

EQUALITY, POVERTY AND SOCIAL SECURITY

Universal Credit Scottish choices – management information to end August 2020

Introduction

This report presents management information on Universal Credit (UC) recipients in Scotland who took up or requested 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 (More Frequent Payments, MFP), and have the housing costs in their award of UC paid direct to their landlord (DPL). A person can make 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 September 2019 to August 2020, including data on new claims and existing claims, but no further data on live to full service transfer.

This report presents figures on offers of UC Scottish choices by choice type and local authority. These values are cumulative from June 2018 to March 2020 only (see Background for more information).

This publication includes management information up to the end of August 2020, which captures the initial months of the COVID-19 pandemic. The increase in UC Scottish choices offers in April and May 2020 track the overall increase in UC caseload (see Background for more information on the process).

This management information has been used to inform the UC Scottish choices evaluation, the findings of which can be found here: [Universal Credit Scottish choices: evaluation - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/uc-scottish-choices-evaluation/pages/introduction.aspx)

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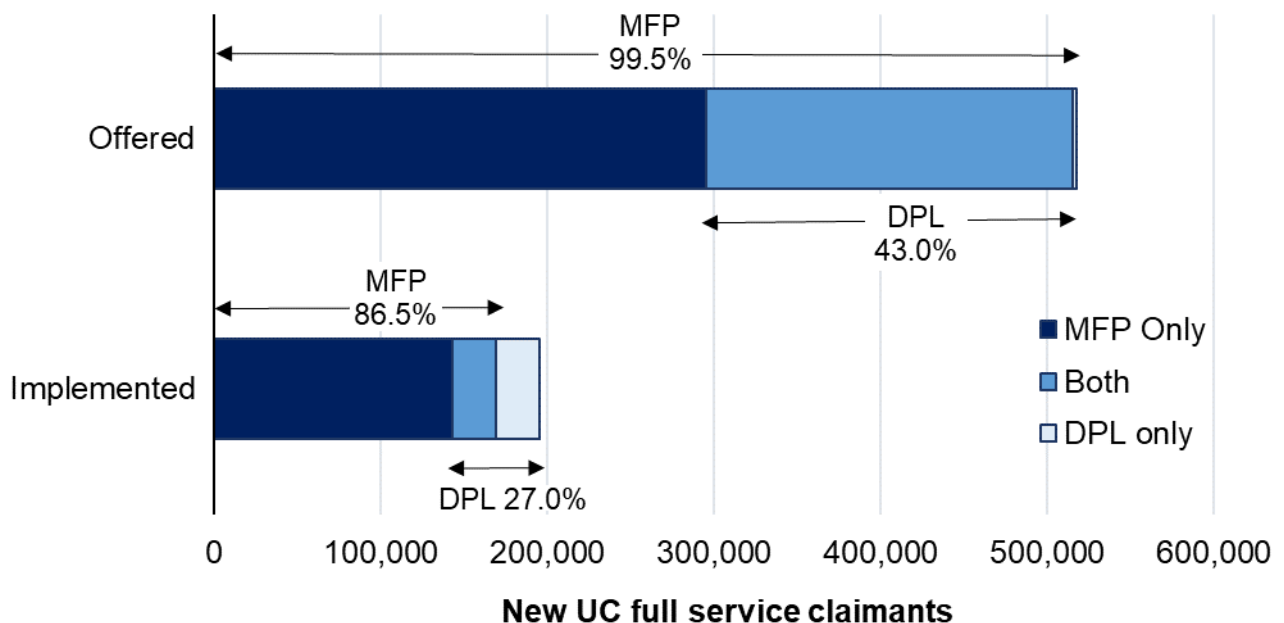
Key Points

- Since October 2017, a total of 195,540 **new** claimants were offered and took up one or both UC Scottish choices.
- The rate of **new** UC full service claimants who took up at least one of the UC Scottish choices offered was 38 per cent in August 2020. This rate has decreased over the last year, from 46 per cent in August 2019. This decrease coincides with the increase in the number of offers as more people came onto UC as a result of COVID-19.
- In total since October 2017, 224,790 claimants 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 claimants, 82 per cent (184,150 people) have taken up more frequent payments (MFP) with or without an offer and 33 per cent (75,030 people) have taken up direct payment to landlords with or without an offer.

