

# **Universal Credit: Northern Ireland**



Data to May 2022

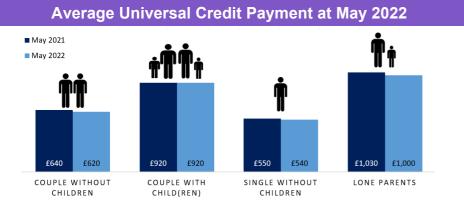
#### Quarterly

### **Experimental Statistics - Published: 31st August 2022**

This summary contains experimental statistics on Universal Credit (UC) in Northern Ireland. Statistics have been produced at individual claimant and household level. Universal Credit is a payment to help support households that are out of work or on a low income. Eligibility for Universal Credit depends on a household's circumstances.



68,780 households made a claim to Universal Credit between May 2021 and May 2022 inclusive. Monthly claims increased substantially in March 2020 following the government measures introduced in response to the coronavirus pandemic, however, claims have since returned to pre-Covid levels.

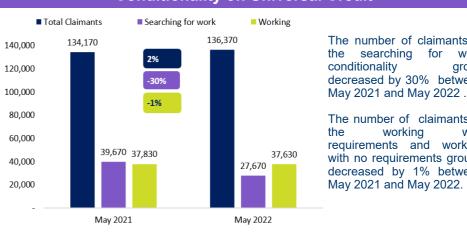


On average, the amount of Universal Credit paid to households increased to £750 in May 2022 from £740 in May 2021. However, decreases in average monthly payments can be seen between household types, this may be due to the removal of the temporary increase in the standard allowance that was put in place to help households during the Coronavirus pandemic.

#### Households on Universal Credit



Between May 2021 and May 2022 the number of households on Universal Credit increased by 2% (from 116,900 to 119,100). The proportion of households receiving a payment increased from 88% to 91% over the same period.



The number of claimants in the searching for work conditionality group decreased by 30% between

The number of claimants in working the with requirements and working with no requirements groups decreased by 1% between May 2021 and May 2022.



## **Publication Overview**

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#### What you need to know

This summary contains statistics on Universal Credit (UC) in Northern Ireland from its commencement on 27th September 2017 until the end of May 2022.

Universal Credit began rolling out on a phased geographical basis in Northern Ireland on 27th September 2017. Roll out for new claims in Northern Ireland completed on 5th December 2018.

Universal Credit provides a single award per household based upon the circumstances of the household. Support for housing costs, children and childcare costs are integrated into Universal Credit via additional elements. It also provides additions for disabled people and carers. 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.

Universal Credit replaces six existing benefits and tax credits; Income-based Jobseekers Allowance, Incomerelated Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit.

Universal Credit payment arrangements differ between Great Britain and Northern Ireland. In Great Britain, Universal Credit is paid once per month directly to the claimant, including any housing allowances. Northern Ireland flexibilities are processes put in place to help the transition to Universal Credit in Northern Ireland. They include more frequent payments (twice per month) and the facility for payment of rent direct to the landlord. Payment can also be split between members of a household.

#### Impact of Coronavirus

The restrictions that were introduced throughout the economy and society as a result of the coronavirus (COVID-19) pandemic led to a large increase in the number of claims for Universal Credit.

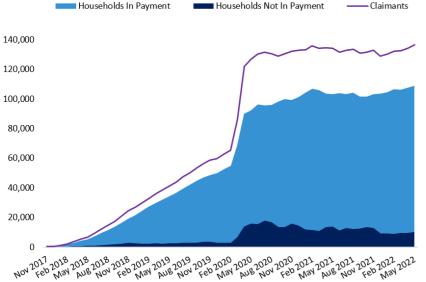
This increase in claims for Universal Credit was not all necessarily due to unemployment. On 20th March 2020, the government announced a temporary increase of £1,040 to the Universal Credit standard allowance, increasing the amount of earnings a household could receive before their Universal Credit award is reduced to nil. This increase to the standard allowance was removed in October 2021.

The self-employed who were temporarily without income due to the government's 'stay at home' restrictions, and people and households with COVID-19 or following the government requirements to isolate and not eligible for Statutory Sick Pay could also claim Universal Credit. Those furloughed and on a low income could also potentially qualify.

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## **Households on Universal Credit**

#### Universal Credit Households and Claimants to May 2022



The number of households on Universal Credit had been rising steadily since it was rolled out in Northern Ireland. However, the number of households on Universal Credit almost doubled between February and July 2020 when the government introduced restrictions due to the Coronavirus pandemic.

