PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

WELFARE REFORM AND WORK BILL

Eleventh Sitting

Tuesday 20 October 2015

CONTENTS

New clauses considered.
New schedule considered.
Clauses 23 to 26 agreed to, two with amendments.
Title amended.
Bill, as amended, to be reported.
Written evidence reported to the House.

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The Committee consisted of the following Members:

Chairs: Albert Owen, †Mr Gary Streeter

† Abrahams, Debbie *(Oldham East and Saddleworth)* (Lab)
† Atkins, Victoria *(Louth and Horncastle)* (Con)
† Bardell, Hannah *(Livingston)* (SNP)
† Churchill, Jo *(Bury St Edmunds)* (Con)
† Coyle, Neil *(Bermondsey and Old Southwark)* (Lab)
Dowd, Peter *(Bootle)* (Lab)
† Heaton-Jones, Peter *(North Devon)* (Con)
Hinds, Damian *(Exchequer Secretary to the Treasury)*
† Lynch, Holly *(Halifax)* (Lab)
† Milling, Amanda *(Cannock Chase)* (Con)
† Opperman, Guy *(Hexham)* (Con)
† Patel, Priti *(Minister for Employment)*
† Phillips, Jess *(Birmingham, Yardley)* (Lab)
† Scully, Paul *(Sutton and Cheam)* (Con)
† Shah, Naz *(Bradford West)* (Lab)
† Shelbrooke, Alec *(Elmet and Rothwell)* (Con)
† Thornberry, Emily *(Islington South and Finsbury)* (Lab)
† Vara, Mr Shailesh *(Parliamentary Under-Secretary of State for Work and Pensions)*
† Whately, Helen *(Faversham and Mid Kent)* (Con)
† Wilson, Corri *(Ayr, Carrick and Cumnock)* (SNP)

Marek Kubala, Ben Williams, *Committee Clerks*

† attended the Committee

Public Bill Committee

Tuesday 20 October 2015

[Mr Gary Streeter *in the Chair*]

Welfare Reform and Work Bill

9.25 am

New Clause 8

Review of childcare tax credit amounts

'The Secretary of State must at least once a year review the level of the Childcare element of the Working Tax Credit entitlement sums to determine whether it is appropriate to increase or decrease any one or more of those sums.' —*(Emily Thornberry.)*

This New Clause would require the Secretary of State to review the childcare tax credit entitlement sums.

Brought up, and read the First time.

Emily Thornberry (Islington South and Finsbury) (Lab): I beg to move, That the clause be read a Second time.

Like housing, the cost of childcare has weaved its way through these debates, as we have considered a Bill that places significant new burdens on working families with children. The rising cost of childcare is not a new phenomenon, but it has certainly made life more difficult in recent years for working parents, who have seen their incomes largely flatline, whereas the cost of childcare has been going up.

According to figures compiled by the Family and Childcare Trust, the costs for preschool children have increased by 20% in real terms over the past decade. Between 2007 and 2013, the proportion of families who said that they found it either difficult or very difficult to pay for childcare increased from 18% to 26%. In the past five years, as prices have continued to outstrip wages, the trend has worsened to the point where the average family will pay an additional £1,500 a year in nursery fees compared with what they paid in 2010.

The impact on families with the lowest incomes, regardless of whether they work, has been particularly alarming. Children living with parents who have to pay for childcare are now a third more likely to live in poverty once those costs have been taken into account. The Bill, which attempts to redefine poverty by focusing on whether anyone in a household works, instead of on how much working households can earn, will effectively ignore the problem. That does not make it any less real, however, for real families in the real world, and it should not blind the Committee to the fact that there is a lack of consistency in the Government's approach, which seeks to impose strict requirements on parents to support themselves solely through work while providing less and less support to cover the costs of the childcare that would make work an option.

It is significant in that context that 41% of parents who responded to a survey carried out by Citizens Advice last year said that the cost of childcare either prevented them from working at all, or, if they already worked, prevented them from increasing their hours. That will not be helped by a promise to increase the number of hours of childcare available, as long as the promise simply remains a promise and is, frankly, no more than an unfunded commitment. We have discussed that commitment at length during previous debates in this Committee and the fact that the Childcare Bill, which is currently making its way through the other place, is a four-page Bill, which does not increase the confidence of Opposition Members that this pledge is realistic.

The most obvious concerns—I will not rehearse them all this morning—are that the extension is inadequately funded; that the Government have yet to outline their plans for increasing the number of childcare places to meet any increase in demand; and that we have had no indication that any additional support will be made available for single parents who will be expected to be available for work as a result of measures in this Bill. It seems telling to us that when we put forward an amendment saying effectively that no parent should be forced to work unless adequate childcare is in place, Government Members felt it necessary to vote against such a reasonable amendment. That group of people will be hit particularly hard by the regressive four-year freeze on working-age benefits and tax credit, which clauses 9 and 10 provide for. I remind the Committee that single parents make up 56% of families receiving both working tax credit and child tax credit. If the extension of free hours is inadequately funded—I would welcome any evidence to the contrary—it is inevitable that the out-of-pocket costs parents are forced to pay will increase as sharply in the next five years as they have in the past five years.

Freezing the level of working tax credit, under which working parents can claim reimbursement for up to 70% of their childcare costs, is particularly counterintuitive if the aim is to make work pay, as the Government continue to insist it is. If we assume that childcare costs will rise at the usual pace over the four years during which the payments are frozen, the amount that working parents will be able to claim for support with childcare costs will fund fewer and fewer hours each year. In those circumstances, the only option for many parents will be to cut back on the hours they work, which would seem to be at odds with the underlying principle of the so-called Welfare Reform and Work Bill. Parents who take such a step, which the Bill as it stands would make an entirely logical choice, will leave themselves open to harsh penalties under the sanctions regime if they find themselves unable to work altogether.

New clause 8, which would require the Secretary of State to undertake an annual review of the childcare element of working tax credit, would not require that the sums involved necessarily be increased, but would simply acknowledge that a four-year freeze in all benefits and tax credits is an extreme measure that will tie the Government's hands in all circumstances. Economic growth may, for example, significantly exceed expectations over the next four years—that seems unlikely, but it is possible. Were that to happen, the freeze might prove unnecessary and more extreme in its effects, widening the gulf between the incomes of low-income families and the costs they are expected to cover.

It might also be the case—this seems somewhat more likely—that the promised extension of free childcare will not materialise according to the Government's plans. In that scenario, significant costs will continue to fall to parents, whether they are working or looking for work.

I would like to think that, in such circumstances, the Secretary of State would be open-minded enough to admit that tax credit payments specifically earmarked to cover working parents' childcare costs might need to increase at a level that was adequate to ensure that those costs remained affordable. If the intention behind the Bill is, as the Government say, to give people an incentive to work and to ensure that work always pays, more flexibility is surely called for.

The Minister for Employment (Priti Patel): A very good morning to the Committee.

The new clause seeks to ensure that the Secretary of State would have to review the level of the childcare element of working tax credit annually, and that that review would be used to determine the maximum rate at which that element was set.

By way of background, I should say that the childcare element, like a number of other elements of tax credits, has never been automatically increased as part of an annual review, but we do keep it under review. Indeed, since its inception in 1994 as part of family credit and disability working allowance, it has increased from a starting rate of £40 per family towards the costs of childcare to its present-day level, where the Government contribute 70% of childcare costs up to £175 a week for one child or £300 a week for two or more children. Under universal credit, as the Committee has discussed, that will increase to 85% of childcare costs.

In addition, the Government have taken significant steps to increase support for childcare for working families, including by extending free entitlement to childcare for working parents of three and four-year-olds to 30 hours—an increase on the 15 hours allowed for in the last Parliament—and by providing for 15 hours of free childcare a week for two-year-olds from disadvantaged backgrounds. We also have the forthcoming introduction of tax-free childcare, which will benefit up to 1.8 million working families by up to £2,000 per year per child, or by up to £4,000 per year for disabled children.

Emily Thornberry: I have been sitting here processing what the Minister has said, and I believe that she told the Committee at the outset of her speech that the Government have kept the cost of childcare continually under review. If that is right, there is not a huge gap between us. Given the alarm that is spreading across the country over cuts in benefits and whether working families will be able to make ends meet, would it be a good idea to give a commitment today that the review will happen annually? We would not need to discuss the matter any further.

Priti Patel: We take the view that the new clause is not needed. The childcare element has never been included in formal annual uprating reviews, and the Bill does nothing to change that. The Government already keep the level of the childcare element under review, as we have said. We are committed to helping families with childcare through some of the areas to which I have already alluded. On that basis, the new clause is not needed and I urge the hon. Lady to withdraw it.

Emily Thornberry: This was largely a probing new clause, and I am grateful to the Minister for her response. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 10

CHANGES TO AGE OF ELIGIBLE CLAIMANTS OF HOUSING BENEFIT

'(1) The Social Security Contributions and Benefits Act 1992 is amended as follows.

(2) After section 130(1) insert—

"(1A) The Secretary of State shall not make provision about eligibility for housing benefit in respect of the age of a claimant except by primary legislation.".'—*(Hannah Bardell.)*

This New Clause aims to ensure that any changes to the age of eligible claimants for housing benefit must be made by primary legislation rather than regulation. The Government intends to withdraw entitlement to housing benefit from 18-21 year olds and it is understood this change would be enacted by regulation.

Brought up, and read the First time.

Hannah Bardell (Livingston) (SNP): I beg to move, That the clause be read a Second time.

