

# Universal Credit Data Briefing

## Citizens Advice Scotland: October 2020

*Scotland's Citizens Advice Network empowers people in every corner of Scotland through our local bureaux (CAB) and national services by providing free, confidential, and independent advice. We use people's real-life experiences to influence policy and drive positive change. We are on the side of people in Scotland who need help, and we change lives for the better.*

### Summary

This data briefing has been produced alongside a Citizens Advice Scotland policy briefing calling for the £20 a week increase to Universal Credit to be made permanent.

The data briefing contains comprehensive statistics that aim to give an understanding of the economic impact of COVID-19 through data on the people seeking advice from Citizens Advice Bureaux (CAB) on Universal Credit and other Citizens Advice network statistics.

### Key Findings

- Since March, Scotland's Citizens Advice Network has provided over **85,000 pieces of advice on Universal Credit**.
- **A quarter (27%)** of clients seeking Universal Credit advice for the first time lived in the most **affluent** parts of Scotland (SIMD quintiles 4 and 5).
- **Over 1 in 4 (28%)** of new CAB clients seeking advice on Universal Credit are **homeowners**; Universal Credit doesn't provide mortgage support for 39 weeks.
- **1 in 10 (11%)** new CAB clients are **self-employed**, in comparison to 5% of repeat Universal Credit clients.
- **A third (34%)** of CAB clients seeking advice on Universal Credit are in part-time or full-time **employment**.
- **Redundancy** advice has **more than tripled** as a proportion of all CAB employment advice given.
- **Over 1 in 3 people** in Scotland are concerned about their **future income**.

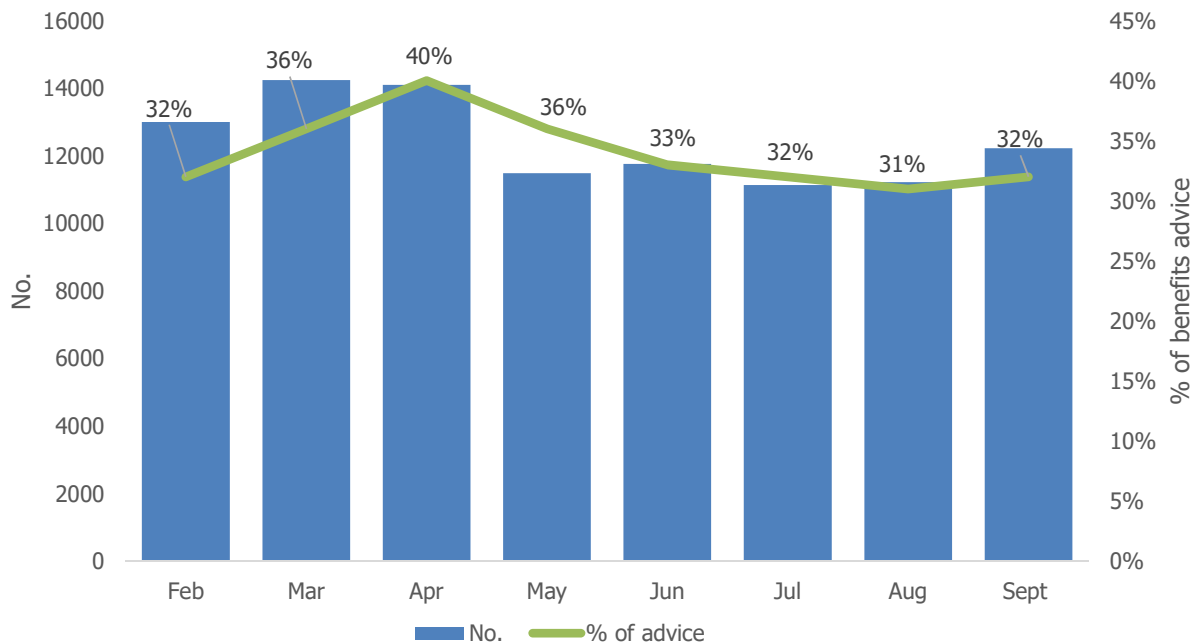
**Note on the data:** All CAB charts are based on advice code data. These are recorded by advisers every time advice in relation to a particular topic is issued. All figures and trends are expressed as proportionate to their "parent" advice code category: e.g. Universal Credit advice is expressed as a proportion of all social security issues. This allows for more effective comparisons between months when overall numbers of clients fluctuate and/or there are changes in advice provision (e.g. the shift to telephone and email at start of lockdown).

