

Universal Credit is the biggest transformation of the welfare state since its inception; it has formed and will continue to form a key part of this Government's action to reduce reliance on benefits and increase incentives to work. It is a reform which is fundamentally about helping people to build better futures for themselves and their families.

Universal Credit has been successfully rolled out across the country to new single jobseekers and is now available in all jobcentres. Over a quarter of a million people are now receiving Universal Credit, with around 12,500 new claims every week.

It is essential that the Universal Credit rollout for all claimant types is delivered in an orderly and successful manner; that claimants receive the support they need in a timely fashion; and that welfare reforms are delivered safely as the roll out continues. The previous Government altered the Universal Credit rollout schedule to make sure that the delivery continues to be safe and controlled. I believe this was the right decision: this new Government is committed to administer the Universal Credit Programme in a careful, reliable and transparent fashion.

First, it is important to deliver the policy to limit the child element of tax credits and Universal Credit to two children to its planned April 2017 timetable. Therefore, we will direct new claims from families with more than two children to Tax Credits until November 2018. Thereafter, new claims from families with more than two children will be taken through Universal Credit. Families already on Universal Credit who have a third child after April 2017 will remain on Universal Credit and receive two child elements.

Second, the policy to remove the higher rate of child element for the first child in Universal Credit will only apply where the first child is born after 6 April 2017, aligning the treatment of families within Universal Credit to that in Tax Credits.

Third, the incorporation of Housing Benefit for pensioners into Pension Credit will not begin until the completion of the Universal Credit timetable, in order to give greater certainty to Local Authorities. In addition, the regulations on treatment of surplus earnings and self-employed losses will now be implemented from April 2018.

The Government is making provision for the additional work to deliver these reforms and the other changes announced in Summer Budget 2015 by reshaping the next phase of Universal Credit rollout. The Department will continue its successful rollout of five jobcentres a month to June 2017, expanding to 30 in July 2017. Following a break over the summer the Department will scale up to 55 jobcentres per month between October and December 2017. From February 2018 this will increase to 65 per month, finishing with the final 57 jobcentres in September 2018.

The Government has also taken account of the comments by the NAO and PAC that the existing rollout plan contains no contingency, and the risks to delivery that brings. For the first time since Universal Credit was announced in 2010, we will put specific

contingency into the plan from September 2018 until June 2019. The managed migration of existing benefit claims will start in July 2019 and complete in March 2022.

Finally, in line with the Department's commitment to its delivery partners to give at least six months' notice of Universal Credit implementation plans in their areas, I can today announce the sites for the remainder of 2016/17. Following a planned break in January 2017, Universal Credit will be rolled out to Corby, Southampton, Newcastle East, Warrington and Poplar in February 2017. Following this, in March 2017, Universal Credit will be rolled out to Hinckley, Dalkeith, Newcastle West, Penicuik and City Tower.

In addition the Scottish sites rolling out in November 2016 are changing from Fort William, Invergordon, Portree, Wick and Dingwall to Port Glasgow, Greenock and Kirkintilloch.

I believe this plan is the best way to ensure secure delivery of the Government's welfare reform priorities, increasing employment outcomes and supporting claimants at an affordable cost for the taxpayer.