The Chair: With this it will be convenient to discuss new clause 12—*Entitlement to housing costs element of universal credit for 18-21 year olds*—

'(1) Entitlement to the housing cost element of Universal Credit shall not be restricted for those 18 to 21 year olds who fall into the following categories—

(a) those who have previously been in work;

(b) a person who lives independently;

(c) those with a disability or mental health problem receiving Employment Support Allowance or Income Support;

(d) those with dependent children;

(e) pregnant women;

(f) those who are owed a rehousing duty under—

(i) section 193 of the Housing Act 1996;

(ii) section 9 of the Homelessness etc. (Scotland) Act 2003;

(iii) section 73 of the Housing (Wales) Act 2014;

(g) those who are homeless or at risk of homelessness who are being assisted by local authority housing teams;

(h) those who are living in statutory or voluntary sector homelessness accommodation;

(i) those who have formerly been homeless and have been supported by voluntary or statutory agencies into accommodation;

(j) those who have formerly been homeless between the ages of 16 and 21;

(k) a person without family or whom social services have found that a home environment is not suitable for them to live in;

(l) care leavers; and

(m) those leaving custody.

(2) Within three months of section [*Entitlement to housing costs element of universal credit for 18-21 year olds*] of this Act coming into force, the Secretary of State must, by regulation, provide definitions of—

(a) "a person who lives independently";

(b) "risk of homelessness"; and

(c) "a person without family".'

To ensure that 18-21 year olds who meet one of the listed conditions are entitled to receive the housing cost elements of universal credit.

Hannah Bardell: It is pleasure to serve under your chairmanship again, Mr Streeter. As I will be changing brief for the Scottish National party, this will be the last

[Hannah Bardell]

opportunity I have to speak on this subject. I will be moving to Business, Innovation and Skills, where I hope to continue the work that I have done.

Guy Opperman (Hexham) (Con): Leaving so soon?

Hannah Bardell: Indeed; what can I say?

The SNP fully supports the intention behind Labour's new clause, and we seek to prevent any young person from being locked out of the housing system due to age. We heard our youngest Member of Parliament, my hon. Friend the Member for Paisley and Renfrewshire South (Mhairi Black), speak passionately in her maiden speech about the fact that she would be the only 18 to 21-year-old in the UK who would be supported in housing under the Conservative Government's proposals. We have already said that we will support Labour's new clause 10, because we share the concerns of the hon. Member for Islington South and Finsbury.

The SNP is concerned that the Government's intention to remove young people's access to support with their housing costs could lead to an increase in youth homelessness. According to Crisis, youth homelessness is already on the rise, with 8% of 16 to 24-year-olds recently reported as homeless. In four years, the number of young people sleeping rough in London has more than doubled. In a written answer on 14 September the Government confirmed they would restrict 18 to 21-year-olds from access to housing benefit. Their rationale, which we believe is deeply flawed, was cited as a wish not to allow young people to slip into a lifetime of benefits. The Government may not realise that it is not simply a matter of people deciding to have to rely on housing benefit to keep a roof over their head; many young people are not able to live at home with their parents for a variety of reasons. The fact that the Government are already squeezing the pockets of working families and families with more children will make it even harder for parents to afford to keep their children at home for longer.

Of the 19,000 18 to 21-year-olds who will be affected by the change, 60% are in social housing, all of whom will have been subjected to the stringent eligibility test and only deemed a priority by the local authority because they are in need. The remainder of those eligible for help live in the private rented sector and receive the shared accommodation rate—the lowest rung of housing benefit, according to Shelter, barely enough to cover a room at the bottom end of the market.

We have seen the increase in housing costs across the UK, which has locked out this sector of society. That is frankly wrong. The Government have failed young people by failing to provide economic opportunities and stability in the workforce. Growing numbers of talented young people are left unemployed. The Minister cannot simply say, "Stay at home, and your parents will look after you", because that is regressive and smacks of a lack of vision. Many young people cannot live at home and housing benefit is the only thing that stands between them and homelessness. Between 2010 and 2014 Crisis helped to create 8,120 tenancies in the private rented sector for people who are homeless or at risk of homelessness, with support from the Department for Communities and Local Government.

The SNP believes it is unfair to restrict entitlement to a benefit based solely on age rather than on evidential grounds. We support Labour's wish for a blanket ban on the Government restricting entitlement based on age, but as the answer to a written question on 14 September confirmed, it looks likely that the Tories are intent on locking young people out of this lifeline. That is why we have tabled new clause 12, which would provide restrictions related to vulnerable people who may be impacted. I recognise that the Government have said that they will bring forward exemptions for particularly vulnerable young people, but the full details of that proposal are not in the Bill. We tabled the new clause to ensure that young people in the circumstances that I have described are protected.

Emily Thornberry: Does the hon. Lady agree with me that it is very important to look closely at what the Government say counts as vulnerable? One can imagine them saying that they are going to look after vulnerable youngsters, but their definition will be restricted. For example, they may include young people leaving care but not anyone else. We need to be careful, because Opposition Members' definition of vulnerability may be different from what Ministers are trying to get away with.

Hannah Bardell: The hon. Lady must have read my mind. I was just coming on to the point about care leavers and those who have experienced violence or abuse. As the hon. Lady says, the categorisation of those who are vulnerable must be a unified approach. We must be in agreement on that throughout the House. Some young people may be unable to live with their parents because of relationship breakdown—for example, if they have been thrown out because of family circumstances such as a parent remarrying—or because of their own lifestyle choices or sexuality, but they might find that difficult to prove. Many young people who have found themselves homeless are currently supported into accommodation funded by housing benefit, either by a local authority or by a homelessness organisation. Without that support, those vulnerable groups will be homeless and unable to meet housing costs. Housing benefit helps those people live independently when living at home is no longer an option, and removing it could leave people choosing between returning to a destructive family home or the street.

Accepting the new clause would at least show that the Government were serious about their commitment to protect the most vulnerable, which we must have within the law. I look forward to hearing from the Minister, and I urge hon. Members to support our new clause 12 as well as Labour's new clause 10, to ensure that vulnerable young people can access housing support to keep them off the streets.

Jess Phillips (Birmingham, Yardley) (Lab): As everyone always says, it is an honour to serve under your chairmanship, Mr Streeter.

Emily Thornberry: She means it!

Jess Phillips: I really mean it. It is an honour.

As soon as I heard of the plans for the removal of housing benefit from those aged 18 to 21, I was understandably alarmed. There are many reasons why, and I have discussed with colleagues on the Government Benches. I took to my feet in Prime Minister's questions and asked the stand-in Prime Minister, the Chancellor, to guarantee that certain vulnerable groups would be exempt from the changes. I highlighted to him then, as I do to the Committee now, that every year, Women's Aid conducts a survey of residents to provide socio-demographic information about a sample of women residents living in refuge services in one day. Last year, on that one single day, 132 women living in refuges were aged 18 to 20. In Birmingham, women aged 18 to 21, who had been beaten and tortured, raped and belittled, made up 25% of all residents living in Birmingham and Solihull Women's Aid refuges. Almost all will have received housing benefit to live in the refuge and stay safe. That gives an idea of the number of women in that group.

Anyone who has ever worked in supported accommodation with victims of domestic violence will know that that group—those living in refuge—represent the tip of the iceberg of those living within the community and suffering the same thing. As an example, in the last year that I worked in refuge, 800 people came through our refuge services, and 8,000 were rehoused in the community. That means that around 10% were in refuge. From those figures, we can see how many people within the community are fleeing violence. If we take the idea that 25% of those people are aged 18 to 21, the Committee will see my concern.

Up and down the country there are young people who simply cannot live with their parents, such as abuse victims, care leavers and kids whose parents have died, moved away or simply do not want them to live with them. Those are people with little or no earning power, no networks and no safety net. I want the Government to answer this simple question: where will those people live?

9.45 am

In response to my parliamentary question, the Chancellor assured me—I was grateful to hear it—that the vulnerable people I referred to would be exempt. Bravo to him for that. He stated that again in his Budget statement. However, even in new schedule 1, tabled by the Minister, the detail of who will actually be exempt is a bit too thin on the ground. The charities working in the field are still not sure. I am still not sure, and I have worked in the field for many years.

As has been well rehearsed in the Committee when we have debated a number of other amendments, we are on unsafe ground if we allow this issue to be dealt with in regulations rather than in primary legislation. I want to see definitive legislative exemptions for the following groups: care leavers, young parents, people living in supported accommodation such as refuges or young people's homelessness services, victims of domestic and sexual violence who are fleeing violence and being rehoused in the community, those moving on from supported accommodation and young people at risk of homelessness. It may well be the Government's plan to do so.

I am being all nice to the Government today. As I said in last week's sitting, I praise the Department's move to exempt those in supported accommodation from the benefits cap introduced in the last Parliament. However, in order to offer safety and comfort to the young people I have outlined and the hard-working and cash-strapped local organisations and charities that support them, Opposition Members would like the certainty of legislation.

I would very much like to work with the Government to get this right and to protect those who need protecting. How can we debate and vote on the Bill on Third Reading without knowing whether homeless young people across our constituencies will be protected? Will the removal of housing benefit without proper legislative guidance for councils not undermine the homelessness duty in every local authority area? As someone who has worked in supported accommodation services, I can guarantee that without guaranteed access to housing benefit for those leaving refuges and hostels, this welfare reform will slow down young people's recovery from homelessness. It will create bed-blocking in specialist services and will mean that supported accommodation beds are not available to others who need them. We are turning people away from those beds at a phenomenal rate—hundreds of people every day in my local authority alone.

The Government's so-called living wage, of course, will not apply to this group of people. If we are to sign up to the idea of it actually being a living wage, we must also sign up to the idea that those who do not get it therefore cannot afford to live. We must put down in black and white exactly how we are going to mitigate that, especially for the vulnerable and abused. I ask the Government, with grace, to look at the evidence being provided by the brilliant alliance of youth homelessness charities, a copy of which I have sent to the Secretary of State and the Chancellor pretty much every week since I have been here, and to reconsider how they manage the situation. I ask for primary legislation rather than regulations, to offer security and simplicity to all those in both the statutory and voluntary services dealing with these cases.

