

# Statement to Parliament: Universal Credit and recent welfare changes

This government is delivering the biggest changes to the welfare state in a generation. We are building a benefits system fit for the 21st century, helping more people into work by providing tailored support – and more financial support for the most vulnerable.

These changes are designed to not only reflect the technological age we live in, which is having a significant impact on work and communications, but also to reflect people's working lives. We are providing extra support for childcare costs, and offering flexibility to look after children or elderly parents. Our reforms take into account flexible working, self-employment, multiple jobs, and societal changes – in particular the growing awareness of mental health conditions, which is strongly linked to the changing pace of life and constant communication.

And we are succeeding in our aim to reshape the system and provide for the most vulnerable. So far Mr Speaker, we have supported nearly 3.4 million more people into work since 2010; that's over 1,000 people a day every day since 2010 – producing a record rate of people in work, and the lowest unemployment since the 1970s. And we are also spending £54 billion on benefits to support disabled people and people with health conditions – this is up £9 billion since 2010. We've seen a record 600,000 disabled people enter work over a 4 year period (from June 2013 to June 2017).

Universal Credit is a brand new benefits system. It is based on leading-edge technology and agile working practices. Our strategy is based on continuous improvement – listening, learning and adapting our delivery as the changes roll-out across the country.

The result will be a tailor-made system, based on the individual.

This is a unique example of great British innovation. And Mr Speaker, we are leading the world in developing this kind of system. Countries like New Zealand, Spain, France and Canada have met with us to see Universal Credit, to watch and learn about the next generation of benefit system.

And let's not forget, we are introducing this new system because the legacy regime it replaces was outdated – not only in terms of an aging IT infrastructure that was built in the 1980s, but also in the way it trapped people in unemployment and dis-incentivised work.

## **Welfare changes made within a flexible system**

Today I am updating the House on the changes we have made to Universal Credit, as a result of this iterative approach.

That is why last autumn:

- we abolished the 7 waiting days from the application process
- we put in place the 2 week Housing Benefit run-on to smooth the transition for an applicant moving to Universal Credit from the previous system
- we ensured that advance payments could be applied for from day 1 of the application process, for up to 100% of a person's indicative total claim

We extended the recovery period for these advances to 12 months. Extra training was given to our work coaches to embed these changes.

[Prior to this] we also changed all Universal Credit telephone lines to Freephone numbers – to ensure ease of access for claimants enquiring about their claim.

Earlier this year we reinstated Housing Benefit for 18 to 21 year olds, and ensured kinship carers are exempt from tax credits changes.

Just last week we announced changes to support the severely disabled when they transition onto Universal Credit; within our reforms, we want to ensure that the most vulnerable get the support they need.

These were proactive changes, taken to enhance our new benefits system.

Our modifications to Universal Credit have been made alongside significant changes to Personal Independence Payment (PIP), to reflect the government's support for disabled people and all types of disabilities – unlike the system before it, which focused on physical disabilities.

In fact – within week one of me entering this job – I took the decision not to continue with a historic appeal (regarding a High Court judgment on the PIP amending regulations) in order to support people suffering from overwhelming psychological distress.

We have also committed to video-recording PIP assessments, so that everyone involved can be sure of a fair and reviewable outcome.

And earlier this week we announced a more practical approach to assessing claimants with severe degenerative diseases. Those patients receiving the highest benefit award will no longer be required to attend regular face-to-face interviews, in order to repeatedly verify their difficult and debilitating circumstances.

## **Response to the National Audit Office (NAO) report**

I would like to turn to the report on Universal Credit published last week by the NAO, which did not take into account the impact of our recent changes. Our analysis shows that Universal Credit is working; we already know it helps more people into work – and stay in work – than the legacy system.

Universal Credit has brought together 6 main benefits, which were administered by different local and national government agencies. Once fully rolled-out, it will be a single, streamlined system – reducing administration

costs and providing value for money for citizens. The cost per claim has already reduced by 7% since March 2018, and is due to reduce to £173 by 2024 to 2025; this is around £50 less per claim than legacy cases currently cost us to process.

Beyond the time span of the NAO report, we have greatly improved our payment timeliness. Around 80% of claimants are paid on time after their initial assessment period. Where new claims are not paid in full and on time, two thirds have been found to have some form of verification outstanding. Verification is a necessary part of any benefits system, and citizens expect these measures to be in place – we need to make sure we are paying the right people the right amount.

Upon visiting jobcentres, the NAO observed good relationships between work coaches and claimants. The results we are seeing are thanks to the exceptional hard work that our work coaches put in, day-in and day-out, with claimants.

Universal Credit is projected to help 200,000 people into work, adding £8 billion per year to the economy when it is fully rolled-out. These are conservative estimates, based on robust analysis that has been signed-off by the Treasury.

