NODA Economy Project

Hardship in Norfolk

Analysis using Universal Credit Data

Charlie Stafford-Roberts
June 2021

Contents

Summary

The purpose of this report is to analyse hardship in Norfolk, and the impact that Covid-19 has had on it. The following is a summary of the report's key messages and findings:

- Universal credit is a good assessor of hardship, particularly with regards to that caused by Covid-19, as data is released monthly with a 1-month lag from the current month and can be broken down in many ways.
- Norwich currently contains the highest number of universal credit claimants of all districts, having overtaken Great Yarmouth in July 2020. The number of claimants in Norwich is increasing at a higher rate than any other district.
- The number of universal credit claimants in Norfolk increased by 77% between April-June 2020. During this increase, more males joined the scheme than females, with a split of approximately 55% to 45%. The age breakdown of claimants did not largely change as a result of this increase, with 20-40-year-old age bands containing the highest proportions.
- As of March 2021, unemployed individuals make up around 60% of universal credit claimants in Norfolk. This number shifted from approximately 63% in March 2020 to a low of 58% in October 2020, likely due to furlough and pay reductions affecting financial circumstances of employed individuals.
- Females made up a larger proportion of those who joined the scheme as employed from March 2020 to March 2021 while males made up a larger proportion of those who joined the scheme as unemployed.
- The changes from March 2020 to March 2021 in the number of unemployed individuals receiving universal credit in the 20-39 age brackets and the 50-54 age bracket were notably higher than that of other age brackets.
- In previous years, typically 7/10 people who joined the universal credit benefits scheme were still receiving it one year later. However, for those who were already receiving universal credit in March 2020, 9/10 were still receiving it one year later in March 2021. A far smaller proportion of people have managed to leave the scheme in the year between March 2020 and March 2021 compared to previous years.
- Norwich contains the most individuals facing hardship as a direct result of Covid-19. This is likely to continue to be the case in the long term as the size of this group is also decreasing at a lower rate than other districts.
- North Norfolk has had a particularly high number of individuals join universal credit due to Covid-19 compared to the district's population, which may indicate that the relative impact is felt harder there.
- Rural pockets of hardship have been identified in LSOAs surrounding King's Lynn and Great Yarmouth and those surrounding the market towns of Swaffham, Fakenham and Watton.

Introduction

Universal Credit (UC) is a benefits scheme available to adults in the UK who either have a low income or are without work. It is only available to individuals in households with less than £16,000 in savings. The scheme is therefore a good indicator for hardship, meaning that through analysis of UC data, areas of hardship, and the characteristics of those experiencing it, can be identified.

UC has replaced several benefit schemes since its introduction in 2013, meaning that the data represent individuals facing several types of hardship such as: change of employment status, loss of income and illness or injury. As a result, when the numbers of individuals in the scheme changes, it is likely that services associated with these forms of hardship will change accordingly. Some examples of these services are jobs and skills support, money and legal advice services and mental and physical health support services. An increase in the number of people claiming UC in an area would be likely to lead to an increase in demand for these services in the area too.

UC data is provided by the Department for Work and Pensions and is accessible via their online data portal Stat-Xplore (stat-xplore.dwp.gov.uk). UC data is particularly useful for assessing the impact of Covid-19 on hardship as it is provided monthly with a 1-month lag from the present date. As a result, the data is one of the most up to date sources, with a fine time resolution allowing for changes to be seen in near real time.

The purpose of this report is initially to inform on the current levels of hardship being experienced across Norfolk, giving characteristics of those experiencing it such as location, employment status, gender and age. This may help to give an indication of which services for those experiencing hardship will be needed most in the short term, and where they should be targeted. The report then goes on to investigate how Covid-19 specifically has impacted the number of individuals experiencing hardship in the county, looking at both those that were already experiencing hardship before Covid-19, and those who are new to hardship as a result of the pandemic. Using the evolution in the number of individuals in these two groups, a forecast of how they may be expected to evolve in the future has been developed. This may aid in the decisions around where hardship services may need to be targeted in the long term.

1. Time History of Individuals Receiving Universal Credit

Figure 1 shows the total number of individuals receiving UC by month from January 2019 through to March 2021 in Norfolk. Between January 2019 and March 2020, the number of individuals receiving UC increases steadily, with an average increase of 1378 per month. Between March 2020 and May 2021, a large spike in the number of UC recipients can be seen. This was a 77% increase in the number of people receiving UC across the county, which equates to an additional 27500 people on the scheme. Following this sharp increase, the number of individuals receiving UC continues to rise steadily with an average rate of 794 individuals per month which is slightly slower than the January 2019-March 2020 period.
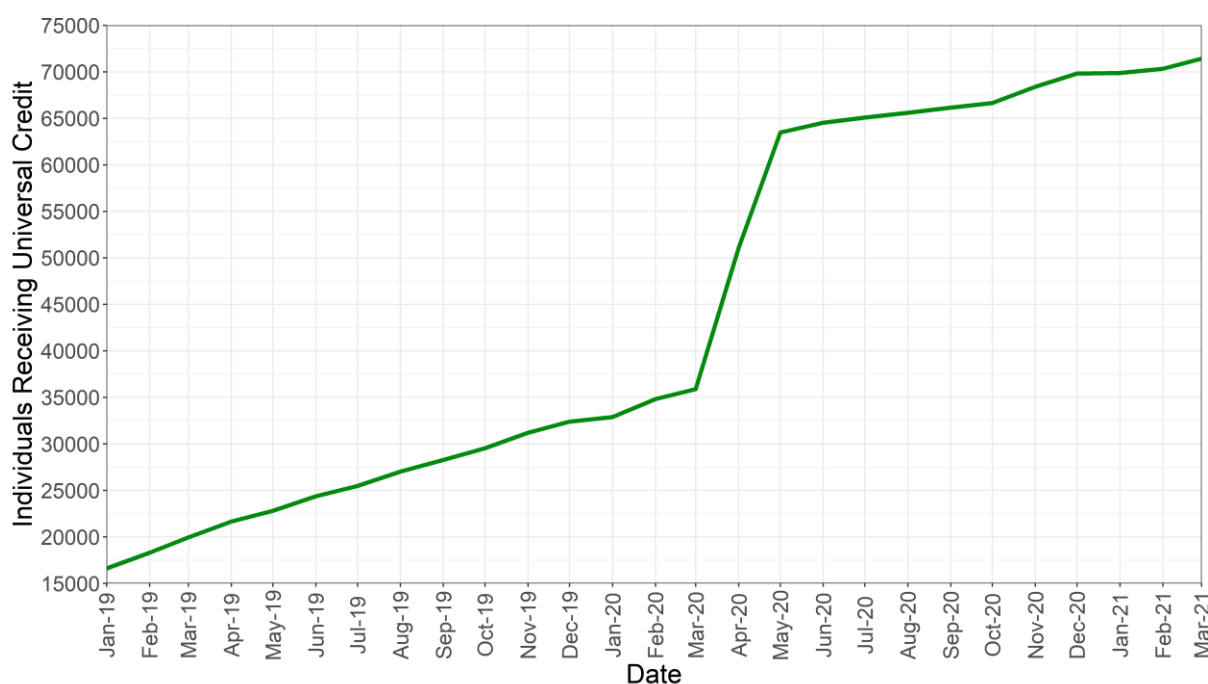
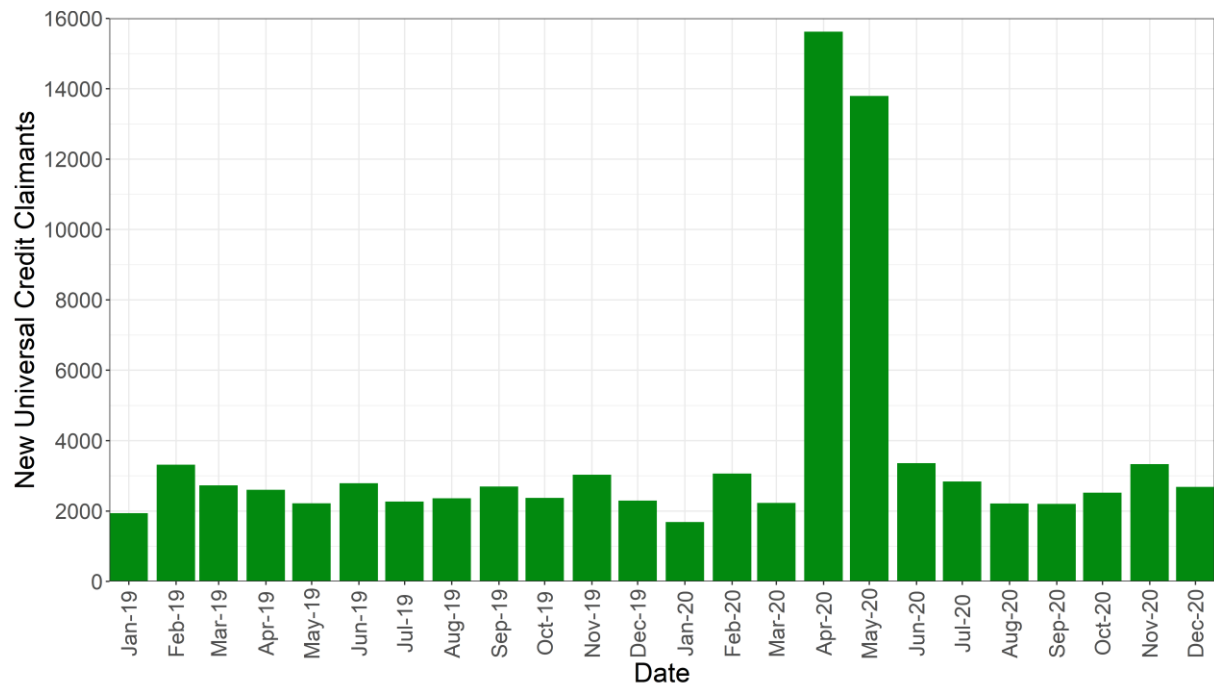**Figure 1: Total Individuals Receiving UC in Norfolk**