Priti Patel: May I begin my remarks by thanking the hon. Members for Livingston and for Birmingham, Yardley for their thoughtful contributions? This is an important area, to which the Government naturally want to develop the right approach.

I should like to make two points. The change in housing support debated thus far refers specifically to the new youth obligation that will be introduced from April 2017, the purpose of which is to help young people to develop the skills and experience they need to get into work. Specifically, from day one of their claim, young people will benefit from an intensive period of work-related support, which will include job search support, interview techniques and structured work preparation. After six months, having built up their work preparation and received support to help them to get into employment, they will have the choice of applying for an apprenticeship or traineeship, of gaining the work-based skills that employers value, or of taking up a work placement. The youth obligation will be integrated with universal credit, ensuring that those moving into work will be better off and supported.

With regards to the housing changes, the hon. Member for Birmingham, Yardley was right in her comments and in the representations she has made to the Government. She has heard that the Government are focused on protecting vulnerable people.

[Priti Patel]

The hon. Member for Islington South and Finsbury made a relevant point about the definition of vulnerability. We want to ensure that we get that right, so we are currently working with a wide range of stakeholders to understand those vulnerable groups. That work needs to be completed for robust policy and, importantly, for support, measures and exemptions to be put in place to help those groups. That work is still under way.

The hon. Member for Birmingham, Yardley touched on a number of stakeholders, some of whom we are working and engaging with. Should she like to present others to the Government, we would be very happy for her to do so.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Will those consultations be completed before Report and Third Reading?

Priti Patel: I will be honest: I simply do not know, so I will find out and come back to the hon. Lady on that.

The hon. Members for Birmingham, Yardley and for Livingston touched on the various groups that cannot rely on the stability of a family home. We are focused on that and want to do everything we can to help those young people. That is the reason for the exemptions to protect the vulnerable. We are discussing the policy with landlords, housing associations and charities, who provide a unique perspective on the groups discussed.

I hope we can work together on stakeholder engagement. As I have said, that work is under way and the policy will not be introduced until next year, which gives us time for the detailed approach we absolutely need. I therefore urge the hon. Member for Livingston to withdraw her new clause.

Hannah Bardell: We will not withdraw the new clause.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 8, Noes 10.

Division No. 54]

AYES

Abrahams, Debbie
Bardell, Hannah
Coyle, Neil
Lynch, Holly
Phillips, Jess
Shah, Naz
Thornberry, Emily
Wilson, Corri

NOES

Atkins, Victoria
Churchill, Jo
Heaton-Jones, Peter
Milling, Amanda
Opperman, Guy
Patel, rh Priti
Scully, Paul
Shelbrooke, Alec
Vara, Mr Shailesh
Whately, Helen

Question accordingly negatived.

New Clause 15

Repeal of Tax Credits Regulations 2015

'(1) The Tax Credits (Income Thresholds and Determination of Rates) (Amendment) Regulations 2015 are repealed.'—*(Emily Thornberry.)*

Brought up, and read the First time.

Emily Thornberry: I beg to move, That the clause be read a Second time.

The new clause gives hon. Members the opportunity to put the Government out of their misery and abolish the changes they believe they wish to make on tax credits. The Government claim that they have a mandate to impose massive cuts to tax credits, which will blow a hole in working families' budgets in a few months' time, but they have no such mandate. The Conservative party went into an election this year with a vague aspiration to reduce welfare spending by an abstract figure of £12 billion which, because of an almost complete lack of specifics, almost no one took seriously. Of course, the Prime Minister made clear that he was not going to touch tax credits, so he has broken his promise to the people. Those people will not forget.

The cuts to tax credits that the Government recently introduced undermine one of the bedrock principles of welfare reform, which we thought was shared by all the parties, which is that hard work should be rewarded. Indeed, when Gordon Brown introduced the new rules and payments, he did it so discreetly that many people probably did not even know that it was a politician that had made the decision. He discreetly redistributed income, he discreetly made it right that work should pay and that, instead of the taxman taking taxes away, the taxman would give people money in their pay packet in order to make sure that they could work, hold their heads up high and support their families. I remember speaking on the doorsteps about tax credits to many people who asked the classic question, "What did Labour ever do for me?" I would explain about tax credits and they simply thought that it was something to which they were entitled. Now they will realise that it was a political decision. When they get their letter at Christmas from the Chancellor telling them that they will be losing £1,000 or £2,000, what a happy Christmas it will be for these poor families. The letter will be care of this Government, who were not elected with a mandate to do that.

The view that hard work should be rewarded was shared by all parties. Between them, the 11 Conservative members of the Committee represent 40,000 working families with children who will be hit by the cuts. Some 4,000 working families with children will be affected in Louth and Horncastle; 3,900 working families with children will be affected in Bury St Edmunds; 4,300 working families with children will be affected in North Devon; 2,500 working families with children will be affected in East Hampshire; 4,700 working families with children will be affected in Cannock Chase; 2,600 working families with children will be affected in Hexham; 2,700 working families with children will be affected in Witham; 3,500 working families with children will be affected in Sutton and Cheam; 3,100 working families with children will be affected in Elmet and Rothwell; 5,700 working families with children will be affected in North West Cambridgeshire; and 3,000 working families with children will be affected in Faversham and Mid Kent. That is a large number of families and a large number of constituents. I ask those Members to consider that very seriously when deciding what to do this morning.

The impact will be immediate. There will be no transitional measures—the funding simply stops. As I said, families will find out over Christmas that they will suddenly lose more than £2,000 a year. We are talking

about families for whom that amount of money can make the difference between keeping their head above water and not. Conservative as well as Opposition members of the Committee will find desperate families coming to see them, probably not even appreciating that they have been on what the Tories call "welfare". They have been dependent on the state in order to ensure that their work pays. Indeed, some may even have been tempted to vote Conservative on the basis that it was a good idea for the welfare bill to be cut, not realising that they would be affected, and thinking that it would affect some other family that they know nothing about, a long way away or down at the bottom of a council estate, that they would never come across. They believe they are doing the right thing, doing what the Government expect, what their morality expects them to do and yet, nevertheless, they will be penalised. It will be down to them to help pay off the deficit and the debt caused by bankers and the international financial crisis at a time when the Government believe that their priority ought to be cutting taxes paid by the richest in order to allow them to pass on their riches to the next generation. The Government have changed the tax rates in order to give tax breaks to the richest, and they have decided that the people who should be penalised are those who can hardly fight for themselves, and who are doing their best for themselves and their families.

10 am

The debate has gone back and forth as different estimates have suggested the effects on different people in different circumstances. The House of Commons Library found that the average impact across all affected families can be roughly estimated to be a reduction in the tax credit award of £1,300 between 2016 and 2017, and the Institute for Fiscal Studies found that some families will face an annual loss more than £700 greater than that. Of course the Government's estimates are much rosier. The Chancellor has insisted that the so-called national living wage will help to compensate for the losses to working families, but of course that increase in the minimum wage will not happen until after the cuts to tax credits hit, and in any event the Chancellor could not provide any hard evidence to rebut the conclusion of the IFS that, even in the best-case scenario, increases in those families' wages would not make up enough; in fact, they would make up only a quarter of families' losses as a result of tax credits. In aggregate, the IFS has said the wage increase is not big enough.

Another important point is that it is not targeted at the same group. For example, the rise in the minimum wage may well help single people in particular, but it will not necessarily help families, and it certainly will not help the self-employed. That is a simple truth, which has sometimes seemed at risk of being lost in the thickets of debates in which statistics are traded back and forth almost continuously. The Conservative peer Lord Ashton of Hyde acknowledged as much when he said last month that

"the trouble with this subject is that we could sit swapping statistics all day long".—[*Official Report, House of Lords,* 14 September 2015; Vol. 764, c. 1641.]

That seems true enough. As helpful as statistics can often be in helping us to quantify the impact we can expect a cut to have, talk of average families is difficult in a context like this, where the amount that families will lose will vary so widely, depending on their circumstances.

Perhaps I could tell the Committee about a friend of mine who got in touch with me this morning. There are many great joys in having children, but one that people perhaps do not think about immediately is the new circle of friends one makes. One of my best friends has a child who was born two days after my eldest son. She is a remarkable woman, one of the leading artists in this country, but she found herself on her own. Painting away and doing her best, she took up a bit of teaching and tried to keep her head above water. She said to me this morning, "Good luck, Emily. You must fight this, because tax credits were a lifeline for me and my family." Although her child is now grown up and she does not need tax credits any more, she remembers what a difference they made to her. I remember what a difference they made to her and what a difference they make to families now, who will be affected by these changes after Christmas.

Let us step back for a moment and ask ourselves whether pulling the rug out from under working families is really a fair way to cut spending on welfare. After all, along with making work pay, fairness has been the principle repeated ad nauseam by Government Members, almost to the point where the concept seemed to have been stripped of any meaning at all. If we consider the reality of the enormous gap between what the Government have told us they want to achieve with their welfare reforms and the effects that these cuts will actually have if we allow them to go through, we see a policy that fails whichever way you look at it. It is a failure in the Government's own terms, it is a failure in economic terms, and, above all, it is a failure in moral terms.

Debbie Abrahams: My hon. Friend is making a very powerful speech. Has she read the article in the *British Medical Journal* last week, which looked at the impact on child poverty? It stated that an extra 200,000 children will be plunged into poverty, but it also looked at the effect on child health. The UK already has the highest rate of child mortality for under-fives, which can be directly attributed to the additional child poverty that is faced in this country. The implications of this are really significant.

