

WELFARE REFORM ACT 2012

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1: Universal credit

Section 1: Universal credit

28. *Part 1* creates the legislative framework for universal credit, a social security benefit available to people in and out of work.
29. Universal credit may include, depending on the claimant's circumstances, a standard allowance, an amount for responsibility for children or young persons, an amount for housing costs and amounts for other particular needs or circumstances.

Section 2: Claims

30. *Section 2* contains provisions about claims for universal credit. A claim may be made either by a single person or, in the case of a couple, jointly.
31. *Subsection (2)* enables the Secretary of State to make regulations setting out circumstances in which a member of a couple may make a single person claim. This may be used, for example, where one member of a couple does not have a right to reside in the UK, and so is not entitled to universal credit. The other member of the couple would then be able to make a claim as a single person.

Section 3: Entitlement

32. A single person is entitled to universal credit if they meet both the basic conditions and the financial conditions. For couples, both claimants must meet the basic conditions and they must jointly meet the financial conditions.

Section 4: Basic conditions

33. The basic conditions are that a person must be at least 18 years old, under the qualifying age for state pension credit, in Great Britain, and not receiving education. From April 2010 the qualifying age for state pension credit is increasing gradually from 60 to 65, in line with women's state pension age. The claimant must also accept a claimant commitment, which contains the requirements that a claimant will be expected to meet in return for receiving universal credit. These requirements are set out in *sections 15 to 18 and 23*.
34. *Subsection (2)* allows for regulations to provide for exceptions to be made to the requirement to meet any of the basic conditions. In the case of joint claimants an exception may apply to either or both of the claimants.
35. *Subsection (3)* provides a regulation-making power to set out cases in which a different lower age limit will apply. This allows universal credit to be made available to people who are younger in specific circumstances, such as in the case of lone parents who are under 18 or young people who are estranged from their parents.

36. *Subsection (5)(a)* allows for regulations to specify whether or not a person is to be treated as being in Great Britain. For example, a person might be treated as being in Great Britain if they are employed on board a ship or working on an oil rig. Regulations may also specify when a person is to be treated as not in Great Britain because they are not considered to be habitually resident here. *Subsection (5)(b)* enables a claimant to continue to be entitled to universal credit if they leave the country temporarily. *Subsection (5)(c)* enables the universal credit provisions to be modified in relation to a person who leaves the country temporarily.
37. Under *subsection (6)*, regulations may be made setting out how receiving education is to be defined in relation to universal credit and to allow for provisions to treat people in particular circumstances as receiving or not receiving education. Under *subsection (7)* a person may be treated as having accepted or not accepted a claimant commitment in prescribed circumstances. The first regulations made under *subsection (7)* will be subject to the affirmative resolution procedure.

Section 5: Financial conditions

38. *Section 5* explains the financial conditions. *Subsection (1)* provides that entitlement is dependent on a claimant's capital and income. *Subsection (1)(a)* provides for the capital thresholds for entitlement to universal credit to be set out in regulations. *Subsection (1)(b)* also allows for regulations to prescribe a minimum amount of universal credit that is payable, below which there is no entitlement. This could be used so that a person who would be entitled to only a very small amount of universal credit would not be entitled.
39. *Subsection (2)* provides that in the case of joint claimants their combined capital must be below the prescribed thresholds, and provides an equivalent power to prescribe a minimum amount that is payable.
40. The first regulations made under *subsections (1)(a)* and *(2)(a)* will be subject to the affirmative resolution procedure.

Section 6: Restrictions on entitlement

41. *Section 6* allows the Secretary of State to place certain restrictions on entitlement to universal credit.
42. Under *subsection (1)(a)* regulations may specify circumstances in which a person will not be entitled to universal credit even though they meet the conditions of entitlement. This will be used to prevent entitlement to universal credit arising in specific situations (for example, where it would be inappropriate such as in the case of prisoners).
43. *Subsection (1)(b)* prevents a person from being entitled to universal credit if they only meet the conditions of entitlement for a short period, to be prescribed in regulations.
44. *Subsection (1)(c)* provides that a person may not be entitled to universal credit for a short time after meeting the conditions of entitlement. This period will be determined in regulations. This recreates the waiting days that currently apply in JSA and ESA, and is intended to avoid the administrative costs involved in making awards for very short periods of entitlement.
45. *Subsection (2)* ensures that the number of days prescribed under paragraphs *(1)(b)* or *(c)* can be no more than seven.
46. Regulations made under *subsection (3)* may set out circumstances in which the restrictions on entitlement in *subsections (1)(b)* and *(1)(c)* do not apply.

