# Universal Credit claimants in Pathfinder areas – experimental official statistics to September 2013

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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 was launched as a Pathfinder in areas of the North West commencing in April 2013. The four initial Pathfinder offices are Ashton-under-Lyne, Oldham, Warrington, and Wigan. Six further sites are rolling out between October and the spring 2014, which started with Hammersmith on 28 October, followed by Rugby and Inverness on 25 November and will expand to Harrogate, Bath, and Shotton by spring 2014.

# **Key findings**

#### **Starters**

- Between April 2013 and 30<sup>th</sup> September 2013, a total of 2,150 people have started on Universal Credit in the Pathfinder areas.
- Gender breakdowns of starters to Universal Credit show that the majority are males, with a male to female ratio around 2:1.
- The majority of new claims are for unemployed people aged under 25;

#### Caseload

- On the 30<sup>th</sup> September 2013, a total of 2,030 people were on the Universal Credit caseload.
- Nearly 3 in 4 of the Universal Credit caseload on 30<sup>th</sup> September 2013 are younger people, under the age of 25.

## In this Summary

This Summary contains the first release of data from the Universal Credit Pathfinder offices on the benefit's starters and caseload to September 30<sup>th</sup> 2013. 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, attended a Universal Credit interview with a work coach, and has received at least one Universal Credit payment. 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. The reporting month in relation to the caseload on Universal Credit relates to the last day of the month, e.g. for September 2013, the measure is Universal Credit claimants on the 30th September 2013.

This report covers the period up to 30<sup>th</sup> September 2013 and includes summary statistics for the four Universal Credit pathfinder areas up to this reporting point: Ashton-under-Lyne, Oldham, Warrington, and Wigan Jobcentre Plus offices. The postcodes covered by the Pathfinder offices begin: OL1, OL2, OL3, OL4, OL6, OL7, OL8, OL9, M35, M43, SK16, WA1, WA2, WA3, WA4, WA5, WA13, WN1, WN2, WN3, WN5, WN6, W6, W14.

It is important to note that the Universal Credit statistics 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 in the Pathfinder stage have been restricted to single, unemployed people without children then most claimants will be unemployed. Work is planned to use additional data sources to allow us to distinguish between these two groups in the future.

#### **Future Releases**

The next release of Universal Credit statistics will be in January 2014 and contain data to 31 October 2013. As well as the pathfinder offices, featured in this release, it will contain the first few days of Universal Credit going live in Hammersmith and Fulham office, which was the first of the next phase of the roll out.

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

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# Section 1. Official statistics and commentary

\*\* Further breakdowns are available for some of the charts below in Stat-Xplore – where available, click on link to explore further, or go directly to the Stat-Xplore visualisation page at: <a href="https://sv.stat-xplore.dwp.gov.uk/views/">https://sv.stat-xplore.dwp.gov.uk/views/</a> \*\*

# 1a. Analysis of starters

Chart 1.1 Universal Credit starters, cumulative to 30<sup>th</sup> September 2013, by age band

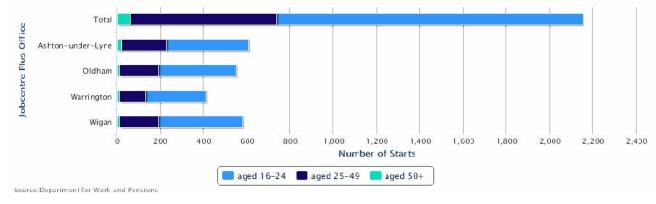
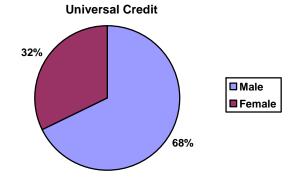


Chart 1.2: Universal Credit starters, cumulative to 30<sup>th</sup> September 2013, by gender



## **Key messages**

- Between April 2013 and 30<sup>th</sup> September 2013, a total of 2,150 people have started on Universal Credit in the four Pathfinder offices;
- Nearly 7 out of 10 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 any children;
- The ratio of male to female starters to Universal Credit is around 2:1.