This figure can be broken down by district to show the time history of individuals receiving UC across the county, this is shown in Figure 2. From Figure 2, preceding March 2020 Great Yarmouth made up the largest proportion of UC recipients in Norfolk, however following the large spike in recipients in April-May 2020, Norwich has now become the area with the most UC recipients. To add to this, Norwich continues to rise with the steepest gradient of all districts, meaning that its rate of increase in UC recipients is largest. Most other districts are rising steadily following the spike in April-May 2020, with similar rates to each other. After a short period of difference following the April-May 2020 spike, the number of individuals in North Norfolk and Broadland are very similar, as they were before April 2020. They have continued to be the districts with the lowest numbers of individuals receiving UC throughout the pandemic.
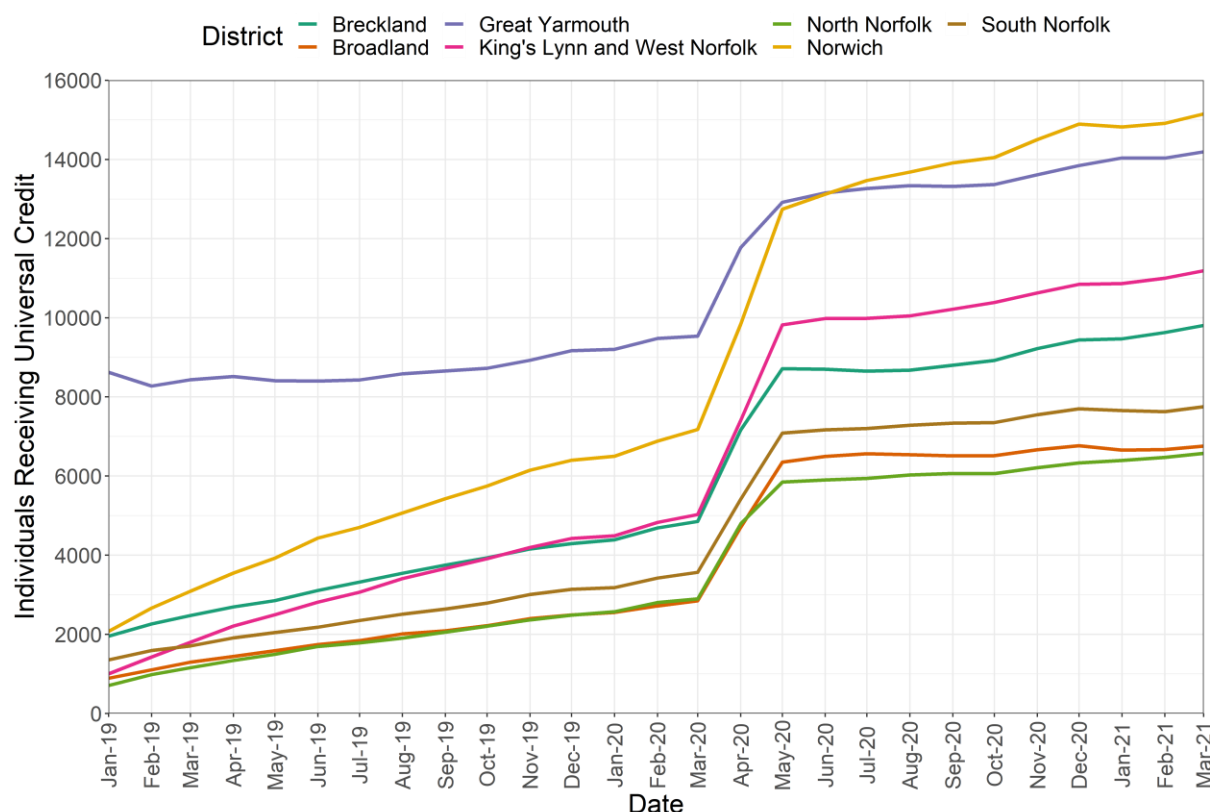
Figure 2: Total Individuals Receiving UC in Norfolk by District

Stat-Xplore also contains monthly data for the number of new UC recipients which can be broken down by Jobcentre Plus location. This data is not directly comparable to the data shown in Figure 1, which is based on recipient's home address, but it can be used to give insight into the trends shown. Figure 3 shows that following a spike in new UC recipients in April and May, the number of new people joining the UC benefits scheme each month has returned to relative normality.

This explains the similarity in the steepness of the line on either side of these two months in Figure 1, which confirms that following the large spike in new UC recipients in April and May 2020, the number of new people joining the UC benefits scheme has returned to relatively normal levels, although this is on top of a new, higher background level of recipients (approximately 77%). By establishing that new UC recipient numbers have returned to relative normality following the April-May 2020 spike, the focus can turn to look at how the numbers of specific groups of UC recipients are evolving.
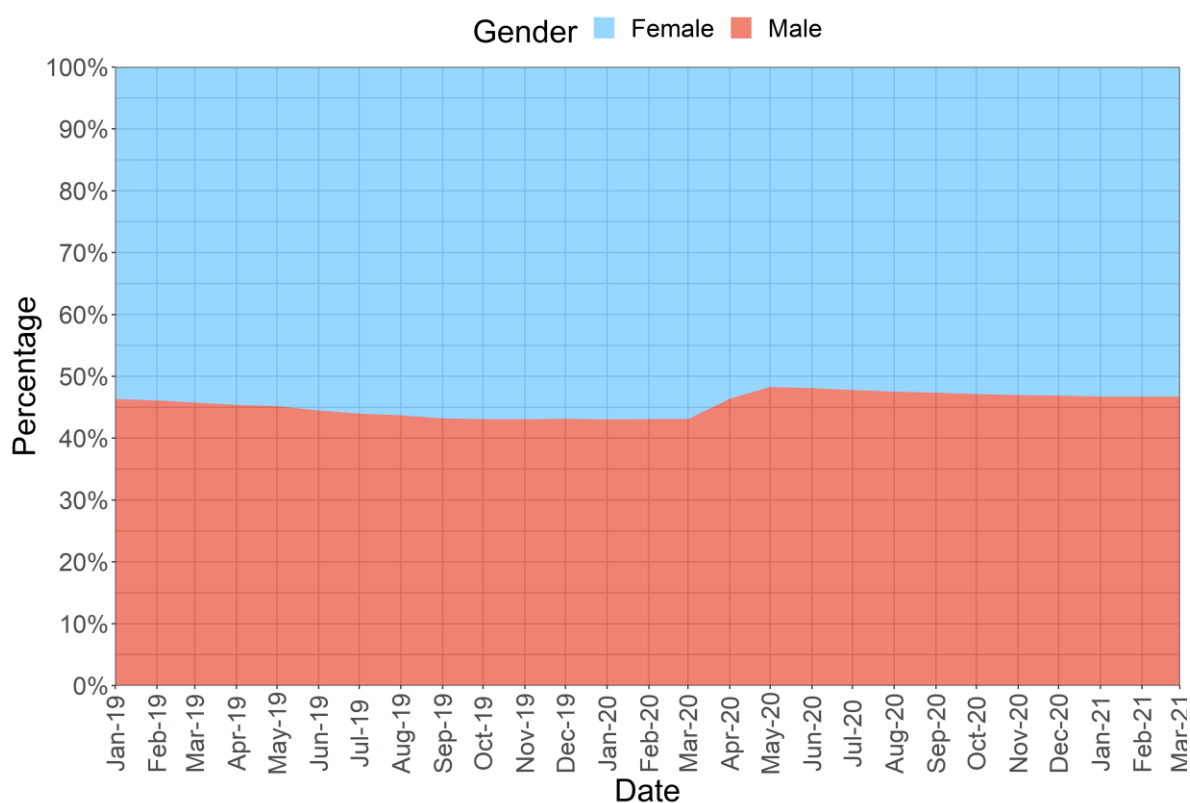
Figure 3: Monthly New UC Recipients in Norfolk

## 2. Location and Characteristics of Individuals Receiving Universal Credit

UC data provided by the DWP is available broken down in several different ways giving insight into the characteristics of those receiving UC. Figure 4 shows how the gender breakdown has evolved since January 2019. The DWP state on Stat-Xplore that gender data is "sourced from the Universal Credit Full-Service system (UCFS). Where it is not available on the UCFS it is sourced from the Customer Information System." Gender is provided as either male, female or missing/unknown. In Norfolk, as of March 2021, only 24 (of a total 71430) individuals are recorded as having a missing/unknown gender. As this number is such a small percentage of the total number of UC recipients for the county, missing/unknown has been omitted from figures containing gender information.

As shown, there have consistently been a higher proportion of female UC recipients in Norfolk, with the split being typically around 55% to 45%. Following the spike in UC recipients in April and May 2020, the proportion of males increases roughly five percentage points, meaning that more male recipients joined the UC scheme than female in these two months. The proportion difference then levels out up to March-21 with 53% of UC recipients in Norfolk being female, and 47% being male.

**Figure 4: Gender Proportions of UC Claimants in Norfolk**

A similar exercise can be carried out for grouped age bands of UC recipients. Figure A1 in Appendix A shows a percentage line chart for all age bands. Generally, this shows that the age breakdown has not largely changed since before the Covid-19 pandemic to now. Figure 5 shows two population pyramids showing the percentage breakdown of age and gender for Norfolk UC recipients for March-2020 and March-2021. Note that the percentage values are percentages of total UC recipients in each month hence the sum of female percentages is greater than the sum of male for both dates.
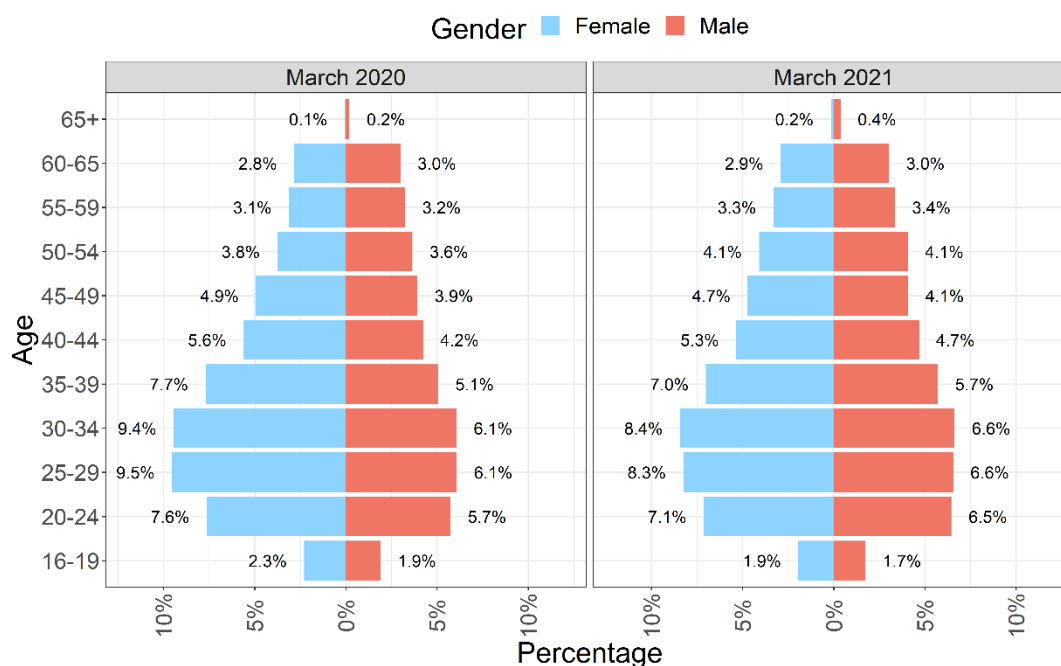
**Figure 5: Population Pyramids Showing Age and Gender Proportions for UC Claimants in Norfolk**

As shown, age bands 25-29 and 30-34 make up the largest proportion of UC recipients in both March 2020 and March 2021. Percentages in March 2021 are generally within one percentage point of their respective percentages from March 2020, showing very little change. This indicates that generally the age and sex of people now receiving UC in March 2021 match that of those who were receiving it in March 2020. However in March 2021 percentages, especially between the 20-34 age bands, have shifted from females to males compared to March 2020 which is in line with the trends shown in Figure 4.