UC Scottish choices offers – new UC full service

- By end August 2020, 518,000 new UC full service claimants had been offered one or both UC Scottish choices since October 2017. The number of offers increased by 21 per cent in May 2020 following an overall increase in UC caseload as a result of COVID-19 **[Summary Panel 1]**.
- Over twice as many offers included MFP than included 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 because they have an Alternative Payment Arrangement (APA) in place (**[Summary Panel 1]**, see **Background Notes**).
- Almost all new claimants (99.5 per cent, 515,410 people) were offered more frequent payments (MFP), whereas 43 per cent (222,620 people) were offered direct payment to landlords (DPL) **[Table 1, Chart 1]**.
- Most new claimants (295,380 people, 57 per cent) received an offer of MFP only, 2,590 (0.5 per cent) received an offer of DPL only and 42.5 per cent (220,030 people) received offers of both MFP and DPL and **[Table 1, Chart 1]**.

Chart 1: Cumulative number of new UC full service claimants offered UC Scottish choices since introduction in October 2017, by type of choice and implementation (as at end August 2020)



UC Scottish choices implementations – new UC full service

- Of those given one or two offers of UC Scottish choices, 38 per cent (195,540 people) had accepted an offer, as at August 2020 **[Table 1]**. This rate has decreased over the last year, from 46 per cent in August 2019. This decrease coincides with the increase in the number of offers as more people came onto UC as a result of COVID-19. Those claimants that are new to UC may not be taking up the offers for reasons such as owning their own property, having more savings, or being more experienced in budgeting on a monthly cycle.
- Of those offered MFP, 33 per cent (169,210 people) accepted MFP; of which 142,730 accepted MFP only and 26,480 accepted offers of both MFP and DPL **[Table 1, Chart 1]**. This rate decreased from 39 per cent in March 2020 coinciding with an increase in offers as a result of COVID-19.
- Of those offered DPL, 24 per cent (52,810 people) accepted DPL; of which 26,330 accepted DPL only and 26,480 accepted offers of both DPL and MFP **[Table 1, Chart 1]**. This rate decreased by 6 percentage points in March 2020, mostly due to an improvement in methodology (see [Data Quality](#) section) and then continued to decrease coinciding with an increase in offers as a result of COVID-19.

Table 1: Cumulative number of new UC full service claimants offered UC Scottish choices, by type of choice and implementation

	As at end Feb 2020	As at end March 2020 ^(r)	As at end Apr 2020	As at end May 2020	As at end June 2020	As at end July 2020	As at end Aug 2020
No. given one or two offers:	311,430	342,810	373,740	453,790	480,030	501,890	518,000
Offer of MFP only	167,520	184,510	202,140	253,790	271,100	285,120	295,380
Offer of DPL only	2,110	2,180	2,250	2,380	2,450	2,520	2,590
Offer of both	141,800	156,120	169,350	197,620	206,480	214,250	220,030
No. accepting one or two offers¹:	140,070	153,680	163,270	180,940	186,270	191,360	195,540
Implemented MFP only	90,720	109,140	116,390	131,020	135,390	139,420	142,730
Implemented DPL only	23,970	21,450	22,780	24,630	25,200	25,840	26,330
Implemented both	25,380	23,090	24,100	25,290	25,680	26,100	26,480
% given an offer who accept¹:	45%	45%	44%	40%	39%	38%	38%
Offer of MFP	38%	39%	38%	35%	34%	33%	33%
Offer of DPL	34%	28%	27%	25%	24%	24%	24%

¹ There was a change in methodology from April 2020 (See [Data Quality](#) section)

(r) March 2020 figures have been revised using the new methodology

UC Scottish choices implemented outwith an offer

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

- In total, as at end August 2020, 26,760 new UC claimants have had one or both of the choices implemented via a request, with 21 percent (5,540 people) of these requesting MFP only, 51 per cent (13,580 people) requesting DPL only and 29 per cent (7,640 people) requesting both [Table 2].