**Table 2.1** shows a time series of monthly starts to Universal Credit, split by Pathfinder office.

- This shows that for each Pathfinder office after the initial month of going live, the numbers of new on-flows to the benefit stabilise.
- By September 2013, the highest number of new starters in that month were in Oldham, followed by Warrington and Wigan.

**Chart 1.1** shows the cumulative number of new starters. During the period May to September 2013 2,150 people started on the benefit.

**Chart 1.2** (and **table 2.2**) shows 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 2:1.

Chart 1.3: Stacked bar chart showing the proportion of JSA and UC starters in UC pathfinder areas, by age 100% **■ UC 50+** 90% 80% **■ JSA 50+** 70% Dercentage 60% 50% 40% 30% □ UC 25-49 ■JSA 25-49 30% **■ UC 16-24** 20% 10% ■JSA 16-24 May-12 Jun-12 Aug-12 Oct-12 Nov-12 Jan-13 Feb-13 Mar-13 Apr-13 May-13 Jun-13 Jul-13 Aug-13 Sep-13 Jul-12 Sep-12 Dec-12 Month

Chart 1.3 (and table 2.2) shows a time series of the proportion of combined Jobseekers Allowance and Universal Credit starts in the pathfinder areas, split by age band. These benefit starters are comparable as the eligible claimants starting on Universal Credit are unemployed and so closely match Jobseeker's Allowance claimants.

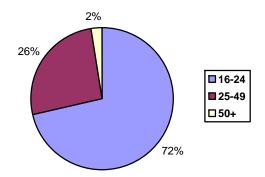
- The chart shows the decline in Jobseekers Allowance claims and their replacement by Universal Credit. This is especially marked in the younger age band (16-24) where the majority of new claims starts are for Universal Credit.
- By September 2013, nearly 70% of all new benefit claims for the unemployed 16-24 age group are for Universal Credit, rather than Jobseekers Allowance.
- This replacement of JSA by UC for the older age bands is slower due to these groups being more likely to be partnered, have children and own their own home so still flowing on to JSA.

## 1b: Analysis of caseload

Chart 1.4: Universal Credit caseload, as at end of month, by Jobcentre Plus office



Chart 1.5: Universal Credit caseload, at 30<sup>th</sup> September 2013, by age band



## **Key messages**

- On the 30<sup>th</sup> September 2013, the total caseload of Universal Credit claimants in the Pathfinder offices was 2,030 people;
- Nearly 3 in 4 claimants of the Universal Credit caseload on 30th September 2013 are younger people, less than the age of 25.

Chart 1.4 (and table 3.1) shows the time series of the monthly caseloads of Universal Credit. The highest caseload at end of September is in the Ashton-under-Lyne office due to their earlier roll out but the other offices are quickly increasing their caseloads.

Chart 1.5 (and table 3.1) shows the percentage of September's caseload of Universal Credit, split by age. This shows that nearly 3 in 4 claimants of the Universal Credit in the latest month were under 25.

**Table 3.2** and **3.3** break the Universal Credit caseload, at 30<sup>th</sup> September 2013, 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 Stat-Xplore – go to <a href="https://sv.stat-xplore.dwp.gov.uk/views/">https://sv.stat-xplore.dwp.gov.uk/views/</a> to explore further \*\*

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

Figures are rounded to the nearest ten.

Totals may not sum due to rounding.