Stat-Xplore provides UC data broken down by the employment status of the individual. This is shown in Figure 6 as a fill chart.
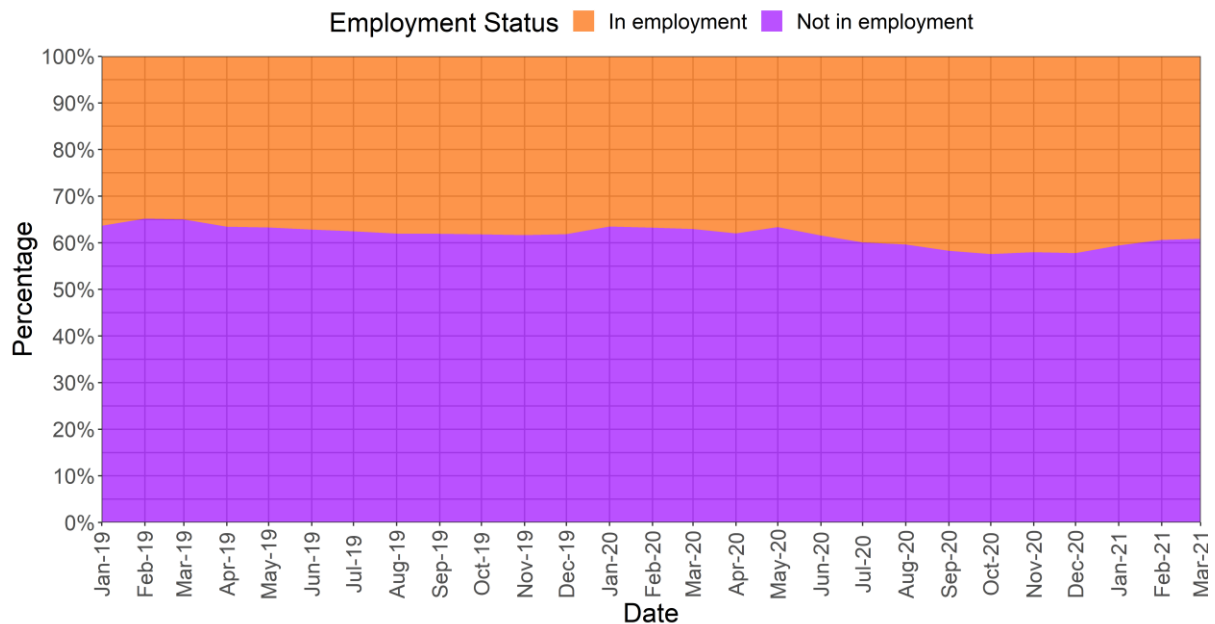
Figure 6: Percentage breakdown of Universal Credit Recipients by Employment Status

Figure 6 shows that since January 2019, the majority of people receiving UC are not in employment, with the percentage ranging from approximately 58% to 65% across the time history shown. From May 2020 to October 2020, the proportion of unemployed UC recipients decreases from approximately 63% to 58% before rising to roughly 61% by March 2021. Figure 7 shows time history of the number of people receiving UC in Norfolk by employment status and explains the trends shown in Figure 6.
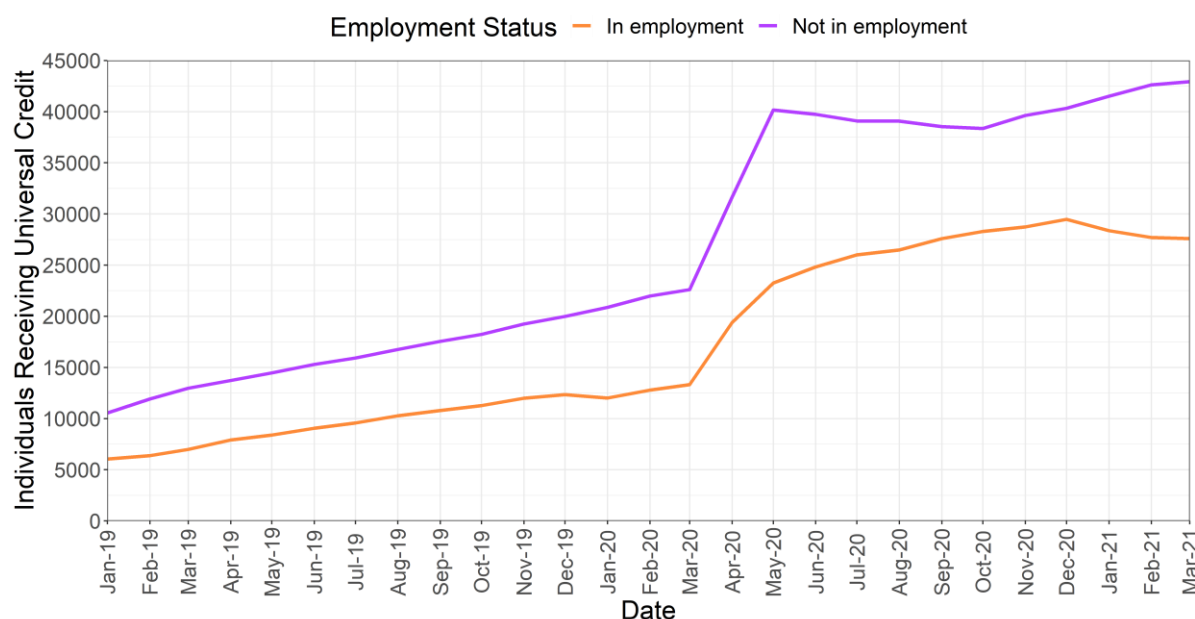
Figure 7: Total Number of People in Norfolk Receiving UC by Employment Status

Figure 7 shows that between March 2020 and May 2020, the numbers of both employed and unemployed UC recipients rose sharply. Following this, the number of unemployed individuals receiving UC fell until October 2020, while the number of people in employment continued to grow until December 2020. There are several possible explanations for these trends, one being that following redundancy in March-May 2020, unemployed individuals were able to find new employment but continued to receive universal credit thus changing from the unemployed to the employed category. The number of UC recipients in employment may also have continued to rise post May-2020 as furlough and/or reduced pay changed the financial status of individuals such that they became eligible to receive UC. The number of unemployed individuals receiving UC began to rise again from October 2020, likely as a result of both redundancies made in response to furlough ending (before the scheme was extended) and the second national lockdown beginning in November. The fall in employed individuals receiving UC post December 2020 backs this up, as employed individuals likely moved into the unemployed category as they were made redundant. Across the pandemic, the number of UC recipients who are unemployed has doubled from approximately 22500 to 45000 from March 2020 to March 2021. A similar doubling has been seen in the number of employed individuals receiving UC across the county, with totals moving from approximately 13000 to 27500.

Figure 8 shows a modified version of Figure 5, whereby the population pyramids have been separated both by month and by employment status. The figure consists of 6 cells, each containing a population pyramid. These are separated into columns, which represent the month that the data was recorded. March 2020, September 2020 and March 2021 are shown in order to give an idea of the evolution of the data over the course of the pandemic. Rows represent the employment status associated with each population pyramid, with the top row being UC data for those in

employment, and the bottom row being UC data for those not in employment. There is a summed percentage shown in the top right-hand corner of each cell which gives the summed total of the percentages within the cell. These numbers are the same as those shown in Figure 6 and aid with comparison between cells. Noting that columns sum to 100% may aid in understanding this figure.
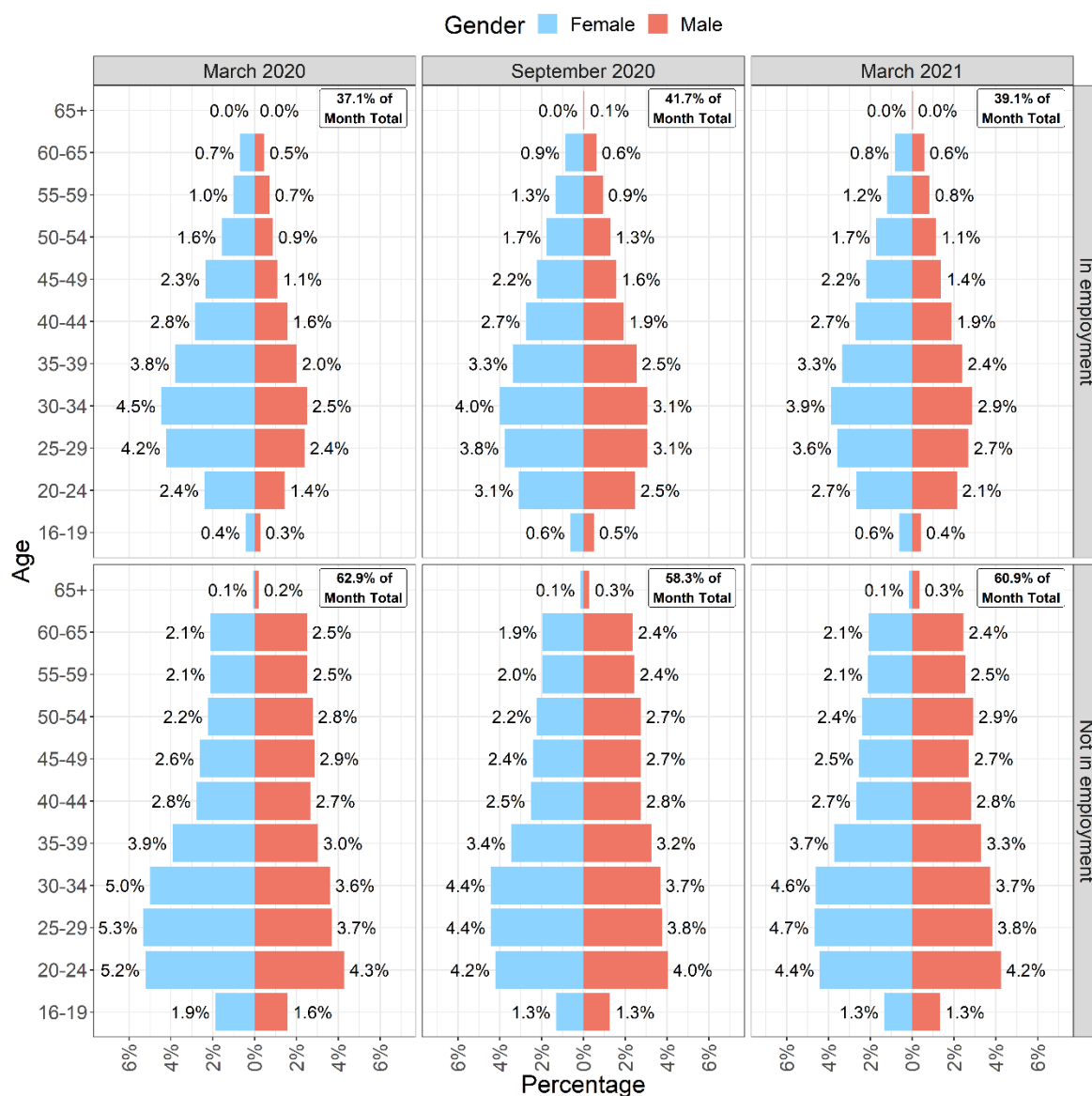