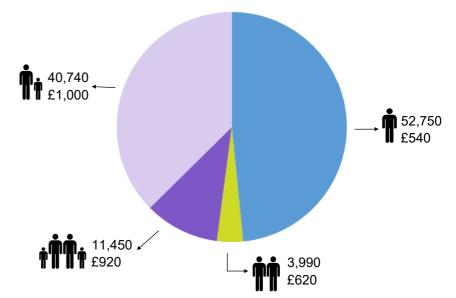
- As government restrictions eased, the increase in households on Universal Credit slowed, with 119,100 households on Universal Credit in May 2022.
- The number of claimants on Universal Credit has increased over the last quarter, from 132,150 claimants in February 2022 to 136,370 claimants in May 2022.
- May 2022 seen the highest number of households and claimants on Universal Credit since it was rolled out.

The increase in the number of people on Universal Credit since March 2020 should be considered in the context of:

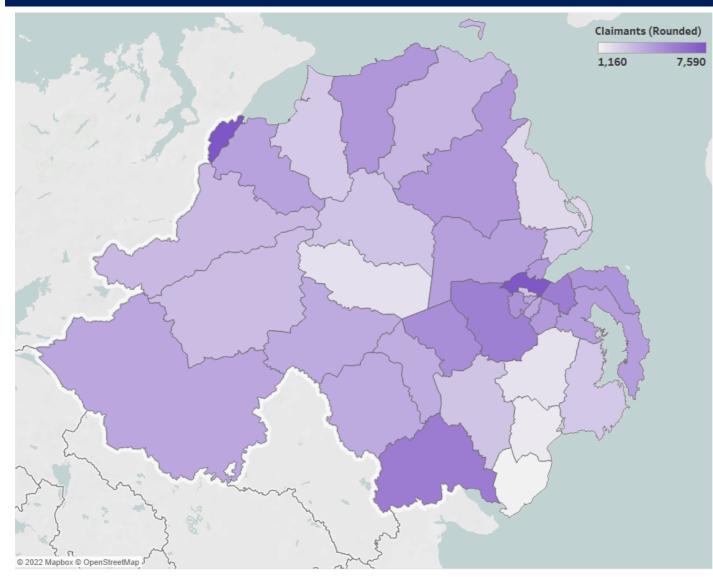
- changes in income or employment status resulting from the coronavirus pandemic;
- changes announced to support people through the coronavirus pandemic, including a temporary £1,040 a year increase to the standard allowance and an increase to local housing allowance rates;
- a temporary policy change whereby nil payment awards were kept open for up to six assessment periods of nil payment, rather than being closed if claimant earnings reduce their award to nil.

#### Households in Payment and Average Award Amount at May 2022

- In May 2022, 48% (52,750) of Universal Credit payments were to single people without children, with lone parents accounting for 37% (40,740) of Universal Credit payments. 11% (11,450) of payments were to couples with children and 4% (3,990) to couples without children.
- During May 2022, the average amount (mean) of Universal Credit awarded to households in payment was £750 per month compared to £730 in February 2022.
- Average Universal Credit payments increased across all household types between February 2022 and May 2022, with lone parents and single claimants without children both receiving the highest increase of £20 per month.
- Households with children had higher average payments compared to other households as a result of entitlement to support for one or more children, and a higher proportion with entitlement to support for housing. Lone parents received on average £1,000, whilst couples with children received an average of £920 in May 2022.



## Where Universal Credit Claimants Live - May 2022



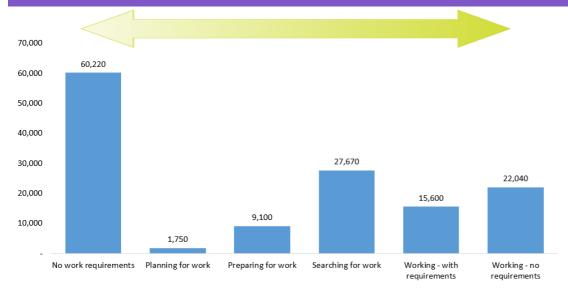
JBO **Total Claimants** Andersonstown 4,820 4,270 Antrim 3,850 Armagh Ballymena 4,670 3,410 Ballymoney Ballynahinch 1,730 Banbridge 2,850 Bangor 4,760 2,620 Carrickfergus Coleraine 4,660 1,790 Cookstown Downpatrick 2,680 Dungannon 3,850 4,000 Enniskillen 4,090 Falls Road Foyle 7,590 5,770 Holywood Road 1,160 Kilkeel 4,520 Knockbreda 2,080 Larne 2,640 Limavady 5,630 Lisburn 4,210 Lisnagelvin 5,040 Lurgan Magherafelt 2,830 1,470 Newcastle Newry 5,830 4,550 Newtownabbey 4,340 Newtownards 7,540 North Belfast Omagh 3,150 3,750 Portadown 4,010 Shaftesbury Sq 2,940 Shankill 3,300 Strabane