## Scotland’s Citizens Advice Network – Universal Credit Data

The chart below shows Universal Credit as a proportion of all benefits advice given by CAB. There was a clear sharp rise in the number and proportion of advice given on Universal Credit in the initial stages of the pandemic between February and April.

Universal Credit is a key part of the social security safety-net that must be a priority for investment. We note that depending on the success of the measures taken to protect jobs it is possible that a further spike, similar to what was seen between February and April, will occur over the Winter period.

**Universal Credit advice as a proportion of all benefits advice**



	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
<b>Number of pieces of advice</b>	13002	14241	14100	11487	11761	11132	11216	12224
<b>Proportion of all benefits advice</b>	32%	36%	40%	36%	33%	32%	31%	32%

## A Widening Demographic

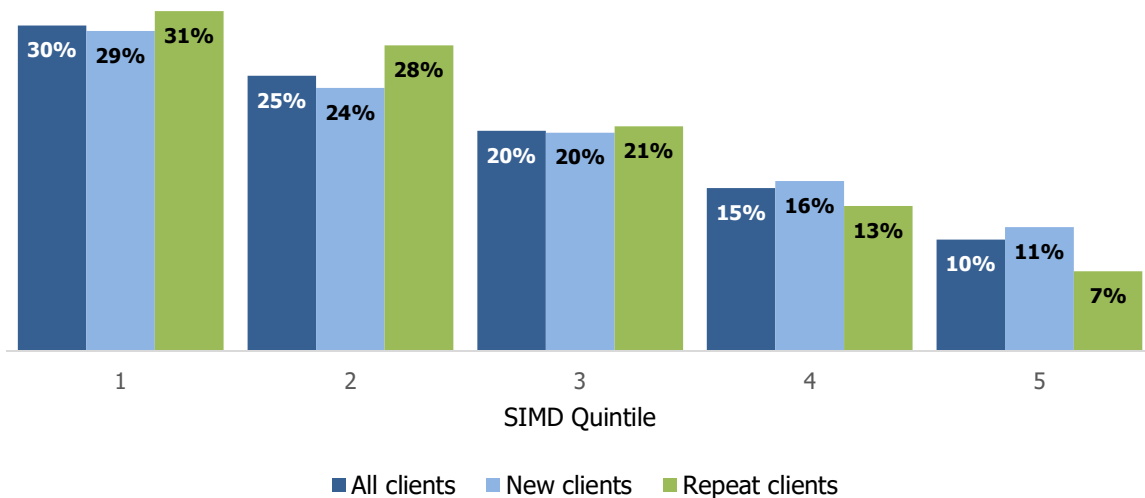
Citizens Advice network data replicates what is commonly thought regarding the upsurge in claims to Universal Credit and the changing demographic of who is making UC claims. Mainly, that many people claiming Universal Credit are doing so for the first time and are coming from more affluent areas with a greater number of people being home owners.

CAS has long called for the level of Universal Credit payment to be lifted to a more adequate level. Particularly pertinent when considering many people now finding themselves claiming Universal Credit for the first time are likely to have financial commitments that outstrip the level of UC payments. Any roll-back on the £20 a week increase could have profound financial implications for all claiming UC, including the significant number who have experienced a severe income shock when initially having to claim UC.

The chart below shows UC clients by Scottish Index of Multiple Deprivation (SIMD). While we still see that almost a third of all CAB clients seeking UC advice live in the most deprived parts of Scotland, CAB are seeing a greater proportion of new clients from quintiles 4 and 5 (the least deprived).

