

# **EQUALITY, POVERTY AND SOCIAL SECURITY**

# Universal Credit Scottish choices – management information to end August 2019

#### Introduction

The figures in this report present management information on the number of Universal Credit (UC) recipients in Scotland who were given, and who took up, the UC Scottish choices.

UC Scottish choices give recipients of UC in Scotland a choice to have their UC award paid either monthly or twice monthly, and have the housing costs in their award of UC paid direct to their landlord. A person can make just one or both choices, depending on their circumstances.

The UC Scottish choices were introduced on 4 October 2017 for people making a new UC claim in full service areas. On 31 January 2018 they were extended to everyone receiving UC in full service areas, including people transferring from live to full service. As of April 2019, all live service claimants have been moved to the full service system. This publication covers the period from March to August 2019, including data on new claims and existing claims, but no further data on live to full service transfer.

This report presents figures on the number and type of UC Scottish choice offers by Local Authority. These values are cumulative from June 2018 only (See <u>Background Note</u> for more information).

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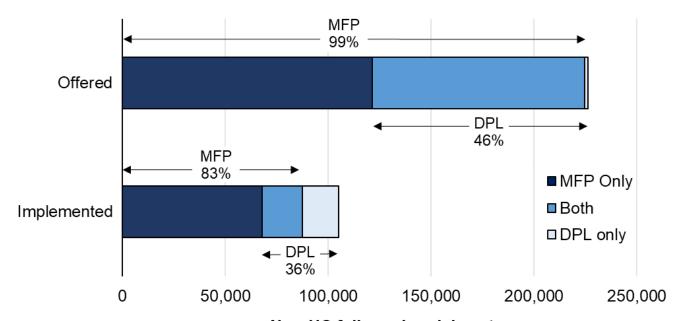
#### **Key Points**

- Since October 2017, a total of 105,170 **new** claimants who were offered have taken up one or both choices.
- The rate of **new** UC full service claimants who took up at least one of the UC Scottish choices offered to them was 46 per cent. This rate has been relatively stable for the last year, with a slight decrease in the last six months (a decrease of one percentage point).
- In total since October 2017, 119,190 people have taken up one or two choices, either with or without an offer (this includes **new**, **existing** and **live to full transfer** claimants).
- Of those people 78 per cent (93,030 people) have taken up more frequent payments (MFP) with or without an offer and 40 per cent (47,360 people) have taken up direct payment to landlords with or without an offer (this includes **new**, **existing** and **live to full transfer** claimants).

#### UC Scottish choices offers - new UC full service

- By end August 2019, 226,200 new UC full service claimants had been offered one or both UC Scottish choices since October 2017.
- Of those offered UC Scottish choices 99 per cent (224,620 people) have been offered more frequent payments (MFP) [Table 1, Chart 1].
- Of those offered UC Scottish choices 46 per cent (104,830 people) were offered direct payment to landlords (DPL) [Table 1, Chart 1].
- 121,370 people (54 per cent) received an offer of MFP only, 1,580 (1 per cent) received an offer of DPL only and 103,250 (46 per cent) received offers of both MFP and DPL [Table 1, Chart 1].
- Over twice as many offers included an offer of MFP than an offer of DPL [Chart 1]. This is because it is more common for individuals to be ineligible for the DPL offer, either because they do not receive the housing element of UC or they have an Alternative Payment Arrangement (APA) in place [Summary Panel 2] (see Background Notes).

Chart 1: Cumulative number of new UC full service claimants offered UC Scottish choices, by type of choice and implementation (as at end August 2019)



New UC full service claimants

#### UC Scottish choices implementations – new UC full service

- Of those people given one or two offers for UC Scottish choices, 46 per cent (105,170 people) accepted an offer, as at August 2019 [Table 1].
- Of those people offered MFP, 39 per cent (87,600 people) accepted an offer of MFP; of which 67,780 chose MFP only and 19,820 chose both choices [Table 1, Chart 1].
- Of those people offered DPL, 36 per cent (37,390 people) chose to implement DPL; of which 17,570 chose DPL only and 19,820 chose both choices [Table 1, Chart 1].

