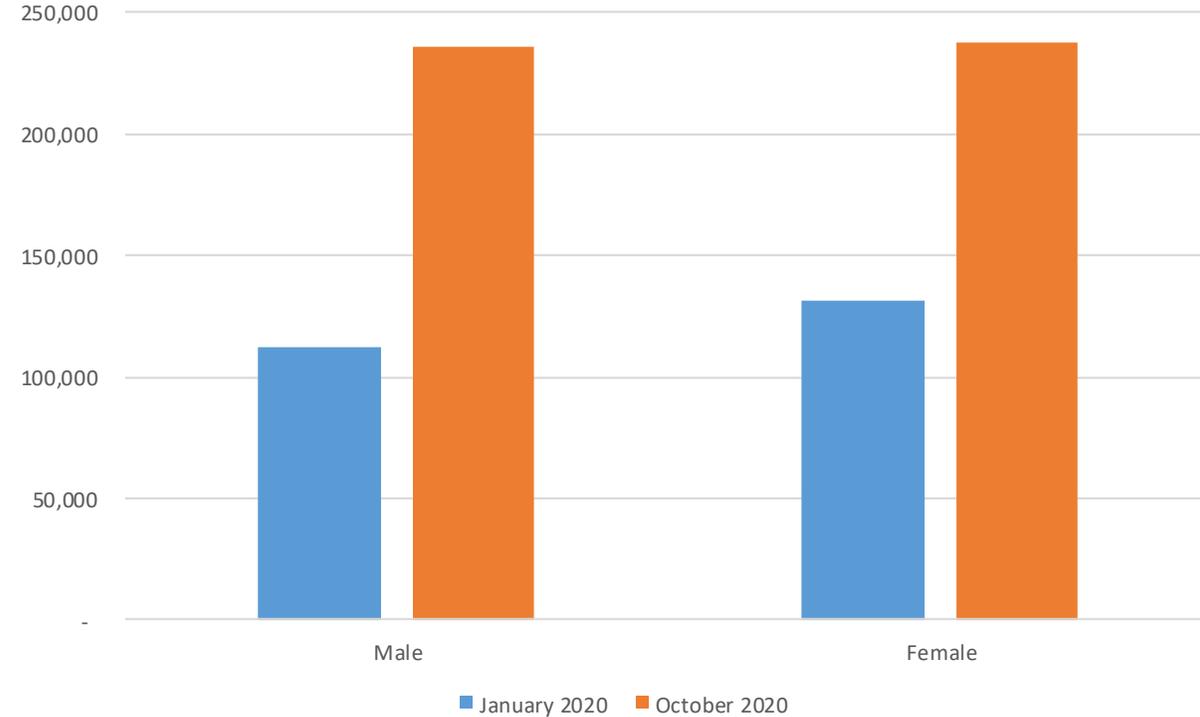


Source: [StatXplore](#).

## People on Universal Credit by gender

In January 2020, there were 131,000 women on UC, compared to 113,000 men – a difference of 18,000. By October, this difference had narrowed to 2,000 as the male caseload increased disproportionately during the initial lockdown.

People on Universal Credit, by gender



Source: [StatXplore](#).

## People on Universal Credit by Local Authority

The UC caseload has increased in all Local Authorities in Scotland since January. The largest increase was observed in Glasgow, where the caseload grew by 36,843. While this represented an increase of more than 100% – meaning the caseload more than doubled – other Local Authorities saw larger percentage increases. The largest percentage increase was observed in Edinburgh, where the caseload grew by 184%.

### Increase in UC caseload, January – October 2020, by Local Authority

#### Top five absolute increases

Local Authority	Absolute increase	Percentage increase
Glasgow City	36,843	109%
City of Edinburgh	23,298	184%
North Lanarkshire	15,757	87%
Fife	15,317	75%
South Lanarkshire	13,202	81%