**Note on data:** *New clients are people who have had their first contact with a Citizens Advice Bureau (CAB) between April and August. Repeat clients represent people who have received advice from CAB previously and have revisited since April. All clients represent the total number of CAB.*

UC clients by SIMD quintile



SIMD Quintile	All clients	New clients (first contact since April)	Repeat clients (used CAB previously and revisited since April)
1	(30%)	(29%)	(31%)
2	(25%)	(24%)	(28%)
3	(20%)	(20%)	(21%)
4	(15%)	(16%)	(13%)
5	(10%)	(11%)	(7%)

### Universal Credit Clients and Employment

Citizens Advice Bureau have seen a notable proportion of new UC clients who are in full-time employment or self-employed seeking advice on Universal Credit for the first time.

The chart also demonstrates that those in part-time or full-time work make up around a third of CAB UC clients – highlighting that UC is a critical in-work benefit for those on low-pay. Over 6 in 10 (62%) of the clients seeking Universal Credit advice for the first time since April do not have children nor a limiting health condition/disability – therefore will not be entitled to any Work Allowance.

- **A third (34%)** of CAB clients seeking advice on Universal Credit are in part-time or full-time **employment**.
- There has been an increase in the proportion of new clients who are **unemployed**.

UC Clients by Employment status

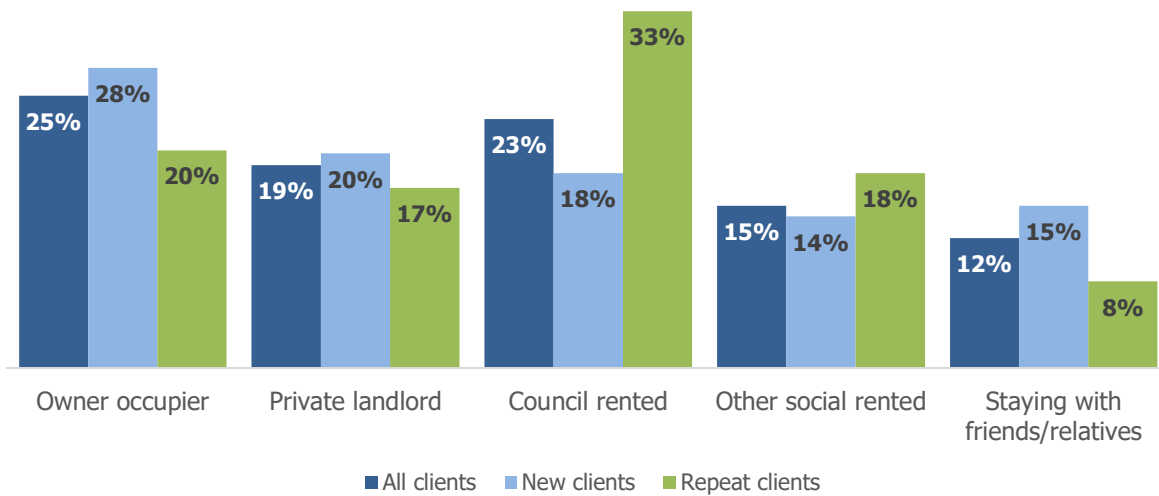


	All clients	New clients	Repeat clients
<b>Full time work (30+ hours)</b>	19%	19%	17%
<b>Part time work (less than 30 hours)</b>	15%	14%	18%
<b>Self-employed</b>	9%	11%	5%
<b>Unemployed</b>	25%	28%	19%

### Universal Credit Clients and Housing

The below chart shows an increase in the proportion of new clients who are owner occupiers or renting from a private landlord. Both groups are likely to experience difficulty with UC covering housing costs. Mortgage payers are not entitled to any support with housing costs until 39 weeks of claiming UC – for this group the additional £20 a week (£1040 a year) will be making a much needed contribution to covering housing costs. For private renters, Local Housing Allowance rates of 30% will leave a shortfall when covering rent in the majority of PRS properties.