And at a user level, we know that 83% of Universal Credit claimants are happy with the service they receive.

## **Conclusion**

Mr Speaker, we are building an agile, adaptable system, fit for the 21st century. We want people to reach their potential, regardless of their circumstances or background – and we will make changes when required, in order to achieve this ambition.

I commend this statement to the House.

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## **[Press release: Female engineers at Sellafield – it's a family affair](#)**

Sellafield Ltd is proud to employ hundreds of female engineers, all contributing to the site's mission.

While they started their careers over 30 years apart, mother and daughter duo Eleanor and Georgina can find a lot to agree on when it comes to being a female engineer.

Eleanor is part of the site's project delivery team and Georgina works in the

Highly Active Liquor Evaporation and Storage plant team.

Despite the family links, Georgina laughs when asked whether it was her mother who inspired her to pursue a career in engineering.

Honestly, not really! If you asked me at 15 whether I wanted to be an engineer like Mum then I would have said no.

Her interest in engineering was sparked by the Science Technology Engineering and Maths (STEM) programme carried out by Sellafield Ltd at her secondary school.

It was actually the engineering education scheme I got involved in at 16. . It was a mechanical engineering programme that I really enjoyed and from there I started looking into different types of engineering and ended up doing a chemical process engineering degree at Newcastle University.

It was Sellafield that initially got me interested through their STEM programmes and then, when I was about 18, I went back to Mum for advice. When I was looking at what to do at university and what courses might be useful for a career she was really helpful.

By contrast, there were few programmes to encourage females into engineering when Eleanor began her career in 1981. She said:

When I first joined engineering I was the only female mechanical apprentice.

Going into engineering was quite daunting, I had come from an all girls' school. There was no engineering at school, it was just needlework and cookery, but I really enjoyed pulling motorbikes, car engines and bicycles to bits from about 15. I really felt like I wanted to go into something like that.

Walking into an apprenticeship where there were 96 males and one other female was quite daunting. When I started university seven years later there were only two other girls and they both dropped out.

By contrast, Georgina's course was around 20 per cent female, also with female lecturers – something which was unheard of when her mum was studying.

And both agree one of the vital things for encouraging more girls into the sector is to have positive role models, encouragement and education at school.

Georgina said:

For me, it's got to be done at 16.

I am so grateful for getting the input from really, really good teachers – all of them female really – and Sellafield with their STEM work, which really changed my perception of what engineering was.

For Eleanor, it is important there are independent professional role models that youngsters can look to for inspiration. She said:

It's very difficult for parents to directly tell their children what to do.

You need young people to be influenced by adults who have the right relationship.

I was an active member of the STEM programme and now I mentor young engineers in the company. I didn't want to tell my children what to do, but I introduced them to things. I have helped lots of other females through STEM and mentoring and it's almost like giving back for what other people did for Georgina.

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## Speech: International Business Festival Speech

It's fantastic to be here at the largest business festival anywhere in the world.

On today's theme, shipping and logistics I can think of no better location than here in Liverpool.

Just over a century ago, the historian W.T. Pike wrote...

In olden times it used to be said that 'all roads lead to Rome'.  
Today, all seas lead to Liverpool.

Indeed – at the turn of the 20th century Liverpool was a titan of the global goods trade.

This city conducted one third of the UK's export trade, owning one third of

UK shipping, and one seventh of all registered shipping anywhere in the world.

Today – Liverpool is retaking its place as a major player in world trade.

In 2016, the completion of Liverpool's £400 million container terminal meant that instead of accommodating just 5% of the world's container vessels the port can now accept 95%.

But despite its strong history in goods this is also a region which excels in services.

Head to almost any country on earth and examples are right before your eyes.

Just take China.

On Shanghai's historic waterfront, you'll find three buildings modelled on Liverpool's 'Three Graces' which stand just a mile north of here.

Across the country the Chinese are discovering our creative industries; in other words, services.

Harry Potter spin-off Fantastic Beasts and Where to Find Them filmed on the streets of Liverpool took more than £30 million in China on its opening weekend.

And in Beijing as soon as you step off the plane you'll enter a terminal designed by architect Norman Foster.

Who was born in Stockport and studied at the University of Manchester.

Frankly – we've got a services sector that other countries would kill for.

The labels 'designed in Britain', 'filmed in Britain', 'recorded in Britain' are hallmarks of quality.

And our [Industrial Strategy](#) is all about growing strengths just like these.

So today I want to talk about how we can build on our deserved reputation as a go-to destination for quality services to make the UK the very best in the world.

Here in North West England three million jobs are in services sectors.

