



Department
for Work &
Pensions

THE RT HON THERESE COFFEY MP
Secretary of State for Work & Pensions

Rt Hon Stephen Timms MP
Work and Pensions Select Committee
House of Commons

3 February 2020

Dear Stephen

Progress on Universal Credit

Welcome to your new role as Chair of the Work and Pensions Select Committee. I write to you regarding an update on our progress on claims to Universal Credit.

Universal Credit now offers support to more than 2.8 million people, including some of the most vulnerable in society, and the case load continues to grow. All new welfare claimants and all current claimants whose circumstances change will receive Universal Credit.

Our planning for Universal Credit relies on assumptions about the number of people whose circumstances will change each day, thereby naturally migrating. Our forecasts to date have relied on 50,000 households experiencing a change in circumstances each month. Based on this, we had predicted the process of natural migration across to Universal Credit would be completed by December 2023.

However, information collected on changes to people's circumstances suggests that natural migration is happening less frequently than we expected. This suggests broad stability in people's lives and can be attributed to a number of reasons, including the robustness of the labour market.

We now estimate that 900,000 fewer households will naturally migrate between now and December 2023 than we had forecasted. Given that we expect to manage around 100,000 households to Universal Credit each month, it necessarily follows that it will take a further nine months to complete the implementation of Universal Credit.

Claimants will not lose money from their Universal Credit award due to this forecasting change. Universal Credit remains in budget for its delivery, costing £2bn – an investment which will return £8bn in economic benefits per year when completed.

I will place a copy of this letter in the House Library. If you have any questions, please contact me.