

LORDS AMENDMENTS TO THE
WELFARE REFORM AND WORK BILL

[The page and line references are to HL Bill 69, the bill as first printed for the Lords]

Before Clause 4

1 Insert the following new Clause –

“Child poverty

Child poverty: reporting obligation

- (1) The Secretary of State must lay before each House of Parliament an annual report on child poverty.
- (2) The report must include information on the percentage of children living in households where –
 - (a) equivalised net income for the financial year is less than 60% of median equivalised net household income for the most recent financial year;
 - (b) equivalised net income for the financial year is less than 70% of median equivalised net household income for the most recent financial year, and which experience material deprivation;
 - (c) equivalised net income for the financial year is less than 60% of median equivalised net household income for the financial year beginning 1 April 2010, adjusted in a prescribed manner to take account of changes in the value of money since that year; and
 - (d) equivalised net income has been less than 60% of median equivalised net household income in at least 3 of the survey years.
- (3) For the purposes of subsection (2)(d), the survey years are the calendar year that ends in the financial year addressed in subsection (2)(a) and (b), and the 3 preceding calendar years.”

Clause 7

2 Page 9, leave out lines 1 and 2

3 Page 9, leave out lines 11 and 12

4 Page 9, line 37, at end insert –
“(b) in subsection (4), omit “other”.”

Clause 8

5 Page 11, line 19, leave out from “subsection” to “may” in line 21 and insert “(4) insert—

“(4A) A statutory instrument containing regulations under section 96A”

6 Page 11, line 24, leave out subsection (6)

After Clause 8

7 Insert the following new Clause—

“Benefit cap: Social Security Advisory Committee

(1) In section 170 of the Social Security Administration Act 1992 (Social Security Advisory Committee), in subsection (5)—

(a) in the definition of “the relevant enactments”, after paragraph (al) insert—

“(ala) sections 96 to 97 of that Act;”;

(b) in the definition of “the relevant Northern Ireland enactments”, after paragraph (al) insert—

“(ala) any provisions in Northern Ireland which correspond to sections 96 to 97 of that Act;”.

(2) In Schedule 7 to the Social Security Administration Act 1992 (regulations not requiring prior submission), in Part 1 (Social Security Advisory Committee), after paragraph 3 insert—

“Benefit cap

3A Regulations under section 96A of the Welfare Reform Act 2012.””

Clause 13

8 Leave out Clause 13

Clause 14

9 Leave out Clause 14

Clause 18

10 Page 17, line 36, at end insert—

“() In section 170 of the Social Security Administration Act 1992 (Social Security Advisory Committee), in subsection (5)—

(a) in the definition of “the relevant enactments”, after paragraph (an) insert—

“(ao) sections 16, 17 and 19 of the Welfare Reform and Work Act 2016;”;

(b) in the definition of “the relevant Northern Ireland enactments”, after paragraph (an) insert—

“(ao) any provisions in Northern Ireland which correspond to sections 16, 17 and 19 of the Welfare Reform and Work Act 2016;”.”