Section 7: Basis of awards

47. *Section 7* provides that an award of universal credit is to be payable in respect of an assessment period. This period will be prescribed in regulations. Under *subsection (3)*

regulations will also allow for universal credit to be payable in respect of part of an assessment period, for example to deal with a part-period at the beginning or end of an award.

Section 8: Calculation of awards

48. *Section 8* sets out how the amount of universal credit a claimant receives will be calculated. For each claimant there is a “maximum amount” made up of the different elements (set out at greater length in sections 9 to 12). Sums may then be deducted from this maximum amount in respect of a claimant’s earned income, such as wages, and unearned income, such as pension income. Regulations will prescribe how income is calculated and taken into account for universal credit. *Paragraph 4* of *Schedule 1* contains further provisions about the calculation of income and capital. Under universal credit earned and unearned income will be treated differently.
49. The amount of universal credit will be reduced in respect of a claimant’s earned income. Claimants may be allowed to receive a certain amount of earned income before their universal credit award begins to reduce. The amount of income to be disregarded may differ depending on a household’s circumstances. The level of these disregards will be set in regulations under the powers provided in *paragraph 4* of *Schedule 1*. Earnings disregards will be per household and where the conditions for more than one disregard are satisfied, people will get the highest disregard only.
50. Once earnings are above the level to be disregarded, the award of universal credit will be reduced at a constant rate for each extra pound earned. This rate will be determined in regulations made under *subsection (3)(a)*. The first regulations made under *subsection (3)* will be subject to the affirmative resolution procedure.
51. Some unearned income, which may include income from other benefits such as disability living allowance or the new personal independence payment, may be completely disregarded and not affect the amount of a person’s universal credit award. Other unearned income may reduce a claimant’s award.

Section 9: Standard allowance

52. *Section 9* provides for universal credit to include a standard allowance which will provide an amount for basic living costs. Essentially, the standard allowance for universal credit is intended to mirror the comparable standard rates currently in JSA and ESA.
53. *Subsection (3)* allows for circumstances where an award will not include a standard allowance. For example, a standard allowance will not be included for prisoners on remand (but an amount in respect of housing costs could be included in an award for such a claimant).
54. The first regulations made under *subsections (2)* (amount of standard allowance) and *(3)* (exceptions) will be subject to the affirmative resolution procedure.

Section 10: Responsibility for children and young persons

55. *Section 10* provides that where claimants have responsibility for dependent children or qualifying young people, an amount per child in respect of extra living costs may be included in the universal credit award. Under *subsection (2)* an extra amount may be included in respect of a disabled child or young person. The rate of the amount for children and young persons, and any extra amounts for disabled children, including any amount for more severely disabled children, will be prescribed in regulations under *subsection (3)*. *Subsection (4)* allows for regulations to set out circumstances where an award will not include an amount in respect of responsibility for a child or qualifying young person.

56. The first regulations made under subsections (3) and (4) will be subject to the affirmative resolution procedure.
57. A qualifying young person will be a person over the age of 16 who meets other conditions to be set out in regulations under *subsection (5)*. This will allow families to continue to receive support for young people over the age of 16 who are part of the household and continue in full-time, non-advanced education.

Section 11: Housing costs

58. *Section 11* provides for an amount to be included for housing costs. A person's maximum amount may include an amount for housing costs if the claimant is liable to make payments on their home. This could be in the form of rent, mortgage costs or other housing-related costs. Where the amount for housing relates to a liability to pay rent, it is intended that the amount will be calculated with reference to a claimant's household size and circumstances as well as their actual rent, as is the case currently in housing benefit. The detailed rules for calculating the amount will be set out in regulations under *subsection (4)*.
59. Regulations under *subsection (5)* may allow for circumstances where an award will not include an amount for housing at all, as well as for an amount for housing not to be included until a prescribed time or for its inclusion to end after a prescribed period. This may, for example, be used to prevent a person from receiving support for mortgage costs for a period at the beginning of their claim, as is currently the case in income support, or to maintain the current limit on how long a claimant may receive support for mortgage costs.
60. The first regulations made under this section will be subject to the affirmative resolution procedure.

