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Ed Humpherson Director General – Regulation UK Statistics Authority

9 June 2015

Dear Ed

Claimant Count including Universal Credit

John Tuly _

I am writing to you concerning the National Statistics status of the count of claimants of Jobseeker's Allowance (JSA) which currently forms the Claimant Count published as part of Labour Market Statistics.

From 17 June 2015, ONS will be replacing the Claimant Count based on JSA with an experimental Claimant Count based on JSA claimants and a measure of out-of-work claimants of Universal Credit (UC).

As the national roll-out of UC, which started in February 2015, proceeds, the undercount arising from continuing to use JSA data is increasing and its usefulness is decreasing. In light of this, I recommend that the Authority considers the National Statistics designation of the Claimant Count.

The new experimental measure is designed to give the nearest we can get to a consistent series comparable to the pre-UC Claimant Count and should be helpful to users of that series. Whilst the definition of out-of-work for UC does not precisely match the Claimant Count definition (since it includes economically inactive claimants i.e. those not seeking and/or not available for work), our analysis indicates that any bias in the new experimental measure is now less than the bias in the old series. Consequently the ONS will lead with the JSA and out-of work UC measure as the Claimant Count for May 2015, to be published on 17 June 2015.

The experimental Claimant Count, based on JSA and out-of work UC claimants will be submitted for assessment when ONS is satisfied that the inputs are unlikely to change significantly and we can be assured that the series is able to meet user needs for quality and consistency. ONS is working with DWP to secure the provision of data on "jobseeker" UC claimants which will match the definition of the Claimant Count and enable us to make rapid progress on meeting this goal.

Yours sincerely,

John Pullinger