11 Page 17, line 36, at end insert –

- “() In section 2 of the Social Security Act 1998 (use of computers), in subsection (2) –
- (a) omit the “or” after paragraph (m);
 - (b) after paragraph (n) insert “or
 - (o) sections 16 to 19 of the Welfare Reform and Work Act 2016.”
- () In section 8 of the Social Security Act 1998 (decisions by Secretary of State) –
- (a) in subsection (3) (meaning of “relevant benefit”), after paragraph (bb) insert –
 - “(bc) a loan under section 16 of the Welfare Reform and Work Act 2016;”;
 - (b) in subsection (4) (meaning of “relevant enactment”), for “or section 30 of that Act” substitute “, section 30 of that Act or sections 16 to 19 of the Welfare Reform and Work Act 2016”.
- () In section 11 of the Social Security Act 1998 (regulations with respect to decisions), in subsection (3), in the definition of “the current legislation”, for “and section 30 of that Act” substitute “, section 30 of that Act and sections 16 to 19 of the Welfare Reform and Work Act 2016”.
- () In section 28 of the Social Security Act 1998 (correction of errors and setting aside of decisions), in subsection (3) –
- (a) omit the “or” after paragraph (i);
 - (b) after paragraph (j) insert “; or
 - (k) sections 16 to 19 of the Welfare Reform and Work Act 2016.”
- () In section 39 of the Social Security Act 1998 (interpretation etc of Chapter 2 of Part 1), after subsection (1) insert –
- “(1A) In this Chapter –
- (a) a reference to a benefit includes a reference to a loan under section 16 of the Welfare Reform and Work Act 2016;
 - (b) a reference to a claim for a benefit includes a reference to an application for a loan under section 16 of the Welfare Reform and Work Act 2016;
 - (c) a reference to a claimant includes a reference to an applicant for a loan under section 16 of the Welfare Reform and Work Act 2016 or, in relation to a couple jointly applying for a loan under that section, a reference to the couple or either member of the couple;
 - (d) a reference to an award of a benefit to a person includes a reference to a decision that a person is eligible for a loan under section 16 of the Welfare Reform and Work Act 2016;
 - (e) a reference to entitlement to a benefit includes a reference to eligibility for a loan under section 16 of the Welfare Reform and Work Act 2016.””

12 Page 17, line 41, at end insert –

- “() In section 131 of the Welfare Reform Act 2012 (information-sharing in relation to welfare services etc), in subsection (12), in the definition of “relevant social security benefit” for the words from “has” to the end substitute “means –
- (a) a relevant social security benefit as defined in section 121DA(7) of the Social Security Administration Act 1992, or
 - (b) a loan under section 16 of the Welfare Reform and Work Act 2016 (loans for mortgage interest etc);”.

Clause 21

13 Page 20, line 23, after “began” insert “at or”

14 Page 20, line 39, at end insert –

- “() For the purposes of subsection (6), a private registered provider’s practice as regards its tenancies is to be determined by reference to its practice as regards the tenancies of its social housing in the year ending with 31 March 2016 (and a private registered provider which has no tenancies of its social housing in that year is to be regarded as having no practice as regards its tenancies).”

Clause 22

15 Page 21, line 7, leave out subsection (2) and insert –

- “(2) Section 21 does not apply in relation to social housing of a registered provider if, where the registered provider’s interest in the property that consists of or includes the social housing is subject to a mortgage –
- (a) the mortgagee is in possession of the interest in the property or the part of the property that includes the social housing, in the exercise of the mortgagee’s powers to enforce the mortgage,
 - (b) a receiver has been appointed in relation to the interest in the property or the part of the property that includes the social housing by –
 - (i) the mortgagee, in the exercise of the mortgagee’s powers to enforce the mortgage, or
 - (ii) the court, in connection with enforcing the mortgage, and that appointment is in force, or
 - (c) a person has been appointed by the mortgagee, in the exercise of the mortgagee’s powers to enforce the mortgage (including, in the case of a floating charge which relates to the interest in the property, the power under paragraph 14 of Schedule B1 to the Insolvency Act 1986), to exercise powers that include a power to sell or otherwise dispose of the interest in the property or the part of the property that includes the social housing and that appointment is in force.”

16 Page 21, line 18, leave out subsection (3) and insert –

- “(3) If –
- (a) a registered provider’s interest in property that consists of or includes social housing was made subject to a mortgage, and

(b) the interest in the property, or the interest in the part that includes the social housing, is sold or otherwise disposed of after the coming into force of section 21 by –

- (i) the mortgagee, in the exercise of the mortgagee’s powers to enforce the mortgage,
- (ii) a receiver appointed by the mortgagee or by the court as described in subsection (2)(b), or
- (iii) a person appointed by the mortgagee as described in subsection (2)(c),

section 21 ceases to apply in relation to that social housing at the time of that sale or other disposal.”

17 Page 21, line 33, at end insert –

- “() In subsections (2) and (3) –
“mortgage” includes a charge or other security;
“mortgagee” includes a person who is entitled to take steps to enforce a charge or other security.”

Clause 24

18 Page 23, line 28, at end insert –

- “(b) regulations under section 26 of that Act, or
(c) Part 1 of Schedule 2 to that Act.””

