



SUPPLEMENT TO THE VOTES AND PROCEEDINGS

Monday 13 June 2011

REPORT STAGE PROCEEDINGS

WELFARE REFORM BILL, AS AMENDED

[FIRST DAY]

NEW CLAUSE AND AMENDMENTS RELATING TO RECOVERY BY DEDUCTION FROM EARNINGS

Deductions from earnings: other cases

Secretary Iain Duncan Smith

Added NC1

To move the following Clause:—

- ‘(1) In section 71 of the Social Security Administration Act 1992 (overpayments - general), after subsection (9) there is inserted—
- “(9A) Regulations may provide for amounts recoverable under the provisions mentioned in subsection (8) above to be recovered by deductions from earnings.
- (9B) In subsection (9A) above “earnings” has such meaning as may be prescribed.
- (9C) Regulations under subsection (9A) above may include provision—
- (a) requiring the person from whom an amount is recoverable (“the beneficiary”) to disclose details of their employer, and any change of employer, to the Secretary of State;
 - (b) requiring the employer, on being served with a notice by the Secretary of State, to make deductions from the earnings of the beneficiary and to pay corresponding amounts to the Secretary of State;
 - (c) as to the matters to be contained in such a notice and the period for which a notice is to have effect;
 - (d) as to how payment is to be made to the Secretary of State;
 - (e) as to a level of earnings below which earnings must not be reduced;
 - (f) allowing the employer, where the employer makes deductions, to deduct a prescribed sum from the beneficiary’s earnings in respect of the employer’s administrative costs;
 - (g) requiring the employer to keep records of deductions;
 - (h) requiring the employer to notify the Secretary of State if the beneficiary is not, or ceases to be, employed by the employer;

Welfare Reform Bill, *continued*

- (i) creating a criminal offence for non-compliance with the regulations, punishable on summary conviction by a fine not exceeding level 3 on the standard scale;
 - (j) with respect to the priority as between a requirement to deduct from earnings under this section and—
 - (i) any other such requirement;
 - (ii) an order under any other enactment relating to England and Wales which requires deduction from the beneficiary's earnings;
 - (iii) any diligence against earnings.”
- (2) In section 71ZA of that Act (overpayments out of social fund), before subsection (3) there is inserted—
- “(2A) Subsection (9A) of section 71 above as it so applies shall have effect as if the reference to amounts recoverable under the provisions mentioned in subsection (8) of that section were to amounts recoverable under subsections (1) and (4) of that section by virtue of subsection (1) above.”
- (3) In section 75 of that Act (overpayments of housing benefit), at the end there is inserted—
- “(8) Regulations may provide for amounts recoverable under this section to be recovered by deductions from earnings.
- (9) In subsection (8) above “earnings” has such meaning as may be prescribed.
- (10) Regulations under subsection (8) above may include provision—
- (a) requiring the person from whom an amount is recoverable (“the beneficiary”) to disclose details of their employer, and any change of employer, to the Secretary of State or the authority which paid the benefit;
 - (b) requiring the employer, on being served with a notice by the Secretary of State or the authority which paid the benefit, to make deductions from the earnings of the beneficiary and to pay corresponding amounts to the Secretary of State or that authority;
 - (c) as to the matters to be contained in such a notice and the period for which a notice is to have effect;
 - (d) as to how payment is to be made to the Secretary of State or the authority which paid the benefit;
 - (e) as to a level of earnings below which earnings must not be reduced;
 - (f) allowing the employer, where the employer makes deductions, to deduct a prescribed sum from the beneficiary's earnings in respect of the employer's administrative costs;
 - (g) requiring the employer to keep records of deductions;
 - (h) requiring the employer to notify the Secretary of State or the authority which paid the benefit if the beneficiary is not, or ceases to be, employed by the employer;
 - (i) creating a criminal offence for non-compliance with the regulations, punishable on summary conviction by a fine not exceeding level 3 on the standard scale;
 - (j) with respect to the priority as between a requirement to deduct from earnings under this section and—

