



Persons on Universal Credit, background information

www.lancashire.gov.uk

Paul Ayre, principal research and intelligence officer

29 September 2017

For further information on the work of Business Intelligence, please contact us at:

Business Intelligence
Lancashire County Council
2nd floor Christ Church Precinct
County Hall
Fishergate Hill
Preston
Lancashire
PR1 8XJ

E: insight@lancashire.gov.uk

W: www.lancashire.gov.uk/lancashire-insight

Contents

1.	BACKGROUND INFORMATION	1
1.1	Universal Credit.....	1
1.2	Interpreting the data, a note of caution.....	1
1.3	Universal Credit full service provision – rollout schedule.....	2
1.4	Households on Universal Credit dataset introduced.....	4
1.5	Real-time earnings information and the role of employers.....	4
1.6	Monthly revisions to Universal Credit figures.....	4
1.7	Processing revisions introduced with the March 2016 data.....	4
1.8	Definition of Lancashire geographic areas.....	5

1. Background information

1.1 Universal Credit

For the latest information, please refer to the Gov.uk web pages on [Universal Credit](#), [Universal Credit statistics](#), [benefit sanctions statistics](#) and the [DWP's Stat-Xplore](#) online data selection tool.

People may be able to claim Universal Credit if they are on a low income or out of work. It is a single payment and will eventually replace the following in and out of work benefits.

- Income-based [Jobseeker's Allowance \(JSA\)](#) - means tested
Please note contribution-based JSA is not affected by the introduction of Universal Credit
- Income-related [Employment and Support Allowance \(ESA\)](#)
- [Income Support](#)
- [Working Tax Credit](#)
- [Child Tax Credit](#)
- [Housing Benefit](#)

There are no limits to the number of hours people can work and still receive Universal Credit. Payments will reduce gradually as people earn more. The credit is paid once a month, usually into a person's bank or building society account.

Universal Credit aims to make the benefit system simpler and to make it easier for people to take short-term or part-time work.

1.2 Interpreting the data, a note of caution

The Department for Work and Pensions (DWP) publish *experimental* monthly [Universal Credit statistics updates](#) by local authority boundary. The figures also indicate whether a claimant is 'In employment', or 'Not in employment'.

The published figures relate to the second Thursday of each month. The statistics for the latest month are provisional when released initially as not all data may be available. Data is subsequently revised in the month following the original publication to take account of all cases, or corrections.

As from the April 2017 publication of data (the March 2017 provisional dataset) only the figures for the two latest revised months of data will be analysed by Business Intelligence at Lancashire County Council. The provisional and revised statistics are available to download via the [DWP's Stat-Xplore](#) online data selection tool.

The *experimental* designation of the statistics is in place owing to the Universal Credit system still being in the process of roll out across the country. At present, the figures represent only a partial coverage in terms of both geography and benefit type and are therefore not robust enough to be classified as official national statistics.

To be counted as a person on Universal Credit, an individual has to have completed the Universal Credit claim process and accepted their claimant commitment. This is an agreement with claimants which outlines certain tasks that have to be completed in order to claim Universal Credit. This has to happen on or before the 'count date', with no record of a termination of their claim.

The statistics also indicate whether a claimant is in employment, or not in employment. With Universal Credit, there is a very strong focus on claimants actively seeking work, but those 'Not in employment' cannot all be classified as unemployed. The figures will include some people who are not looking for work and therefore not active in the labour market.

Statistical disclosure control has been applied to the data by the DWP to avoid the release of confidential data, therefore the row totals, percentages and totals for higher-level geographies contained within the tables in this report may not sum exactly.

Rates for persons on Universal Credit contained within this report have been produced by Business Intelligence at Lancashire County Council. The number of working age persons (aged 16 to 64) have been used as the denominators. These have been sourced from the 2016 Mid-year population estimates, published by the Office for National Statistics (ONS).

Universal Credit rates for North West authorities are likely to be higher than the rest of GB as the roll out of Universal Credit began in the North West region in mid-2014, some eight months earlier than the rest of GB, where the system was implemented from February 2015.

Universal Credit can be stopped or reduced (sanctioned) if a claimant does not adhere to the requirements of their claimant commitment. Sanctions can last from 1 week up to three years. True assessment of Universal Credit recipients (those with a sanction deduction and those without a sanction deduction) is therefore complicated by the imposition of sanctions. This arises because the total number of people who are subject to a sanction for a single point in time is not available at the local level from the DWP at the present time. The DWP Quarterly Benefits Summary does however contain experimental statistics for Great Britain that show the number of ended Universal Credit sanctions by duration by month from August 2015. The number of Universal Credit claimants in Great Britain, with a sanction deduction, as an experimental rate of Universal Credit claims is also available from August 2015. Figures can be downloaded from the DWP's web page on benefit sanctions statistics. See the relevant link (eg Jobseeker's Allowance, Employment and Support Allowance and Universal Credit sanctions: decisions made to March 2017) and Table 3.2, UC Sanctions - People on UC by Payment Status and Month.

A similar situation exists in relation to sanctions for other individual welfare benefits. Please note that there are differences between the sanctions policy for Universal Credit and other benefits that will affect comparisons.

1.3 Universal Credit full service provision – rollout schedule

The Department for Work and Pensions (DWP) began the transition onto the Universal Credit *full service* provision for all types of claimant types in May 2016 (in areas beyond London). This means that persons can process their claims online, rather than via the phone.

