# Universal Credit – experimental official statistics to May 2014

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### Introduction

Universal Credit is a new benefit that has started to replace six existing benefits and tax credits with a single monthly payment. Universal Credit will eventually replace:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

The main differences between Universal Credit and the current welfare system are:

- Universal Credit is available to people who are in work and on a low income, as well as to those who are out-of-work
- most people will apply online and manage their claim through an online account
- Universal Credit will be responsive as people on low incomes move in and out of work, they'll get ongoing support
- most claimants on low incomes will still be paid Universal Credit when they first start a new job or increase their part-time hours
- claimants will receive a single monthly household payment, paid into a bank account in the same way as a monthly salary
- support with housing costs will usually go direct to the claimant as part of their monthly payment

Universal Credit, which is already available in a number of areas<sup>1</sup> across England, Scotland and Wales, will continue its roll out across the North West of England from 23rd June 2014.

Universal Credit will roll out to Jobcentres in the North West until the whole region is covered. In total 90 Jobcentres, or 1 in 8 Jobcentres in Britain, will offer the service once the North West expansion has been completed.

## Key findings

#### Starters

- Between April 2013 and 31<sup>st</sup> May 2014, a total of 8,500 people have started on Universal Credit.
- Gender breakdowns of starters to Universal Credit show that the majority are males, with a male to female ratio around 7:3.
- The majority of new claims are for unemployed people aged under 25;

#### Caseload

- On the 31<sup>st</sup> May 2014, a total of 6,570 people were on the Universal Credit caseload.
- Over 6 in 10 of the Universal Credit caseload on 31<sup>st</sup> May 2014 are younger people, under the age of 25.

<sup>1</sup> <u>https://www.gov.uk/jobcentres-where-you-can-claim-universal-credit</u>

## In this Summary

This Summary contains data on Universal Credit on the benefits starters and caseload to 31<sup>st</sup> May 2014. These have been developed and released in accordance with the Code of Practice for statistics and its supporting principles.

This report contains two measures:

- A **starter** to Universal Credit is defined as an individual who has completed the Universal Credit claim process and signed their Claimant Commitment<sup>2</sup>. The reporting month in relation to **starts** to Universal Credit relates to the calendar month, i.e. the first day of the month up to and including the last day of the month.
- The **caseload** of Universal Credit claimants includes those who have started Universal Credit (as above) and have not had a termination recorded for this spell, up to the reporting point. A termination would be recorded either at the request of the individual or if their entitlement to Universal Credit ends, for example, they no longer satisfy the financial conditions to receive Universal Credit as they have capital over £16,000, or increased earnings which reduce their award to zero. The Universal Credit caseload figure reported here relates to the last day of the month, e.g. for November 2013, the measure is Universal Credit claimants on the 30<sup>th</sup> November 2013.

# Please note that the definition of a starter has changed from previous releases. More information can be found in the <u>Methodology</u> section.

This report covers the period up to 31<sup>st</sup> May 2014 and includes summary statistics for the ten Jobcentre Plus offices, Ashton-under-Lyne, Oldham, Warrington, Wigan, Hammersmith, Rugby, Inverness, Harrogate, Bath and Shotton who had implemented Universal Credit up to this reporting period.

It is important to note that the Universal Credit statistics currently include all people claiming this benefit, both those people in work and out-of-work. People on Universal Credit who are in employment may or may not be receiving a Universal Credit payment. As new claims for Universal Credit were been restricted to single (in the period covered by these statistics), unemployed people without children then most claimants will be unemployed. Work is being undertaken within DWP to publish statistics that distinguish between these two groups by Autumn 2014. The unemployed UC claimant information will be supplied to ONS but it is a matter for ONS to decide how they include them within the Claimant Count.

## **Future Releases**

The next release of Universal Credit statistics will be in September 2014 and will contain data to 30 June 2014.

DWP plans to expand the range of statistics included in future editions of this release as their reliability is confirmed.