Section 12: Other particular needs or circumstances

61. *Section 12* provides a regulation-making power to prescribe amounts to be included in the universal credit award for other needs or circumstances, which would be extra elements in addition to the standard allowance. The Government intends to use these powers to include additional amounts for people who are at risk of having longer durations out of work, where a person is assessed as having limited capability for work or limited capability for work-related activity because of their physical or mental condition. An amount may also be included for carers, such as claimants who have regular and substantial caring responsibilities for a severely disabled person. It is also the Government's intention to provide an amount for working claimants who pay for formal childcare in respect of a qualifying child or children. Regulations may specify or provide for the determination or calculation of the rates of any such additional amounts.
62. Under *subsection (4)* additional amounts may be included in an award after a prescribed time or may not be included after a prescribed period. This may be used, for example, to prevent an award from including an amount in respect of limited capability for work or work-related activity until such time as a claimant has completed an assessment period and taken part in a work capability assessment. This is currently the case for the work-related activity component and the support component in ESA.
63. The first regulations made under this section will be subject to the affirmative resolution procedure.

Section 13: Work-related requirements: introductory

64. *Section 13* sets out the four different types of work-related requirements. The requirements which any particular claimant may be expected to meet depend on which of four groups they fall into. *Sections 15 to 18* define the four different types of work-

related requirements, and *sections 19 to 22* set out which of these requirements may be imposed on different groups of claimants.

65. The requirements a claimant may be expected to meet will vary depending on their circumstances and capability for work. These circumstances will include being a responsible carer for a child of a particular age.

Section 14: Claimant commitment

66. The responsibilities a claimant has to meet, including relevant work-related requirements, may be recorded in the claimant commitment, as set out in *section 14*. The commitment may be updated and changed as necessary. To be entitled to universal credit, a claimant will normally need to accept a claimant commitment when they claim and whenever the commitment is changed.
67. Information that may be recorded in the claimant commitment, in addition to any work-related requirements, includes any information prescribed in regulations under *subsection (4)* or any other information specified by the Secretary of State. This may, for example, include the general duty to report changes of circumstance which affect the claimant's entitlement or rate of award.

Section 19: Claimants subject to no work-related requirements

68. *Section 19* sets out the groups of claimants on whom the Secretary of State cannot impose any work-related requirements. These include:
- claimants who have limited capability for both work and work-related activity owing to a physical or mental condition. *Section 37* contains further provisions on limited capability for work and work-related activity and their assessment (currently done through the work capability assessment);
 - responsible carers of a child under the age of one; and
 - any claimant with regular and substantial caring responsibilities for a severely disabled person.
69. *Subsection (2)(d)* allows for regulations to add additional categories of claimant to the group subject to no work-related requirements. This may include some groups who can currently claim income support and who are not required to prepare for work, such as people serving on a jury. The first regulations made under this subsection will be subject to the affirmative resolution procedure.
70. *Subsection (3)* provides that these regulations may identify additional categories of claimant by reference to hours worked, earnings, income or the amount of universal credit paid (or any combination of these factors). This can be used to establish a "threshold" relating to a claimant's level of employment. Regulations may provide that where a claimant falls above any such threshold the Secretary of State may not impose any work-related requirements on them.
71. *Subsection (4)(a)* makes clear that for claimants in a couple any such regulations can either be framed in relation to the individual claimant (such as the hours the individual works) or to the couple together (such as the hours both members of the couple work combined). *Subsection (4)(b)* ensures that regulations can enable the Secretary of State to determine any relevant matters such as hours, earnings, or the amount of universal credit on the basis of an estimate or calculation. For example, where a claimant has a variable working pattern regulations may enable the Secretary of State to determine whether a claimant should be subject to no work-related requirements based on estimated earnings.

72. *Subsection (6) of section 19* defines a responsible carer as either a lone parent or a member of a couple nominated as the lead carer. Regulations made under *paragraph 5(2) of Schedule 1* may make provision about nominations.

Section 20: Claimants subject to work-focused interview requirement only

73. *Section 20* sets out the groups of claimants on whom the Secretary of State may only impose a work-focused interview requirement. A claimant will fall into this group if they are the responsible carer of a child who is at least one but below a prescribed age which may not be less than three. Regulations may also specify other descriptions of claimants who would fall into this group.