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

- To end August 2020 there were 1,740 existing UC full service claimants who had UC Scottish choices implemented via a request. Of those 52 per cent (910 people) received MFP only, 32 per cent (550 people) received DPL only, and 16 per cent (280 people) received both MFP and DPL [Table 2].

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

	As at end Feb 2020	As at end March 2020 ^(r)	As at end Apr 2020	As at end May 2020	As at end June 2020	As at end July 2020	As at end Aug 2020
Total new full service claimants¹	17,550	22,730	23,810	24,920	25,550	26,180	26,760
New claimants - received MFP only	4,320	4,670	4,910	5,120	5,270	5,410	5,540
New claimants - received DPL only	11,680	12,030	12,400	12,840	13,080	13,320	13,580
New claimants - received both	1,550	6,030	6,500	6,960	7,200	7,450	7,640
Total Live to Full service claimants²	800	800	800	800	800	800	800
Live to full - received MFP only	420	420	420	420	420	420	420
Live to full - received DPL only	320	320	320	320	320	320	320
Live to full - received both	60	60	60	60	60	60	60
Total existing claimants¹	1,730	1,610	1,630	1,650	1,660	1,670	1,690
Existing claimants - received MFP only	900	1,030	1,040	1,050	1,060	1,060	1,070
Existing claimants - received DPL only	550	390	390	400	400	400	410
Existing claimants - received both	280	190	200	200	200	210	210
Total claimants outwith an offer	20,080	25,140	26,240	27,370	28,010	28,650	29,250

1 There was a change in methodology from April 2020 (See Data Quality section)

2 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.

(r) March 2020 figures have been revised using the new methodology

UC Scottish choices – all implementations by end August 2020

Since UC Scottish choices was introduced in October 2017, 224,790 people have taken up one or two choices. This includes new claimants, either with or without an offer, those transferring from Live to Full Service, and existing UC claimants who have requested the choices.

Of those people who have implemented UC Scottish choices with or without an offer, 82 per cent (184,150 people) have taken up MFP, and 33 per cent (75,030 people) have taken up DPL.

The majority of implementations were by new full service claimants accepting an offer (87 per cent) or outwith an offer (12 per cent), with one per cent coming from existing claimants and less than one per cent from Live to Full service transfers.

Table 3: Cumulative number of claimants implementing UC Scottish choices, by implementation type, by end August 2020