Emily Thornberry: My hon. Friend makes a powerful point. There are many arguments against the tax credit cuts, and although it is tempting to rehearse all of them this morning, another debate is going on elsewhere. Essentially, I cut down a long speech to a short one to make the main points.

I was talking about the policy being a failure in moral terms, as my hon. Friend illustrates well. The focus today might be down in the Chamber, but members of this Committee have the real power. They have in our hands the power to do the right thing and to put the interests of working families in their constituencies ahead of the interests of their party. They have in their hands the power to put the interests of children in some of the poorest working families first, remembering that, even as things stand, two thirds of children in poverty have a parent in work. How much worse will it be after they have suffered the cuts to tax credits?

I am sure that Conservative Members who have an interest in this field are, deep down, genuinely and gravely concerned. When we put the new clause to the

[Emily Thornberry]

vote and when their Whip holds up the piece of paper saying no, will they look aside, think about the thousands of their constituents who will be so greatly affected by the Bill and vote with their conscience, vote the right way, and stop this now?

Hannah Bardell: The hon. Lady has made a powerful speech. I will not drag out my comments on a painful and frankly despicable assault on our society. Much has been said about tax credits and I would like to give a bit of a Scottish flavour to the debate.

Since the election campaign and throughout this Parliament, the SNP has opposed the Bill in its entirety and the cuts to child tax credits in particular. It is important to highlight the findings of the IFS, that it was "arithmetically impossible" for families to do better with the limited increase in the living wage. We are talking about an attack on low-income families and vulnerable working families. In Scotland more than 500,000 children live in families that rely on tax credits to make ends meet; 350,000 of those children will feel the impact of the cuts as much needed tax credits are stripped away from more than 200,000 low-income families.

The austerity measures proposed by the Conservative Government are disproportionately harming the poorest and most vulnerable households while giving tax breaks to the better-off, thus increasing inequality, not closing the gap. Much has been said about families claiming benefits and families in work as if they were different people, different sections of society, but the reality is that the majority of people who will be affected by the provisions of the Bill are families in work.

The changes are regressive; they take proportionately more from low-income households and give to the richer ones. Planned cuts to tax credits increase the burden on the working poor and the children living in such households. The IFS has found that 63% of children living in poverty are in working households—I repeat: 63% of children living in poverty are in working households. The increase in the minimum wage for people aged 25 and over, which has been wrongly branded a living wage, is nowhere near enough to offset the cuts. The changes run contrary to the Government's own policy of making work pay and they weaken the incentives to work, because the impact of cuts will fall disproportionately on low-income working families. This is not war on poverty; this is war on the poor.

Priti Patel: I am speaking on behalf of my hon. Friend the Exchequer Secretary, who has been paired for the clause.

It is clear that we are going to disagree on this clause. I will speak about the tax credits changes in the context of the new deal presented by the Government in the summer Budget. As my right hon. Friend the Chancellor stated at the time, the deal was to move Britain from a high welfare, high tax, low wage economy to a low welfare, low tax, higher wage economy. I know that I am rehearsing arguments that hon. Members have heard previously, but spending on tax credits more than trebled in real terms between 1999 and 2010; at the same time that increase in spending did not address issues of poverty. There was a 20% rise in poverty at that time.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Will the Minister give way?

Debbie Abrahams: Will the Minister give way?

Priti Patel: No, I will not give way.

Debbie Abrahams: On a point of order, Mr Streeter. The fact is that child poverty was reduced during the period the right hon. Lady is referring to, and so was pensioner poverty. Not to have the opportunity to challenge those points is a question for the Chair, I believe.

The Chair: I am afraid that is not a point of order, but the right hon. Lady has skilfully made her point, and there is of course an opportunity for others to speak after the Minister, should they wish.

Priti Patel: I will restate my point. Nine in 10 families with children were eligible for tax credits. That was reduced to six in 10 in 2010 following the coalition's reform in the last Parliament. The present reforms will reduce that and take tax credit spending back to where it was in 2008 and not, as Opposition Members suggest, to a world without tax credits. Alongside the tax credits changes, we are introducing the national living wage, which, we have clearly heard, Opposition parties do not support. That will be worth more than £9 an hour by 2020.

Emily Thornberry: With great respect, the right hon. Lady is talking nonsense. Of course we support wages going up by whatever means that can be done. What we do not support is the ridiculous associated rhetoric suggesting that the proposals are somehow taking over or working on the national living wage campaign, which is based on a completely different set of statistics. It is typical of the Conservative party to try to confuse people and confabulate as it is doing. Of course we support increases in wages.

Priti Patel: It is typical of the Labour party to scaremonger and distort some of the facts that we have heard, as well.

The national living wage will be worth more than £9 an hour by 2020. The increase in the personal allowance is part of a single thought-out and coherent plan to ensure that people keep more of their money, rather than having more of their income taxed. The new national living wage means that someone working full time on the current national minimum wage will have a pay rise of nearly £1,000 gross next year, and about £5,000 by 2020. Of course, the personal allowance will go up from £11,000 to £12,500, which means a typical taxpayer will pay more than £1,000 less income tax by 2020.

The Opposition have given illustrations of their view, and I want to give illustrative examples of how families will benefit over the course of the Parliament when the welfare and tax changes announced in the Budget are taken fully into consideration. The income of a couple with two children where only one parent is in work on the current national minimum wage will increase by £2,480. The income of a lone parent with one child working 35 hours at the current national minimum

wage will rise by £1,500. A family with two children where the parents are working 35 hours a week on the national minimum wage will see their income increase by £5,500. And a single person with no children working 35 hours on the current national minimum wage will see their income rise by more than £2,000.

There will also be a wider ripple effect in the economy, which is growing, through the national living wage pushing up wages above the current national minimum wage. As we have discussed, not just in this clause but in previous ones, we are committed to doubling free childcare for three to four-year-olds and providing £5,000 of support in childcare for working parents.

No analysis has taken into account those factors from 2016, with the wider ripple effects, which are set to benefit more than 3 million working people. On top of the uplift in the free childcare, there is the £2,000 per child that working families and parents will be entitled to through tax-free childcare.

10.15 am

Neil Coyle: On childcare, will the Minister explain how families with children older than the qualifying age will benefit from that policy?

Priti Patel: They will benefit from tax-free childcare. That will be available for families whose children are at school—basically, those who are still school age. That is a Treasury policy.

Debbie Abrahams: Will that cover school holidays?

Priti Patel: My understanding is that tax-free childcare will cover after-school clubs and school holidays, but I will get clarification—*[Interruption.]* Well, I will give the hon. Lady clarification.

The point I would like to make is that, as we discussed in the previous sitting, the Government have a very strong record on childcare provision, tax-free childcare and support for disadvantaged two-year-olds. The fact that we have been spending in excess of £5 billion on supporting childcare provision for working families should be welcomed by all parties. It is sad that political parties choose to point-score about childcare provision.

We are clearly going to disagree on the content of the new clause. I have highlighted how the increased personal allowance, the national living wage and the welfare changes announced in the summer Budget will provide support for working families. For the reasons I have set out, the new clause is not appropriate for inclusion in the Bill, and I urge the hon. Member for Islington South and Finsbury to withdraw it.

Emily Thornberry: We will not withdraw the new clause, Mr Streeter.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 8, Noes 10.

Division No. 55]

AYES

Abrahams, Debbie
Bardell, Hannah
Coyle, Neil
Lynch, Holly
Phillips, Jess
Shah, Naz
Thornberry, Emily
Wilson, Corri

NOES

Atkins, Victoria
Churchill, Jo
Heaton-Jones, Peter
Milling, Amanda
Opperman, Guy
Patel, rh Priti
Scully, Paul
Shelbrooke, Alec
Vara, Mr Shailesh
Whately, Helen

Question accordingly negatived.

New Clause 16

Exemptions to changes in child tax credit and child element of universal credit

'(1) The limit on the number of children for which child tax credit or the child element of universal credit can be claimed, as provided for clauses 11 and 12 of this Act, do not apply in the following circumstances—

(a) where the number of children exceeds two because the third (or subsequent) child was part of a multiple birth at the same time as the second qualifying child;

(b) where a third (or subsequent) child becomes a member of a household as a result of being fostered or adopted into that household, or enters the household as the result of a kinship care arrangement;

(c) in exceptional circumstances as defined by the Social Security Advisory Committee, including but not limited to—

(i) the claimant becoming unemployed;

(ii) the death of one of the parents in the claimant household; and

(iii) one of the parents in the claimant household leaving the household following a breakdown in relationship.

(2) No limit shall apply to a household where any child or qualifying young person is disabled.

(3) No limit shall apply to couples with dependent children who if living in separate households would not be affected by the limit.

(4) The Secretary of State shall, by regulation, establish an appeals process by which an individual can appeal a decision as to whether an exemption set out in this clause applies in their individual situation.'—*(Emily Thornberry.)*

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 8, Noes 10.

Division No. 56]

AYES

Abrahams, Debbie
Bardell, Hannah
Coyle, Neil
Lynch, Holly
Phillips, Jess
Shah, Naz
Thornberry, Emily
Wilson, Corri

NOES

Atkins, Victoria
Churchill, Jo
Heaton-Jones, Peter
Milling, Amanda
Opperman, Guy
Patel, rh Priti
Scully, Paul
Shelbrooke, Alec
Vara, Mr Shailesh
Whately, Helen

Question accordingly negatived.