That's 8 out of 10 of all jobs in the region.

When we think about those people who work in 'services' across the UK, we think of bankers, lawyers, and accountants. They make a big contribution to our economy.

In Liverpool, Manchester and Leeds – legal and financial services have had a long history.

But, that's not the whole story. Services cover many other sectors you might

not immediately think of.

Lots of the people I grew up with on Teesside have enjoyed good careers, earning good money for themselves, their family and the country servicing offshore oil rigs in the North Sea. Learning a set of skills which they could then take with them and use around the world.

On top of this, the contribution services make to our manufacturing sector is not always fully appreciated.

More than a third of the value of UK manufacturing exports reflects service sector value added.

While half of the jobs in UK manufacturing are actually in services occupations.

In a world of cutting-edge, hi-tech goods, a product and the services needed to keep it running smoothly are often inseparable.

In this sense, exporting a product abroad isn't just the 'end of a deal' but also the 'beginning of a relationship'.

For example, when Rolls-Royce sells an engine the business value often comes from the long term in-service support and partnership with the customer rather than the initial sale itself.

From film, to healthtech, to services roles linked to advanced manufacturing. So many jobs rest on our ability to export beyond our shores.

British services have a deserved reputation for quality, which has reached all four corners of the earth.

But right now, we need to recognise that, the EU is by far and away the single biggest consumer of our services exports.

£90 billion of services exports went to the EU in 2016.

That's more than to our next eight largest partners: the United States, Switzerland, Japan, Australia, Canada, China, Singapore and Norway – combined.

And if you needed more proof of our strength in services, we export far more services to the EU than we import from them.

With a surplus of over £14 billion in 2016.

This extraordinary performance has been built on the back of established trading relationships with the EU. And in particular by being able to be confident in the right to sell services as well as goods.

This arrangement has made sure UK firms are treated the same way as EU ones.

Ensured others recognise our professional qualifications.

Made it easier to set up a subsidiary in the EU. Allowed profits to be returned to the UK without restriction.

And set out rules that made it easy for companies providing services to send workers to wherever they were needed.

Over the years, we've become used to these things.

But they don't happen without agreement.

So, as we leave the European Union, we must deliberately set out to maintain these rights and introduce as few new barriers to trade in services as possible.

This is every bit as important as avoiding barriers in manufactured goods.

So far, however, the debate has focused mainly on goods.

About how our new customs arrangements with the EU need to keep the borders flowing and avoid costly delays and paperwork.

That's entirely right. But in order to provide services, it is people who must not be held up.

'Mobility is to services what customs is to goods'.

According to the Engineering Employers Federation, three quarters of manufacturers are posting workers.

Sending their UK employees to undertake activities in other EU member states.

Doing everything from attending trade fairs to selling and marketing their products.

From undertaking training courses, to installing, servicing and repairing their products.

And when I talk to UK companies who offer services, many of them stress the importance of this business mobility. The temporary cross-border service provision which underpins their business-as-usual.

From creatives, to engineers, to global aerospace firms, every single day, fly-in, fly-out trips keep the wheels of business turning.

Let me give you some examples.

Just this morning, I was at Prinovis, a printing company just up the road from here, hearing how they regularly send their UK employees to sites across Germany on business.

I've also heard from Colchester Machine Tool Solutions.

In their words:

Going to Germany is like going to Aberdeen.

With 40% of their exports going to the EU, they often need to deploy service engineers to member states within 24 hours for urgent site visits to service the manufacturer's warranty, for example.

Or take Airbus in the UK.

Their employees made 18,000 trips to France alone in 2017.

Because they need to move employees in such numbers at such high frequency they operate their own internal shuttle between their site at Broughton, not far from here in North Wales, and their Bristol and Toulouse sites, in addition to commercial flights.

This ferries around 50 employees a day to undertake business critical work.

If we were to include all movements both ways, including commercial flights, then it's around 30,000 trips!

So I completely understand when companies say that they rely on efficient mobility as it currently stands, raising concerns that restricting people's ability to travel at short notice would be as damaging to our economy as frictions and disruption at our borders.

The issue of mobility is an important one.

The Prime Minister touched upon it in her Mansion House speech, saying that we want to:

Agree an appropriate labour mobility framework that enables UK businesses and self-employed professionals to travel to the EU to provide services to clients in person.

So I hear, loud and clear:

5 requirements that business has to ensure that our services trade with the EU, and the manufacturing that is inextricably linked to it can continue to flourish:

- the mutual recognition of professional qualifications
- the clear right to continue to be able to send people to provide services across Europe
- simple intra-company transfers of people
- the right to establish operating bases or offices on the same basis as a

local firm

- the ability to remit the profits of those activities

Let me clearly say that I, and the Prime Minister value the contribution of businesses, including the ones we're celebrating at today's festival.