19 Page 23, line 32, at end insert –

- “(b) regulations under section 26 of that Act, or
(c) Part 1 of Schedule 2 to that Act.””

20 Page 23, line 36, at end insert –

- “(b) regulations under section 26 of that Act, or
(c) Part 1 of Schedule 2 to that Act.””

21 Page 23, line 40, at end insert –

- “(ii) regulations under section 26 of that Act, or
(iii) Part 1 of Schedule 2 to that Act.”.”

22 Page 24, line 3, at end insert –

- “(ii) regulations under section 26 of that Act, or
(iii) Part 1 of Schedule 2 to that Act.”.”

23 Transpose Clause 24 to after Clause (*Change of registered provider*)

Clause 25

24 Page 24, line 9, leave out “, exemptions and enforcement” and insert “and exemptions”

Clause 26

25 Page 24, line 31, at end insert –

- “(3A) Regulations made by virtue of subsection (3) may, in particular, provide for section 21 or Part 1 of Schedule 2 to have effect with modifications.

- (3B) The modifications that may be made by virtue of subsection (3A) include (but are not limited to) modifications that –
- (a) provide for the maximum amount of rent to be increased from year to year by no more than a percentage specified in the regulations;
 - (b) provide for the maximum amount of rent to be determined by disregarding the effect of a temporary reduction or waiver of rent;
 - (c) provide for the maximum amount of rent to be determined by reference to a different period;
 - (d) provide for section 21(1) or paragraph 1(4)(c) or (5)(c) or 3(4) of Schedule 2 to have effect as if it referred to a different percentage;
 - (e) provide for paragraph 1, 2 or 3 of Schedule 2 to have effect as if the social rent rate were uplifted by a percentage specified in the regulations;
 - (f) provide for paragraph 3(2) or (3) of Schedule 2 to have effect as if paragraph 3(2)(a)(ii) or (3A)(a)(ii) referred to a different percentage;
 - (g) provide for the maximum amount of rent to be determined by reference to what would have been the amount if an exception in regulations under section 22 or paragraph 5(4) of Schedule 2 (including an exception making such provision as is described in section 22(6) or paragraph 5(6)) had not applied.
- (3C) Regulations made by virtue of subsection (3B)(d) may not provide for a higher percentage to have effect.
- (3D) Regulations made by virtue of subsection (3B)(e) may, in particular, make provision in relation to cases where an exception in regulations under paragraph 5(4) of Schedule 2 making provision about social housing which satisfies conditions prescribed by the regulations as to design, facilities, use or the provision of support to tenants applies.
- (3E) Regulations under subsection (1) may not provide for a maximum amount of rent payable by a tenant of social housing in respect of a relevant year, or a part of a relevant year, which is less than the amount that would be payable by the tenant in respect of that period if the rent was payable at the social rent rate in that period, in a case where an exception in regulations under paragraph 5(4) of Schedule 2 applies.”

26 Page 25, line 1, leave out subsection (8)

After Clause 26

27 Insert the following new Clause –

“Implied terms

- (1) A lease or other agreement by virtue of which a person is a tenant of a registered provider contains, by virtue of this subsection, an implied term enabling the registered provider to reduce the amount of rent payable by the tenant, without giving prior notice, where the reduction is made for the purpose of complying with a requirement imposed by or under section 21 or 26 or Part 1 of Schedule 2.
- (2) Subsection (1) has effect notwithstanding any express provision in a lease or other agreement.
- (3) Section 102 of the Housing Act 1985 (variation of terms of a secure tenancy) has effect subject to subsection (1).”