Figure 8: Population Pyramids Showing Age and Gender Proportions for UC Claimants in Norfolk, Broken down by Month (columns) and Employment Status (rows)

By examining the changing percentages shown in the top row of cells, we can look at how the cohort of people receiving universal credit whilst in employment has evolved over the course of the pandemic. In all months, the proportion of females receiving UC whilst in employment is higher than that of males. However, in age bands 25-44, the proportion of employed females receiving UC decreases or stays the same from March 2020 to September 2020, despite the total percentage of employed

individuals receiving UC rising from 37.1% to 41.7%. This is contrasted by an increase in the proportion of employed males in these age bands meaning that in the short term following the beginning of pandemic, employed males under 45 were impacted harder than their female counterparts. A particularly striking increase in the employed male cohort is within the 20-24 age band, which rose 1.1 percentage points from 1.4% to 2.5%, the largest percentage point increase of any employed group from March-September 2020. Similarly, the employed female cohort in this age band also saw a rise of 0.6 percentage points, significant as generally other female age groups saw a drop in their respective proportions. The proportion of employed individuals receiving UC in the 20-24 age band likely saw such significant increase due to it consisting of more junior staff members who were prioritised for furlough over their older, more senior colleagues. Reductions to the typically smaller salaries of those in this age band will have likely resulted in individuals dropping below the maximum pay threshold to receive UC, therefore leading to them joining the scheme. September 2020 to March 2021 saw a general decrease in the proportions of employed individuals receiving UC across all age bands. These changes are in line with the total proportion of those employed dropping from 41.7% to 39.1% which is explained by the data shown in Figure 7.

The bottom row of cells represents those receiving universal credit but not in employment. As was the case with employed individuals, females make up the highest proportion of UC recipients across all shown months in this category. From March 2020 to March 2021, the percentage point change across each of the male age bands does not exceed 0.3%, meaning there was very little change in the age proportions of unemployed males receiving universal credit in this time frame. There are some large percentage point decreases in the proportion of unemployed female UC recipients between March 2020 to September 2020, particularly in the 20-39 age bands, where decreases range from -0.5 to -1 percentage points. These changes are likely driven by the fall in the proportion of total unemployed individuals receiving universal credit from 62.9% to 58.3%, due to the number of employed individuals joining the scheme in this time frame, shown in Figure 7. The changes in the proportions of unemployed females on UC from September 2020 to March 2021 are small but show a general increase, which is in line with the total proportion of unemployed UC recipients, which rose from 58.3% to 60.9%.

Figure 9 shows the change for each age and gender group in the year between March 2020 and March 2021, broken down by employment status. It shows which of these age and gender cohorts have had the most individuals join UC over the course of the pandemic. For those in employment, the population pyramid is widest at the 30-34 age range, with the 20-29 age brackets being only slightly smaller. The numbers then drop off from age 35 and up, with females showing a greater increase in these older age brackets than males. Numbers are very similar between genders for those age 20-39.
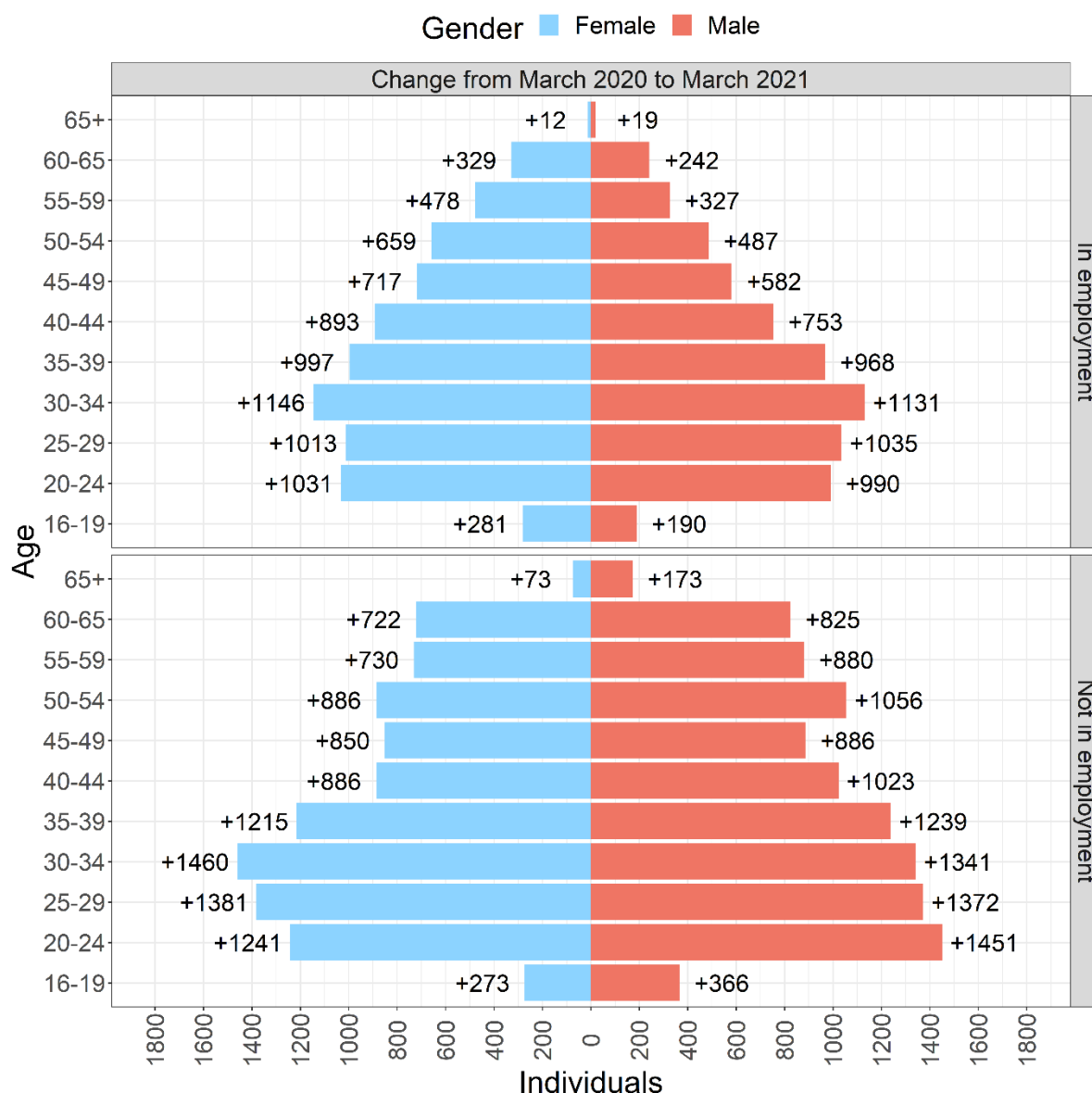
Figure 9: Change in Individuals Receiving UC from March 2020 and March 2021 by Gender, Age and Employment Status

For UC recipients not in employment, genders have similar but not identical shapes. In both genders shown, age bands over 39 have lower numbers than those from 20-20-39, however there is a distinct peak in the 50-54 age band. This shows that in Norfolk, individuals aged 50-54 were disproportionally affected by the coronavirus pandemic compared to other 40+ age bands, with many joining the scheme categorised as unemployed, likely having recently lost a job. For age bands in the range of 20-39, the largest increases were seen for males in the 20-24 age band, with the magnitude of increase decreasing for each rising age band. For females however, the 30-34 saw the largest increase in unemployed individuals joining the scheme. Typically, across unemployed individuals, the male age cohorts saw larger increases in individuals receiving UC from March 2020 to March 2021 compared to females. This contrasts with those receiving UC who are categorised as employed, where females typically saw larger increases across age cohorts.

Generally, despite the volatile movements in the total number of individuals joining the scheme, the age, sex and employment status proportions of those receiving UC have not varied largely across the pandemic. There have been some groups which have notably been affected more than others, such as the employed 30-34 cohort and unemployed 50-54 cohort of both females and males. As of March 2021, the age and gender cohorts shown in Figure 8 containing unemployed individuals aged 20-39 are those which contain the highest proportions of individuals receiving UC. Individuals with these characteristics typically live in more Urban areas where both jobs and cheaper housing are more abundant. As a result, we expect to see areas like this containing more individuals on UC.

Figure 10 shows a medium super output area (MSOA) map of individuals receiving UC for Norfolk in March 2021, with areas shaded red representing areas with a greater than average number. A white shaded MSOA represents one with the mean average number of UC recipients of all MSOAs, which in March 2021, was 649. Areas shaded green are those with a lower than average number of UC recipients. This figure illustrates areas with the most UC claimants and helps to give a picture of the levels of hardship being experienced across the county. As shown, the areas with the most individuals receiving UC are in and around Norwich, King's Lynn and Great Yarmouth with some small pockets near to Thetford and Dereham.