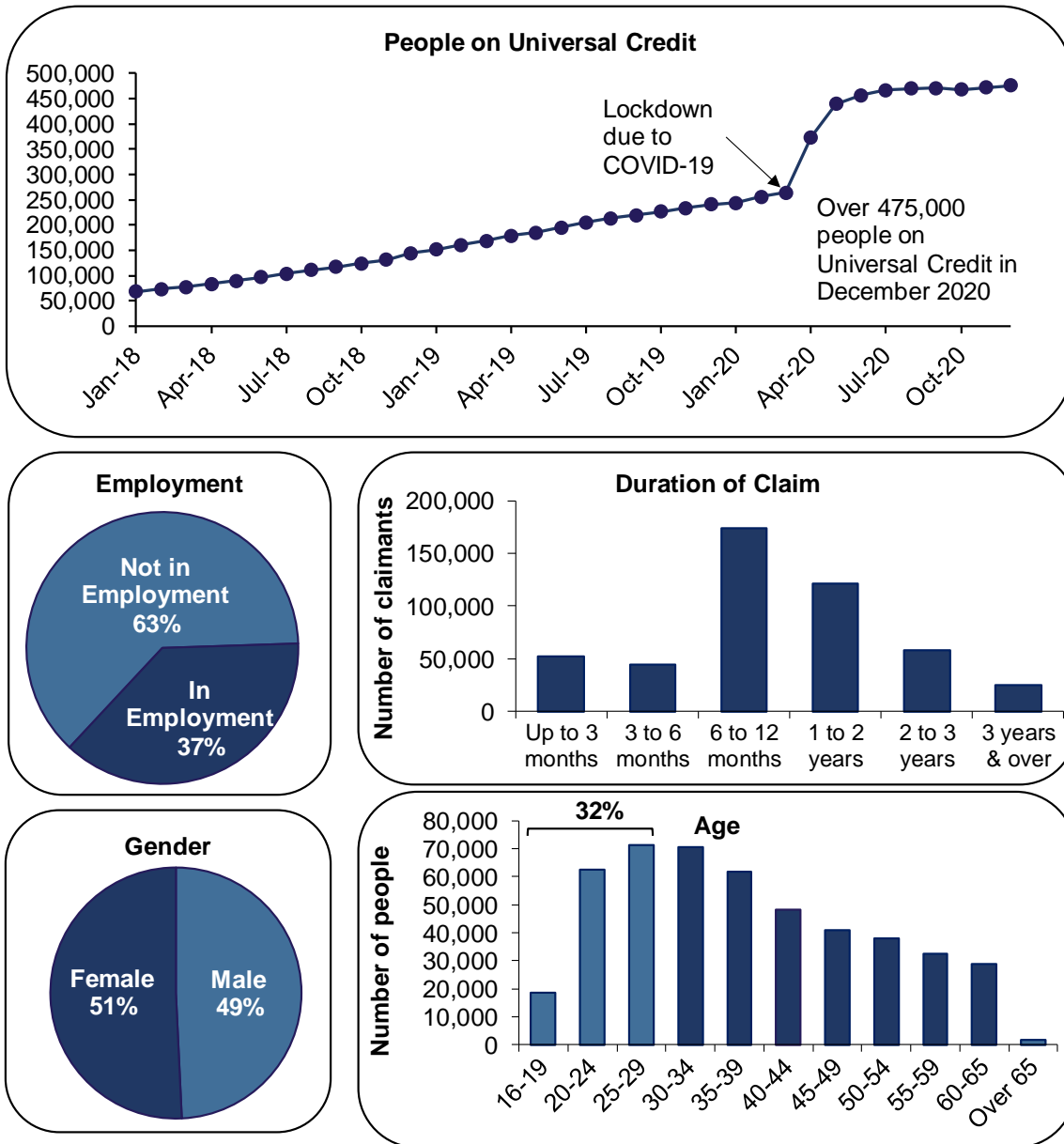
	MFP	DPL	MFP or DPL or both	Percentage by implementation type
New full service claimants accepting offer	169,210	52,810	195,540	87%
New full service claimants outwith offer	13,180	21,220	26,760	12%
Live to Full service claimants ¹	480	380	800	0%
Existing claimants outwith offer	1,280	620	1,690	1%
Total claimants implementing UC Scottish choices	184,150	75,030	224,790	
Percentage by type of choice	82%	33%		

¹ 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.

People in Scotland on Universal Credit at December 2020

Statistics of people in Scotland on UC are published by DWP¹. 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 [Background Notes](#)). There was a large increase in people on UC in April and May 2020 (41 per cent and 18 per cent increase, respectively) due to the impact of the COVID-19 pandemic. The age and gender of people on UC is similar to previous months, but the duration of claim has increased, with the percentage claiming for 6-12 months rising from 25 per cent in March 2020 to 37 per cent in December 2020. The proportion of people in employment has also increased from 31 per cent in March 2020 to 37 per cent in December 2020.