The darker areas of the map are areas with higher numbers of Universal Credit claimants, while the lighter areas are the areas with fewer Universal Credit claimants.

Additional geographical breakdowns are available within the supplementary tables that accompany this publication.

## **Conditionality on Universal Credit**

#### Claimants Numbers by Conditionality Regime to May 2022

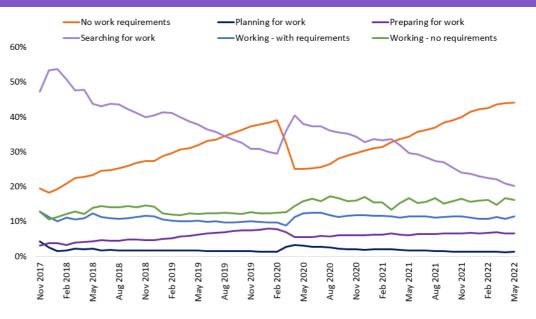


All claimants on Universal Credit are assigned to a conditionality group which determines what type of work-related activity they must carry out to retain eligibility for Universal Credit.

- In May 2022, 27,670 claimants were in the 'Searching for work' conditionality regime, a 7% decrease from February 2022 (29,700).
- 37,630 Universal Credit claimants were 'in work' in May 2022, a 5% increase from February 2022 (35,700). This includes 15,600 who were working with conditionality requirements and 22,040 who were working with no conditionality requirements. Universal Credit claimants in other conditionality regimes may also be in work but are not included in this total.
- The number of claimants in the 'no work requirements' regime rose to 60,220 in May 2022, a 7% increase from February 2022 (56,180).

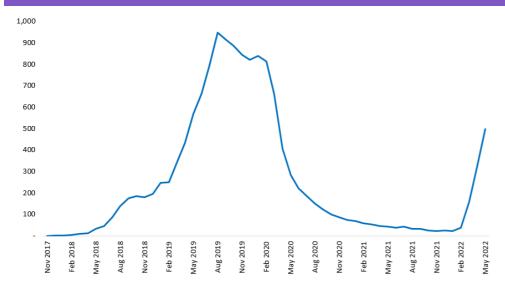
- The rise in claimants on Universal Credit as a result of the Coronavirus pandemic was not all due to a rise in unemployment. While the numbers searching for work increased, the numbers of claimants who were in work (working with or without requirements) also rose.
- Although the number of claimants 'searching for work' increased notably after February 2020, the proportion of claimants 'searching for work' returned to the early 2020 level of 30% by May 2021, and has since decreased further to 20% by May 2022.
- There was a pandemic-associated peak of claimant numbers in the 'searching for work' group in April 2020, which was also associated with a peak in the proportion of all claimants in this regime (41%) at that time.
- At May 2022, 28% of claimants were in work (with or without requirements).

#### **Claimant Proportions by Conditionality Regime to May 2022**



## Sanctions and Advances under Universal Credit

#### Claimants with a reduction in benefit amount due to a sanction to May 2022



When making a claim to Universal Credit, claimants agree to meet certain work requirements, depending on their circumstances.

If work requirements are not met without good reason, claimants can be subject to a sanction, resulting in a reduction to the standard allowance portion of their Universal Credit award.

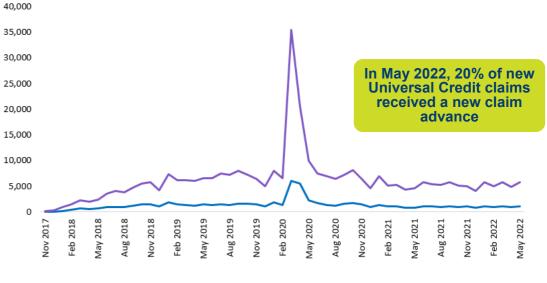
Legislative changes in response to the Coronavirus pandemic meant that work-search and work availability requirements were dis-applied between 30th March 2020 and 30th June 2020.