Table 1: Cumulative number of new UC full service claimants offered UC Scottish

choices, by type of choice and implementation

	As at end Mar 2019	As at end Apr 2019	As at end May 2019	As at end Jun 2019	As at end Jul 2019	As at end Aug 2019
No. given one or two offers:	151,950	167,350	180,760	194,180	211,470	226,200
Offer of MFP only	82,430	90,750	97,480	104,330	113,480	121,370
Offer of DPL only	1,020	940	1,220	1,360	1,450	1,580
Offer of both	68,500	75,660	82,060	88,490	96,540	103,250
No. accepting one or two offers:	71,660	79,100	85,720	91,500	98,870	105,170
Implemented MFP only	46,080	50,940	55,300	58,980	63,670	67,780
Implemented DPL only	11,680	12,810	13,920	15,030	16,420	17,570
Implemented both	13,900	15,350	16,500	17,490	18,780	19,820
% given an offer who accept:	47%	47%	47%	47%	47%	46%
Offer of MFP	40%	40%	40%	40%	39%	39%
Offer of DPL	37%	37%	37%	36%	36%	36%

#### **UC Scottish choices implemented outwith offer**

New UC claimants in full service areas are able to request the choices outwith a formal offer being made.

• In total, as at end August 2019, 12,420 new UC claimants have had one or both of the choices implemented via a request, with 26 percent (3,200 people) requesting MFP only, 65 per cent (8,070 people) requesting DPL only and 9 per cent (1,150 people) requesting both [Table 2].

From 31 January 2018 the UC Scottish choices were also opened up to existing UC full service claimants. Existing claimants were not formally 'offered' the choices, but were able to request the choices.

To end August 2019 there were 1,600 existing UC full service claimants who
had a choice implemented via a request, 53 per cent (850 people) for MFP
only, 33 per cent (520 people) for DPL only, and 14 per cent (230 people) for
both [Table 2].

Table 2: Cumulative number of claimants requesting UC Scottish choices outwith an offer, by claimant type

Claimant type	As at end Mar 2019	As at end Apr 2019	As at end May 2019	As at end Jun 2019	As at end Jul 2019	As at end Aug 2019
New full service:	8,070	8,840	9,800	10,660	11,660	12,420
received MFP only	2,160	2,310	2,590	2,770	3,010	3,200
received DPL only	5,140	5,690	6,290	6,890	7,570	8,070
received both	770	840	920	1,000	1,080	1,150
Existing:	1,380	1,430	1,490	1,530	1,570	1,600
received MFP only	760	790	820	830	840	850
received DPL only	430	440	460	480	500	520
received both	190	200	210	220	230	230
Total outwith an offer <sup>1</sup>	9,450	10,270	11,290	12,190	13,230	14,020

<sup>&</sup>lt;sup>1</sup> Italicised totals are not inclusive of total live to full service claimants, so there may be a small underestimate

# **UC Scottish choices offers by Local Authority**

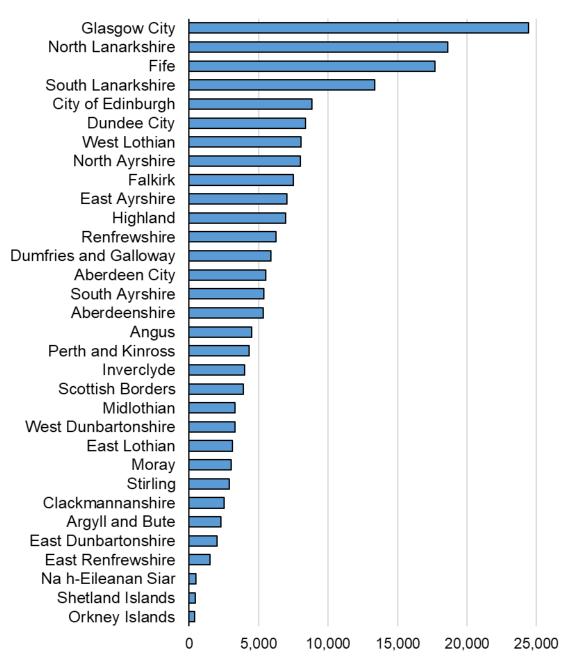
The Local Authority breakdown includes the cumulative number of new UC full service claimants offered Scottish choices from June 2018. For UC Scottish choices offered before June 2018 the Local Authority breakdown cannot be determined from the data. These offers are classified as 'Unknown'. The 'Unknown' category also includes offers that were created in one month and completed in a subsequent month (See <u>Data quality</u> for more information).