Welfare Reform Bill, *continued*

- (i) any other such requirement;
 - (ii) an order under any other enactment relating to England and Wales which requires deduction from the beneficiary's earnings;
 - (iii) any diligence against earnings.”
- (4) In section 78 of that Act (recovery of social fund awards), after subsection (3B) there is inserted—
- “(3C) Regulations may provide for amounts recoverable under subsection (1) above from a person specified in subsection (3) above to be recovered by deductions from earnings.
- (3D) In subsection (3C) above “earnings” has such meaning as may be prescribed.
- (3E) Regulations under subsection (3C) above may include provision referred to in section 71(9C) above.””
-

Secretary Iain Duncan Smith

Agreed to 1

Page 67, line 35 [*Clause 102*], at end insert—
 ‘() by deduction from earnings (section 71ZCA);’

Secretary Iain Duncan Smith

Agreed to 2

Page 68, line 17 [*Clause 102*], at end insert—

‘71ZCA Deduction from earnings

- (1) Regulations may provide for amounts recoverable under section 71ZB to be recovered by deductions from earnings.
- (2) In this section “earnings” has such meaning as may be prescribed.
- (3) Regulations under subsection (1) may include provision—
 - (a) requiring the person from whom an amount is recoverable (“the beneficiary”) to disclose details of their employer, and any change of employer, to the Secretary of State;
 - (b) requiring the employer, on being served with a notice by the Secretary of State, to make deductions from the earnings of the beneficiary and to pay corresponding amounts to the Secretary of State;
 - (c) as to the matters to be contained in such a notice and the period for which a notice is to have effect;
 - (d) as to how payment is to be made to the Secretary of State;
 - (e) as to a level of earnings below which earnings must not be reduced;
 - (f) allowing the employer, where the employer makes deductions, to deduct a prescribed sum from the beneficiary's earnings in respect of the employer's administrative costs;
 - (g) requiring the employer to keep records of deductions;

Welfare Reform Bill, *continued*

- (h) requiring the employer to notify the Secretary of State if the beneficiary is not, or ceases to be, employed by the employer;
- (i) creating a criminal offence for non-compliance with the regulations, punishable on summary conviction by a fine not exceeding level 3 on the standard scale;
- (j) with respect to the priority as between a requirement to deduct from earnings under this section and—
 - (i) any other such requirement;
 - (ii) an order under any other enactment relating to England and Wales which requires deduction from the beneficiary's earnings;
 - (iii) any diligence against earnings.'

Secretary Iain Duncan Smith

Page 69, line 22 [*Clause 102*], after '71ZC' insert ', 71ZCA'

Agreed to 3

Secretary Iain Duncan Smith

Page 70, line 13 [*Clause 102*], leave out from 'etc)' to end of line 15 and insert—
'(a) for subsection (4) there is substituted—

Agreed to 4

- “(4) If the recipient of a notice under subsection (3) above agrees, in the specified manner, to pay the penalty—
 - (a) the amount of the penalty shall be recoverable from the recipient by the Secretary of State or authority; and
 - (b) no criminal proceedings shall be instituted against the recipient in respect of the conduct to which the notice relates.
- (4A) Sections 71ZC, 71ZCA and 71ZD above apply in relation to amounts recoverable under subsection (4)(a) above as to amounts recoverable by the Secretary of State under section 71ZB above (and, where the notice is given by an authority administering housing benefit or council tax benefit, those sections so apply as if references to the Secretary of State were to that authority).'
- (b) in subsection (9), the definition of “relevant benefit” is repealed.'

Secretary Iain Duncan Smith

Page 75, line 29 [*Clause 112*], after '71ZC' insert ', 71ZCA'

Agreed to 5

Welfare Reform Bill, *continued*

Secretary Iain Duncan Smith

Agreed to 6

Page 75, line 31 [*Clause 112*], at end insert ‘(and, where the appropriate authority is not the Secretary of State, those sections so apply as if references to the Secretary of State were to that authority)’

Secretary Iain Duncan Smith

Agreed to 7

Page 76, line 24 [*Clause 112*], leave out ‘Secretary of State’ and insert ‘appropriate authority’

Secretary Iain Duncan Smith

Agreed to 8

Page 76, line 26 [*Clause 112*], leave out from ‘71ZC’ to end of line 27 and insert ‘71ZCA and 71ZD apply in relation to amounts recoverable by the appropriate authority under subsection (4) as to amounts recoverable by the Secretary of State under section 71ZB (and, where the appropriate authority is not the Secretary of State, those sections so apply as if references to the Secretary of State were to that authority).’