Section 15: Work-focused interview requirement

74. *Section 15* defines the work-focused interview requirement. These interviews are to discuss the steps that a claimant might take (immediately or in the future) to increase their chances of getting work, increasing the number of hours they work or getting work that is better paid. Regulations under *subsection (2)* will set out in more detail the purpose of work-focused interviews.

Section 21: Claimants subject to work preparation requirement

75. *Section 21* sets out the groups of claimants on whom the Secretary of State may only impose work preparation and work-focused interview requirements. A claimant in this group may not be required to look for or be available for paid work. A claimant will fall into this group if it is determined that they have limited capability for work owing to a physical or mental condition, or if they fall into another description prescribed in regulations. Such regulations must include a responsible carer of a child aged three or four where such a person does not fall into the group which may only be subject to a work-focused interview requirement.

Section 16: Work preparation requirement

76. *Section 16* defines the work preparation requirement as actions specified by the Secretary of State in order to increase a claimant's chances (immediately or in the future) of getting work, increasing the number of hours they work or getting work that is better paid. *Subsection (3)* provides examples of the types of activities that could be specified, such as undertaking a work placement or work experience, participating in a training course or writing a CV, but this is not an exhaustive list. Regulations may set out other actions or provide more detail about the actions listed.
77. *Subsection (4)* makes clear that a work preparation requirement may include taking part in a work-focused health-related assessment. These will be carried out by a health care professional and will provide information about the claimant's capabilities and steps which might be taken to improve their mental or physical health. *Subsection (6)* defines what is meant by a health care professional.

Section 22: Claimants subject to all work-related requirements

78. *Section 22* provides that a claimant may be subject to all work-related requirements if they do not fall into one of the previous three groups. Except in prescribed circumstances a person in this group must always be subject to the requirements to search for work under *section 17* and be available for work under *section 18*. This is similar to the entitlement conditions that JSA claimants must currently meet.

Section 17: Work search requirement

79. *Section 17* defines the work search requirement. This requirement is in two parts: a general requirement to take all reasonable action to obtain paid work and a requirement to take any particular action specified by the Secretary of State, such as applying for

a specific job or registering with a particular recruitment agency. *Subsection (3)* sets out examples of the kinds of actions a claimant may be required to undertake, and regulations may set out other actions or provide more detail about the actions listed. *Subsection (2)* allows the Secretary of State to specify an amount of time which must be devoted to an action.

80. Typically claimants in this group will be required to look for any reasonable employment. However, *subsection (4)* enables limitations to be placed on the work certain claimants in certain circumstances must look for. Limitations can either be indefinite or for a particular period. *Subsection (5)* includes examples of the types of limitations which may be applied. Limitations can be imposed through regulations or specified by the Secretary of State.

Section 18: Work availability requirement

81. *Section 18* defines the work availability requirement. This is a requirement that the claimant is able and willing immediately to take up paid work, increase the number of hours they work or get work that is better paid. *Subsection (3)* allows for regulations to place limitations on the work a claimant must be available for. These may match any limitations imposed on the work search requirement under section 17. Again, limitations may be indefinite or for a particular period, and may be specified by the Secretary of State or imposed through regulations. *Subsection (5)* provides for regulations to define what is meant by being able and willing immediately to take up work, allowing the work availability requirement to be relaxed where it would not be possible for the claimant to take up work straight away. The first regulations under subsections (3) and (5) will be subject to the affirmative resolution procedure.
82. If a claimant moves from one group to another then any work-related requirements which may not be imposed on the group the claimant moves to automatically cease. For example, any work search, work availability and work preparation requirements would no longer apply if a claimant moves from the group subject to all work-related requirements to the group who may only be subject to work-focused interviews.

Section 23: Connected requirements

83. *Section 23* provides for other requirements which can be placed on claimants in connection to the four work-related requirements. *Subsection (1)* allows the Secretary of State to require a claimant to participate in an interview at a particular time and place. This interview may be for any purpose relating to the imposition of a requirement, verification that a requirement is being met or helping the claimant to comply.
84. Under *subsection (3)* a claimant may be required to confirm their compliance in a particular way and provide evidence that requirements are being met. For claimants subject to work search and work availability requirements this can be used to require them to declare on a regular basis that they are meeting all the requirements placed upon them.
85. *Subsection (4)* provides that claimants may be required to report certain changes of circumstance which may affect the work-related requirements that are imposed on them, or that they should become subject to, such as leaving a job.