**UC clients by Housing status**



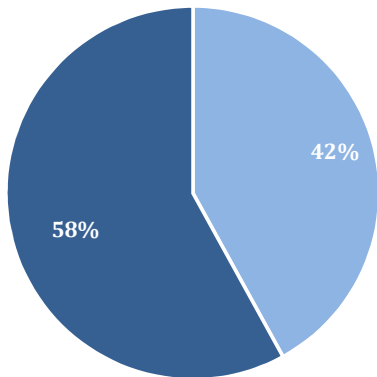
	All clients	New clients (first contact since April)	Repeat clients (used CAB previously and revisited since April)
Owner occupier	25%	28%	20%
Private landlord	19%	20%	17%
Council Rented	23%	18%	33%
Other Social Rented	15%	14%	18%
Staying with friends/family	12%	15%	8%

### Impact of Removing the £20 a week on CAB Debt Clients

An analysis of clients on Universal Credit who have received advice on 'complex debt'<sup>1</sup> from a CAB in Scotland between April-August reveals the stark financial impact removing the £20 a week increase will have.

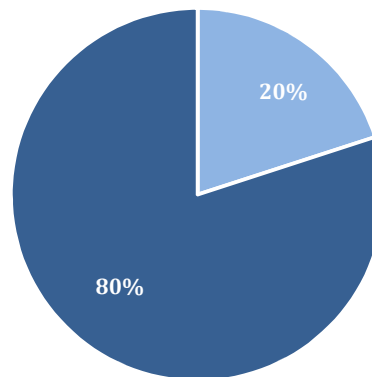
- Without the additional £20 a week, **8 in 10 CAB complex debt clients will be unable to meet their living costs** (in a negative budget).<sup>2</sup>
- The £20 a week uplift **increases by 22% (1 in 5)** the number of clients who are in a positive budget, supporting them to meet their living costs

**With** additional £20 a week



- Cases in positive budget
- Cases in negative budget

**Without** additional £20 a week



- Cases in positive budget
- Cases in negative budget

*Impact of £20 a week on CAB clients seeking complex debt advice (between Apr-Aug).*

	With additional £20 a week	Without additional £20 a week
Cases in positive budgets	(42%)	(20%)
Cases in negative budgets	(58%)	(80%)

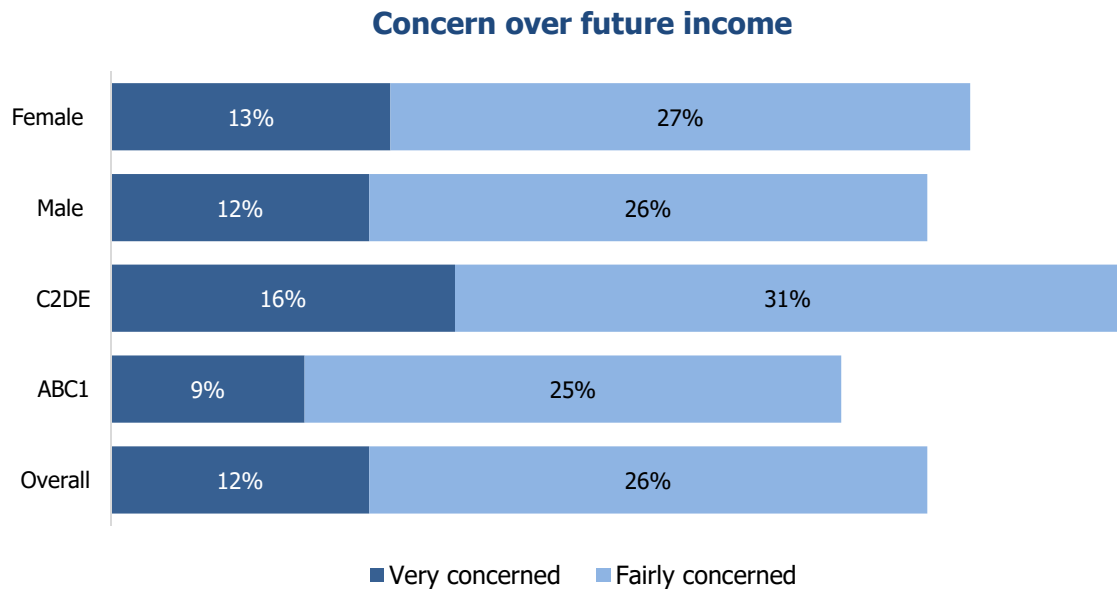
<sup>1</sup> Complex debt refers to the level of support someone needs, whether that is due to the size of their debts in comparison to their income, or the number of separate debts they have.