New Clause 17

REVIEW OF APPLICATION OF SANCTIONS

'(1) The Secretary of State must before the financial year ending 31 March 2016 provide for a full and independent review of the sanctions regimes attached to working-age benefits, including but not limited to Jobseekers Allowance, Employment Support Allowance and Income Support, to determine whether they are effective and proportionate for meeting the Government's objectives.

(2) The terms of reference for the review must include consideration of—

(a) the application of sanctions to lone parents with dependent children;

(b) the application of sanctions to claimants who are disabled;

(c) the effectiveness of sanctions in moving claimants into sustained work; and

(d) any other matters which the Secretary of State considers relevant.' —*(Emily Thornberry.)*

To provide for a full, independent review of the operation of the sanctions regimes attached to out-of-work benefits, to determine the effectiveness of sanctions in moving claimants into sustained work as well as any adverse impacts on particular groups.

Brought up, and read the First time.

Emily Thornberry: I beg to move, That the clause be read a Second time.

The new clause is about having a review of the application of sanctions. Many shadows have fallen upon our discussions over the past few weeks. This particular shadow is whether there is a link between welfare reform and work. What happens to people who do not live up to the requirements imposed on them?

Too often in recent years the Government's focus has been on a target-driven approach that has assumed that anyone out of work simply lacks willpower. The cornerstone of that approach has been the sanctions regime. The Committee might remember that the previous Minister for Employment, who lost her seat at the last election, took the view that

"people who get sanctions are wilfully rejecting support for no good reason".

The evidence, however, had she or any of her colleagues cared to look, suggests otherwise.

As the Minister frequently reminds us, and as I am sure she will remind us again today, it is true that conditions have always been attached to the social safety net since unemployment benefit was first introduced in 1911. Nevertheless, the Government mislead the public when they fail to acknowledge that the sanctions regime introduced as part of the Welfare Reform Act 2012 marked a radical departure from the history of the welfare state and from the entire principle of evidence-based policy making.

The official justification of the Department for Work and Pensions for sanctions remains that

"they are there to encourage claimants to take reasonable steps to find employment or move closer to the labour market",

but its own impact assessment for the 2012 changes acknowledged that there was insufficient evidence for the proposed approach achieving that. Since then, of course, extensive evidence has emerged that demonstrates that sanctions are deeply counterproductive if helping people into work is really the intention.

The number of people claiming jobseeker's allowance has fallen since 2012, but that has coincided with a significant rise in the number of people whom the Office for National Statistics classes as economically inactive—not unemployed or claiming jobseeker's allowance, but statistically almost non-people. Interestingly, many of those economically inactive people, if asked why they have become economically inactive, give their reason as being discouraged. So that is their reason—they have been discouraged and so dropped out of the labour market altogether. I would have thought it was important to do some work on what "discouraged" means and on the experiences of those discouraged people, because there might well be a clear link between cause and effect.

Research published in January by Oxford's Professor David Stuckler found that, of those sanctioned between 2011 and 2014 who subsequently stopped claiming benefits altogether, only 20% said that it was because they had found work. According to the professor, all those people were sanctioned and 80% of them then stopped claiming benefits, but not because they had found work. So they are all off the jobseeker's allowance statistics and are no longer unemployed. In some ways, therefore, perhaps there has been some success.

To the extent that increased sanctions have had an identifiable impact at all, it has been to increase dramatically the levels of hardship and poverty in recent years, as illustrated most starkly in the extraordinary rise in food bank use. I do not know how many Members were at the Trussell Trust breakfast this morning, but one of the stories I heard arose because the trust has started to give medical advice at some of its food banks. It was giving medical advice to a nurse who had a condition that meant she needed to take various pills. The nurse in her knew that she had to take the pills regularly, but the mother in her knew that, because their tax credits had been wrongly taken away and they were in great need, she had to give the food in the cupboard to her children. So she was taking the pills without having eaten anything and was causing herself more harm. There are hundreds of thousands of these stories and unfortunately things seem to be getting worse, not better. We understand that last year, a million people took advantage of food banks. One has to wonder what would happen if they were not available. According to the 2014 survey by the Trussell Trust, 83% of food banks said that the new sanctions regime had caused an increase in the number of people needing their help.

Another very odd thing about the sanctions regime, which would be addressed if the new clause were accepted, is that different towns and villages have different numbers of people going to food banks and different levels of sanctions. There is one jobcentre where in one month, 40% of people were on sanctions. If there are such extraordinary variations happening within the system, there is clearly unfairness. If individuals within jobcentres are given powers and exercise them with a wide element of discretion, that discretion will clearly be exercised differently in different jobcentres. In some areas there will be more strain on food banks, let alone on the poorest and most vulnerable who continue to be sanctioned.

Neil Coyle: It might surprise my hon. Friend to learn that part of the strain on the resources of the food bank in Southwark, which is provided by Pecan as part of the

Trussell Trust's network, comes from people in work. Some 10% of that food bank's users are working, and the Government have just made that a whole lot worse with their tax credit changes.

Emily Thornberry: My hon. Friend is right. The range of people going to food banks is very alarming. It is not enough to say, "Oh well, it's because people know that there are food banks now. They didn't know about them in the past, but now they do, and they are going in because it's free and taking a can of beans, but they don't really need it." That may be how some Government Members feel that people behave. There is another point of view, which is that to go to a food bank is completely humiliating. It is the worst.

I raise my own personal experience again. After my family got thrown out by the men with the bowler hats and went into social housing, I remember my mother used to get boxes of food from friends. It was embarrassing, but it was the way we kept things together; there were no food banks at that point. I remember that one of the food boxes always used to include Campbell's meatballs. My mother kept them under the stairs and threatened us that if we did not eat what was on our plates, we were going to have to eat the meatballs instead. They may still be under the stairs for all I know. But at least those boxes of food were delivered to our door, instead of my mother having to go out to ask for food. That is humiliating for anybody, for heaven's sake.

What the Government's sanctions regime has brought us is increased hardship and suffering, with no tangible gains in the likelihood that those affected will move into work as a result. If we could be confident that all this suffering was resulting in something good, that there was meaning and that people were moving into work who would not have moved into work otherwise—can the Conservative party show us some real evidence of that?—that would take some of the edge off the terrible stories that we hear, which show that the sanctions regime is simply unfair. How on earth do people manage if they are living from hand to mouth, have no savings and have exhausted the support they can ask for from their families and friends, but then are sanctioned a third time and given nothing for three months?

10.30 am

Last year, under sustained pressure, the Government commissioned a review, which was carried out by Matthew Oakley, of the impact of some sanctions on some people, but it was notable more for its limits than for its findings and recommendations. To begin with, the terms of reference limited Oakley to considering only sanctions imposed on people claiming jobseeker's allowance, and only in cases in which sanctions were imposed as part of mandatory back-to-work schemes such as the Work programme. In other words, it looked at only about a third of the sanctions imposed on people claiming a single out-of-work benefit. It did not look at the specific circumstances of disabled people, single parents or anyone sanctioned by jobcentres.

Recognising those limits, the Select Committee on Work and Pensions stepped in with a report, which was published earlier this year. The report offers the most comprehensive, fair and judicious overview we have had for some time. In the first of its 26 recommendations—after seven months, the Government have still not responded to them—the report said the Department for Work and Pensions should

> "establish a broad independent review of benefit conditionality and sanctions, to investigate whether sanctions are being applied appropriately, fairly and proportionately, in accordance with the relevant Regulations and guidance, across the Jobcentre Plus network."

I cannot see what is wrong with that. If the Government are dragging their feet, is it possible that that is because they have something to be afraid of? If they have nothing to be afraid of, why do they not answer the Select Committee's report for a start, and why do they not establish a broad, independent review of benefit conditionality? It is the conditionality—allowing decisions to be made under discretion—that is causing the most difficulties. Why should the Government be afraid of looking at whether sanctions have been applied appropriately, fairly and proportionately, in accordance with the guidelines, if they are so confident that everything is hunky-dory? Clearly, everything is not hunky-dory.

The Government's inordinate delay in responding to the Select Committee's inquiry does not inspire much confidence that its advice will be heeded. New clause 17 would take the decision out of Ministers' hands, requiring them to submit to a full, genuinely independent review of the sanctions regime. Under the new clause, the review would need to establish what the regime was intended to achieve and whether the available evidence supported the current approach.

Despite years of pressure, Ministers have repeatedly resisted efforts to have a full inquiry. In new clause 17, we offer them an opportunity to reconsider; in fact, we offer them an opportunity to provide for an inquiry in law so that they can no longer duck and dive, trying to avoid collecting evidence on this fierce and unfair regime. We urge the Government to support the new clause. If they will not, we would ask them simply: "What are you afraid of?"

Debbie Abrahams: I am very pleased to support the new clause, and I congratulate my hon. Friend on her excellent speech.

I have been campaigning on this issue for more than two years. I started when a constituent came to me and told me that he had been going through the work capability assessment process when the nurse conducting it said, "I think you're having a heart attack. You need to go to hospital." Off he trotted, and he was okay, but, two weeks later, he got a letter through the post saying that he had not completed the assessment so he was going to be sanctioned. That was how this all started for me. I thought, "Possibly this is just a one-off," but then I heard more and more cases not only from constituents but from people right across the country. That corresponded with the introduction of the new sanctions regime at the end of 2012 as part of the Welfare Reform Act 2012.

People on not only employment and support allowance but JSA were being sanctioned. Sometimes that was for being a few minutes late. I have heard other examples of increasingly unreasonable reasons, such as people being sanctioned for attending their mother's funeral or, absurdly, for going to a job interview. That is the ridiculous state the sanctions policy is in.

I have also heard of another worrying category of reasons, which can only be described as fabricated. I still have an email from a constituent saying that he had

[Debbie Abrahams]

been sanctioned because he had not attended an interview with his adviser. He came to my office and showed me the evidence that he had not seen that specific adviser but he had seen another. He asked how he could possibly be sanctioned.