This can be further expanded by looking at the average monthly change in people on UC per 1000 population in each MSOA. This builds a picture of how the number of claimants across the county is changing whilst accounting for the small population discrepancies between each MSOA.
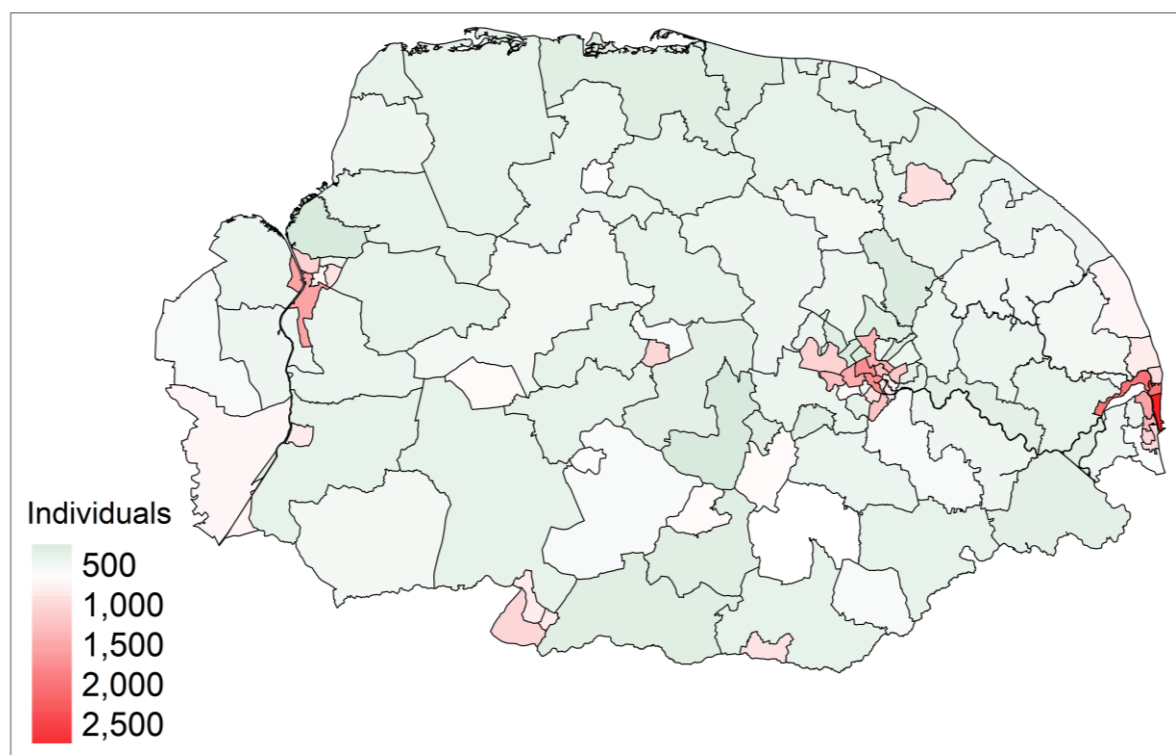

Figure 10: Total Individuals on UC per MSOA in Norfolk - March 2021

This is shown in Figure 11, where average values have been deduced from the most recent 6 months of data. Population figures are from the ONS 2019 population estimates. Areas displayed in green are those which are currently experiencing an average monthly decline in the number of people receiving UC. Areas with the darkest reds, found in Thetford, Norwich, Great Yarmouth and North Walsham represent areas which are experiencing the fastest growth in UC claimants, adjusted for population. Areas which appear dark red in both Figure 10 and Figure 11 represent areas of greatest concern, as these places have the most total UC claimants whilst also showing the highest rates of growth. Examples of these places are King's Lynn, Thetford, Norwich and Great Yarmouth. Using UC as the indicator, these are the areas with not only the greatest number of people experiencing hardship, but also the greatest rate of increase in those coming into hardship. This means that that in the short term, these areas will likely have the highest demand for services associated with those facing hardship. These areas are almost entirely urban.
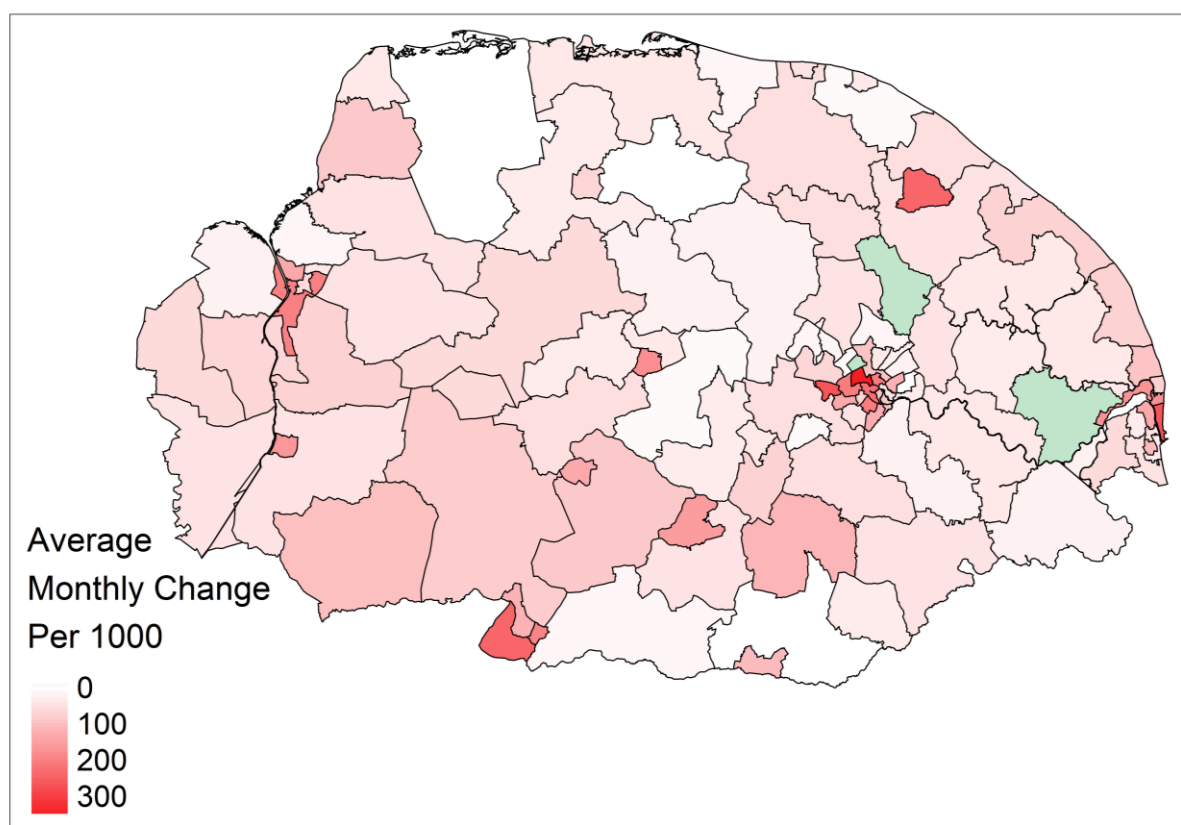
Figure 11: Average Monthly Change Per 1000 Population in Each MSOA in Norfolk in March 2021

In order to examine the rates of hardship in more rural regions of Norfolk, similar analysis has been carried out at a lower super output area (LSOA) level. The ONS categorises LSOAs as either urban or rural, meaning we can exclude those classed as urban when looking at numbers across the county.
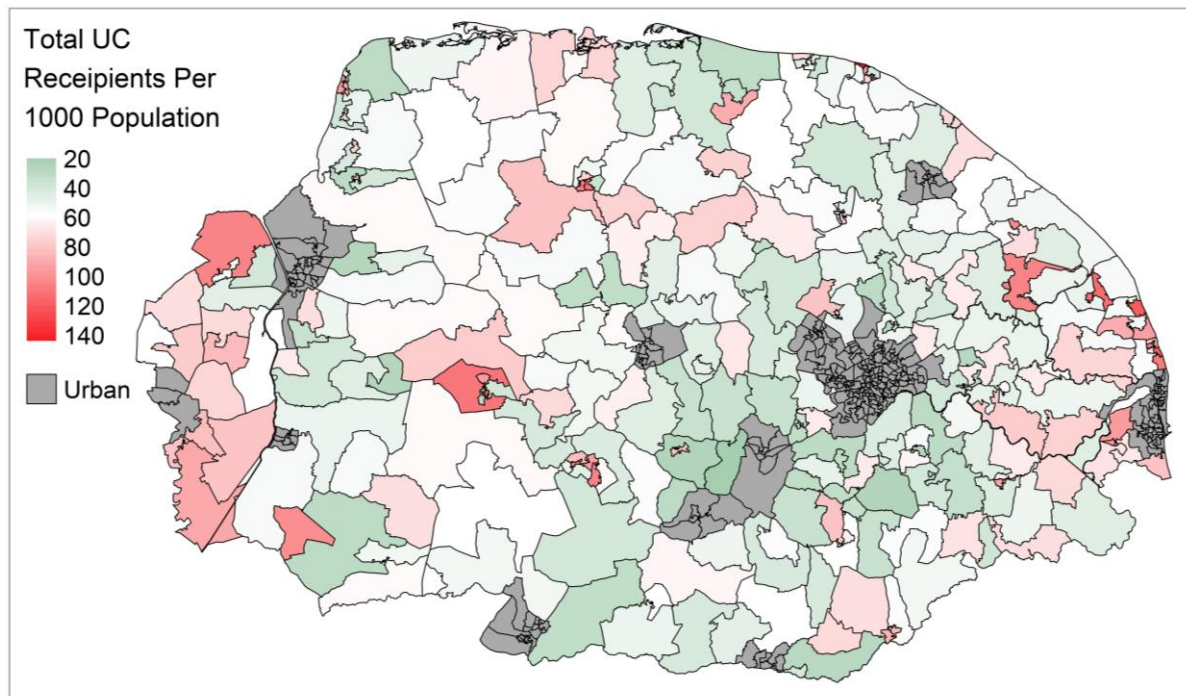
Figure 12: Total Number of Universal Credit Recipients in Rural LSOAs in Norfolk in March 2021

Figure 12 shows a colour filled map of rural LSOAs in Norfolk, urban LSOAs are shaded grey. The colour represents the number of people in each LSOA receiving universal credit per 1000 population in March 2021, with white representing the mean average (approximately 60 per 1000 population). Those shaded red are LSOAs with a worse than average number of UC recipients while those shaded green have a better than average number of UC recipients. As a result, LSOAs shaded in dark red contain those with the highest number of UC recipients per 1000 population, the opposite being the case for those shaded dark green.