<sup>2</sup> A negative budget is where a debt adviser assesses someone cannot meet their living costs.

## Concern over Income

CAS external polling, carried out by Mark Diffley Consultancy and Research, during August 2020 found:

- > **1 in 3 people** in Scotland are concerned about their future income.



- > **This increases to almost 1 in 2 people** in the lower-socio economic (C2DE) group being concerned about their future income.

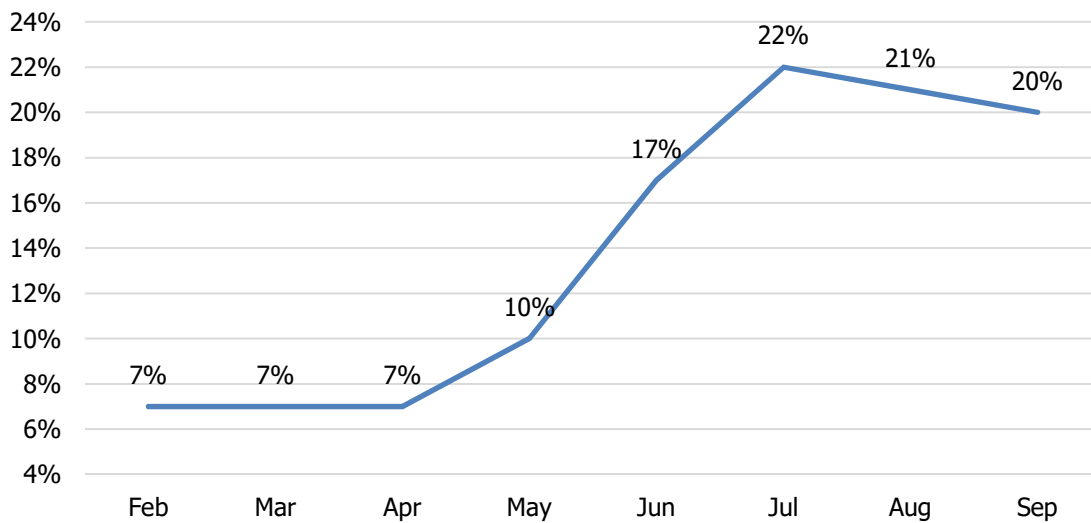
	Female	Male	C2DE	ABC1	Overall
<b>Very concerned</b>	71 (13%)	62 (16%)	62 (16%)	52 (9%)	133 (12%)
<b>Fairly concerned</b>	148 (27%)	140 (26%)	118 (31%)	141(25%)	288 (26%)

## Redundancy Advice

Comparing the external polling carried out by CAS with the internal data from our network it is clear that concern over job security and income are being borne out in the seeking of advice and information on redundancy.

- Between April and July, advice on redundancy more than **trebled**.

**Redundancy as a proportion of all employment advice**



Month	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Redundancy %</b>	7%	7%	7%	10%	17%	22%	21%	20%

**For more information, including for information on constituency level statistics, please contact:**

Debbie Horne, Senior Policy Officer (Social Justice)  
[Debbie.Horne@cas.org.uk](mailto:Debbie.Horne@cas.org.uk)