Table 3: Cumulative number of new UC full service claimants offered UC Scottish choices, by Local Authority (to end August 2019)

Local Authority <sup>1</sup>	No. given one or two offers	Offer of MFP (MFP only and both)	Offer of DPL (DPL only and both)	Percentage offer of MFP	Percentage offer of DPL
Scotland	226,200	224,620	104,830	99%	46%
Aberdeen City	5,500	5,470	2,420	99%	44%
Aberdeenshire	5,350	5,330	2,550	100%	48%
Angus	4,500	4,450	2,230	99%	50%
Argyll and Bute	2,270	2,260	1,070	100%	47%
City of Edinburgh	8,820	8,760	4,200	99%	48%
Clackmannanshire	2,520	2,500	1,150	99%	46%
Dumfries and Galloway	5,880	5,860	2,810	100%	48%
Dundee City	8,390	8,320	4,070	99%	49%
East Ayrshire	7,030	6,990	3,240	99%	46%
East Dunbartonshire	2,030	2,030	720	100%	35%
East Lothian	3,130	3,100	1,380	99%	44%
East Renfrewshire	1,510	1,510	490	100%	32%
Falkirk	7,490	7,440	3,700	99%	49%
Fife	17,680	17,590	8,220	99%	46%
Glasgow City	24,440	24,270	10,630	99%	43%
Highland	6,950	6,930	3,350	100%	48%
Inverclyde	3,980	3,960	1,600	99%	40%
Midlothian	3,320	3,290	1,340	99%	40%
Moray	3,030	3,020	1,440	100%	48%
Na h-Eileanan Siar	470	470	200	100%	43%
North Ayrshire	8,000	7,930	3,640	99%	46%
North Lanarkshire	18,610	18,500	8,530	99%	46%
Orkney Islands	380	370	220	97%	58%
Perth and Kinross	4,330	4,310	2,400	100%	55%
Renfrewshire	6,240	6,210	2,470	100%	40%
Scottish Borders	3,890	3,880	2,180	100%	56%
Shetland Islands	450	450	220	100%	49%
South Ayrshire	5,360	5,350	2,070	100%	39%
South Lanarkshire	13,360	13,270	4,900	99%	37%
Stirling	2,890	2,880	1,160	100%	40%
West Dunbartonshire	3,300	3,290	1,330	100%	40%
West Lothian	8,050	8,020	3,880	100%	48%
Unknown	27,170	26,770	15,170	99%	56%

<sup>&</sup>lt;sup>1</sup> Local Authority totals are cumulative from June 2018 to end August 2019 only

Chart 2: Cumulative number of claimants offered 1 or 2 UC Scottish choices, by Local Authority (from June 2018 to end August 2019)<sup>1</sup>



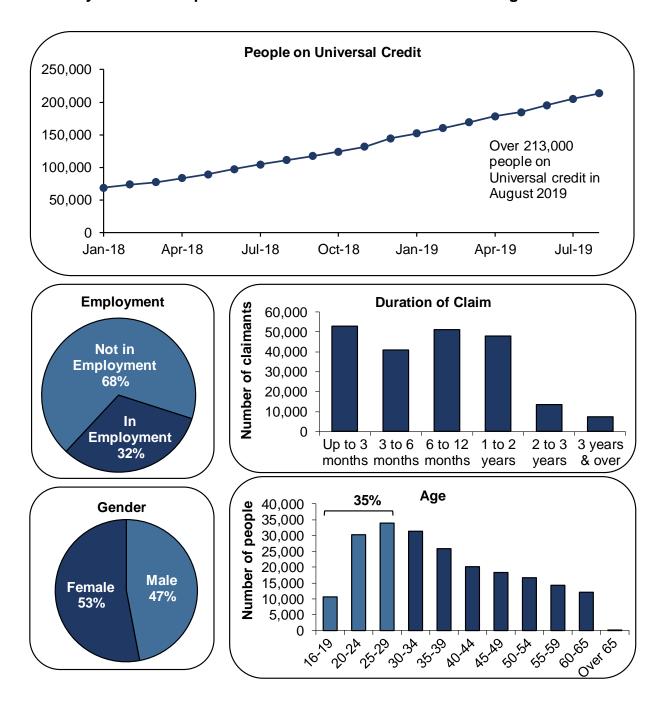
Number of claimants offered 1 or 2 UC Scottish choices