From Figure 12 we can see that there are a number of standout rural areas which contain large numbers of UC recipients relative to their population. These can be seen in LSOAs running along the west of the county, LSOAs to north of Great Yarmouth, and those in and around areas containing the towns of Swaffham, Fakenham and Watton. Similarly to previous MSOA analysis, we can also examine how the number of UC recipients is evolving in each LSOA using an average trend from the last 6 months (October 2020 – March 2021) of data. This is shown in Figure 13, where LSOAs shaded in green have shown an average decrease in the number of UC recipients, while those shaded in red are showing an average increase.
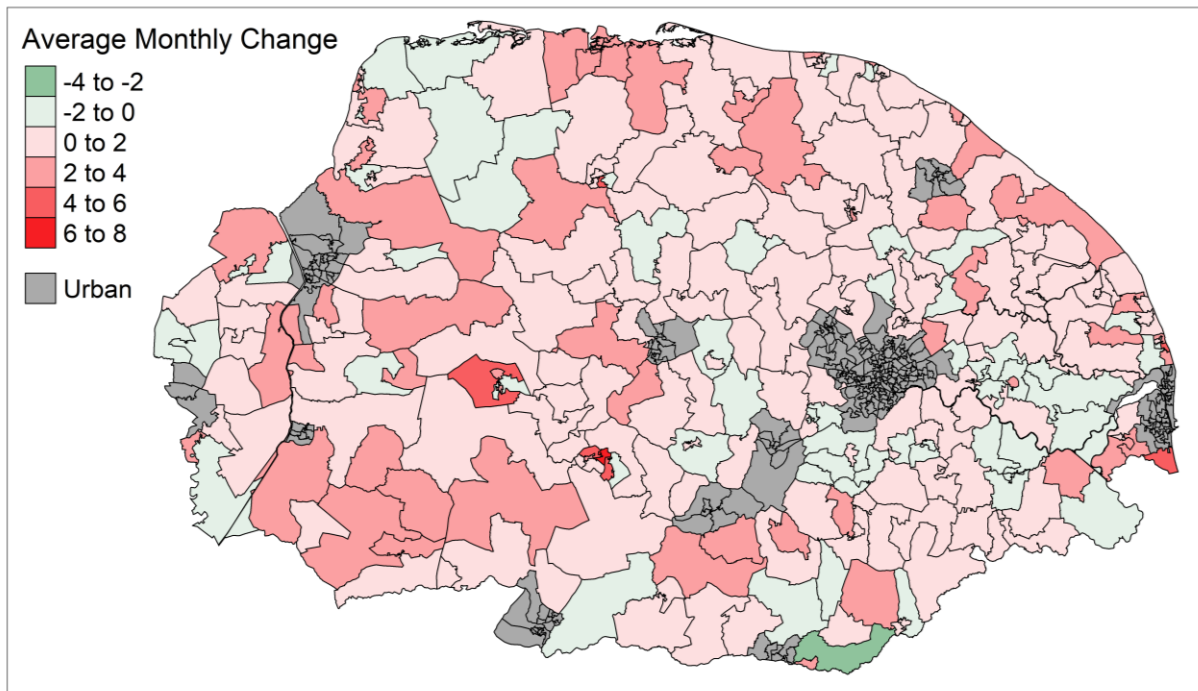
Figure 13: Average Monthly Change in UC Recipients per LSOA from October 2020 to March 2021, per 1000 Population

As in previous analysis, areas which appear dark red in both Figure 12 and Figure 13 are rural areas which present the greatest concern as these are potential pockets of rural hardship where the number of individuals receiving UC per population is both highest and increasing at the fastest rate. These areas have potential to be overlooked when examining the entire county as Urban areas typically have a much greater number of UC recipients, and therefore take priority for associated services. Areas of concern are rural LSOAs surrounding King's Lynn and Great Yarmouth, as well as those surrounding previously mentioned market towns such as Swaffham, Fakenham and Watton.

3. Background Levels of Individuals Receiving Universal Credit

The monthly UC data released on Stat-Xplore can be broken down by the length of time which recipients have been receiving UC in the following bands: Less than 3 Months, 3-6 Months, 6-12 Months, 1-2 Years, 2-3 Years, 3-4 Years, 4-5 Years, 5+ Years. By analysing these durations, the background levels (i.e. those who have not recently joined the scheme) of individuals receiving UC can be identified and the impact of Covid-19 on those facing long term hardship can be seen. For example, by comparing the number of people in Norfolk that were receiving UC in March 2020 with the number of people of people who have been receiving UC for greater than 1 year from the March 2021 data, we can assess how this specific group of UC recipients has changed. The same procedure can then be carried out for different years to find how many individuals typically go on to face long term hardship (1+ years) in the county after joining the UC benefits scheme.

Figure 14 shows the total number of UC recipients in March for each year alongside the number of these recipients who were still receiving UC 1 year later. The text above each set of bars shows gives the percentage decrease between the two figures for each month respectively.
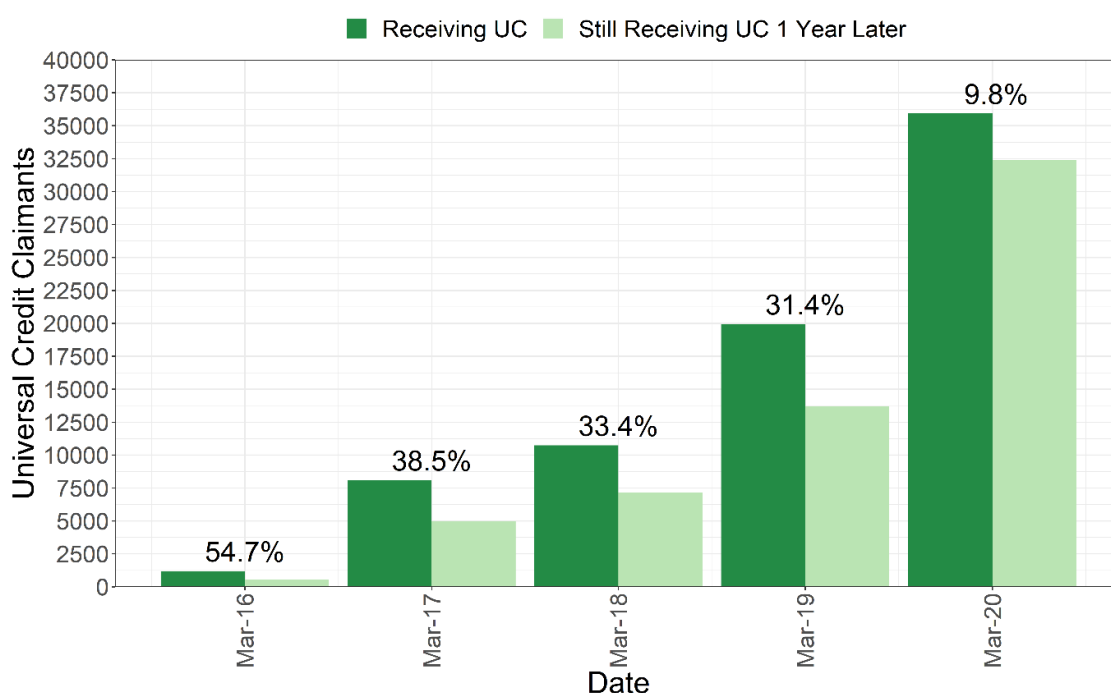
Figure 14: Number of UC Claimants in Norfolk in March and the Number of Those Claimants who were still receiving UC 1 year later. Percentage Decreases between the two values are shown above each set of bars.

Figure 14 shows that for in the years preceding 2020-21, 31-55% of individuals who began receiving UC were then not receiving it one year later. However, of those receiving UC in March 2020, just before the Covid-19 pandemic hit, only 10% of these individuals were not receiving UC one year later. 9/10 people who were receiving UC in Norfolk at the start of the Coronavirus pandemic are still receiving it

now, an increase on what would be expected based on values from the three preceding years (approximately 7/10 people).

4. Covid-19 Universal Credit Recipient Spike Group

Through the duration statistics provided on Stat-Xplore, a similar examination can be carried out on the changing numbers of the group of UC recipients who joined during the spike between April-June 2020 in Norfolk. As duration statistics are provided with a minimum time period of 3 months, it is necessary to consider the size of this group in 3-month blocks. The exact method for obtaining the data shown in this section is explained in **Appendix B.** By applying this methodology to the duration statistics for UC recipients in each district we can see how this "spike group" is evolving.