I wondered what on earth was going on, but it all fell into place when another constituent came to see me. He had been an adviser in various Greater Manchester jobcentres for more than 20 years. He was so appalled with what was going on that he had to tell me. He said that there were targets for sanctions that are part of the performance monitoring for jobcentres. The aim is to get people off flow, and sanctions were the way to achieve that.

My hon. Friend mentioned the recent inquiry, but before that the Work and Pensions Committee undertook an inquiry into the role of Jobcentre Plus in the reformed welfare system. When the then Minister came to the Committee I asked whether she would undertake a more detailed, independent inquiry. The Select Committee thought that she had agreed to that. Paragraph 100 of its report states:

"We strongly believe that a further review is necessary and welcome the Minister's commitment to launch a second and separate review into the broader operation of the sanctioning process."

As we know, there has been a bit of backtracking on that. The report concluded:

"Our evidence suggests that many claimants have been referred for a sanction inappropriately or in circumstances in which common sense would suggest that discretion should have been applied by JCP staff. DWP should launch a second, broader, independent review of conditionality and sanctions, to include investigation of whether the process is being applied appropriately, fairly, proportionately and in accordance with the rules, across the Jobcentre network."

That was an all-party report indicating that the situation was very worrying.

In addition to those very serious ethical issues, there were and still are concerns about the numbers of people affected, and in particular the meteoric rise in the use of sanctions for employment and support allowance claimants. Between December 2012 and 2015 jobseeker's allowance sanctions were 3.6 million, including 1.7 million adverse decisions. In the case of ESA sanctions—remember, those affect people who have been found not fit for work—from November 2012 to March 2015 there were 245,679 sanctions, including 68,400 adverse. That compares with the June 2010 to October 2012 period, when there were 60,363, including only 27,919 adverse. That is more than a doubling in ESA sanctions.

As my hon. Friend said, the regime is particularly punitive. A sanction is for a minimum of four weeks and can be for up to three years. The Government have said that it is very unlikely that people will be sanctioned for three years, but I am afraid it has happened. It particularly affects young and disabled people and lone parents.

During 2013-14 it became clear that although no other benefits, for example housing benefit, were meant to be affected, they were. As soon as someone was sanctioned, they were automatically having housing benefit and other benefits stopped. That exacerbates the position of people already on incredibly low incomes.

Emily Thornberry: Might I take advantage of this moment to point out that, when my local law centre takes up appeals on sanctions, it has a 100% success rate?

Debbie Abrahams: My hon. Friend is absolutely right. Cases are often overturned on appeal, but for someone on ESA—that means they are not well—going through that process is traumatic and can exacerbate the condition. I will come to that in a moment.

My hon. Friend mentioned the Oakley review, which reported in July 2014. It looked specifically at the JSA sanctioning. It was an important step, but there were still many unanswered questions, which is why the Select Committee wanted to look at it in more detail.

I am aware of the dreadful circumstances of food bank use to which my hon. Friend has alluded—in my area, 60% of food bank use is attributed to sanctions. More shockingly, I am aware of the reports of accidental deaths following sanctions. Those have been included in coroners' reports, so I do not mention them lightly. David Clapson was one particular case. He was a former soldier who gave up his job with BT to care for his mum, who had dementia. When she died, he wanted to get back to work and signed on at the jobcentre. He missed an appointment with his job adviser and was sanctioned. He was diabetic. Without the £71.70 a week from his jobseeker's allowance, he could not afford to eat or put credit on his electricity card to keep the fridge where he kept his insulin working. Three weeks later, David died from diabetic ketoacidosis caused by a severe lack of insulin. He was 59. A pile of CVs was found next to his body. The coroner said that, when he died, he had no food in his stomach. His sister, Gill Thompson, has campaigned tirelessly to get an independent review into sanctions. The petition she started has more than 211,000 signatures to date.

David is not the only person to have died following sanctions. There have been 49 peer reviews following the death of a claimant, but the DWP is still not prepared to release the details of whether sanctioning was involved. I hope Ministers reconsider that.

The Work and Pensions Select Committee inquiry reported in March. If anything, the Opposition's concerns from the previous inquiry worsened. The negative impacts on poverty, including child poverty, debt, physical and mental health, were reported. The Committee was given the example of a woman who had discharged herself when she was in hospital because she was frightened of being sanctioned.

There is evidence that the sanctions targets were driven by targets to get claimants off-flow, distorting the JSA figures. As my hon. Friend the Member for Islington South and Finsbury has mentioned, the team from Oxford analysed data from 376 local authority areas and found that 43% of JSA claimants who were sanctioned left JSA. As my hon. Friend said, 80% did so without having a job.

The main recommendation from the Select Committee was for a more detailed independent inquiry. Matthew Oakley said that he expected that to happen. I am at a loss as to why the Government are dragging their feet. Surely that is the very least we should do for the people who have lost their lives following sanctions and for their relatives. I hope the Committee will do the right thing and support the new clause.

10.45 am

Hannah Bardell: My colleagues have spoken very passionately on the new clause and the Scottish National party absolutely supports it. It might be interesting for the Committee if I shared some of Michael Adler's report on benefit sanctions and the rule of law. In his concluding remarks, he says:

"We now come to the question of whether benefit sanctions are compatible with the rule of law. My conclusions, and I must stress that these are my personal conclusions and that other people may wish to take issue with them, is that they are not."

The SNP has, for a very long time, in Committee, on the Floor of the House and publicly, opposed the sanctions regime and called for a root-and-branch review. Much of that is highlighted in Mr Adler's report. He notes how

"the House of Commons Work and Pensions Committee (2015) reiterated its previous call for a comprehensive, independent review of sanctions and for a serious attempt to resolve the conflicting demands on claimants made by DWP staff to enable them to take a common-sense view on good reasons for non-compliance. The Committee concluded that there was no evidence to support the longer sanction periods introduced in October 2012 and recommended the piloting of pre-sanction written warnings and non-financial sanctions. Sadly, these recommendations seem to have fallen on deaf ears and to date there has been no response from the DWP to the Report."

I encourage DWP to give us its thoughts on that and why it cannot take that on board.

Mr Adler also says in his report:

"Vulnerable claimants are most likely to be sanctioned and, despite the availability of hardship payments, many of those who are sanctioned experience enormous hardship. Anecdotal evidence suggests that many of them end up becoming homeless, using food banks and resorting to crime."

As DWP has said, sanctions are supposed to be part of a benefits system that gets people back into work and helps people. How can that be the case when someone of that credibility suggests that they are damaging society so badly?

I have not yet been in office for six months, but at least 25% of the workload coming through my constituency surgery and office is down to people who have been sanctioned. One of those is someone who suffers from Parkinson's and who was treated appallingly by a representative of DWP. I am fighting that case and I have taken it up on the Floor of the House. I urge DWP and Ministers to look again at the sanctions regime and how it is treating vulnerable people in our society. It is not encouraging them back into work and it is not helping their families. We must have a root-and-branch review and listen to the Committees of the House on which Members across the political divide sit so that we can have a sensible approach to treating the most vulnerable.

Priti Patel: Let me start by saying that the Government keep the operation of the sanctions system under constant review to ensure that it continues to function effectively and fairly. Where we identify an issue, we will act to put it right. It is therefore unnecessary to embed the implementation of a review in the Bill. The Government have made a number of improvements to the JSA and ESA sanction systems following recommendations made by the independent review led by Matthew Oakley only last year. That improvement work is continuing to ensure that the Oakley recommendations are acted on in the right way where possible. In addition, we are taking the opportunity to ensure that the ongoing improvements in the review are built into the design and delivery of universal credit.

We have not only responded promptly and positively to the recommendations, but have gone further. We have improved the clarity of the JSA and ESA hardship application process, and made improvements to the payment process to ensure that payments are made within three days. We have carried out a review to check that our systems are operating effectively in respect of housing benefit, and that housing benefit is not impacted when a sanction is applied. We have introduced an improved claimant commitment for JSA jobseekers on the Work programme. We have also revised guidance to encourage jobseekers to share that claimant commitment with their provider. That will ensure that jobseekers understand what is required of them—their responsibilities both to Jobcentre Plus work coaches and Work programme providers—and that providers are clear on any previously agreed restrictions for the jobseeker, helping them to design tailored support.

We have made significant improvements to the decision-making process to ensure that doubts about actively seeking work are resolved quickly. The vast majority of decisions are now made within 48 hours, including consideration of good reasons. Our systems are ensuring that, when decisions are made in the jobseeker's favour, their benefit payments are transferred to them using faster electronic payment systems to ensure that payment reaches their account on the same day.

I would like to touch on a couple of the points hon. Members have made. Sanctions were discussed in Committees in the previous Parliament, and there have been many debates about sanctions in the Commons Chamber and in Committees. Each month, more than 99% of ESA claimants comply with the requirements that are asked of them with regard to sanctions, and the individuals are asked only to meet the requirements that they agree with their advisers. That includes consideration of any health conditions, disabilities or health impairments.

Neil Coyle: There are individual examples. A man with a visual impairment and who has a guide dog was sanctioned for non-compliance. He did not know what the agreement said, because he was never sent it in an accessible format—he never had a Braille copy of the agreement. That was raised with the Royal National Institute of Blind People. A case was raised with Mencap of someone with a significant learning disability who never understood what the agreement meant, could not comply with the proposals that he had supposedly agreed to, and ended up being sanctioned. Does the Minister agree that those examples do not reflect a system that she has described as effective and fair? Where is the Department's review of accessible formats provision?