Secretary Iain Duncan Smith

Agreed to 9

Page 155, line 37 [*Schedule 14*], at end insert—

- ‘(ba) in subsection (4)(a) (as substituted by section 102 of this Act), “or authority”;
- (bb) in subsection (4A) (as so substituted), the words from “(and, where” to the end.’

Secretary Iain Duncan Smith

Agreed to 10

Page 155, line 40 [*Schedule 14*], leave out from beginning to end of line 42 and insert—

- ‘In section 115C (as inserted by section 112 of this Act)—
 - (a) in subsection (5), the words from “(and, where” to the end;
 - (b) in subsection (6), in the definition of “appropriate authority”, paragraph (b) and the preceding “or”.
- In section 115D(5) (as inserted by section 112 of this Act), the words from “(and, where” to the end.’
-

Welfare Reform Bill, continued

Secretary Iain Duncan Smith

Agreed to 11Page 163, line 30 [*Schedule 14*], at end insert—‘Section [*Deductions from earnings: other cases*](3).’

Secretary Iain Duncan Smith

Agreed to 12Page 168, line 7 [*Schedule 14*], leave out ‘(3B)’ and insert ‘(3E)’

Secretary Iain Duncan Smith

Agreed to 13Page 168, line 35 [*Schedule 14*], at end insert—‘Section [*Deductions from earnings: other cases*](2)
and (4).’**NEW CLAUSES RELATING TO PART 1***Childcare*Mr Liam Byrne
Stephen Timms
Ms Karen Buck
Margaret Curran*Negated on division* NC2

To move the following Clause:—

- ‘(1) The amount in respect of other particular needs or circumstance, under section 12, shall include a childcare element for claimants who are in work, except in prescribed circumstances.
- (2) The maximum award of the childcare element shall be a prescribed proportion of childcare costs (not less than 80%, or 90% where the element contributes to care for a disabled child), up to a prescribed maximum value (not less than £175 per week for one child and £300 for two or more children).
- (3) “Childcare charges” are charges of a prescribed description incurred in respect of childcare by the claimant or claimants by whom a universal credit claim is made.
- (4) “Childcare”, in relation to a person or persons, means care provided for any child up to the last day in the week in which 1 September falls following the child’s 15th birthday or their 16th birthday if they are disabled, for whom the person is responsible, or for whom either or both of the persons is or are responsible; and by a person of a prescribed description.
- (5) Except in prescribed circumstances, the childcare element shall not be paid where a claimant is in work for fewer than a prescribed number of hours a week or, in the case of a couple, where one or both of the claimants are in work for fewer than a prescribed number of hours a week.

Welfare Reform Bill, *continued*

- (6) For the purposes of this section, regulations are to provide for a definition of “work.”.
-

School meals

Mr Liam Byrne
Stephen Timms
Ms Karen Buck
Margaret Curran
Jeremy Corbyn

Not called NC3

To move the following Clause:—

- ‘(1) The amount in respect of other particular needs or circumstances, under section 12, shall include an amount in respect of school meals for any dependents of the claimant.
 - (2) The maximum award of the amount under this section shall be 100 per cent. of the cost that the claimant would expect to incur in respect of school meals, up to a prescribed maximum value per child.
 - (3) Regulations shall specify the circumstances under which a claimant shall be entitled to an amount under this section.
 - (4) Under no circumstances shall any amount payable under this section be included in the “relevant amount” specified in section 93(5) of this Act.’
-

Health costs

Mr Liam Byrne
Stephen Timms
Ms Karen Buck
Margaret Curran
Jeremy Corbyn

Not called NC4

To move the following Clause:—

- ‘(1) The amount in respect of other needs or circumstances, under section 12 of this Act, shall include an amount in respect of health costs.
 - (2) The maximum award of the amount under this section shall be 100 per cent. of the cost that the claimant would expect to incur in respect of prescribed health costs such as prescription, dental and optical charges, up to a prescribed maximum value.
 - (3) Regulations shall specify the circumstances under which a claimant shall be entitled to an amount under this section.
 - (4) Under no circumstances shall any amount payable under this section be included in the “relevant amount” specified in section 93(5) of this Act.’
-

Welfare Reform Bill, *continued*
Universal credit printed statements

Mr Liam Byrne
 Stephen Timms
 Ms Karen Buck
 Margaret Curran

Not called **NC5**

To move the following Clause:—

‘The Secretary of State will provide a record to the claimant detailing the amount and composition of the award, including amounts in respect of each of the elements specified in sections 9 to 12 of this Act and of any appropriate sub-elements as specified in regulations.’