Figure 15 shows this, with the coloured points representing the actual measured values from June 2020 through to March 2021. In order to give an idea of how this group may be expected to evolve over time, each district has had an exponential curve fitted to it based on the 4 measured values available. Fitting an exponential curve makes the key assumption that the decrease in each district reduces by the same percentage every 3-month period, which is what has appeared to happen so far. It is important to note however that this may not continue to be the case; as areas recover from the Covid-19 pandemic at different rates it may be that the rate of decrease in this group changes for worse or for better. This figure gives an impression of how this may be expected to happen based on what has happened so far but should not be used to quote specific values.
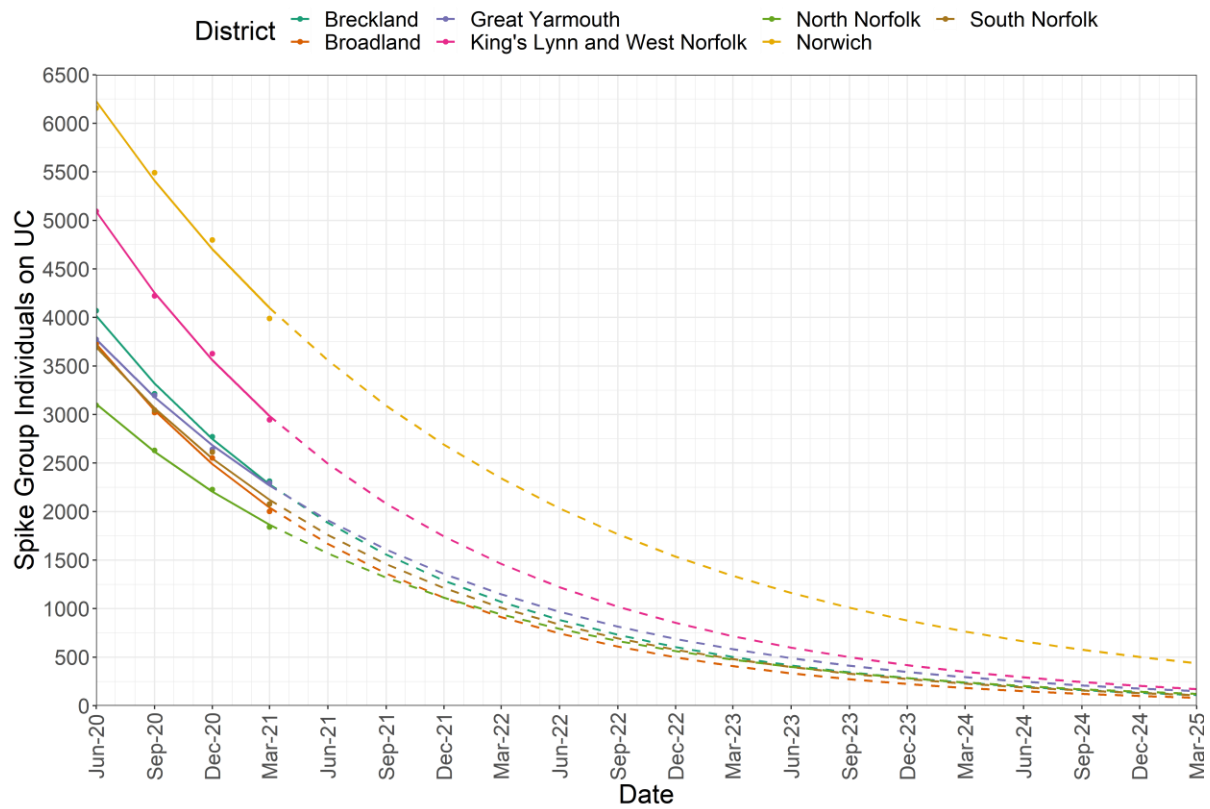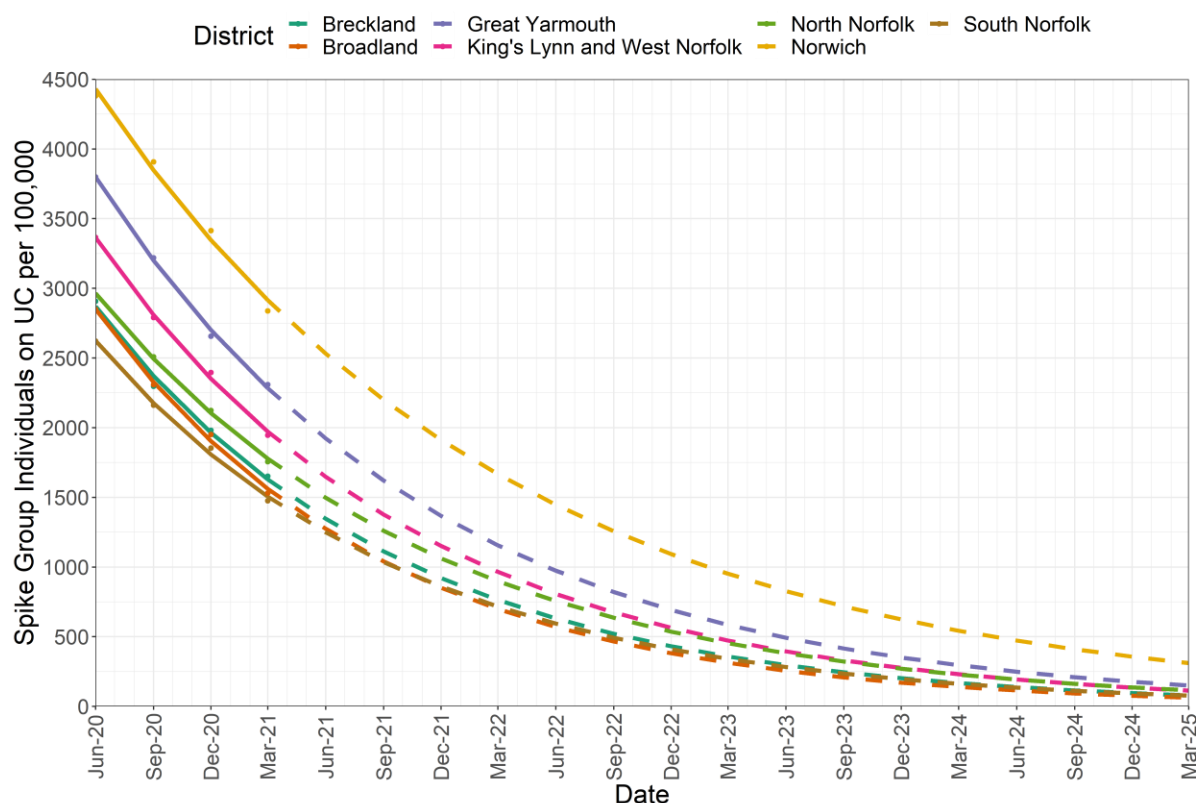
Figure 15: Evolution of Spike Group UC Recipients In Each District, with Exponential Forecasting.

Figure 15 shows that residents of Norwich and King's Lynn and West Norfolk make up the largest proportions of the spike group, with the remaining districts having similar numbers of individuals. From the forecasting, we can see that based on the rate of decrease between June 2020-March 2021, by roughly March-2024, the number of people remaining in this spike group from King's Lynn will have dropped to levels similar to that of the other districts. Norwich contains the highest number of UC recipients from the spike group, whilst also showing a low rate of decline between June 2020-March 2021. This leads to the forecasted values for the District to remain significantly elevated compared to the other groups. To sum this up, the data and forecasting shown in Figure 15 show that Norwich has the most individuals facing hardship as a direct result of the Covid-19 pandemic, and suggests that these individuals are the most likely to go on to face long term hardship. In all the remaining districts, many of those facing hardship due to Covid-19 are still likely to go on to face long term hardship, however in comparison to Norwich, the number of individuals is generally decreasing at a faster rate, and would therefore be expected to reach lower numbers sooner.

Figure 16 shows identical measures to Figure 15 however the measured and forecasted numbers of UC recipients in the spike group for each district have been adjusted to a rate per 100k population (based on ONS mid-2019 population estimates). This allows the relative impact of Covid-19 to be compared between the districts. Norwich, Great Yarmouth and King's Lynn and West Norfolk can be seen to contain the largest number of spike group UC recipients per 100k population. As in Figure 15, the forecasted value for Norwich remains elevated compared to other districts throughout the time scale shown. Of the remaining districts, North Norfolk can be seen to have the highest number of individuals per 100k population. As shown in Figure 2, North Norfolk typically has low numbers of individuals on UC, thus the relative impact from the spike group on this district may be particularly adverse for the area. This may impact the scale of services which need to be provided in the district in the short term, as large volumes of hardship are not typically experienced there.

Figure 17a and Figure 17b show choropleth maps of the MSOAs in the county, with Figure 17a showing the number of UC spike group recipients measured in March 2021, and Figure 17b showing the forecasted values for March 2025. Note the change in scale values to make the figure easier to view. These figures may assist in deciding where to prioritise services for those experiencing hardship in the short term, but also where the focus may need to be shifted to in the long term. As shown, some MSOAs which currently contain high numbers of spike group individuals compared to others are forecasted to be lower compared to other MSOAs by 2025, i.e. Some darker red areas in Figure 17a become some of the lightest red areas in Figure 17b. The areas of greatest concern are those which are dark red in both figures, namely MSOAs around King's Lynn, Norwich and Great Yarmouth. It is worth noting however though that some areas of other districts which do not normally contain large numbers of UC recipients, such as North Norfolk, are forecasted to still have several spike group recipients by March 2025.

Figure 16: Evolution of Spike Group UC Recipients in Each District Per 100k Population, with Exponential Forecasting.
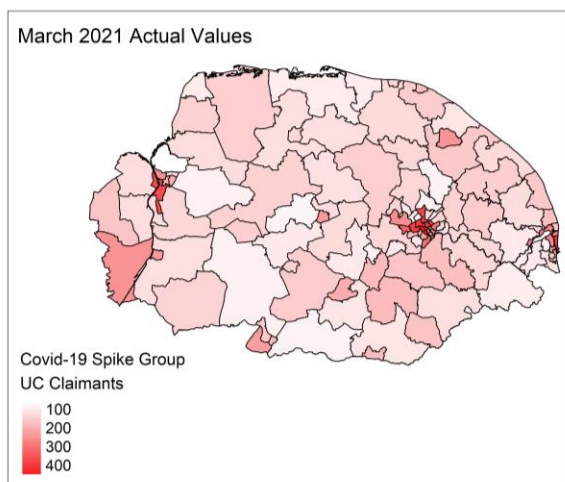
Figure 17a: MSOA Choropleth Map of Covid-19 Spike Group UC Receipients in March 2021
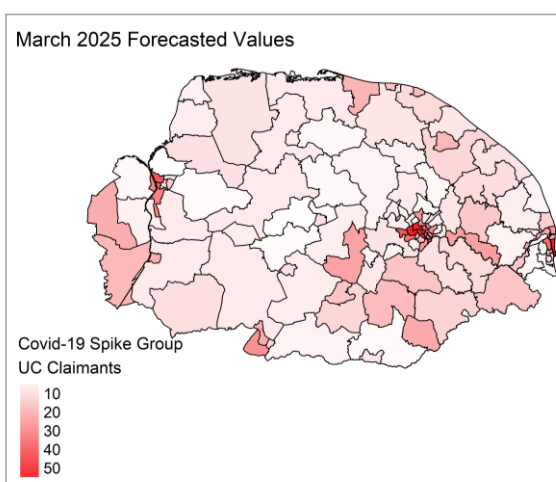
Figure 17b: MSOA Choropleth Map of Forecasted Covid-19 Spike Group UC Receipients in March 2025

Conclusion

In conclusion, using UC as the indicator, Covid-19 has caused a large increase in the number of individuals facing hardship across Norfolk. A large proportion of these individuals are in urban areas such as Great Yarmouth, Norwich and King's Lynn, however there are still many individuals in other areas facing hardship. These other areas may in some instances be of greater concern as they are places where typically hardship is not experienced in large volumes. As a result, they may have a much smaller scale of services in place to assist those facing hardship, meaning demand may exceed capacity in the short term.

A recent article from the Local Government Information Unit (LGIU) stated that "the Covid crisis has prompted a surge in demand for formal services, particularly in physical and mental health". This statement was formulated from the results of two reports published by the Joseph Rowntree Foundation examining how Covid has affected low income families and insecure workers. This confirmed nationwide surge in demand for formal services matches with the surge in the number of people accessing the UC benefits scheme. It is therefore not unreasonable to make the assumption that areas with the highest numbers of individuals accessing the UC benefits scheme will also see the highest demand for formal services associated with hardship.

