

03/2016 Welfare Reform and Work Bill Update



19/02/16

Key Points

- The Welfare Reform and Work Bill has completed its passage through the House of Lords. Lords amendments will be considered by the House of Commons on 23 February.
- The Government has confirmed its intention to exempt sheltered and supported housing owned by local authorities and housing associations from the social rent reductions for a period of 1 year while a review of the financing of supported housing is carried out. This exemption will be made through regulations provided for in Clause 21 of the Bill.

Progress of the Bill

The Welfare Reform and Work Bill has completed its passage through the House of Lords, receiving its Third Reading on 9 February. The Lords made a number of amendments, which will be considered by the House of Commons on 23 February. The Bill may then go back and forth (“ping-pong”) until both Houses reach agreement on it.

Lords’ amendments

The House of Lords made amendments to several parts of the Bill. In all cases these were Government amendments, although most of them sought to respond to points raised by other members of the House about the operation of the Bill’s proposals. They included:

- a requirement for the Government to report annually on child poverty
- amendments to pave the way for exemption from the benefit cap of households where a member receives carer’s allowance or guardian’s allowance.

Social rent reductions

Amendments were made to Clause 21 of the Bill, which provides for exceptions to the 1% rent reductions for local authority and housing association tenants, to exempt properties subject to a mortgage in default, and to clarify the rent chargeable on properties relet during the four year period and on those subject to an affordable rent. The Government accepted at Third Reading that its amendments on the latter point were probably inadequate and a further amendment might be introduced when the Bill is debated in the Commons.

The Government confirmed its intention to exempt supported housing, including sheltered housing, from the rent reductions for a period of 1 year, while a review of the financing of supported housing is carried out. This exemption will be achieved through the power already included in Clause 21 for the Secretary of State to make exceptions by regulation.