Payment of housing costs

Mike Weatherley

Not called **NC6**

To move the following Clause:—

- (1) This Section applies to payments of the housing cost element of the universal credit.
 - (2) Payment of the housing costs element of the universal credit must be made to a person’s landlord where:
 - (a) that person has requested or consented to such payment;
 - (b) where sub-paragraph (a) does not apply and the person is in arrears pursuant to the terms of the tenancy agreement between that person and the landlord of an amount equivalent to two weeks or more of the amount he is liable to pay his landlord as rent if in either case the landlord requests or consents to payment to him.
 - (3) Regulations made by the Secretary of State may prescribe the circumstances in which subsection (2) does not apply.
 - (4) Regulations made by the Secretary of State shall prescribe the person who is to be treated as the landlord for the purposes of this section and shall make provision as to the discharge of liability consequent upon the making of any payments to the landlord.’
-

Mr Liam Byrne
 Stephen Timms
 Ms Karen Buck
 Margaret Curran
 Jeremy Corbyn

Negatived on division **23**

Page 3, line 7 [*Clause* 5], after ‘it’, insert ‘excluding any amount in an Individual Savings Account, up to a prescribed maximum of no less than £50,000, where the claimant is in work’.

Welfare Reform Bill, *continued*

Mr Liam Byrne
 Stephen Timms
 Ms Karen Buck
 Margaret Curran

Not called **24**

Page **3**, line **13** [*Clause 5*], after ‘it’, insert ‘excluding any amount in an Individual Savings Account, up to a prescribed maximum of no less than £50,000, where one of the claimants is in work’.

Mr Liam Byrne
 Stephen Timms
 Ms Karen Buck
 Margaret Curran

Not selected **25**

Page **3**, line **17** [*Clause 5*], at end insert—
 ‘(3) For the purposes of this section, regulations are to provide for a definition of “work.”’.

Mr Liam Byrne
 Stephen Timms
 Ms Karen Buck
 Margaret Curran

Not called **30**

Page **4**, line **36** [*Clause 10*], at end insert ‘subject to these amounts being not less than the additional support for disabled children provided through benefits and tax credits prior to the introduction of Universal Credit.’.

Mr Liam Byrne
 Stephen Timms
 Ms Karen Buck
 Margaret Curran
 Jeremy Corbyn

Negated **31**

Page **5**, line **29** [*Clause 11*], at end add—
 ‘(6) Regulations are to provide for the Secretary of State for Work and Pensions and the Secretary of State for Communities and Local Government to review not less than annually the relationship between housing costs in the private rented sector and the level of the housing component of Universal Credit.
 (7) Regulations are to provide that the Secretary of State for Work and Pensions must amend the calculation of housing costs where this is necessary to ensure that at least the 30th percentile of the list of private rented properties in each locality remains affordable to claimants, in light of the review under subsection (6).’.

Welfare Reform Bill, *continued*

Kate Green

Not called 56Page 6, line 22 [*Clause 14*], leave out subsection (1) and insert—

- ‘(1) A claimant commitment is a record of—
- (a) a claimant’s responsibilities in relation to an award of universal credit; and
 - (b) the Secretary of State’s responsibilities in relation to the provision of high quality and personally tailored support to a claimant.’