 Since February 2022 the number of claimants receiving a sanction has increased significantly. In May 2022, 500 Universal Credit claimants had a deduction taken from their Universal Credit award due to a sanction, compared to 40 claimants in February 2022.

If a household on Universal Credit is in financial difficulty they can apply for a range of financial supports including an advance payment. This is an early payment of their Universal Credit, which will be paid back through a reduction in future payments. (*More information on the different reasons a household might receive an advance can be found on page 9.*)

The most common reason for a household to receive an advance is that they do not have enough money to live on until their first payment, which is usually made five weeks after the initial claim. These are known as 'New claim advances'.

 In May 2022, 1,160 households received a new claim advance, this is around 20% of all claims made that month.

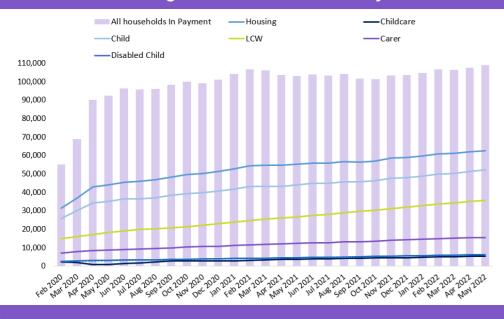


New Claim advances

New Claims

## Number of New Claims Advances to May 2022

### Additional Element Entitlements for Households in Payment

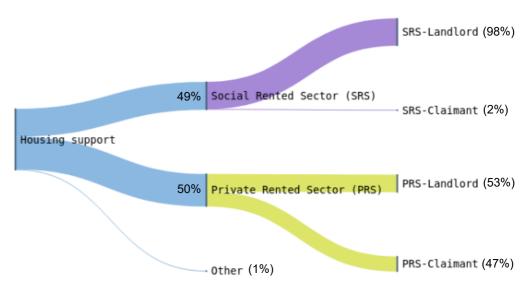


#### Households receiving additional elements to May 2022

- Between February 2022 and May 2022 support for housing costs (housing entitlement) has remained included in 57% of households receiving a payment.
- In Northern Ireland, support for housing costs is made by direct payment to landlord, by default, where renting. This policy position differs from Great Britain where direct payments are made to the claimant by default.
  - In May 2022, 49% (30,370) of households receiving a payment of Universal Credit with entitlement to support for housing were in the social rented sector, compared to 50% (31,390) in the private rented sector. The remaining households were categorised as 'other or unknown' for tenure. This includes households in owner-occupied accommodation receiving support for mortgage interest.
  - In May 2022, 98% of households entitled to support for housing costs in the social rented sector had these paid directly to a landlord, compared to 53% in the private rented sector.

Under Universal Credit, households can qualify for additional elements on top of their standard allowance, depending on their circumstances. (*More details on page 9*)

- The number of households claiming additional elements had been increasing gradually prior to the coronavirus pandemic as Universal Credit gradually replaced existing legacy benefits for new claims.
- In the first few months of the pandemic (March and April 2020), the number of households claiming additional elements increased notably as the number of claimants rose. This was particularly the case for housing and child elements.
- Between February 2022 and May 2022 the proportion of households claiming housing element remained at 57%; the proportion claiming the child element increased from 47% to 48%; the proportion claiming LCW increased from 31% to 33%; and the proportion claiming carers element remained at 14%.



Housing Element of Universal Credit at May 2022

## About these statistics

These Experimental Statistics have been compiled using data from records of Universal Credit benefit claims held by the Department for Communities. The methodology used and definitions of the statistics may be updated within subsequent releases, along with information on the impact of any changes to the time series already released.

These statistics have been developed using guidelines set out by the UK Statistics Authority, and are new official statistics undergoing evaluation. They have, therefore been designated as Experimental Statistics. Users are invited to comment on the development and relevance of these statistics (<u>Northern Ireland Universal Credit statistics feedback survey</u>).

Figures contained within this publication have been rounded to the nearest ten. Percentages and totals shown are calculated using unrounded figures before rounding. Some totals therefore may not sum due to rounding. Supplementary tables accompanying this publication are available on the Department for Communities (DfC) <u>website</u>.