<sup>&</sup>lt;sup>1</sup> This breakdown only includes those offers created and completed within a given month

### People in Scotland on Universal Credit- at August 2019

Statistics of people in Scotland on UC are published by DWP<sup>1</sup>. These data are not directly comparable to the above management information, as they are counted on a different basis. In addition, not all UC claimants in Scotland are eligible for the UC Scottish choices (see <u>Background Notes</u> and <u>Data Quality</u>).

Summary Panel 1: People in Scotland on Universal Credit- at August 2019

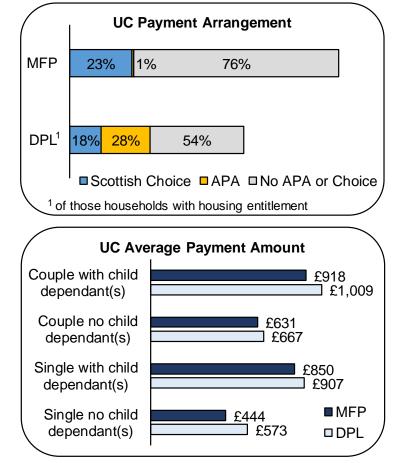


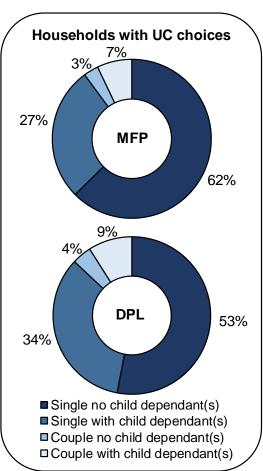
<sup>&</sup>lt;sup>1</sup> See <u>Stat-Xplore</u> for further breakdowns

#### Scottish households in payment of UC- at May 2019

Statistics on Scottish households in payment of UC with UC Scottish choices are published by DWP<sup>2</sup> and are different to the above management information and people count. These payment data are based on whether a household received a UC payment in a particular month via the UC Scottish choice. If the household is not in payment in a given month it will not be included in these statistics. This could occur if, for example, the household's earnings for the month are high enough to take the household out of UC entitlement. Because of this, payment data are lower than offers given. The latest figures show that of those households in payment of UC, 50,200 households are in receipt of UC with Scottish choices and 31,000 households have an Alternative Payment Arrangement (APA) in place.

# Summary Panel 2: Scottish households in payment of Universal Credit – at May 2019





<sup>&</sup>lt;sup>2</sup> See <u>Stat-Xplore</u> for further breakdowns

#### **Background**

As Universal Credit (UC) is reserved to the UK Government, the Department for Work and Pensions (DWP) delivers the UC Scottish choices on behalf of the Scottish Government, with all costs associated with delivery being met by the Scottish Government.

The DWP provides the Scottish Government with management information on UC Scottish choices on a monthly basis, including the number of people who are offered the choices and the numbers who took them up.

The Scottish Government have received data covering 4 October 2017 to end August 2019. However, the earliest date that the UC Scottish choices offer would have gone out was 11 November to claimants not required to serve the seven waiting days<sup>3</sup> and from 18 November to those who were subject to the waiting days.

There are a number of ways a UC claimant in Scotland can take up one or both of the choices:

- New claimants offered as a to-do<sup>4</sup> and accepted offer.
- New claimants requested offer via other channel, e.g. phone, face to face. This can be prior to the choice officially being offered<sup>5</sup>.
- Existing claimants requested offer via other channel.
- Claimants transferring from UC live system to full service offered as a todo<sup>3</sup> and accepted offer.
- Claimants transferring from UC live system to full service requested offer via other channel, e.g. phone, face to face. This can be prior to the choice officially being offered<sup>4</sup>.