#### Top five percentage increases

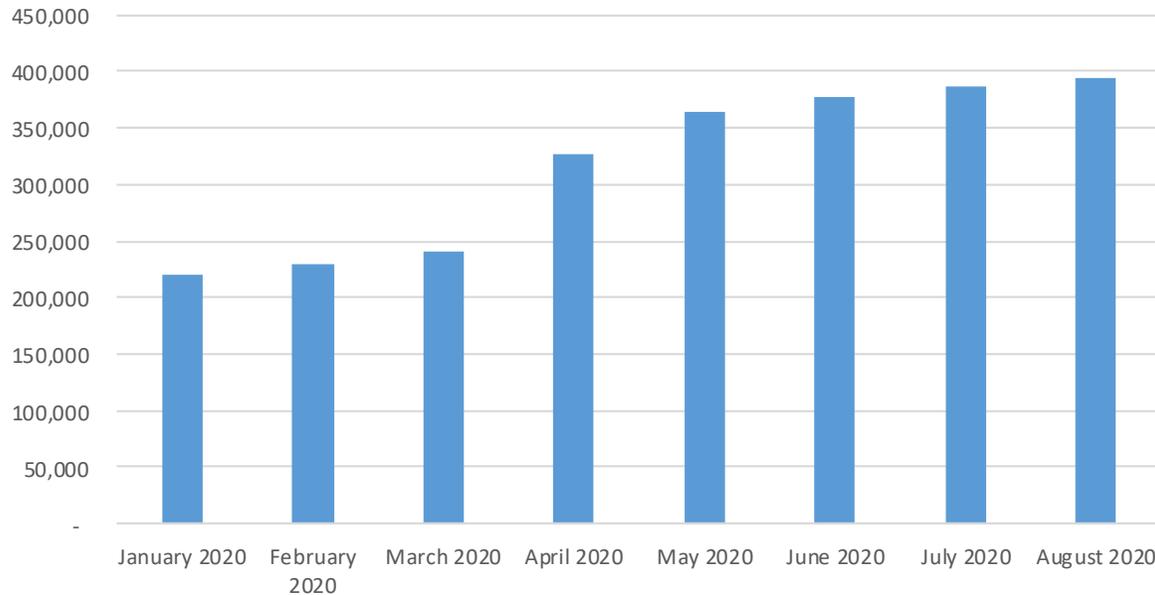
Local Authority	Percentage increase	Absolute increase
City of Edinburgh	184%	23,298
East Renfrewshire	147%	2,694
Aberdeen City	145%	10,414
Na h-Eileanan Siar	131%	877
Aberdeenshire	127%	7,890

## 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 August 2020 there were around 394,000 households on Universal Credit in Scotland. This compares to around 220,000 in January 2020, meaning the caseload has increased by more than 75% over this period.

Households on Universal Credit

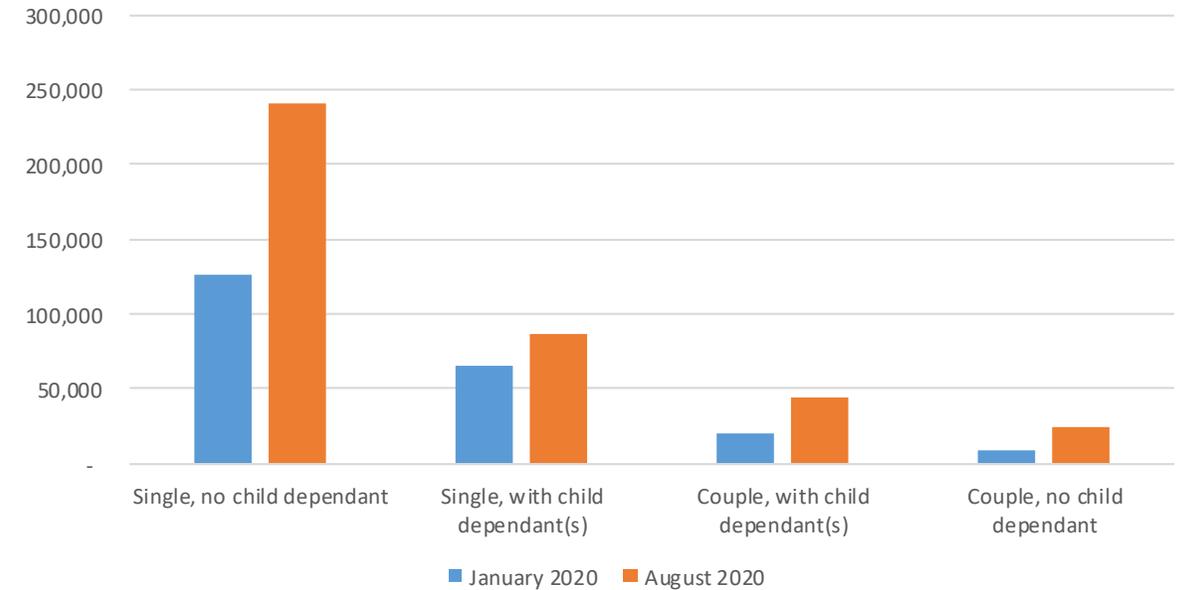


Source: [StatXplore](#).