Section 24: Imposition of requirements

86. *Section 24* contains provisions about the imposition of requirements on claimants. *Subsection (1)(a)* allows for regulations to prescribe circumstances in which specific requirements must or must not be imposed on certain claimants. *Subsection (1)(b)* does the same for any action which may be specified by the Secretary of State. This can be used to prevent the imposition of requirements where it would be inappropriate to do so. *Subsection (1)(c)* allows for regulations to set parameters around the detail of any action that may be required by the Secretary of State. This may be used, for example,

to prescribe a maximum number of interviews a claimant could be expected to attend in any given period.

87. *Subsection (2)* provides that when deciding whether a work-focused interview requirement or a particular action under a work preparation or work search requirement should be imposed the Secretary of State must take regard of any matters prescribed in regulations.
88. *Subsection (3)* allows for any requirement imposed or action to be specified to be changed or withdrawn. If a requirement or a change to a requirement is not included in the claimant commitment, the Secretary of State may determine how a claimant is to be notified under *subsection (4)*.
89. *Subsection (5)* allows for claimants who have been victims of, or threatened with, domestic violence within a prescribed period to be exempted for a period 13 weeks from any work-related requirements applying to them. Further details of how domestic violence is to be defined and the circumstances in which this exemption may apply will be set out in regulations under *subsection (6)*.

Section 25: Compliance with requirements

90. Regulations under *section 25* may set out the circumstances in which a person will be treated as having met or not met the requirements placed upon them. These regulations may set out, for example, the level of activity which the claimant will be required to demonstrate in order to be treated as meeting requirements (such as the time to be spent looking for work). The regulations may also provide that where a claimant does not engage properly with the requirement (for example by being disruptive or violent in an interview or on a training course, or where a claimant's behaviour or appearance undermines their chances of success in a job interview) they will not be treated as meeting that requirement.

Section 26: Higher-level sanctions

91. *Section 26* provides for a reduction of the amount of a claimant's award in the event of certain failures. A failure under this section may be sanctionable for up to three years.
92. *Subsection (2)* sets out the failures by those subject to all work-related requirements which may be sanctioned for up to this duration:
 - failing to comply with a work preparation requirement to take part in a prescribed type of work placement, such as Mandatory Work Activity;
 - failing to comply with a work search requirement to apply for a particular vacancy when required to do so;
 - failing to comply with a work availability requirement to take up an offer of paid work; and
 - leaving paid work or reducing pay voluntarily or because of misconduct.
93. *Subsection (3)* allows for a sanction to be applied under this section when a claimant who is in work at a level above a threshold set by regulations under section 19(3) leaves their job or reduces their pay through misconduct or voluntarily, and as a result moves into the group subject to all work-related requirements.
94. *Subsection (4)* allows for a sanction to be applied under this section when a claimant leaves their job or reduces their pay voluntarily and without good reason or as a result of misconduct, or fails to take up an offer of paid work without good reason, if such failures occur before they make a claim for universal credit and when the resulting award is made they fall into the group who may be subject to all work-related requirements.

*These notes refer to the Welfare Reform Act 2012
(c.5) which received Royal Assent on 8 March 2012*

95. In all cases (except leaving work through misconduct), a claimant will not be sanctioned if they can demonstrate that they had good reason for the failure. Regulations under [paragraph 8 of Schedule 1](#) may set out the circumstances in which a person is to be treated as having or not having a good reason and the matters which are or are not to be taken into account in determining whether a claimant has good reason.
96. Under [subsection \(5\)\(a\)](#) regulations may prescribe circumstances in which a person is to be treated as not having ceased work or reduced pay voluntarily or because of misconduct. [Subsection \(5\)\(b\)](#) allows for reductions in pay below a prescribed level to be disregarded.
97. Regulations under [subsection \(6\)\(a\)](#) will set out the amount by which a claimant's award will be reduced. [Subsection \(6\)\(b\)](#) allows for regulations to prescribe the duration of a sanction, up to the three year maximum for any single failure.
98. [Subsection \(7\)](#) provides that regulations setting the duration of sanctions under this section may in particular allow for it to be decided with reference to any other failures and the period between failures. For example, regulations may provide that second and third failures after a first will result in a longer-lasting reduction if they occur within a particular period of time after the previous one.
99. [Subsection \(8\)\(a\)](#) provides for regulations to prescribe circumstances in which a sanction will not be applied. [Subsection \(8\)\(b\)](#) makes provision for a sanction to be carried over if a person's award ceases during the period of sanction and a new award is made within a prescribed period.
100. Regulations under [subsection \(8\)\(c\)](#) may allow for a sanction to be suspended or terminated in certain circumstances, such as if the work-related requirements that the claimant may be subject to change. Where a sanction is suspended, it may be reinstated in accordance with regulations.
101. To impose a sanction, a decision under section 10 of SSA 1998 will be made to supersede the original award decision so as to reduce the award amount for a particular period. This superseding decision will be appealable under section 12(1)(a) of that Act. Other determinations made before the sanction decision (such as the imposition of work-related or connected requirements, or whether the claimant has good reason for a failure) and which are made under the relevant sections of this Act, are not appealable. This is the case currently in relation to, for example, JSA.
102. The first regulations made under this section will be subject to the affirmative resolution procedure.