Insert the following new Clause—

“Change of registered provider

- (1) This section applies if—
 - (a) particular social housing of a registered provider becomes social housing of another registered provider (“the transferee”), and
 - (b) the social housing is subject to a tenancy that began before the social housing became the transferee’s social housing.
- (2) Sections 21 to 26 and Schedule 2 have effect in relation to the amount of rent payable by the tenant under the tenancy as if—
 - (a) the transferee’s relevant years were the same as the initial registered provider’s relevant years, and
 - (b) rent payable by the tenant before the social housing became the transferee’s social housing were rent payable to the transferee in respect of such earlier periods.
- (3) Subsection (4) applies if, immediately before the social housing became the transferee’s social housing, a requirement imposed by or under section 21 or 26 or Part 1 of Schedule 2 was disapplied or modified as regards the social housing—
 - (a) by a direction under section 23 or paragraph 6 of Schedule 2, or
 - (b) under section 26(4).
- (4) If the social housing becomes the transferee’s social housing otherwise than at the beginning of a relevant year of the initial registered provider, the requirement continues not to apply or continues to apply as modified (as the case may be) until—
 - (a) the relevant year of the initial registered provider current when the social housing becomes the transferee’s social housing comes to an end, or
 - (b) if earlier, the tenancy comes to an end.
- (5) In this section a reference to a relevant year of an initial registered provider includes, in the case of an initial registered provider that has ceased to exist, a reference to what would have been a relevant year of an initial registered provider if it had not ceased to exist.
- (6) In this section “initial registered provider”, in relation to a tenancy of social housing, means the first registered provider which—
 - (a) was subject to a requirement imposed by or under section 21 or 26 or Part 1 of Schedule 2 as regards the tenancy, or
 - (b) would have been so subject but for its being disapplied—
 - (i) by a direction under section 23 or paragraph 6 of Schedule 2 or under section 26(4), or
 - (ii) by or under section 22 or paragraph 5 of Schedule 2.”

29 Insert the following new Clause –

“Transitional provision

- (1) This section applies if, immediately before the rent restriction period ends –
 - (a) a lease or other agreement by virtue of which a person is a tenant of a registered provider contains provision under which rent will or may be increased with effect from a date or dates specified in the lease or other agreement (“rent review dates”), and
 - (b) the registered provider is subject to a requirement imposed by or under section 21 or 26 or Part 1 of Schedule 2 as regards the tenant.
- (2) The lease or other agreement contains, by virtue of this subsection, an implied term enabling the registered provider to treat a date that falls –
 - (a) after the rent restriction period ends, and
 - (b) before the first rent review date to occur after the rent restriction period ends,as if that date were the first rent review date to occur after the rent restriction period ends (instead of the date provided for in the lease or other agreement).
- (3) Subsection (4) applies if, under the provision mentioned in subsection (1)(a), the intervals between rent review dates may only be intervals of 51 weeks or more.
- (4) The lease or other agreement contains, by virtue of this subsection, an implied term enabling the registered provider, if it acts as mentioned in subsection (2), to treat the relevant date as if it were the second rent review date to occur after the rent restriction period ends (instead of the date provided for in the lease or other agreement).
- (5) In subsection (4) “the relevant date” means the date that precedes the second rent review date by the same period as the date treated under subsection (2) as the first rent review date precedes the first rent review date provided for in the lease or other agreement.
- (6) The lease or other agreement contains, by virtue of this subsection, an implied term requiring the registered provider, if it acts as mentioned in subsection (4), to treat the date that precedes each subsequent rent review date by the same period as if it were that subsequent rent review date (instead of the date provided for in the lease or other agreement).
- (7) The lease or other agreement contains, by virtue of this subsection, an implied term providing that, if the registered provider treats an earlier date as if it were a rent review date because of a term implied by subsection (2), (4) or (6), other provision in the lease or other agreement is to have effect accordingly.
- (8) Nothing in this section prevents the registered provider and the tenant varying or excluding by agreement a term implied by virtue of this section.
- (9) Section 102 of the Housing Act 1985 (variation of terms of a secure tenancy) has effect subject to subsections (2), (4), (6) and (7).
- (10) In this section “rent restriction period”, in relation to a tenant of a registered provider, means the period during which the registered provider might be subject to a requirement imposed by or under section 21 or 26 or Part 1 of Schedule 2 as regards the tenant.”

Clause 27

30 Page 25, line 10, after “26” insert “and (*Change of registered provider*)”

Clause 28

31 Page 25, leave out lines 13 and 14

32 Page 25, line 36, at end insert –
 ““social rent rate” has the meaning given by Schedule 2;”

33 Page 26, line 15, at end insert –

“() In determining the maximum amount of rent payable by a person who is a tenant of social housing for part of a relevant year, a fraction of a day during which the person is a tenant of that social housing is to be treated as a whole day during which the person is a tenant of that social housing.”