## Households on Universal Credit by family type

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 114,000 between January and August, amounting to a 90% increase. On the other hand, couples with no dependent children and couples with dependent children have seen larger percentage increases, respectively increasing by 194% (16,000) and over 111% (23,000).

Households on Universal Credit, by family type



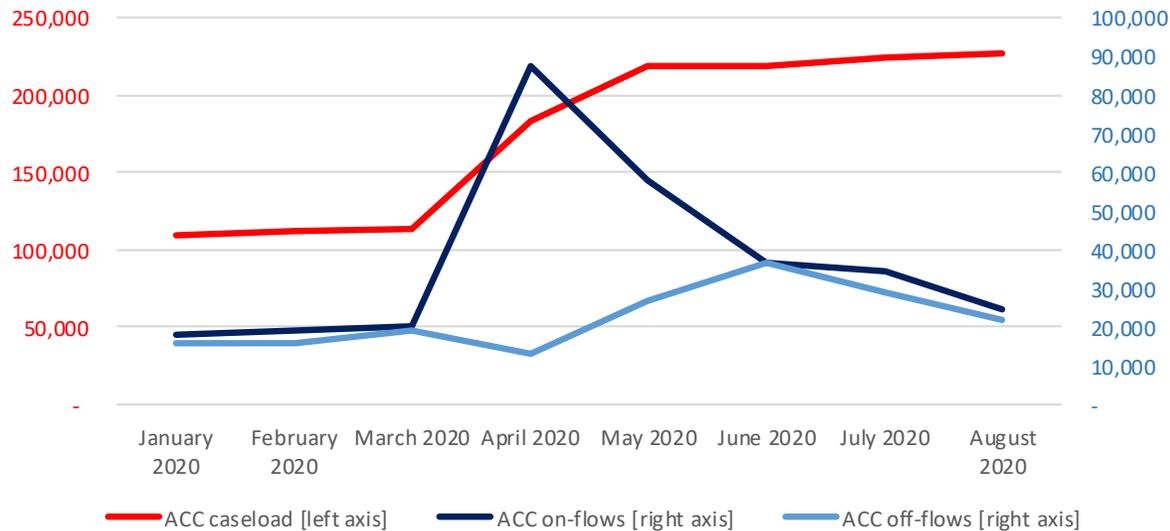
Source: [StatXplore](#).

## 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](#)

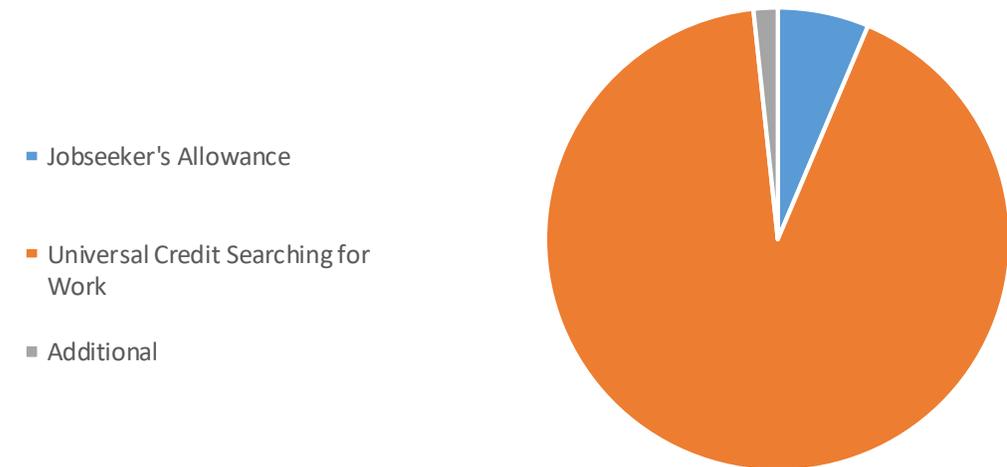
More details on the Alternative Claimant Count and how it is derived are available [here](#).