From May 2016 claimants have been transferring from live to full service areas. The UC live system was closed to new applicants in January 2018. As of April 2019, all live service claimants have been moved to the full service system. We no longer receive data on live to full transfer claimants.

Not all UC claimants in Scotland are eligible for the UC Scottish choices. Those who already have an Alternative Payment Arrangement (APA) put in place by DWP will not be eligible for the choices. An APA can be put in place if DWP determines that the person in receipt of UC is vulnerable and has complex needs, for example, substance misuse or mental health problems. Options for APAs include more frequent payments; direct payments of housing costs to landlords; and split

<sup>&</sup>lt;sup>3</sup> Exemptions are set out by the DWP.

<sup>&</sup>lt;sup>4</sup> A to-do is a digital notification in the UC online account notifying of potential action required. For the UC Scottish choices, it is not mandatory to complete the to-do.

<sup>&</sup>lt;sup>5</sup> As standard, the UC Scottish choices are offered at the start of the second assessment period following a new claim to UC, or a transfer from UC live service to full service. However, it is possible to request the choices before they are offered.

payments of the UC award between members of a household. DWP decide whether to put an APA in place before UC Scottish choices are offered.

Some UC claimants are only eligible for one of the UC Scottish choices. This could be because they already have an APA in place, or because they do not receive the housing element of UC, and therefore, will not be offered the direct payment to landlord choice.

#### **Data Quality**

This management information provides data on the take up of the UC Scottish choices. The DWP carries out a range of quality assurance checks on the monthly data before sending it to Scottish Government. These include:

- Comparisons with previous month's figures.
- Check values are consistent across full range of tables.
- Sense check trends in data over time.
- Independent checking of the code to run the tables, and subsequent outputs.

Work is currently being taken forward by the DWP to enhance the quality of this data by setting up a more structured and stable extract of the data. When this work is complete this will ensure that the quality of the data is sufficient to allow it to be published as official statistics.

Due to data quality reasons we publish Scotland-level statistics from cumulative figures rather than monthly figures. As we receive Local Authority breakdowns as monthly figures only, we have calculated proxy cumulative figures by summing these monthly values. This makes them more susceptible to inaccuracy from rounding i.e. rounding error is more significant over time. The proxy cumulative figures only include those offers created and completed within the same month, so are an underestimate of the total number of offers.

Prior to June 2018 we did not receive data for UC Scottish choices broken down by Local Authority. Those people who were offered choices before June 2018 are included in the Local Authority breakdown as having an 'Unknown' Local Authority. This category also includes those offers created in one month and completed in a subsequent month.

Due to the large number of 'Unknowns' the Local Authority breakdown data is not directly comparable to the Scotland-level data, however comparisons can still be made between Local Authorities.

All figures in this report have been rounded to the nearest 10.

# **Comparison to DWP statistics**

As explained <u>above</u> not all UC claimants in Scotland are eligible for the UC Scottish choices, so will not be offered the choice. Universal Credit Scottish Choices data differs from DWP's official statistics on people and households in the following ways:

- UC Scottish choices are offered to a household from the second assessment period, so will not be captured in the management data until at least one month after DWP's people and household payment statistics.
- DWP statistics include those people that are on UC (completed the UC claim process, accepted their Claimant Commitment and have not had a termination recorded) and households in payment of UC that have an assessment period on the 'count date' (second Thursday in each month).
- In comparison, UC Scottish Choices show the number of households that were offered and implemented a choice as at the end of each month and include those that may have left UC/ UC Scottish choices within the given month.
- DWP's statistics have a structured and stable data extraction process, which
  ensures consistency in figures over time. DWP also revise their figures in
  subsequent releases where data quality issues arise.
- In comparison, UC Scottish Choices monthly data are not extracted in a consistent way and are not regularly revised.

#### **Further development**

We plan to publish the next set of data as official statistics. We will engage with users to establish their needs, both in terms of content and timing of future publications.

We will be gathering more breakdowns of the choices data by Local Authority area, including the number of offers accepted and the take up rate. This will be included in future publications when the data has been sufficiently quality assured.

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