## **Table of Contents**

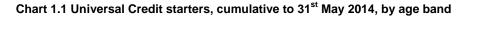
SECTION 1. OFFICIAL STATISTICS AND COMMENTARY
1A. ANALYSIS OF STARTERS    3      1B: ANALYSIS OF CASELOAD    4
SECTION 2. TABLES ON UNIVERSAL CREDIT STARTERS 5
SECTION 3. TABLES ON UNIVERSAL CREDIT CASELOAD 6
SECTION 4. METHODOLOGY7
4A. DATA SOURCE
SECTION 5. FURTHER ROLL OUT 8

<sup>&</sup>lt;sup>2</sup> <u>https://www.gov.uk/government/publications/universal-credit-and-your-claimant-commitment-quick-guide</u>

## Section 1. Official statistics and commentary

\*\* Further breakdowns are available for some of the charts below in the accompanying Excel tables.

## 1a. Analysis of starters



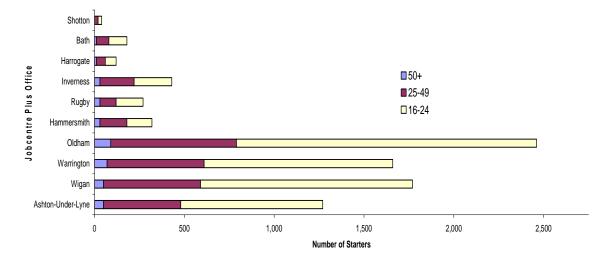
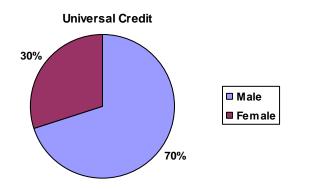


Chart 1.2: Universal Credit starters, cumulative to 31<sup>st</sup> May 2014, by gender



## Key messages

- Between April 2013 and 31<sup>st</sup> May 2014, a total of 8,500 people have started on Universal Credit;
- Over 6 in 10 of new claims are for people aged under 25 and reflect the initial take-on for Universal Credit, of single, non home owning, unemployed people without children;
- The ratio of male to female starters to Universal Credit is around 7:3.

**Table 2.1** and **Supplementary Table 1.1** show a time seriesof monthly starts to Universal Credit, split by office.

- These show that the number of new on-flows have, apart from an upturn in January, declined steadily over the last 6 months.
- By May 2014 the highest number of new starters, in that month, were in Oldham, followed by Warrington and Wigan.

**Chart 1.1, Table 2.2 and Supplementary Tables (1.2 to 1.4)** show the cumulative number of new starters. During the period April 2013 to May 2014 8,500 people started on the benefit.

**Chart 1.2, Table 2.2 and Supplementary Tables 1.2 and 1.4** show the proportion of the cumulative Universal Credit starters by gender, in the period looked at by this release you can see that the ratio of male to female starters is around 7:3.

#### 1b: Analysis of caseload

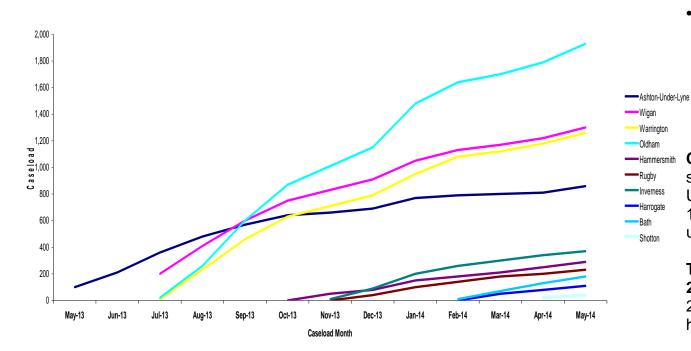
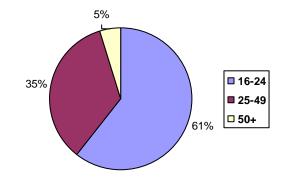


Chart 1.3: Universal Credit caseload, as at end of month, by Jobcentre Plus office

#### Chart 1.4: Universal Credit caseload, at 31<sup>st</sup> May 2014, by age band



### Key messages

- On the 31<sup>st</sup> May 2014, the total caseload of Universal Credit claimants was 6,570 people;
- Over 6 in 10 claimants of the Universal Credit caseload on 31<sup>st</sup> May 2014 are younger people, less than the age of 25.Chart 1.3, Table 3.1 and Supplementary Table 2.1 show the time series of the monthly caseloads of Universal Credit. The highest caseload at end of May 2014 is in Oldham, followed by Wigan.