34 Page 26, line 18, leave out from beginning to “does” in line 21 and insert –

- “(a) in a case where the maximum amount applying under regulations under section 26 or Part 1 of Schedule 2 is determined on a basis that treats an amount, or a description of an amount, payable by way of service charge as part of the rent payable, includes a reference to an amount, or an amount of that description, payable by way of service charge,
- (b) in a case where section 21 applies after regulations under section 26 have, or Part 1 of Schedule 2 has, applied a maximum amount determined on a basis that treats an amount, or a description of an amount, payable by way of service charge as part of the rent payable, includes a reference to an amount, or an amount of that description, payable by way of service charge,
- (c) in a case not falling within paragraph (a) or (b) where, under the terms of the lease or agreement, an amount, or a description of an amount, payable by way of service charge is part of the rent payable, includes a reference to an amount, or an amount of that description, payable by way of service charge, and
- (d) in any other case,”

Clause 30

35 Page 27, line 7, after “8” insert “and (*Benefit cap: Social Security Advisory Committee*)”

Clause 31

36 Page 27, line 21, at end insert –
 “() section 21(3) and (4);”

37 Page 27, line 23, leave out first “paragraph 6” and insert “paragraphs 6 and 10”

38 Page 27, line 23, leave out second “paragraph 6” and insert “paragraphs 6 and 10”

Schedule 2

39 Page 30, line 40, leave out sub-paragraphs (i) to (iii) and insert –

- “(i) was payable at the beginning of 8 July 2015 by the person who was the tenant of that social housing, in a case where 8 July 2015 is the relevant day,

- (ii) was payable at the beginning of the relevant day by the person who was the tenant of that social housing, in a case where the relevant day falls after 8 July 2015 and the person who was the tenant at the beginning of 8 July 2015 continued as tenant until at least that later time,
- (iii) is likely to have been payable at the beginning of the relevant day by the person who was the tenant at the beginning of 8 July 2015 if the person's tenancy had continued until at least that later time, in a case where the relevant day falls after 8 July 2015 and the person who was the tenant at the beginning of 8 July 2015 ceased to be the tenant before that later time, or
- (iv) is likely to have been payable at the beginning of the relevant day by a tenant of that social housing, in a case where there was no tenant at that time and sub-paragraph (iii) does not apply,"

40 Page 31, line 20, leave out sub-paragraphs (7) and (8) and insert –

“(6A) The Secretary of State may by regulations define “formula rent” and may, in particular, provide that it is a rent set in accordance with a method specified in the regulations.

(6B) Regulations under sub-paragraph (6A) may, in particular, make provision by reference to –

- (a) the standard published in January 2015 by the regulator under section 194(2A) of the Housing and Regeneration Act 2008 (the powers of the regulator to set standards relating to levels of rent),
- (b) *Rent Standard Guidance* published in January 2015 by the regulator, or
- (c) *Guidance on Rents for Social Housing* published in May 2014 by the Secretary of State.”

41 Page 32, line 17, leave out sub-paragraph (6)

42 Page 32, line 26, leave out from beginning to end of line 30 and insert “the higher of –

- (a) the amount found by –
 - (i) determining the rate of the market rent for that social housing when the tenancy begins, and
 - (ii) determining the amount that is 80% of the amount that would be payable in respect of a year if that rate had applied during the year, and
- (b) the amount that would be payable in respect of the first relevant year if the tenant were paying rent at the social rent rate.”

43 Page 32, line 40, leave out from “is” to end of line 44 and insert “the higher of the amounts described in sub-paragraph (3A).”

