

Jobseeker's Allowance, Universal Credit and the Claimant Count
Changes to the Measurement of the Claimant Count
June 2015

What is Jobseeker's Allowance?

Jobseeker's Allowance has been the main unemployment benefit in the UK since 1996.

There are 2 types of Jobseeker's Allowance. The first is 'contribution-based Jobseeker's Allowance' which someone may be entitled to for up to 182 days if they have paid enough National Insurance contributions.

The second is 'income-based Jobseeker's Allowance' which is based on the claimant's income and savings.

What is Universal Credit?

Universal Credit is a new benefit which 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

Universal Credit is not exclusively an unemployment related benefit, as some Universal Credit claimants will be working and others will not be required to seek work.

What is the Claimant Count?

The Claimant Count is a measure of the number of people with live claims for benefit principally for the reason of being unemployed.

From 1996 until the introduction of Universal Credit, this was the number of people claiming Jobseeker's Allowance. However, since its introduction some unemployment benefit claimants will be claiming Universal Credit instead.

Why not just add unemployed Universal Credit claimants to Jobseeker's Allowance claimants?

The long term intention is that the Claimant Count will be the total number of Jobseeker's Allowance claimants and unemployed Universal Credit claimants.

However, information on the number of claimants of Universal Credit is not yet available in a way that allows the number of unemployed claimants to be identified.

The latest information available from the Department for Work and Pensions (DWP) is an experimental measure of the number of people claiming Universal Credit who are not in work. This

includes some claimants who are out of work but not required to seek work to be eligible for their benefits. For example, some people are not required to seek work due to illness or disability.

How has Universal Credit been treated so far in the Claimant Count?

Until the July 2014 edition of the Labour Market release, Universal Credit figures were not included in the Claimant Count at all. However, due to the way in which Universal Credit has been rolled out, the exclusion of Universal Credit claimants would only have had a very small effect on the Claimant Count at this time.

In the July 2014 edition of the Labour Market release ONS published two versions of the Claimant Count:

- the old measure which only included Jobseeker's Allowance claimants and which continued to be the headline measure, and
- a new experimental version of the Claimant Count, which initially included all Universal Credit claimants as well as Jobseeker's Allowance claimants.

The new experimental Claimant Count did not accurately reflect the required coverage because it included all Universal Credit claimants rather than only those who were unemployed.

From November 2014 the experimental measure of the Claimant Count was improved to exclude Universal Credit claimants in work. However, this measure still includes Universal Credit claimants who are not in work but not required to seek work, who should ideally be excluded from the Claimant Count.

What are we changing this month?

From the June 2015 edition of the Labour Market release the experimental measure, that includes Universal Credit claimants who are not in work, will become the new Claimant Count, replacing the previous measure based only on Jobseeker's Allowance claimants.

Claimant Count data from May 2013 to the latest period will be revised to the new way of measuring the Claimant Count, with earlier data, prior to the introduction of Universal Credit, remaining on a Jobseeker's Allowance only basis.

However, we can only make these adjustments for the overall levels of claimants at this stage. We cannot produce similar statistics for age breakdowns, flows of claims, or for duration of claim. Therefore these series will be suspended.

Why are you making the change now?

Although the impact until now has been small, with the acceleration of the national rollout of Universal Credit, the impact is going to be growing rapidly.

Although the currently available Universal Credit component will include some claimants who are not required to seek work, the experimental measure of the Claimant Count, while still not accurately reflecting the required coverage, is likely to provide a better measure of the number of people claiming unemployment related benefits.

What about the Jobseeker's Allowance figures?

We will continue to publish the series of claimants of Jobseeker's Allowance, but this data will no longer be the Claimant Count.

What about the National Statistics status of all these series?