Because the business view puts evidence before ideology.

You all know the reality of employing people and exporting across the world.

And that is something we need to listen to.

Beyond Brexit, our modern Industrial Strategy is helping Britain seize the vast opportunities of new innovations and technologies, which could transform our services sector.

On Monday, the £12 million 'Next Generation Services Challenge' opened for applications.

As part of our Industrial Strategy Challenge Fund, it will Invest in projects using AI and data technologies to transform accountancy, insurance and legal services.

And when the next generation of researchers and innovators look at where to develop their next big idea we want the UK to be top of their list.

So today we're announcing £1.3 billion of investment, to grow our research and innovation talent.

Helping to create the tech CEOs, research pioneers and Nobel Prize winners of the future.

The inaugural Future Leaders Fellowship Programme will provide funding for 550 rising stars of science and innovation.

These new fellowships, awarded in the next three years, will have a lifetime value of nearly £900 million.

They will be open to people from all over the world.

On top of this we are investing £350 million in prestigious National Academy fellowships and allocating £50 million for additional PhDs.

The money will help ensure the UK invests 2.4% of GDP in R&D by 2027.

And help us become the world's most innovative economy by 2030.

So ladies and gentlemen,

Just as in the past, 'all seas led to Liverpool', I know that, in the future, we must make sure that roads, railways, searoutes and runways will take not

only British goods, but British people to, and from, Britain as they continue to ply a prospering trade in goods and services.

And at this – a festival of business it's only right that we celebrate our prowess in goods and services.

Across the world, and across Europe, customers opt for our apps, our films, our healthtech and other services pioneered right here in the UK.

In the years to come I know that we will build upon this position of strength.

The great city of Liverpool stands as an example.

Founded on trade in physical goods, it is even more renowned for its cultural strength – in other words, the services it trades on.

So, let's keep looking outwards, let's keep being open, and let's keep sending British people, as well as British goods to serve us well in markets across Europe and around the world.

Thank you very much.

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## **Press release: Anglers urged to report non-native salmon catches**

The Environment Agency is urging anglers and commercial fishermen to report unusual catches after a non-native pink salmon was caught in North East waters.

The fish was captured in a commercial net, close to the mouth of the River Tyne in early June. Since then, there have been further unconfirmed reports of pink salmon being caught in coastal nets in the North East.

Around 200 non-native pink salmon were caught in waters off the North East and Yorkshire coast in 2017 and by anglers in the rivers Tyne, Coquet, Wear and Hull, but this is the first confirmed catch of 2018. Further afield, anglers have confirmed catches in rivers in Scotland and in western Ireland.

Pink salmon (*Onchorhynchus gorbuscha*), also known as humpback salmon, originate from the northern Pacific Ocean.

Millions were stocked in the White Sea region of north Russia from the 1950s until the early 2000s to develop a net fishery. As a result, some have established self-sustaining populations in rivers and coastal areas in Russia, Finland and northern Norway. These populations now appear to be expanding. This is the most likely origin of the pink salmon recently caught

in the UK and Ireland.

Non-native species have the potential to disturb the natural balance of our environment so, the Environment Agency is collecting data on sightings of pink salmon so officers can monitor and review any potential impact on biodiversity.

The Environment Agency's Jonathan Shelley said:

The high numbers of pink salmon in our waters in 2017 was quite unusual. Now we've seen the first pink salmon caught in 2018, we're asking anglers and netsmen to make us aware of any other pink salmon they catch.

I'd urge them to contact us if they see any non-native salmon in the waters, with a date, location and if possible a photograph, which would really help us identify them and build up a picture of where they are.

At this stage we don't think there's likely to be a major impact on wild fish stocks, but it is important we build up as comprehensive a picture of the number and distribution of pink salmon arriving, so we can take any necessary action.

Fishermen who hold a salmon licence and catch pink salmon are asked not to return the fish to the water if they are confident in their identification. Instead they are asked to dispatch them humanely and make the fish available to the Environment Agency for inspection and further analysis. If this is not possible, they are asked to send a sample of the scales. Coarse and trout anglers who catch pink salmon are asked to retain them in a keep net if possible and alert the Environment Agency to arrange collection. If this is not possible, the fish should be released.

Data collected will help the Environment Agency, fisheries researchers and other organisations with an interest in fisheries management in the United Kingdom, Ireland and Scandinavia, better understand how to manage the arrival of pink salmon in the UK.

Anyone with information is asked to contact the North East environmental monitoring team on 0800 807060 or email [jonathan.shelley@environment-agency.gov.uk](mailto:jonathan.shelley@environment-agency.gov.uk).

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