Covid-19 has been shown to have caused 9/10 people in the county who were receiving UC before the pandemic to go on to face longer term hardship (>1 year), in comparison to previous years, where this figure was typically around 7/10 people. For those who joined the scheme in April-June 2020 as part of the UC spike group following the first national lockdown, the current rate of decline in the size of this group suggests that many will go on to face longer term hardship, with those in Norwich being most likely to remain on UC into the future. The number of North Norfolk individuals in this spike group has been shown to be particularly large per 100k population compared to other districts, which for reasons explained previously, may require a change in the volume of services provided in the area. There have been areas of rural hardship identified in LSOAs surrounding King's Lynn and Great Yarmouth, as well as in those surrounding Swaffham, Fakenham and Watton.

Overall, across the county, the number of new people coming into hardship following the initial spike in April-May 2020 has returned to normal levels. A small slow in the increase of the total number of individuals receiving UC in the county has been observed post May 2020, compared to that before April 2020. The rate of increase in individuals receiving UC shown in Figure 1 depends specifically on the balance of new individuals coming to the scheme and individuals leaving the scheme. As the rate of new individuals is at normal levels again, the slow in the rate of increase post May 2020 is likely due to the large number of individuals that are part of the UC spike group dropping off each month, which is shown by district in Figure 15 and for the county in Figure A2 in Appendix A. In Norfolk, the number of people dropping out of this group in March 2021 is approximately 1000 per month. Based on the forecasting carried out in this project, the number of individuals dropping out of this group per month is expected to slow over the next few years. This will likely lead to

the balance of new individuals joining and existing individuals leaving the scheme to tip more to those joining, meaning that the overall rate of increase in the number of Individuals on UC in Norfolk will likely begin to increase back to at least pre April-2020 levels.

There are many other unforeseen factors which may influence the rate at which the number of people in the county on UC (and by proxy those experiencing hardship) grows, such as the impact of a third Covid-19 wave, furlough coming to an end and UC replacing other benefits. The intention of this document is to give an indication of areas and characteristics of people who are experiencing hardship both due to and not due to Covid-19, such that services to help them can be targeted effectively and with the correct capacity.

Appendix A: Additional Figures
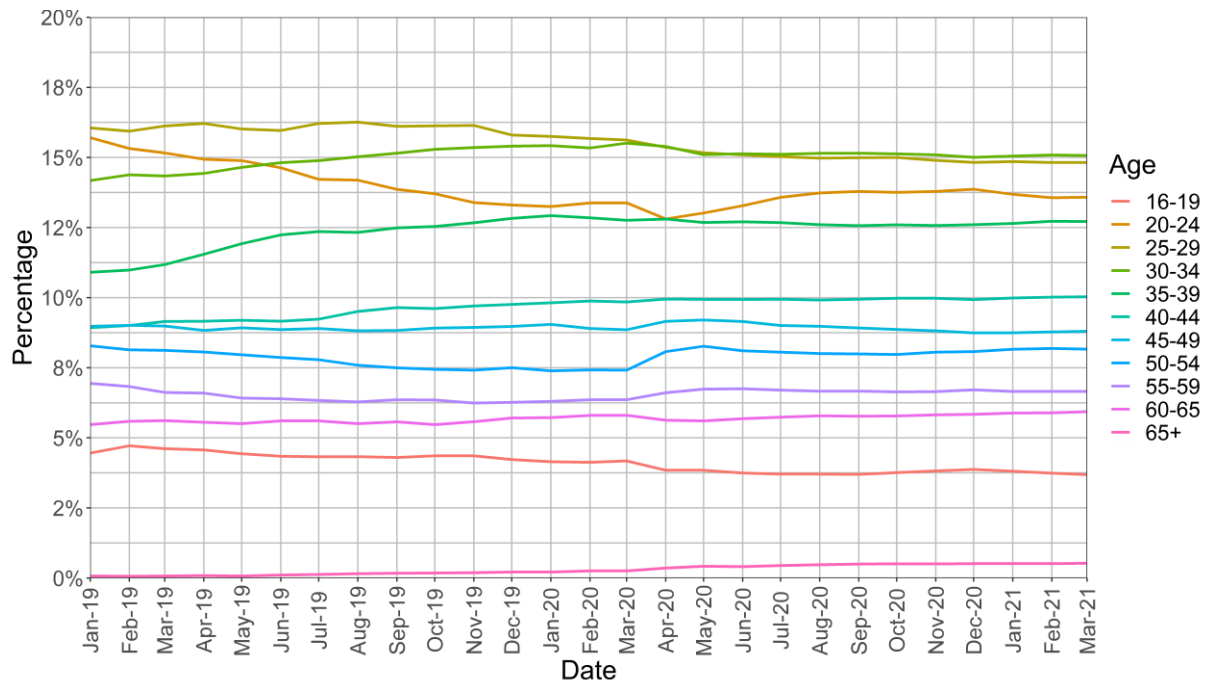
Figure A1: Percentage Breakdown of Age of UC Recipients in Norfolk
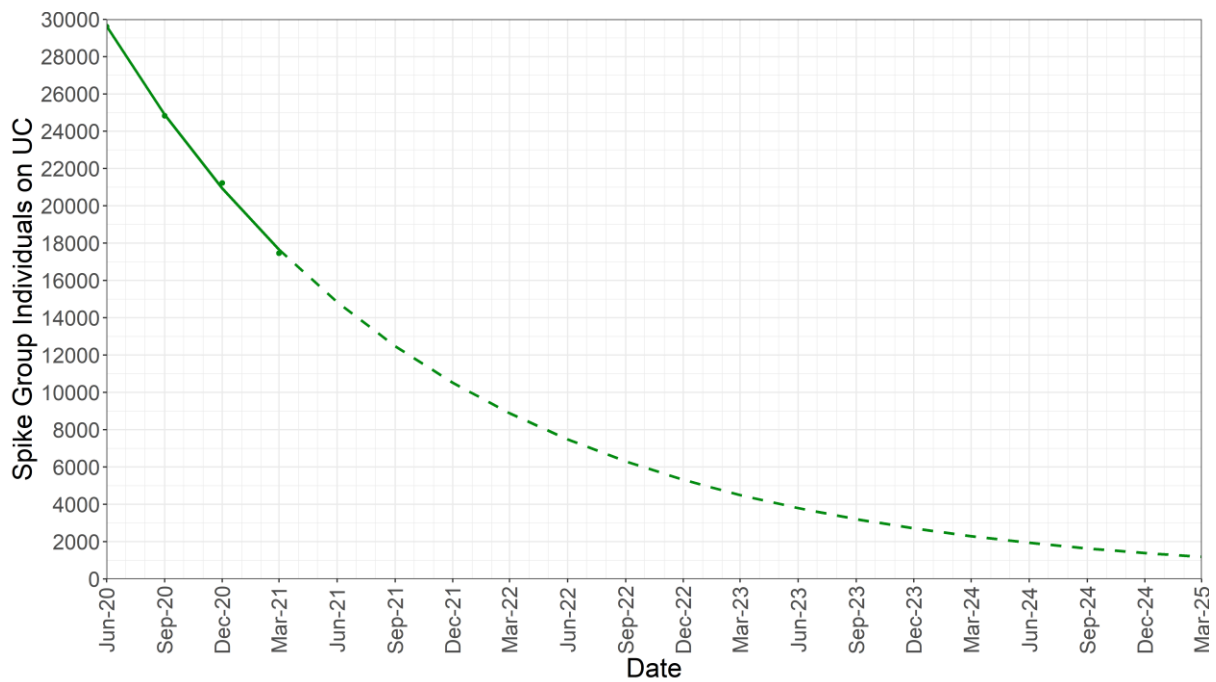
Figure A2: Evolution of Spike Group UC Recipients in Norfolk, with Exponential Forecasting.

Appendix B: Covid-19 UC Recipients Spike Data Methodology

This methodology explains how the four real world values for the size of the UC spike group described in **Section 4** were obtained. These values are shown in Figure 15 and Figure 16, where they have been used to fit exponential curves in order to give a forecast of future values.

Duration statistics are provided on Stat-Xplore in the following bands: Less than 3 Months, 3-6 Months, 6-12 Months, 1-2 Years, 2-3 Years, 3-4 Years, 4-5 Years, 5+ Years. In order to analyse the size of the Covid-19 Spike group it is necessary to track the size of the group which joined UC between April-June 2020 over time. Table B1 shows the data available on Stat Explore. The column headings give the date of the data set, the row headings give the periods covered by the data. The row values give the duration bands for each data date which correspond to the data period given. The highlighted colours show the corresponding three-month bands across the different data sets.

Data Set / Data Period	Mar-2020	Jun-2020	Sep-2020	Dec-2020	Mar-2021
Jan-Mar 2020	< 3 Months	3-6 Months	6-12 Months	6-12	1-2 Years
Apr-Jun 2020		< 3 Months	3-6 Months	Months	6-12
Jul-Sep 2020			< 3 Months	3-6 Months	Months
Oct-Dec 2020				< 3 Months	3-6 Months
Jan-Mar 2021					< 3 Months

Table B1: Stat-Xplore Data with UC Duration Statistics matched with Corresponding Data Periods

For example, the table shows that from the Mar-2021 data from Stat-Xplore, the "< 3 months" duration data will give the number of individuals currently receiving UC that begun receiving UC between Jan-Mar 2021. For the same Mar-2021 data, the "6-12 Months" data will cover individuals which are receiving UC who joined the scheme between Apr-Sep 2020, which spreads across two 3-month bands.

The UC spike group is the group which is present across the 3-month bands highlighted green, i.e. Apr-Jun 2020. We can obtain the size of this group using the Jun-2020 and Sept-2020 data sets by using the < 3 Months and 3-6 Months duration bands respectively.

In the December 2020 data set, the Apr-Jun 2020 spike group is part of the 6-12 Months duration bands. In order to obtain the part of this group associated with the Apr-Jun 2020 group, we have to subtract the Jan-Mar 2020 group from the 6-12 Months duration statistics from Dec-2020, i.e. we must extrapolate the value of the blue highlighted cells in December. To do this we can obtain a trend from the Mar-2020 < 3 Month and the Jun-2020 3-6 Months data to extrapolate what we might expect this group to be by December. This value can then be subtracted from the Dec-2020 6-12 Months data.

A similar procedure can be carried out using the 6-12 Months Mar-2021 data set, whereby a trend of the size of the Jul-Sep 2020 cohort can be extrapolated from the Sep-2020 < 3-Months and the Dec-2020 3-6 Months data set to find the approximate size of the "orange" group in Mar-2021. This can then be subtracted from the 6-12 Months Mar-2021 Data set. Applying these techniques to get the size of the group from the Dec-2020 and Mar-2021 will introduce some error into the values as it assumes that some linear trends will continue across data sets, but it gives an idea of the size of the group based on some actual measured values rather than simply extrapolating the trend of the "green" group from Jun-2020 and Sep-2020.