Kate Green

Not called 57Page 6, line 31 [*Clause 14*], at end insert—

- ‘(ba) such information as may be prescribed on the provision of high quality and personally tailored support.’
-

Kate Green

Cathy Jamieson

Not called 55Page 9, line 16 [*Clause 19*], at end insert—

- ‘(e) family and friends carers who take on the care of a child, for the first year after the child moves in;
- (i) where the child comes to live with the carer as a result of plans made within a section 47 Children Act 1989 child protection enquiry; or
 - (ii) where a child comes to live with the carer following a section 37 Children Act 1989 investigation;
 - (iii) where a carer has secured a Residence Order or Special Guardianship Order to avoid a child being looked after, and there is professional evidence of the impairment of the parents’ ability to care for the child; and/or
 - (iv) where the carer has a Residence Order or Special Guardianship Order arising out of care proceedings; or
 - (v) where the carer has a Residence Order or Special Guardianship Order following the accommodation of a child; or
 - (vi) where the carer has a Residence Order or Special Guardianship Order following the death or serious illness of a parent.’
-

Dr Eilidh Whiteford

Not selected 22Page 12, line 12 [*Clause 26*], at end insert—

- ‘(1A) Regulations must make provision to secure that, where a claimant falling within section 22 does not have guaranteed and predictable access to high quality, flexible and affordable child care acceptable to the parent and child or children,

Welfare Reform Bill, *continued*

the Secretary of State may not impose a sanction on the claimant under this section or under section 27.’.

Mr Liam Byrne
Stephen Timms
Ms Karen Buck
Margaret Curran

Page 103, line 1 [*Schedule 1*], after ‘income,’ insert— *Negated on division 27*
‘(ba) a person’s earned income from self-employment.’.

Mr Liam Byrne
Stephen Timms
Ms Karen Buck
Margaret Curran

Page 103, line 3 [*Schedule 1*], at end insert— *Not called 28*
‘(1A) Regulations under sub-paragraph (1)(ba) above may include provision for calculating profits and losses of a trade in accordance with generally accepted accounting practice, subject to any adjustments prescribed by regulations.’.

Mr Liam Byrne
Stephen Timms
Ms Karen Buck
Margaret Curran

Page 103, line 20 [*Schedule 1*], at end insert— *Not called 29*
‘(4A) Sub-paragraph (4) does not apply where a person has earned income from self-employment and the business from which the earned income in question is derived (or any larger undertaking of which the business in question forms part) is being carried on upon a commercial basis and with a view to the realisation of profits in the business or larger undertaking.’.

Mr Liam Byrne
Stephen Timms
Ms Karen Buck
Margaret Curran

Page 103, line 20 [*Schedule 1*], at end insert ‘; and this will include an additional prescribed minimum level for claimants in receipt of the universal credit additional amount for caring responsibilities, and will be paid in addition to any other prescribed minimum level.’. *Not called 68*

Welfare Reform Bill, *continued*

Mr Liam Byrne
 Stephen Timms
 Ms Karen Buck
 Margaret Curran

Not called **33**

Page **114** [*Schedule 2*], leave out lines 34 to 39.

Mr Liam Byrne
 Stephen Timms
 Ms Karen Buck
 Margaret Curran
 Jeremy Corbyn

Not called **26**

Page **123**, line **10** [*Schedule 6*], at end insert—

- ‘(4) No less than six months before the appointed day the Secretary of State shall publish a report on the access to welfare advice, including advice for those unable to use the internet, that will be available at the appointed day, and shall satisfy himself on the basis of that report that provision is adequate to support migration to Universal Credit.’
-

Kate Green

Not called **58**

Page **18**, line **39** [*Clause 41*], at end add—

“
 ‘personally tailored’ means work-related support and work-focussed support that addresses a claimant’s individual circumstances, needs and barriers to employment;”

Secretary Iain Duncan Smith

Agreed to **14**

Page **20**, line **6** [*Clause 43*], at end insert—

- ‘() A statutory instrument containing the first regulations made by the Secretary of State under any of the following, alone or with other regulations, is subject to the affirmative resolution procedure—
- (a) section 5(1)(a) and (2)(a) (capital limits);
 - (b) section 8(3) (income to be deducted in award calculation);
 - (c) section 9(2) (amount to be included in award calculation for standard allowance element);
 - (d) section 10(3) (amount to be included in award calculation for children and young persons element);
 - (e) section 11 (housing costs element);
 - (f) section 12 (other needs and circumstances element);
 - (g) section 19(2)(d) (claimants subject to no work-related requirements);

Welfare Reform Bill, continued

- (h) sections 26 and 27 (sanctions);
- (i) section 28 (hardship payments);
- (j) paragraph 4 of Schedule 1 (calculation of capital and income);
- (k) paragraph 1(1) of Schedule 6 (migration), where making provision under paragraphs 4, 5 and 6 of that Schedule.’