## 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



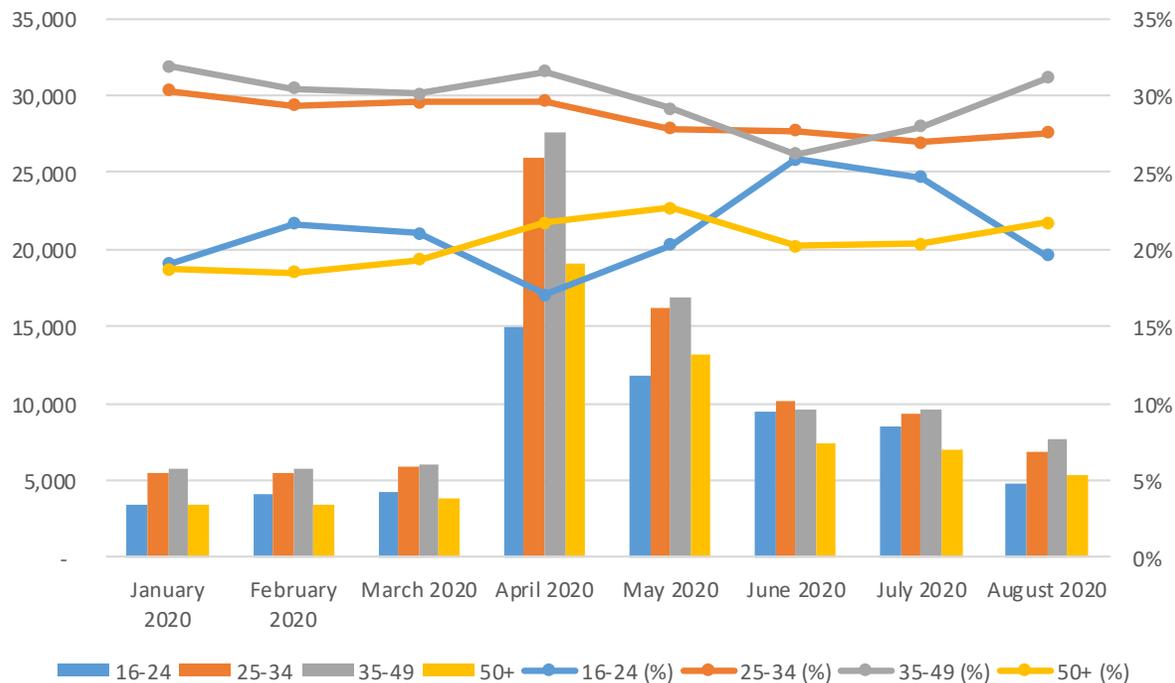
Source: [StatXplore](#)

## 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

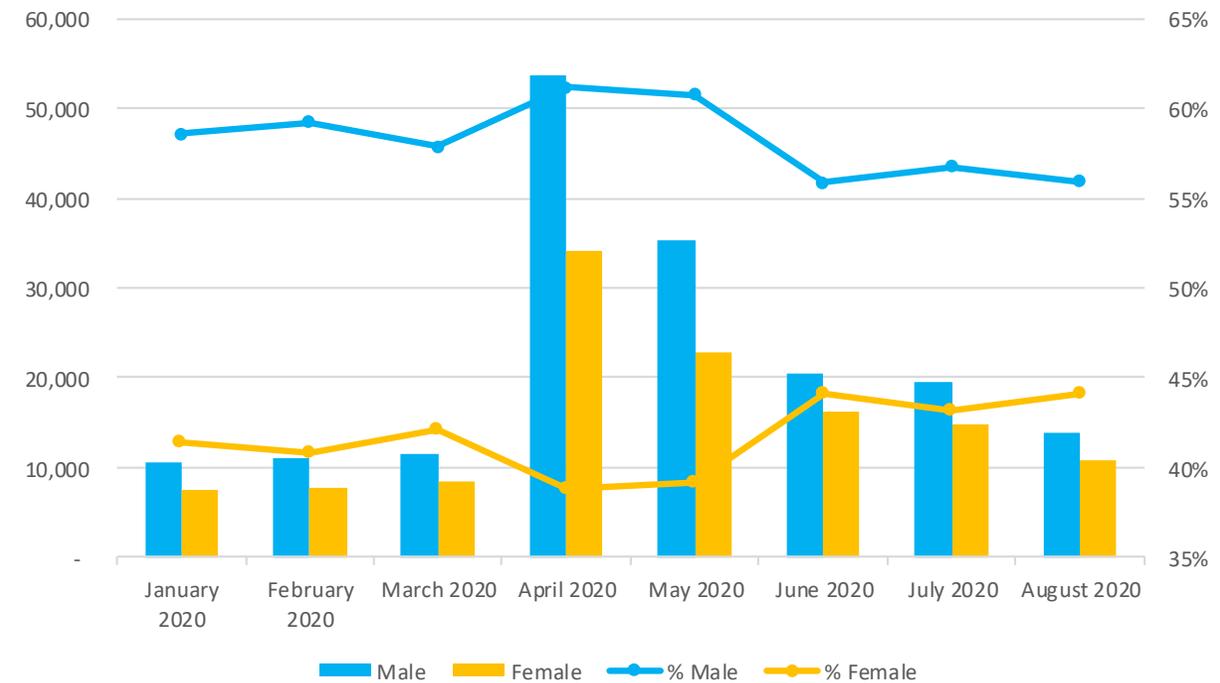


Source: [StatXplore](#)