Priti Patel: The hon. Gentleman is right to give those examples. What happened is not right. He mentions accessible formats. I will go away and report back to him on that, but what happened in that case is simply not right—that should not have happened to someone with a visual impairment.

[Priti Patel]

The Department is considering the contents of the Work and Pensions Committee report and looks forward to working with it not just on that, but on future reports.

I come back to my point that, with all our policies, we will keep the operation of the sanctions system under review. We are focusing our efforts on continuing to improve the process on JSA and ESA to ensure that the agreed recommendations can continue to be delivered in the existing universal credit live service and embedded into the design and build of the emerging universal credit digital service. On the basis that we have a system of continually reviewing the sanctions system and are looking at it with regard to the universal credit live and digital services, I urge the hon. Member for Islington South and Finsbury to withdraw the new clause.

Emily Thornberry: We will press the new clause to a vote.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 8, Noes 10.

Division No. 57]

AYES

Abrahams, Debbie
Bardell, Hannah
Coyle, Neil
Lynch, Holly
Phillips, Jess
Shah, Naz
Thornberry, Emily
Wilson, Corri

NOES

Atkins, Victoria
Churchill, Jo
Heaton-Jones, Peter
Milling, Amanda
Opperman, Guy
Patel, rh Priti
Scully, Paul
Shelbrooke, Alec
Vara, Mr Shailesh
Whately, Helen

Question accordingly negatived.

New Schedule 1

‘Further provision about social housing rents

Part 1

Provision about levels of rents

Tenancy of existing social housing

1 (1) This paragraph applies in relation to a tenant of social housing in England if—

(a) the tenancy begins after the beginning of 8 July 2015,

(b) the accommodation was social housing during the period starting with the beginning of 8 July 2015 and ending with the beginning of the tenancy.

(2) This paragraph does not apply if paragraph 3 applies.

(3) The registered provider must secure that the maximum amount of rent payable to the registered provider by the tenant in respect of—

(a) the first relevant year, where the tenancy begins before or at the beginning of the first relevant year,

(b) the part of the relevant year in which the tenancy begins, where the tenancy begins after the beginning of the first relevant year and not at the beginning of a later relevant year,

(c) the following relevant year, where the tenancy begins as described in paragraph (b), or

(d) the relevant year, other than the first relevant year, at the beginning of which the tenancy begins,

is no more than would be payable if the tenant were paying rent at the higher of the social rent rate and the assumed rent rate in respect of that relevant year or that part of a relevant year.

(4) The social rent rate, in relation to the rent payable by a tenant of social housing in respect of the first or a subsequent relevant year, is the rate found by—

(a) determining what would have been the rate of formula rent for that social housing at the beginning of 8 July 2015,

(b) determining the rate of that rent when expressed by reference to a period of 12 months (if necessary), and

(c) at the beginning of each relevant year (up to and including the relevant year in question), making a 1% reduction in the rate.

(5) The assumed rent rate, in relation to the rent payable by a tenant of social housing in respect of the first or a subsequent relevant year, is the rate found by—

(a) determining the rate of the rent that—

(i) was payable to the registered provider by the tenant of that social housing at the beginning of the relevant day, in a case where the relevant day falls after 8 July 2015 and the tenancy that exists at the beginning of 8 July 2015 does not come to an end before the beginning of that later day,

(ii) was payable to the registered provider by the tenant of that social housing at the beginning of 8 July 2015, in a case where the relevant day is 8 July 2015 or the tenancy comes to an end before the beginning of a later relevant day, or

(iii) is likely to have been payable to the registered provider by a tenant of that social housing at the beginning of 8 July 2015, if there was not a tenant at that time,

(b) determining the rate of that rent when expressed by reference to a period of 12 months (if necessary), and

(c) at the beginning of each relevant year (up to and including the relevant year in question), making a 1% reduction in the rate.

(6) If—

(a) the tenancy comes to an end after part of a relevant year to which sub-paragraph (3) applies has elapsed, or

(b) sub-paragraph (3)(a), (b), (c) or (d) ceases to apply in relation to the tenancy after part of the relevant year in question has elapsed,

sub-paragraph (3) has effect in relation to the part of the relevant year falling before that time with a proportionate reduction in the maximum amount of rent payable to the registered provider by the tenant.

(7) The Secretary of State may by regulations define “formula rate”.

(8) Regulations under sub-paragraph (7) may, in particular, make provision by reference to—

(a) standards issued by the regulator under section 194(2A) or 198(3) of the Housing and Regeneration Act 2008 (the powers of the regulator to set and revise standards relating to levels of rent) providing for the determination of social rents, or

(b) guidance issued by the Secretary of State relating to the determination of social rents.

Tenancy of new social housing

2 (1) This paragraph applies in relation to a tenant of social housing in England if—

(a) the tenancy begins after the beginning of 8 July 2015, and

(b) paragraph 1(1)(b) is not satisfied as regards the accommodation.

(2) This paragraph does not apply if paragraph 3 applies.

(3) If the tenancy begins before or at the beginning of the first relevant year, the registered provider must secure that the maximum amount of rent payable to the registered provider by the tenant in respect of the first relevant year is the amount that would be payable by the tenant if the social rent rate applied during that relevant year.

(4) If the tenancy begins after the beginning of the first relevant year, the registered provider must secure that—

(a) the maximum amount of rent payable to the registered provider by the tenant in respect of the part of that relevant year falling after the tenancy begins, where the tenancy begins after part of a relevant year has elapsed,

(b) the maximum amount of rent payable to the registered provider by the tenant in respect of the following relevant year, where the tenancy begins as described in paragraph (a), or

(c) the maximum amount of rent payable to the registered provider by the tenant in respect of the relevant year, where the tenancy begins at the beginning of a relevant year,

is the amount that would be payable if the social rent rate applied during that period.

(5) If—

(a) the tenancy comes to an end after part of a relevant year to which subsection (3) or (4) applies has elapsed, or

(b) sub-paragraph (3) or (4)(a), (b) or (c) ceases to apply in relation to the tenancy after part of the relevant year in question has elapsed,

sub-paragraph (3) or (4) has effect in relation to the part of the relevant year falling before that time with a proportionate reduction in the maximum amount of rent payable to the registered provider by the tenant.

(6) "Social rent rate" has the same meaning as in paragraph 1.

Tenancy of affordable rent housing

3 (1) This paragraph applies in relation to a tenant of social housing in England if—

(a) the tenancy begins after the beginning of 8 July 2015, and

(b) the accommodation is affordable rent housing (see paragraph 4).

(2) If the tenancy begins before or at the beginning of the first relevant year, the registered provider must secure that the maximum amount of rent payable to the registered provider by the tenant in respect of the first relevant year is the amount found by—

(a) determining the rate of the market rent for that social housing when the tenancy begins, and

(b) 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.

(3) If the tenancy begins after the beginning of the first relevant year, the registered provider must secure that—

(a) the maximum amount of rent payable to the registered provider by the tenant in respect of the part of that relevant year falling after the tenancy begins, where the tenancy begins after part of a relevant year has elapsed, or

(b) the maximum amount of rent payable to the registered provider by the tenant in respect of the relevant year, where the tenancy begins at the beginning of a relevant year,

is the amount found by determining the rate of the market rent for that social housing when the tenancy begins, 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 (if necessary) reducing that amount in proportion to the part of that relevant year that elapsed before the tenancy begins.

(4) If the tenancy begins after the beginning of the first relevant year and not at the beginning of the second or third relevant year, the registered provider must secure that the maximum amount of rent payable to the registered provider by the tenant in respect of the relevant year following the one in which the tenancy begins is the amount determined under sub-paragraph (2) or (3) (disregarding the proportionate reduction) reduced by 1%.

(5) If—

(a) the tenancy comes to an end after part of a relevant year to which sub-paragraph (2), (3) or (4) applies has elapsed, or

(b) sub-paragraph (2), (3) or (4) ceases to apply in relation to the tenancy after part of the relevant year in question has elapsed,

sub-paragraph (2), (3) or (4) has effect in relation to the part of the relevant year falling before that time with a proportionate reduction in the maximum amount of rent payable to the registered provider by the tenant.

(6) The market rent is to be determined using a RICS valuation method.

4 (1) This paragraph has effect for the purposes of paragraph 3.

(2) Affordable rent housing is accommodation identified by regulations made by the Secretary of State as accommodation that may be let as social housing at an affordable rent.

(3) Regulations under sub-paragraph (2) may, in particular, make provision for identifying accommodation that may be let as social housing at an affordable rent by reference to an agreement or arrangement relating to the provision of social housing by a registered provider.

(4) Regulations made by virtue of sub-paragraph (3) may, for example, make provision by reference to—

(a) an agreement relating to the exercise of a power under section 5 or 19 of the Housing and Regeneration Act 2008 (powers of the Homes and Communities Agency as regards the provision of housing or other land and financial assistance);

(b) an agreement relating to the exercise of a power under section 30 or 34 of the Greater London Authority Act 1999 (general and subsidiary powers of the Greater London Authority);

(c) an agreement between a local authority and the Secretary of State under section 11(6) of the Local Government Act 2003 (agreement about capital receipts payable to the Secretary of State).

(5) The Secretary of State may by regulations define "affordable rent".

(6) Regulations under sub-paragraph (5) may, in particular, make provision by reference to—

(a) standards issued by the regulator under section 194(2A) or 198(3) of the Housing and Regeneration Act 2008 (the powers of the regulator to set and revise standards relating to levels of rent) providing for the setting of rents at up to 80% of market rent in certain cases or circumstances, or

(b) guidance issued by the Secretary of State relating to the setting of rents at up to 80% of market rent in certain cases or circumstances.