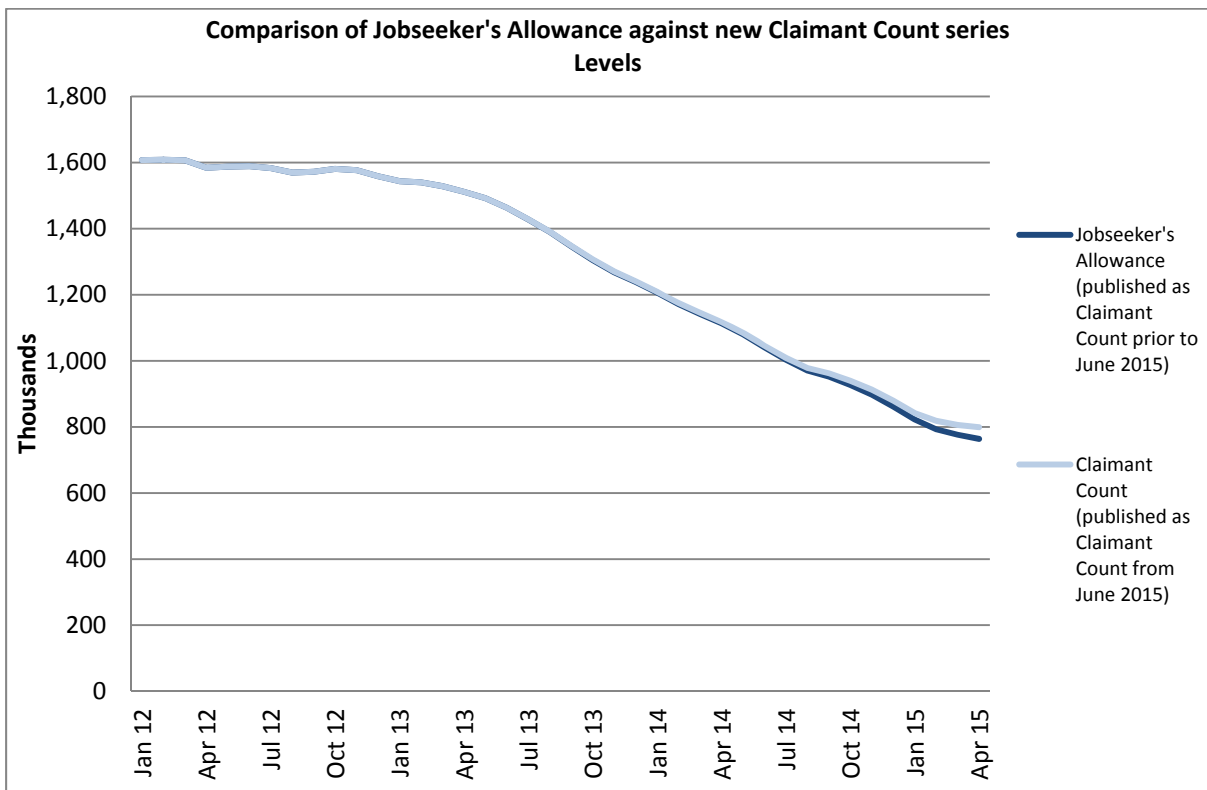
The Claimant Count, as measured using Jobseeker's Allowance plus a Universal Credit component, will continue to be Experimental Statistics. The Universal Credit estimates are still being developed by DWP and at some point will be revised to reflect unemployed Universal Credit claimants.

