



Department
for Work &
Pensions

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To: All Peers

3rd February 2020

Progress on Universal Credit

Universal Credit has been the biggest transformation of the welfare state in a generation. It has replaced the previous six legacy working age benefits, and is a welfare system that works with the tax system and the labour market to support employment.

There are now 2.8 million claimants on Universal Credit, and the caseload will continue 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.

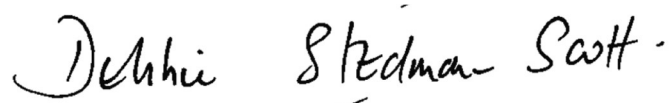
We now estimate that 900,000 fewer households will naturally migrate between now and December 2023 than we had forecasted. Given that we expect to manage around 100,000 households to Universal Credit each month, it necessarily follows that if we are to protect the interests of moving claimants to Universal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

I can assure colleagues that claimants will not lose money from their Universal Credit award due to this forecasting change. In fact, we anticipate that a further 900,000 will be managed migrated, which will protect their incomes further. Universal Credit remains in budget for its delivery, costing £2bn – an investment which will return £8bn in economic benefits per year when completed.

We will always put the best interest of our claimants first and as we move into the managed migration phase, protecting the vulnerable will be our utmost concern. The Government has always said that it will only proceed with each new phase of Universal Credit when it is safe to do so.

If you have any questions, please do not hesitate to contact me.

Kind regards,

A handwritten signature in black ink that reads "Debbie Stedman-Scott". The signature is written in a cursive style with a distinct flourish at the end.

Baroness Stedman-Scott
MINISTER FOR WORK AND PENSIONS (LORDS)