#### -Hammersmith Chart 1.4, Table 3.1 and Supplementary Table 2.1

show the percentage of May 2014's caseload of
Universal Credit, split by age. These show that over 6 in
10 claimants of Universal Credit in the latest month were under 25.

**Table 3.2, Table 3.3 and Supplementary Tables (2.2 to 2.7)** break the Universal Credit caseload, at 31<sup>st</sup> May 2014, down by further geographies (based on the latest held address of the claimant).

## Section 2. Tables on Universal Credit starters

\*\* Further breakdowns of statistics in the tables below are available in the accompanying Excel tables \*\*

The following definitions and conventions are used in the next two sections

- "-" Nil or Negligible;
- "." Not applicable;

Figures are rounded to the nearest ten.

Totals may not sum due to rounding.

Local Authorities and Parliamentary Constituencies are assigned by matching the claimant's postcode against the relevant postcode directory and may therefore differ to those given by Jobcentre Office.

Table 2.1 Monthly numbers of starters to Universal Credit, December 2013 to May2014

	_	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	
Total		690	1,150	800	760	610	540	
Gender	Male	500	800	590	520	440	390	
	Female	190	350	210	230	170	150	
	16-24	390	700	500	450	330	300	
Age	25-49	260	400	280	260	240	210	
	50+	40	60	30	50	40	30	
	Ashton-Under-Lyne	70	110	60	70	50	50	
	Wigan	130	190	150	120	90	80	
	Warrington	120	200	170	130	100	80	
	Oldham	210	390	240	180	140	130	
Jobcentre	Hammersmith	40	70	40	40	40	40	
Office	Rugby	40	60	50	50	30	30	
	Inverness	80	130	80	60	40	40	
	Harrogate			-	40	40	30	
	Bath			10	70	60	50	
	Shotton					20	20	

# Table 2.2 Cumulative numbers of starters to Universal Credit, December 2013 to May2014

	-						
		Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Total		4,630	5,780	6,590	7,340	7,950	8,500
Gender	Male	3,210	4,010	4,600	5,120	5,560	5,950
	Female	1,430	1,770	1,990	2,220	2,390	2,540
	16-24	3,090	3,790	4,290	4,740	5,070	5,370
Age	25-49	1,380	1,780	2,060	2,320	2,560	2,770
	50+	160	210	240	290	330	360
	Ashton-Under-Lyne	920	1,030	1,100	1,170	1,220	1,270
	Wigan	1,150	1,340	1,480	1,600	1,680	1,770
	Warrington	970	1,170	1,340	1,470	1,570	1,650
	Oldham	1,380	1,760	2,000	2,180	2,330	2,450
Jobcentre	Hammersmith	90	160	200	240	280	320
Office	Rugby	50	110	160	210	230	260
	Inverness	90	210	300	360	400	430
	Harrogate			-	50	90	120
	Bath			10	80	140	190
	Shotton					20	40

# Section 3. Tables on Universal Credit caseload

	_	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	
Total		3,760	4,690	5,230	5,580	6,000	6,570	
Gender	Male	2,630	3,290	3,690	3,910	4,210	4,620	
	Female	1,130	1,400	1,550	1,670	1,790	1,950	
	16-24	2,450	3,010	3,330	3,500	3,680	3,980	
Age	25-49	1,180	1,510	1,710	1,850	2,050	2,290	
	50+	120	180	190	230	270	310	
	Ashton-Under-Lyne	690	770	790	800	810	860	
	Wigan	910	1,050	1,130	1,170	1,220	1,300	
	Warrington	790	950	1,080	1,120	1,180	1,260	
	Oldham	1,150	1,480	1,640	1,700	1,790	1,930	
Jobcentre	Hammersmith	80	150	180	210	250	290	
Office	Rugby	40	100	140	180	200	230	
	Inverness	90	200	260	300	340	370	
	Harrogate			-	50	80	110	
	Bath			10	70	130	180	
	Shotton					20	40	
Duration	Up to 3 months	2,000	2,380	2,450	2,530	2,220	1,920	
	3 - 6 months	1,620	1,890	1,870	1,590	1,950	2,280	
	More than 6 months	140	420	910	1,460	1,830	2,380	