## 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



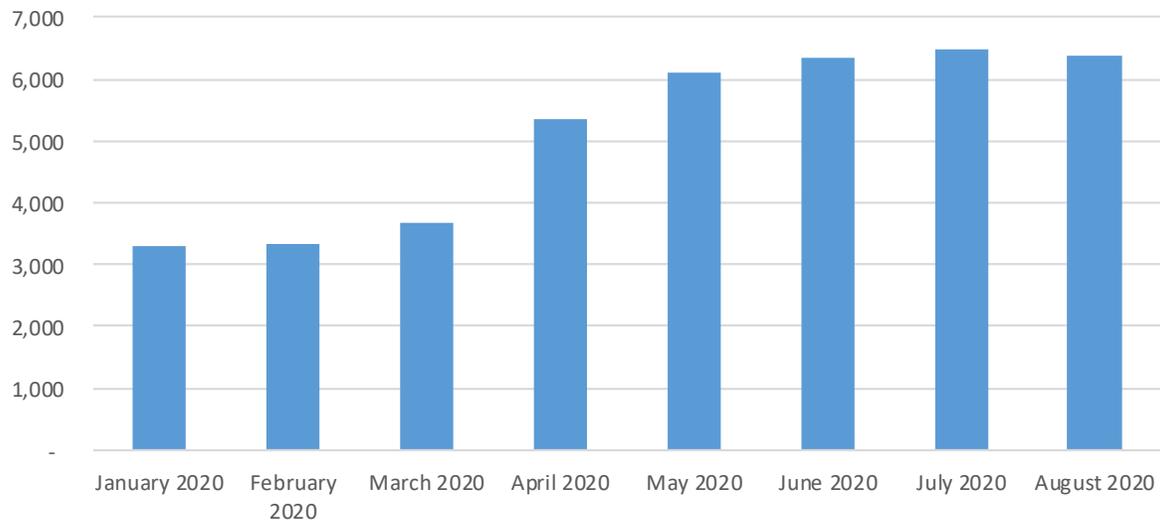
Source: [StatXplore](#)

## The Benefit Cap

The Benefit Cap is a UK Government policy which limits the total amount 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 through Discretionary Housing Payments.

The number of households affected by the benefit cap has nearly doubled this year, from around 3,300 in January to around 6,400 in August. This increase has resulted from a combination of factors, including increases in benefit rates and increases in the UC caseload. During this time the average amount 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



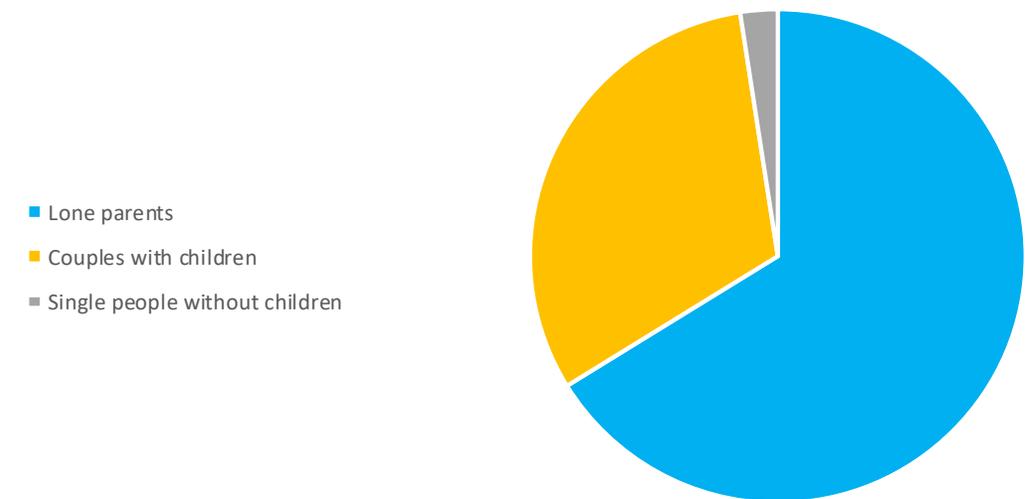
Source: [StatXplore](#). Figures include households capped through both Housing Benefit and Universal Credit. More details on the benefit cap and its exemption criteria are available [here](#), while details on how the statistics are compiled are available [here](#).

## 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 August 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 August 2020



Source: [StatXplore](#)