Summary Panel 1: People in Scotland on Universal Credit at December 2020



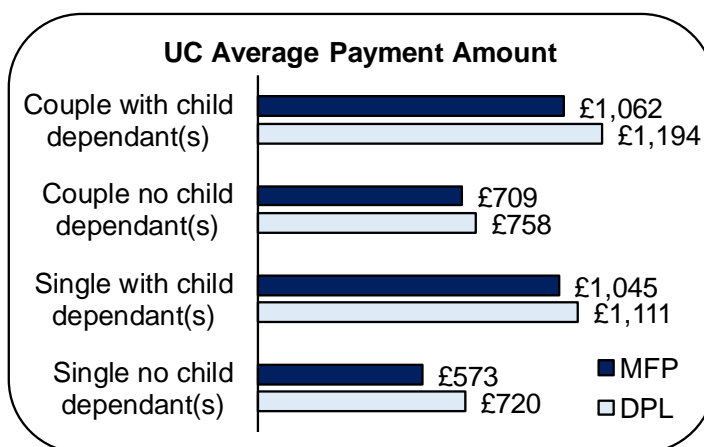
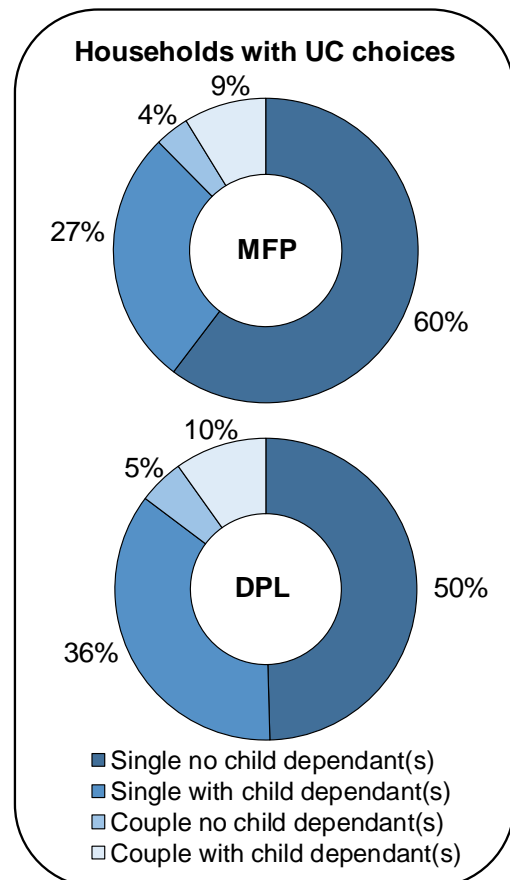
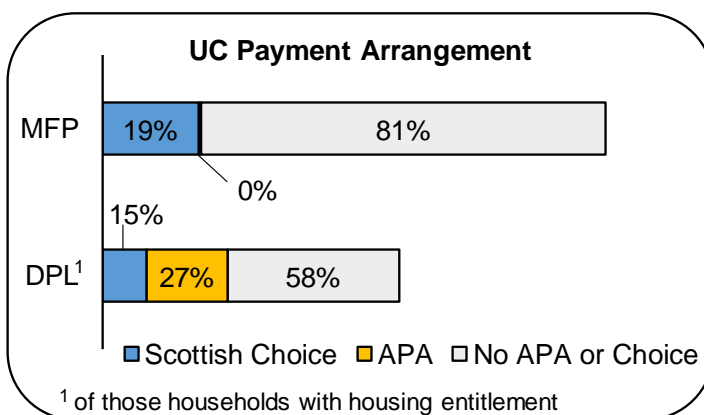
¹ See [Stat-Xplore](#) for further breakdowns

Scottish households in payment of UC at November 2020

Statistics on Scottish households in receipt of UC payments with UC Scottish choices are published by DWP² and are different to the above management information and people count. DWP payment data are based on whether a household received a UC payment in a particular month via UC Scottish choices. If the household did not receive a UC 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 receipt of UC payments, 98,110 households were in receipt of UC payments with UC Scottish choices and 65,640 households had an Alternative Payment Arrangement (APA) in place. In April 2020 there was an increase in the proportion of households without an APA or UC Scottish choice (5 and 6 per cent increase for MFP and DPL, respectively). The average payment amount also increased in April 2020, reflecting the £20 a week uplift introduced in response to the COVID-19 pandemic.

Summary Panel 2: Scottish households in payment of UC at November 2020^(p)



² See [Stat-Xplore](#) for further breakdowns

^(p) November 2020 is marked as provisional (p) meaning they are subject to revision in subsequent releases.

Background

As 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 met by the Scottish Government.

The DWP provides the Scottish Government with management information on UC Scottish choices on a monthly basis, including the numbers of offers that were made and accepted.