### Table 3.1 Caseload of Universal Credit, December 2013 to May 2014

#### Table 3.2 Universal Credit Caseload by Local Authority: at the end of May 2014

	31 <sup>st</sup> May
Oldham	1,890
Wigan	1,250
Warrington	1,200
Tameside	830
Highland (Islands)	360
Hammersmith & Fulham	260
Rugby	220
Bath & North East Somerset	170
Harrogate	110
Flintshire	40
St. Helens	40
Manchester	20
West Lancashire	10
Kensington & Chelsea	10
Halton	10
Rochdale	10
Bury	10
Bolton	10
Hounslow	10
Other local authority <sup>2</sup>	120

 Table 3.3 Universal Credit Caseload by Parliamentary Constituency: at the end of

 May 2014

	31 <sup>st</sup> May
Oldham West and Royton	990
Ashton-under-Lyne	790
Oldham East and Saddleworth	760
Wigan	740
Warrington North	640
Warrington South	560
Makerfield	500
Inverness, Nairn, Badenoch and Strathspey	330
Hammersmith	260
Rugby	220
Bath	120
Denton and Reddish	110
Harrogate and Knaresborough	90
Stalybridge and Hyde	70
North East Somerset	50
Alyn and Deeside	40
St Helens North	40
Ross, Skye and Lochaber	30
Skipton and Ripon	20
West Lancashire	10
Kensington	10
Leigh	10
Weaver Vale	10
Manchester Central	10
Rochdale	10
Brentford and Isleworth	10
Bury North	10
Manchester, Withington	10
Other constituency <sup>2</sup>	150

<sup>2</sup>Note the "Other" categories will contain claimants that were originally based in Universal Credit areas when their claim started but have since moved to another area.

# Section 4. Methodology

### 4a. Data Source

It was announced in July 2014 that this set of statistics would be based on new, more automated data source. This change has now been implemented and the effect on the number of Universal Credit records identified has been minimal. However moving to the new data source, along with some definitional changes, which are detailed in the next section, has resulted in minor changes to previously published figures.

This and other new data sources will, in time, allow a progressively wider range of breakdowns to be published as the new IT systems are introduced. The methodology used and definitions of the official statistics will be updated within subsequent releases, along with information on the impact of any changes to the time series already released.

These statistics have been developed using guidelines set out by the UK Statistics Authority, and are new official statistics undergoing evaluation. They have therefore been badged as being Experimental Statistics<sup>4</sup>. Users are invited to comment on the development and relevancy of these statistics at this stage.

## 4b. Definitions used

A starter to Universal Credit was previously defined as an individual who had completed the Universal Credit claim process, attended a Universal Credit interview with a personal adviser, and received a Universal Credit payment. The condition that an individual must have received a payment for them to be classified as a starter has now been removed and the condition that they must have signed a Claimant Commitment added.

This more closely reflects the number of individuals who have actually started Universal Credit. The impact of these changes and moving to a new more robust data source is that more actual starts have now been captured although the effect on previously published caseload figures has been minimal.

Figures show the first successful claim per individual. Subsequent claims by the same individual will not be counted in this release. Work is currently ongoing to identify and include these cases in future publications. The number of individuals with multiple starts to Universal Credit, up to the reporting point, is negligible.

A Universal Credit claimant is recorded as being on the caseload if they have started Universal Credit and are not recorded (up to the reporting point) as having terminated their Universal Credit spell. A termination would be recorded either at the request of the individual or if their entitlement to Universal Credit ends, for example, they no longer satisfy the financial conditions to receive Universal Credit as they have capital over £16,000, or increased earnings which reduce their award to zero.

# Section 5. Further roll out

The expansion of Universal Credit to couples and the whole of the north west of England started in June 2014.

Further information can be found at:

https://www.gov.uk/government/news/north-west-universal-credit-expansion

https://www.gov.uk/government/news/universal-credit-to-take-the-first-new-claims-for-couples

<sup>&</sup>lt;sup>4</sup> For further details of experimental statistics, see: <u>http://www.statisticsauthority.gov.uk/news/assessment-and-designation-of-experimental-statistics.html</u>