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11 December 2014

1. Following approval of the Strategic Outline Business Case, I am writing to confirm future planning arrangements regarding Universal Credit, and to provide some reassurance for Local Authorities.
2. I am grateful to the Associations for leading this on behalf of Local Authorities and for the on-going contribution to the development of Universal Credit. I look forward to working together to ensure the Government's long-term transformation of welfare to make work pay is a success.
3. As you know, the Government has agreed the Business Case and plan to deliver Universal Credit. The next step will be the national expansion of Universal Credit for single claimants who would be eligible for JSA from February 2015 building on delivery experience to date; reassured by positive early results that those on UC are doing more to find work, responding to improved financial incentives and flowing into work faster to earn more.
4. National expansion will be followed by the commencement of transition from 2016, with the Universal Credit caseload building naturally as claimant circumstances change until the Universal Credit service is established for all claimant types across GB by the end of 2019. Further, managed, migration will follow thereafter closing access to legacy benefits, (including Housing Benefit for working age claimants). We will continue to work with local authorities as we refine integrated delivery plans.
5. The process of planning for transition and migration of UC is likely to be driven by the spending review which means UC and councils can expect to begin and plan their staffing and service requirements post 2016-17 in the autumn of next year. We consider that would also be the right time for decision-making about our respective resource requirements and potential for staff transfers in light of the fact that no decision on the transfer of staff has been taken.
6. We recognise that UC does not represent the the whole HB picture and we continue to develop plans taking full account of future plans for pension age HB.
7. So, no change to HB admin arrangements will be made before 2016-17. In addition to this for 2015 expansion, funded Delivery Partnership Agreements (DPAs) will be established locally to

support claimants who may need additional help. This provides an important alignment opportunity for Local Authorities, Jobcentre Plus, landlords, employers and other partners to adjust to the requirements of UC under controlled volumes ahead of further scale and complexity in transition from 2016.

8. Two additional strands of work are underway to inform longer-term plans further:
  - the Universal Support trials will report emerging experience in the Spring of 2015; with final results in the autumn of the same year. This will inform further development of local Delivery Partnerships, building on the encouraging innovation underway across local communities;
  - to inform ongoing development of the Universal Credit Operating Model, the team will undertake further Test & Learn activity building on the continuous improvement experience of Alternative Payment Arrangement trials, Housing verification and Personal Budgeting Support trials in the North West of England.
9. These trials will ensure the longer-term operating model for managing complex cases through transition and migration works to support vulnerable households into UC, and will help us to refine our approach, based on evidence and sustained operating experience.
10. We will continue to communicate developments as fully and openly with as possible with councils as our plans develop. As always, I am grateful for the contribution of the Partnership Forum and Local Authority Delivery Partners; and I look forward to working with you to ensure Universal Credit fulfils the potential whereby households are always better off in work.
11. I am copying this letter to Rory Mair at COSLA, Steve Thomas at WLGA, Andrew Campbell at DCLG, Jamie MacDougall SG and Kate Cassidy WG.

A handwritten signature in dark ink, appearing to read 'Neil Couling', with a stylized flourish at the end.

Neil Couling  
Director General, Universal Credit Programme