# Changes to the Claimant Count – Briefing Note

## Key messages

* Recent increases in Buckinghamshire’s Claimant Count **can largely be attributed to changes to within the benefits system**, specifically, more people who are working (on low hours / earnings) being included within the Count.
* As the proportion of people counted within the Claimant Count who are ‘in work’ has increased to over 20%, we should no longer be using the Claimant Count **solely as a proxy for unemployment**. Rather it should be used as a proxy for **unemployment and underemployment[[1]](#footnote-2)**.

## Claimant Count trend ([see charts 1, 2 and 3](#_Trend_data))

* Buckinghamshire’s Claimant Count was relatively stable during the 18 months to January 2024.
* Between January and June 2024, the Claimant Count increased, at a relatively slow rate.
* Between June 2024 and August 2024, the Count increased more sharply.
* The sharp increase was due administrative changes introduced in May 2024 which meant that more people in work (on low hours / pay) were required to increase their hours or evidence they are looking for work in order to claim Universal Credit (UC). They were therefore moved to the Universal Credit ‘searching for work’ category, and as a result counted within the Claimant Count.
* Between May and July 2024, the number of people within the Claimant Count who are not working (i.e. unemployed) increased by 2%, whilst the number of people within the Claimant Count who are in work increased by 51%.

### History of the Claimant Count and its use as a proxy measure of unemployment

* **Pre 2016**
	+ We used the Claimant Count as a proxy measure of unemployment for Buckinghamshire and its sub geographies.
	+ We used the Claimant Count, alongside survey estimates of unemployment, as it was deemed to be accurate (based on administrative data), was produced on a timely basis (monthly), was available for small geographies (e.g. ward level) and allowed for disaggregation by age and gender.
	+ Survey estimates of unemployment were produced quarterly, were not available at sub-county level, and small sample sizes did not allow for data to be disaggregated by age and gender.
	+ At this time, the Claimant Count was purely a measure of the number of people claiming unemployment-related benefits. Which was a significant sub-set of all those deemed to be unemployed[[2]](#footnote-3).
* **Since 2016…**
	+ Following the introduction of Universal Credit, the Claimant Count became a count of the number of people on Universal Credit in the ‘searching for work’ category, plus those on the legacy Jobseekers Allowance benefit.
	+ Between 2016 and 2024, Universal Credit was rolled out across the county and claimants gradually moved to it from legacy benefits.
	+ In addition, changes were made to who was included in the Universal Credit ‘searching for work’ category, which meant that more people were included who weren’t technically unemployed as they were working for a few hours / on low wages.
	+ Between January 2016 and March 2023 to April 2024, the proportion of those within the Claimant Count who were ‘in work’ increased from 3% to approximately 17%.
* **This year…**
	+ In May 2024, the Administrative Earnings Threshold (AET), which determines whether or not claimants are placed in the ‘searching for work’, category was increased to £892 a month (gross) for single claimants and £1,437 (gross) for joint claimants.
	+ This means that those working who are earning a wage below the new AET (equivalent to 18 hours at minimum wage) are now required to ‘search for work’ and are therefore included within the Claimant Count. The previous AET was equivalent to 15 hours at minimum wage.
	+ The change is being rolled out between May and November 2024, meaning that the Claimant Count will increase during this time and that an even greater proportion of those included within the Count will be in work.
	+ We estimate that in July 2024, 21% of Claimants were in work ([chart 3](#_Chart_3:_Estimate)), and that this proportion could increase further over the coming months.
	+ Therefore, we should no longer be using the Claimant Count **solely as a proxy for unemployment**. Rather it should be used as a proxy for **unemployment and underemployment[[3]](#footnote-4)**.

### Trend data

#### Chart 1: Claimant Count rate for Buckinghamshire and England, January 2023 to present

Policy change – increase in Administrative Earnings Threshold (EAT)

*Source: DWP, September 2024 (via NOMIS)*

#### Chart 2: Estimate of the number of people within the Count who are in work / not in work

Policy change – increase in Administrative Earnings Threshold (EAT)

#### Chart 3: Estimate of the proportion of those within the Claimant Count who are in work / not in work

1. With underemployment defined as a situation where people are working fewer hours than they wish / might reasonably be expected. [↑](#footnote-ref-2)
2. The international definition of unemployment is anyone of working-age who is not working but has actively sought work in recent weeks and is available to start work. [↑](#footnote-ref-3)
3. With underemployment defined as a situation where people are working fewer hours than they wish / might reasonably be expected to work. [↑](#footnote-ref-4)