#### **Report terminology**

This report contains four measures:

Claims	Claims made counts the number of household claims submitted for Universal Credit
Starts	Starts on Universal Credit follow an initial interview where eligibility for Universal Credit is confirmed and members of a household accept their Claimant Commitment. Entitlement to Universal Credit must also have been calculated
Claimants	Claimants on Universal Credit include all individual members of a household who have started and are still on Universal Credit at the end of the reported month. Some claimants will have their claim terminated either at the request of the individual or if their entitlement to Universal Credit ends
Households	Households are counted as being on Universal Credit where a claimant or claimants within the household have been included within the count of claimants
Advance Types	
New claim	Received if the household is in financial need and does not have enough money to live on until their first Universal Credit payment
Change of circumstances	Received if the household is already claiming Universal Credit, and the payment is increasing due to a change in circumstances, but the increase hasn't yet been received
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#### **Sanction Types**

If a claimant fails to meet the requirements of their Claimant Commitment without a good reason, they may be subject to a sanction, resulting in a reduction to their Universal Credit standard allowance for a set time. The amount deducted is calculated as a percentage of the standard allowance and is dependent on the claimant's current circumstances and conditionality regime. Additional elements are not subject to sanction reductions.

Sanction reasons fall into four levels, and sanction length depends on the sanction level and the number of previous failures within the year.

Lowest	Failure to attend to take part in a Work-Focused Interview. The sanction lasts until the claimant attends or takes part in one, or moves to either the 'Working-no requirements' or 'No Work Requirements' conditionality regimes.
Low	Sanction lasts until the claimant does what they previously failed to do and were sanctioned for or because the requirement is no longer appropriate or an alternative compliance condition has been met; plus 7, 14 or 28 days for the first, second or third low-level sanction in any 12-month period.
Medium	Sanction lasts 28 days for the first sanction in any 12-month period and 91 days for a second medium-level sanction.
High	Sanction lasts for 91 days for the first sanction in any 12-month period and 182 days for a second high-level sanction. The sanction length will be less than this if the claimant was under 18 at the point of the sanctionable failure.

## About these statistics

#### **Conditionality Regimes**

Conditionality regime specifies the category a claimant is in at the end of any given month. Conditionality refers to those work-related activities an eligible adult will have to carry out in order to retain eligibility for Universal Credit. Each eligible adult will fall into one of six conditionality regimes based on their capacity and circumstances. Different members of a household may be subject to the same or different requirements. As circumstances change claimants can also transition between different levels of conditionality. Conditionality Regimes are detailed in the following table:

No work requirements	Not expected to work at present. Health or caring responsibility prevents claimant from working or preparing for work.
Planning for work	Expected to work in the future. Lone parent/lead carer of child aged 1. Claimant required to attend periodic interviews to plan for their return to work.
Preparing for work	Expected to start preparing for future even with limited capability for work at the present time or parent of a child aged 2. The claimant is expected to take reasonable steps to prepare for working including Work Focused Interview.
Searching for work	Not working, or with very low earnings. Claimant is required to take action to secure work - or more/better paid work. The Work Coach supports them to plan their work search and preparation activity.
Working - with requirements	In work but could earn more, or not working but has a partner with low earnings.
Working - no requirements	Individual or household earnings over the level at which conditionality applies. Required to inform Department for Communities of changes of circumstances, particularly if at risk of decreasing earnings or losing job.

#### **Additional Elements on Universal Credit**

In addition to the standard allowance, there are additional elements in Universal Credit that a household may qualify for based on their circumstances:

Child	A claimant will qualify for the child element if they are responsible for any children who they normally live with.
Childcare costs	A household will qualify for this element if they are currently paying for registered childcare whilst working.
Limited capability for work	A claimant will be eligible if they satisfy the Work Capability Assessment (WCA). There are two amounts depending on the outcome of the WCA and whether the claimant was in receipt of a work-related activity component of Employment and Support Allowance immediately before claiming Universal Credit.
Disabled child	A claimant will qualify for every child or young person that is in receipt of DLA or PIP or is registered blind.
Carer	A household will qualify for this element if they are caring for a severely disabled person for at least 35 hours a week.
Housing	A claimant will qualify if they are tenant responsible for paying the rent which the housing costs element will assist with.

#### **Data Quality Statement**

The statistics contained within the publication and supplementary tables are subject to retrospective revision in any future releases. This is to account for retrospective actions on the Universal Credit Full Service system (UCFS). The methodology, structure and format of the measures for gathering these statistics are still in development and are also in the process of being quality assured. As such this may also lead to a revision of the figures contained within. These revisions are performed in accordance with T3.9 of the UK Statistics Authority Code of Practice for Statistics. Revised figures within these tables may cover from October 2017 to February 2022.