Within the Lancashire-14 area, Lancaster became a Universal Credit *full service* area in July 2016 and Burnley became a Universal Credit *full service* area in May 2017. The result of Lancaster becoming a Universal Credit *full service* area was an acceleration in the number of

persons claiming Universal Credit and an accelerated reduction in claimants of the other benefits that are being replaced by Universal Credit (eg Jobseeker's Allowance (JSA)). A similar impact is expected to be seen in Burnley over the coming months. Lancaster also experienced substantial upward revisions to its figures over the summer months of 2016).

The remaining Lancashire-14 authorities are scheduled to become Universal Credit *full service* areas between December 2017 and September 2018. Box 1 below provides the dates that Universal Credit *full service* is to be implemented for the Lancashire-14 authorities.

Box 1: Universal Credit full service rollout schedule for Lancashire-14 authorities

Authority	Jobcentres	Rollout date
Lancaster City Council	Lancaster JCP Morecambe JCP	July 2016
Burnley Borough Council	Burnley JCP	May 2017
West Lancashire	Ormskirk JCP Skelmersdale JCP	December 2017
Blackburn with Darwen Borough Council	Blackburn JCP	February 2018
Hyndburn Borough Council	Accrington JCP	February 2018
Preston City Council	Preston JCP	March 2018
South Ribble Borough Council	Leyland JCP	March 2018
Chorley Borough Council	Chorley JCP	April 2018
Pendle Borough Council	Nelson JCP	July 2018
Ribble Valley Borough Council	Clitheroe JCP	July 2018
Rossendale Borough Council	Rawtenstall JCP	July 2018
Blackpool Council	JCP co-located with Blackpool Council	September 2018
Fylde Borough Council	St Annes JCP	September 2018
Wyre Borough Council	Fleetwood JCP	September 2018

Source: [DWP Universal Credit full service schedule \(25 July 2017 update\)](#).

After the Universal Credit *full service* rollout has been completed, the DWP will then begin moving all remaining existing benefit claimants onto the Universal Credit *full service*. This is currently expected to be completed by March 2022.

Further information on the Universal Credit *full service* can be found via [this Gov.uk web link](#). The Universal Credit *full service* rollout schedule is available [via this web link](#).

After the Universal Credit *full service* rollout has been completed, the DWP will then begin moving all remaining existing benefit claimants onto the Universal Credit *full service*. This is currently expected to be completed by March 2022.

Further information on the Universal Credit *full service* can be found via [this Gov.uk web link](#). The Universal Credit *full service* rollout schedule is available [via this web link](#).

1.4 Households on Universal Credit dataset introduced

In March 2017, the DWP announced that a new dataset had been added to their [Stat-Xplore data selection tool](#) providing information on households claiming Universal Credit. In addition to geographical breakdowns, characteristics of the households can be examined. These include family type (single/couple, with/without children); components of Universal Credit entitlements (eg housing, limited capability to work element, carer, child, disabled child and child care elements); Universal Credit award amounts (by banding); and a Universal Credit payment indicator. These figures are presented on a household basis rather than by individual claimant, therefore it is not possible to cross tabulate this information with the individual level figures for persons on Universal Credit, or starts/claims to Universal Credit.

The number of households on Universal Credit is defined as the number of households that have an assessment period that spans the count date (the second Thursday of the month). An assessment period for Universal Credit is a period of one month. At the end of each assessment period, a claimant's Universal Credit for that month is calculated. There is a further condition that entitlement must have been calculated for the period. This will include households with claims that are live and in payment, live and have a nil award (due to earnings or deductions) or have been temporarily suspended.

The analysis of households on Universal Credit are beyond the scope of this report and are not included.

1.5 Real-time earnings information and the role of employers

Universal Credit payments are linked to how much money a claimant has earned. This is captured through the new way of reporting PAYE information to Her Majesty's Revenue and Customs (HMRC) in real time. If an employer does not use PAYE in real time, claimants will need to self-report their earnings.

1.6 Monthly revisions to Universal Credit figures

The statistics for the latest month are provisional when published initially as not all data may be available. Data is subsequently revised in the month following the original publication to take account of all cases, or corrections. The expectation is that the Universal Credit provisional total will be within two percent of the *revised* final total. The Universal Credit total is split into those claimants who are 'Not in employment' and those 'In employment' and the provisional totals for these two sub-totals are expected to be within two percent of the *revised* final totals.

1.7 Processing revisions introduced with the March 2016 data

Statistics released in March 2016 incorporated an improvement to the processing of data that identifies when a person leaves Universal Credit more accurately. The series showing the number of persons on Universal Credit (previously termed as the Universal Credit caseload) has therefore been revised back to the start of the series, including the breakdown by the 'Not in employment' and 'In employment' categories - and previously published data has changed. The net total revisions for the Lancashire-14 area numbered -1,335 (-8.8%) for January 2016, dropping from 15,120 cases to 13,785 cases.

1.8 Definition of Lancashire geographic areas

The Lancashire-12 area is comprised of the 12 local authorities that fall within the Lancashire County Council administrative boundary. The Lancashire-14 area incorporates the two additional unitary authorities of Blackburn with Darwen and Blackpool and has the same geographic footprint as the Lancashire Local Enterprise Partnership (LEP) area.

The 12 local authorities within the LCC boundary are Burnley Borough Council, Chorley Borough Council, Fylde Borough Council, Hyndburn Borough Council, Lancaster City Council, Pendle Borough Council, Preston City Council, Ribble Valley Borough Council, Rossendale Borough Council, South Ribble Borough Council, West Lancashire Borough Council and Wyre Borough Council.