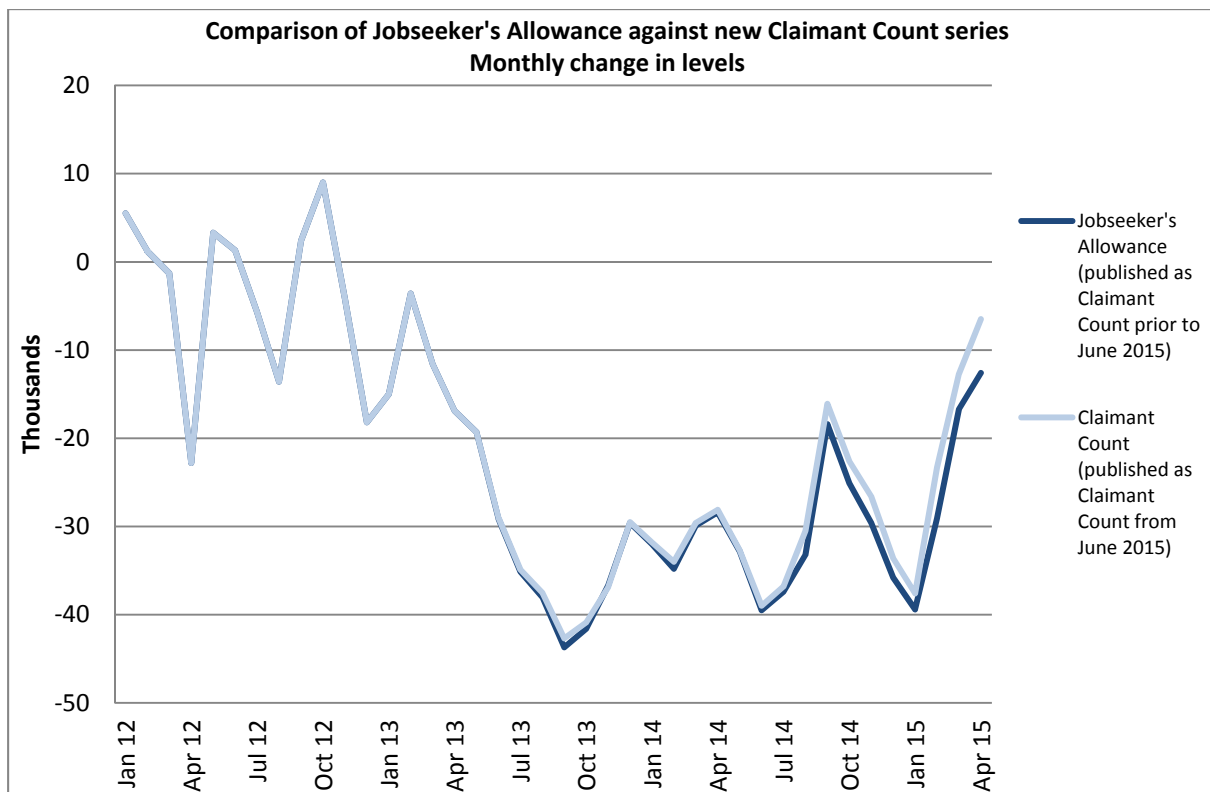
The series of claimants of Jobseeker's Allowance, that we will continue to publish, will no longer be designated as National Statistics. Although they will continue to reflect the number of people claiming Jobseeker's Allowance, the public value of the future series as a measure of the Claimant Count based solely on the count of Jobseeker's Allowance claimants will diminish with each subsequent publication.

How big an impact does this have on the Claimant Count?

In April 2015, the experimental Claimant Count was 799,400, of which 763,800 (95.5% of the total) were JSA claimants and 35,600 (4.5% of the total) were Universal Credit claimants.

The graphs below show the experimental Claimant Count compared with the count of Jobseeker's Allowance only.





As can be seen, while the difference between the two measures has been very small, it is starting to be more significant.

What information will be available?

In the June 2015 Labour Market release we published an experimental seasonally adjusted Claimant Count level for each region and country of the UK, by gender, along with the associated rates and changes.

The UK figures appear in Table 10 of the UK Labour Market Statistical Bulletin and the associated web reference table CLA01. Meanwhile the regional figures will appear in the Regional Labour Market Statistical Bulletin as Table 7 of the Headline Indicator Tables for each region. There will also be a Claimant Count seasonally adjusted dataset on Nomis (<http://www.nomisweb.co.uk/>) with the new figures.

Figures relating to Jobseeker's Allowance only will continue to be published, labelled as Jobseeker's Allowance, rather than Claimant Count.

The UK Jobseeker's Allowance figures that would previously have appeared in Tables 10 and 11, and also in web tables CLA01 and CLA02, will now appear in web tables BEN02 and BEN03. The regional figures that would have previously appeared in Table 7 for each region will now appear in Table 7(1). Other regional and local figures will continue to be published in their normal locations, but will be relabelled as Jobseeker's Allowance.

What next?

The changes we are making are the latest stage in what is an ongoing process for the redevelopment of Claimant Count statistics to include Universal Credit. Our long term aim is to get back to a position where the range of statistics that has historically been available to users for the Claimant Count will become available for the new measure.

The next few months

Following on from the move to the new Claimant Count measure, we are expecting DWP to make the dataset behind the Universal Credit element available to us and to users through Stat Xplore, in the next few months.

This will allow us to expand on the data that we publish to include Claimant Count levels with age breakdowns as well as for a wider range of detailed geographic areas. We also intend to produce a dataset for Nomis which will combine the Jobseeker's Allowance and Universal Credit datasets to create new detailed Claimant Count levels datasets.

Medium Term

Later this year DWP intend to refine the definition of the Universal Credit component so that it better reflects the required scope of unemployed claimants of Universal Credit, by separating out those claimants who are not required to seek work to be eligible for benefits. This will lead to a revision to the published series, bringing the experimental Claimant Count figures closer to the required definition.

Longer Term

The current strands of work are around improving figures for the level of the Claimant Count, however flows and duration are important measures for many users. It is intended that this information will be published in the future, but this is longer term work and not likely to be available in the current year.