Table 2.1 Monthly numbers of starters to Universal Credit in the Pathfinder areas

	_	Мау	June	July	August	September
	Total	120	120	400	730	780
Gender	Male	80	90	250	500	540
	Female	40	30	150	230	240
	16-24	80	80	280	520	560
Age	25-49	40	40	100	190	190
	50+	-	-	10	20	20
	Ashton-Under-Lyne	120	120	160	100	110
Jobcentre	Wigan			210	180	190
Office	Warrington			10	200	200
	Oldham			20	250	280

Table 2.2 Cumulative numbers of starters to Universal Credit in the Pathfinder areas

		Мау	June	July	August	September
	Total	120	240	640	1,370	2,150
Gender	Male	80	170	420	920	1,460
	Female	40	70	220	450	690
	16-24	80	160	440	960	1,530
Age	25-49	40	80	180	370	560
	50+	-	10	20	40	60
	Ashton-Under-Lyne	120	240	400	500	610
Jobcentre	Wigan	ě		210	390	580
Office	Warrington			10	210	410
	Oldham			20	270	550

<sup>&</sup>quot;-" Nil or Negligible;

<sup>&</sup>quot;." Not applicable;

## Section 3. Tables on Universal Credit caseload

**Table 3.1 Caseload of Universal Credit in the pathfinder areas** 

		31st May	30 <sup>th</sup> June	31 <sup>st</sup> July	31 <sup>st</sup> August	30 <sup>th</sup> September
	Total	120	240	620	1,330	2,030
Gender	Male	80	170	410	890	1,380
	Female	40	70	210	440	650
Age	16-24	80	150	440	940	1,450
	25-49	40	80	170	350	530
	50+	-	10	20	40	50
	Ashton-Under-Lyne	110	230	390	470	560
Jobcentre	Wigan			210	390	560
Office	Warrington			10	210	390
	Oldham			20	260	520
Duration	Up to 3 months	110	240	610	1,220	1,810
	3 - 6 months			10	100	210
	More than 6 months		• <u></u>			

Table 3.2 Universal Credit Caseload by Local Authority: at the end of September 2013<sup>1</sup>

	30 <sup>th</sup> September
Oldham	510
Tameside	550
Warrington Unitary Authority	380
Wigan	520
Other / Unknown / Missing	70

Table 3.3 Universal Credit Caseload by Parliamentary Constituency: at the end of September 2013<sup>1</sup>

	30 <sup>th</sup> September
Ashton-under-Lyne	470
Denton and Reddish	80
Makerfield	230
Oldham East and Saddleworth	200
Oldham West and Royton	270
Stalybridge and Hyde	40
Warrington North	200
Warrington South	180
Wigan	290
Other / Unknown / Missing	70

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<sup>&</sup>lt;sup>1</sup> Note the "Other / unknown / missing" category will contain claimants that were originally based in the Pathfinder areas when claim started for Universal Credit but have since moved to another area.

# **Section 4. Methodology**

#### 4a. Data Source

These official statistics have been compiled using data from systems within the Pathfinder offices and records of Universal Credit payments made by the Department.

These are the first official statistics to be released on Universal Credit, using a new data source and a new methodology. The statistics have been developed using guidelines set out by the UK Statistics Authority, and are new official statistics undergoing evaluation they have accordingly been badged as being Experimental Statistics. Users are invited to comment on the development and relevancy of these statistics at this stage.

As the data available for Universal Credit evolves over time, the methodology used and definitions may develop also. Users of these statistics are, therefore, asked to note the status as experimental official statistics<sup>2</sup> and that subsequent releases may include revisions to the time series already released.

#### 4b. Definitions used

A starter to Universal Credit is defined as an individual who has completed the Universal Credit claim process, attended a Universal Credit interview with a personal adviser, and has received a Universal Credit payment.

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.

### Section 5. Further roll out

Six further sites have started to roll out between October 2013 and the spring 2014, starting with Hammersmith on 28 October, followed by Rugby and Inverness on 25 November and will expand to Harrogate, Bath, and Shotton by spring 2014.

Eligibility for Universal Credit will be the same as in the Pathfinder areas. Newly unemployed people who would formerly have made a straightforward claim for Jobseekers' Allowance and who meet certain additional criteria.

<sup>&</sup>lt;sup>2</sup> For further details of experimental statistics, see: <a href="http://www.statisticsauthority.gov.uk/news/assessment-and-designation-of-experimental-statistics.html">http://www.statisticsauthority.gov.uk/news/assessment-and-designation-of-experimental-statistics.html</a>