Secretary Iain Duncan Smith

Agreed to **15**

Page **20**, line **9** [*Clause 43*], leave out ‘under this Part’

Mr Liam Byrne
Stephen Timms
Ms Karen Buck
Margaret Curran

Not called **38**

Page **23**, line **27** [*Clause 44*], at end insert ‘, who in the case of disabled claimants must have access to sufficient skills and expertise to ensure that any requirements are appropriate to the claimant’s circumstances. An employment officer must have regard to guidance issued by the Secretary of State when carrying out any function in relation to this Act.’.

Secretary Iain Duncan Smith

Agreed to **16**

Page **27**, line **22** [*Clause 46*], at end insert—

- ‘(1A) In section 37 of that Act (parliamentary control), in subsection (1), before paragraph (b) there is inserted—
- “(ab) the first regulations to be made under sections 19 to 19C;”.’

Secretary Iain Duncan Smith

Agreed to **17**

Page **35**, line **13** [*Clause 49*], at end insert—

- ‘() In section 37 (parliamentary control), in subsection (1), after paragraph (a) there is inserted—
- “(aa) the first regulations to be made under section 6J or 6K;”.’

Mr Liam Byrne
Stephen Timms
Ms Karen Buck
Margaret Curran

Not called **37**

Page **35**, line **37** [*Clause 51*], leave out ‘365 days’ and insert ‘a prescribed number

Welfare Reform Bill, *continued*

of days not less than 730’.

Mr Liam Byrne
 Stephen Timms
 Ms Karen Buck
 Margaret Curran

Not called **34**

Page **36**, line **11** [*Clause 51*], leave out paragraph (a) and insert ‘does not include days occurring before the coming into force of this section;’.

Mr Liam Byrne
 Stephen Timms
 Ms Karen Buck
 Margaret Curran

Not called **35**

Page **36**, line **14** [*Clause 51*], at end insert—
 ‘(c) does not include days in which a claim in respect of Employment and Support Allowance is in the assessment phase;’.

Mr Liam Byrne
 Stephen Timms
 Ms Karen Buck
 Margaret Curran

Not called **36**

Page **36**, line **14** [*Clause 51*], at end insert—
 ‘(4) The period of days referred to in subsection (1) shall restart following any period in which a person is a member of the Support Group.’.

Secretary Iain Duncan Smith

Agreed to **18**

Page **44**, line **48** [*Clause 56*], at end insert—
 ‘() In section 26 (parliamentary control), in subsection (1), after paragraph (a) there is inserted—
 “(aa) the first regulations under section 11D(2)(d) or 11J.”’

John McDonnell
 Jeremy Corbyn

Not called **63**

Page **45**, line **23**, leave out Clause 57.

Welfare Reform Bill, *continued*

Mr Liam Byrne
Stephen Timms
Ms Karen Buck
Margaret Curran

Not called 32

Page 52, line 19 [*Clause 68*], at end add—
(4) After subsection (7) insert—

“(7A) In relation to a dwelling of which the landlord is a local housing authority or a registered provider of social housing, regulations under this section shall not permit the AMHB to be less than the actual amount of the liability in a case where a person has provided the relevant authority with such certificates, documents, information or evidence as are sufficient to satisfy the authority that the person is disabled and is living in a property specially adapted or particularly suited to meet the needs of that person.”.

Jenny Willott
Ian Swales
Mr Alan Reid

Not selected 71

Page 52, line 19 [*Clause 68*], at end insert—

(4) Regulations under subsection (3) are to be made by statutory instrument.

(5) A statutory instrument containing (whether alone or with other provisions) the first regulations under subsection (3) may not be made unless a draft of the instrument has been laid before, and approved by resolution of, each House of Parliament.’.

Jenny Willott
Ian Swales

Not called 72

Page 52, line 19 [*Clause 68*], at end insert—

(4) The Secretary of State must lay before Parliament a report on the impact of subsection (3) within 12 months of the coming into force of that subsection.’.

Bill to be further considered tomorrow.