44 Page 32, line 44, at end insert –

“(3A) The amounts referred to in sub-paragraph (3) are –

- (a) the amount found by –
 - (i) determining the rate of the market rent for that social housing when the tenancy begins,

-
- (ii) determining the amount that is 80% of the amount that would be payable in respect of a year if that rate had applied during the year, and
 - (iii) (if necessary) reducing that amount in proportion to the part of that relevant year that elapsed before the tenancy begins, and
 - (b) the amount that would be payable in respect of the period in question if the tenant were paying rent at the social rent rate.”
- 45 Page 33, line 1, leave out from “is” to “reduced” in line 2 and insert “the higher of –
- (a) the amount that would be found under sub-paragraph (3A)(a) if sub-paragraph (3A)(a)(iii) were disregarded, and
 - (b) the amount that would be found under sub-paragraph (3A)(b) if the period in question were the whole of the relevant year in which the tenancy begins,”
- 46 Page 33, line 31, at end insert –
- “() an arrangement between a local authority and the Homes and Communities Agency, the Greater London Authority or the Secretary of State under which rents for social housing may be set on a particular basis.”
- 47 Page 33, line 32, leave out sub-paragraphs (5) and (6) and insert –
- “(4A) Regulations under sub-paragraph (2) may define “affordable rent” and may, in particular, provide that it is a rent set in accordance with a method specified, or of a description specified, in the regulations.
 - (4B) The methods that may be specified in the regulations include, but are not limited to, methods that provide for a maximum level of rent when accommodation is initially let to be a certain percentage of market rent in certain cases or circumstances.”
- 48 Page 33, line 41, at end insert –
- “() A reference to an amount of market rent includes a reference to an amount payable by way of service charge.”
- 49 Page 34, line 9, leave out sub-paragraph (2) and insert –
- “(2) Part 1 does not apply in relation to social housing of a registered provider if, where the registered provider’s interest in the property that consists of or includes the social housing is subject to a mortgage –
 - (a) the mortgagee is in possession of the interest in the property or the part of the property that includes the social housing, in the exercise of the mortgagee’s powers to enforce the mortgage,
 - (b) a receiver has been appointed in relation to the interest in the property or the part of the property that includes the social housing by –
 - (i) the mortgagee, in the exercise of the mortgagee’s powers to enforce the mortgage, or
 - (ii) the court, in connection with enforcing the mortgage, and that appointment is in force, or

- (c) a person has been appointed by the mortgagee, in the exercise of the mortgagee's powers to enforce the mortgage (including, in the case of a floating charge which relates to the interest in the property, the power under paragraph 14 of Schedule B1 to the Insolvency Act 1986), to exercise powers that include a power to sell or otherwise dispose of the interest in the property or the part of the property that includes the social housing and that appointment is in force."

50 Page 34, line 21, leave out sub-paragraph (3) and insert –

“(3) If –

- (a) a registered provider's interest in property that consists of or includes social housing was made subject to a mortgage, and
- (b) the interest in the property, or the interest in the part that includes the social housing, is sold or otherwise disposed of after the coming into force of Part 1 by –
 - (i) the mortgagee, in the exercise of the mortgagee's powers to enforce the mortgage,
 - (ii) a receiver appointed by the mortgagee or by the court as described in sub-paragraph (2)(b), or
 - (iii) a person appointed by the mortgagee as described in sub-paragraph (2)(c),

Part 1 ceases to apply in relation to that social housing at the time of that sale or other disposal.”

51 Page 34, line 36, at end insert –

“() In sub-paragraphs (2) and (3) –

“mortgage” includes a charge or other security;

“mortgagee” includes a person who is entitled to take steps to enforce a charge or other security.”

52 Page 35, line 15, at end insert –

“() a direction that Part 1 is to have effect in relation to a private registered provider specified in the direction as if a reference in Part 1 to the social rent rate were a reference to that rate increased by the percentage specified in the direction;”

53 Page 36, line 2, at end insert –

“() a direction that Part 1 is to have effect in relation to a local authority specified in the direction as if a reference in Part 1 to the social rent rate were a reference to that rate increased by the percentage specified in the direction;”

54 Page 36, line 28, leave out paragraph 7

55 Page 36, line 40, after “1(5)(a)(iii)” insert “or (iv)”

56 Page 36, line 41, leave out “the beginning of 8 July 2015” and insert “a particular time”

In the Title

57 Line 5, after “interest” insert “and other liabilities”

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