The Scottish Government have received data covering 4 October 2017 to 31 August 2020. However, the earliest date that the UC Scottish choices were offered was 11 November to claimants not required to serve the seven waiting days³ 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 UC Scottish choices:

- New claimants – offered as a to-do⁴ and accepted offer.
- New claimants – requested offer via other channel, e.g. phone, face to face. This can be prior to UC Scottish choices being offered formally⁵.
- Existing claimants – requested offer via other channel.
- Claimants transferring from UC live system to full service – offered as a to-do³ 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 UC Scottish choices being offered formally⁴.

From May 2016 claimants have been transferring from live to full service areas. The UC live system 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. As part of the first UC assessment period, DWP identifies if a person in receipt of UC has any vulnerabilities or complex needs, for example, substance misuse or mental health problems. This may then lead to them being supported through an Alternative Payment Arrangements (APA). Options for APAs include more frequent payments; direct payments of housing costs to landlords; and split payments of the UC award between members of a household. UC Scottish choices are offered as part of the second UC assessment period, which is generally at least 5 weeks from when

³ Exemptions are set out by the DWP.

⁴ 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.

⁵ 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.

people apply for UC, and is after DWP have decided whether to put an APA in place. Those who already have an APA in place are not eligible, and therefore do not receive an offer, for UC Scottish choices.

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, are not offered direct payments to landlord.

Once claimants have taken up one or both of the UC Scottish choices they are able to cancel their choice at any time and revert back to their previous payment method.

An evaluation of UC Scottish choices was published in March 2021 and can be found here: [Universal Credit Scottish choices: evaluation - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/universal-credit-scottish-choices-evaluation/pages/introduction.aspx)

Data Quality

Quality assurance

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

- Comparisons with the 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.

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

Methodological improvements

Prior to April 2020 the definition of 'implementation' was not consistent for each of the UC Scottish choices. Since April 2020 'implementation' has been defined for both choices as: 'the claimant's next UC payment would be affected by the choice'. This new definition is based on more robust and consistent data. Data for March 2020 has been revised using this new methodology, which has resulted in the following changes to the figures (compared to the unrevised figures):

- The number of new full service claimants accepting one or two offers – implemented DPL only and implemented both have decreased by approximately 13 per cent **[Table 1]**
- The number of new full service claimants accepting one or two offers – implemented MFP only has increased by 14 per cent **[Table 1]**
- The percentage of claimants given an offer of DPL who accepted decreased by approximately 6 percentage points **[Table 1]**.

- The total existing claimants – received DPL only and received both have decreased by approximately 30 per cent **[Table 2]**.
- The total existing claimants – received MFP only and received both have increased by approximately 13 per cent **[Table 2]**.

Prior to April 2020, the management information did not consider second or subsequent instances of UC Scottish choices. Data for March 2020 has been revised using this new methodology, which has impacted on the number of claimants that received the choices outwith an offer (compared to the unrevised figures):

- The number of new full service claimants receiving DPL only outwith an offer decreased by approximately 2 per cent **[Table 2]**
- The number of new full service claimants receiving both choices outwith an offer increased by approximately 275 per cent **[Table 2]**.

Due to this change we have not included an update on the number of removals in this publication (the number of claimants that have cancelled their choice and reverted to their previous payment method). Future publications will include removals once the methodology is finalised.

Prior to April 2020, the management information only included claimants that had addresses in Scotland. The methodology has been improved to also include claimants whose Universal Credit claim was made at a DWP site in Scotland and those that had implemented UC Scottish Choices but later moved out of Scotland.

The management information prior to these changes (April 2020) is not comparable to the most recent data. Due to continuing methodological improvements these data are subject to revisions.

Local authority level breakdown

Due to the change in methodology and data quality issues we have not included an update of the local authority breakdown in this publication. Future publications will include the breakdown once the data quality issues are resolved.

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 UC Scottish choices before June 2018 are included in the local authority breakdown as having an 'Unknown' local authority. This category also includes 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.

Comparison to DWP statistics

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 start of the second assessment period, so will not be captured in the management information until at least one month after DWP's people and household payment statistics.
- DWP statistics include 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 data 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

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. 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.

Contact

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