(7) "RICS valuation method" means a method for determining market rent that complies with standards for valuation published from time to time by the Royal Institution of Chartered Surveyors.

PART 2

EXCEPTIONS, EXEMPTIONS AND ENFORCEMENT

Exceptions

5 (1) Part 1 does not apply in relation to a tenant of social housing if—

(a) the accommodation is low cost home ownership accommodation;

(b) the accommodation is both low cost rental accommodation and low cost home ownership accommodation (see section 71 of the Housing and Regeneration Act 2008).

(2) Part 1 does not apply in relation to social housing that consists of or is included in a property if, where the property is subject to a mortgage or other arrangement under which it is security for the payment of a sum or sums—

(a) the mortgagee, or a person entitled under the arrangement to be in possession of the property, is in possession of the property,

(b) a receiver has been appointed by the mortgagee, by a person entitled under the arrangement to do so or by the court to receive the rents and profits of that property and that appointment is in force, or

(c) a person has been appointed under or because of the mortgage or the arrangement to administer or sell or otherwise dispose of the property and that appointment is in force.

(3) If a registered provider's interest in property that consists of or includes social housing—

(a) was mortgaged or made subject to an arrangement other than a mortgage under which the interest in property was security for the payment of a sum or sums, and

(b) is sold or otherwise disposed of after the coming into force of Part 1 by—

(i) the mortgagee or a person entitled under the arrangement to do so,

(ii) a receiver appointed by the mortgagee, by a person entitled under the arrangement to do so or by the court to receive the rents and profits of the interest in property, or

(iii) a person appointed under or because of the mortgage or the arrangement to exercise powers that consist of or include the sale or other disposal of the interest in property,

Part 1 ceases at that time to apply in relation to that social housing.

(4) The Secretary of State may by regulations provide for Part 1 not to apply in cases prescribed by the regulations.

(5) Regulations under sub-paragraph (4) may in particular make provision about—

(a) tenants of a description prescribed by the regulations;

(b) tenancies of a description prescribed by the regulations;

(c) accommodation of a description prescribed by the regulations;

(d) accommodation which satisfies conditions prescribed by the regulations, including conditions relating to the funding of its building or refurbishment;

(e) events of a description prescribed by the regulations.

(6) Regulations made by virtue of sub-paragraph (5)(a) may include provision about tenants whose income exceeds, or whose household's incomes exceed, an amount prescribed by the regulations during a period prescribed by the regulations.

(7) Regulations made by virtue of sub-paragraph (5)(e) may include provision about periods during a tenancy when the rent payable is temporarily reduced or waived.

Exemptions

6 (1) The regulator may issue a direction mentioned in sub-paragraph (2) in respect of a private registered provider if—

(a) the condition in sub-paragraph (4) or (5) is satisfied, and the Secretary of State consents.

(2) The directions are—

(a) a direction that Part 1 does not apply in relation to a private registered provider specified in the direction;

(b) a direction that Part 1 is to have effect in relation to a private registered provider specified in the direction as if paragraph 1(4)(c) or (5)(c)—

(i) were omitted,

(ii) required the lesser reduction specified in the direction, or

(iii) required the increase specified in the direction;

(c) a direction that Part 1 is to have effect in relation to a private registered provider specified in the direction as if—

(i) in paragraph 3(4), "reduced by 1%" were omitted,

(ii) paragraph 3(4) required the lesser reduction specified in the direction, or

(iii) paragraph 3(4) required the increase specified in the direction.

(3) The regulator may specify in a direction—

(a) the period during which it is to have effect, and

(b) the social housing in relation to which it is to have effect.

(4) The condition in this sub-paragraph is that the regulator considers that complying with Part 1 would jeopardise the financial viability of the private registered provider.

(5) The condition in this sub-paragraph is that the circumstances of the private registered provider satisfy requirements prescribed in regulations made by the Secretary of State.

(6) The regulator may publish a document about the measures that the regulator considers could be taken by a private registered provider to comply with Part 1 and to avoid jeopardising its financial viability.

(7) The Secretary of State may issue a direction mentioned in sub-paragraph (8) in respect of a local authority if the condition in sub-paragraph (10) or (11) is satisfied.

(8) The directions are—

(a) a direction that Part 1 does not apply in relation to a local authority specified in the direction;

(b) a direction that Part 1 is to have effect in relation to a local authority specified in the direction as if paragraph 1(4)(c) or (5)(c)—

(i) were omitted,

(ii) required the lesser reduction specified in the direction, or

(iii) required the increase specified in the direction;

(c) a direction that Part 1 is to have effect in relation to a local authority specified in the direction as if—

(i) in paragraph 3(4), "reduced by 1%" were omitted,

(ii) paragraph 3(4) required the lesser reduction specified in the direction, or

(iii) paragraph 3(4) required the increase specified in the direction.

(9) The Secretary of State may specify in a direction—

(a) the period during which it is to have effect, and

(b) the social housing in relation to which it is to have effect.

(10) The condition in this sub-paragraph is that the Secretary of State considers that the local authority would be unable to avoid serious financial difficulties if it were to comply with Part 1.

(11) The condition in this sub-paragraph is that the circumstances of the local authority satisfy requirements prescribed in regulations by the Secretary of State.

(12) The Secretary of State may publish a document about the measures that the Secretary of State considers could be taken by a local authority in order to comply with Part 1 and to avoid serious financial difficulties.

Enforcement

7 The Secretary of State may by regulations make provision about the enforcement of requirements imposed by or under this Schedule, including provision applying Part 2 of the Housing and Regeneration Act 2008 with modifications.

PART 3

GENERAL

Regulations

8 (1) Regulations under this Schedule must be made by statutory instrument.

(2) A statutory instrument containing regulations under this Schedule is subject to annulment in pursuance of a resolution of either House of Parliament.

Guidance

9 (1) The Secretary of State may issue guidance about determining, for the purposes of paragraph 1(5)(a)(iii), what rate of rent is likely to have been payable by a tenant of particular social housing at the beginning of 8 July 2015.

(2) Registered providers must have regard to guidance issued under sub-paragraph (1).

Interpretation

10 (1) In this Schedule "the relevant day", in relation to social housing, means—

(a) 8 July 2015, or

(b) if the Secretary of State consents to the use of a different day ("the permitted review day") in the case of that social housing, the permitted review day.

(2) A consent given for the purposes of sub-paragraph (1) may be a consent given for a particular case or for a description of cases.'—*(Guy Opperman.)*

Brought up, read the First and Second time, and added to the Bill.

Clause 23 ordered to stand part of the Bill.

Clause 24

EXTENT

Amendments made: 180, in clause 24, page 23, line 11, after "22" insert—

"and (*Further provision about social housing rents*), (*Provision about excepted cases*), (*Rent standards*) and (*Interpretation*) and Schedule (*Further provision about social housing rents*)".

This amendment is consequential on the addition of the new clauses and the new Schedule. The new clauses and the new Schedule extend to England and Wales (and apply in England).

Amendment 129, in clause 24, page 23, line 22, after "18" insert "and (*Transitional provision*)".

This amendment means that the new clause in amendment NC13 has the same extent as clauses 16 to 18 (England and Wales and Scotland).

Amendment 130, in clause 24, page 23, line 22, at end insert—

"( ) section (*Expenses of paying sums in respect of vehicle hire etc.*) (expenses of paying sums in respect of vehicle hire etc.)."—*(Guy Opperman.)*

This amendment is consequential on NC14, the new clause 'Expenses of paying sums in respect of vehicle hire etc.' The new clause extends to England and Wales and Scotland.

Clause 24, as amended, ordered to stand part of the Bill.

Clause 25

COMMENCEMENT

Amendments made: 181, in clause 25, page 23, line 27, at end insert—

"( ) section 21;

"( ) paragraph 6 of Schedule (*Further provision about social housing rents*) and section (*Further provision about social housing rents*), so far as relating to paragraph 6;"

This amendment and amendment 182 secure that clause 21 and paragraph 6 of the new Schedule, which contain provision about exempting registered providers, or modifying the requirements that affect them, come into force for all purposes when the Bill is enacted.

Amendment 182, in clause 25, page 23, line 43, leave out "to" and insert ", 20 and".

Amendment 183, in clause 25, page 23, line 43, after "22" insert—

"and (*Further provision about social housing rents*), (*Provision about excepted cases*), (*Rent standards*) and (*Interpretation*) and Schedule (*Further provision about social housing rents*), so far as not brought into force by subsection (1),"—*(Guy Opperman.)*

This amendment is consequential on the addition of the new clauses and the new Schedule. The new clauses and the new Schedule come into force on Royal Assent for the purpose of making regulations and on an appointed day or days for other purposes.

Clause 25, as amended, ordered to stand part of the Bill.

Clause 26 ordered to stand part of the Bill.

Title

Amendment made: 92, title, line 3, leave out "social mobility" and insert "life chances".—*(Guy Opperman.)*

This amendment amends the Title to change the words "social mobility" to "life chances" to make the terminology consistent with that used in the Bill.

Bill, as amended, to be reported.

10.57 am

Committee rose.

Written evidence reported to the House

WRW 75 Bournemouth Churches Housing Association (BCHA)

WRW 76 DisabledViewUk

WRW 77 Framework Housing Association

WRW 78 Sovereign Housing

WRW 79 Camden Council

WRW 80 Your Housing Group, Devonshires Business Advisory Services (DBAS)

WRW 81 Citizens Advice Scotland

WRW 82 Liverpool City Council

WRW 83 The Children's Society - further submission

WRW 84 Cllr Chris Penberthy, Cabinet Member for Co-operatives and Housing Plymouth City Council

WRW 85 Equality and Human Rights Commission

WRW 86 Scottish Campaign on Welfare Reform (SCoWR)