Section 27: Other sanctions

103. [Section 27](#) provides for a reduction in the amount of a claimant's award where they have failed without good reason to meet a work-related requirement or a requirement under section 23, such as participating in an interview with an adviser. Any failure which is sanctionable under section 26 cannot also be sanctioned under section 27.
104. The amount by which an award of universal credit may be reduced, and the duration of any reduction will be set out in regulations under [subsection \(4\)](#).
105. [Subsection \(5\)](#) provides that regulations under [subsection \(4\)](#) may allow for a reduction to continue until a claimant meets specified compliance conditions, or to last for a fixed period of up to 26 weeks (in relation to any single failure), or a combination of the two (for example, an open-ended period until the claimant meets the compliance conditions followed by a particular fixed period).
106. [Subsection \(6\)](#) defines a compliance condition to mean a condition to comply with the original requirement or a condition relating to future compliance with a requirement (for example, to comply with a new requirement or to take an action that should lead

to the claimant meeting a requirement). The Secretary of State may specify that the claimant must meet more than one requirement and take more than one action to have met the compliance condition.

107. *Subsection (7)* allows a compliance condition to be varied or revoked, and enables the Secretary of State to notify a claimant of a condition in such manner as he determines.
108. *Subsection (8)* enables the duration of a fixed period sanction to be decided with reference to any previous failures and the period between the failures. For example, as with higher-level sanctions, the second and third failures after a first may result in a longer-lasting reduction if they occur within a particular period after the previous one.
109. *Subsection (9)* has the same effect as subsection (8) of section 26.
110. The first regulations made under this section will be subject to the affirmative resolution procedure.

Section 28: Hardship payments

111. *Section 28* enables regulations to make provision for universal credit payments to be made to claimants who have been sanctioned under section 26 or 27 and can demonstrate that they are or will be in hardship. In particular, regulations may prescribe the circumstances in which a person will be treated as being in hardship, the amounts and duration of any payments and conditions which claimants will have to satisfy to become and remain eligible. It also enables regulations to make provision for such payments to be recoverable. Where such payments are recoverable *section 105* (which amends the SSAA 1992) deals with the methods through which recovery can be made (for example, by deduction from future benefit payments).
112. The first regulations made under this section will be subject to the affirmative resolution procedure.

Section 29: Delegation and contracting out

113. *Section 29* allows for contracted providers in the private and voluntary sectors to exercise functions of the Secretary of State relating to work-related and connected requirements.
114. It is envisaged that providers will be permitted to exercise such functions so as to deliver employment programmes such as the Work Programme. The Secretary of State, using the power to impose work preparation requirements under section 16, may require claimants to participate in the Work Programme. In reliance on section 29, Work Programme providers will be authorised to carry out the functions of the Secretary of State under sections 13 to 25 which relate to work-related and connected requirements. Work Programme providers will therefore be able to impose relevant requirements on claimants, for example a work-preparation requirement to participate in particular training.
115. Any functions contracted out in this way will be subject to the same restrictions that apply to the Secretary of State. For example, a person in the group subject only to work-focused interview and work preparation requirements could not be expected to search for work or be available to take a job.
116. Where a claimant fails to comply with a requirement imposed by a provider, the Secretary of State will determine whether a sanction ought to apply. Functions relating to sanctions cannot be contracted out.

Section 30: Supplementary regulation-making powers

117. *Section 30* and *Schedule 1* provide for further regulation-making powers relating to universal credit.

Schedule 1: Universal credit: supplementary regulation-making powers

118. *Paragraph 1* enables regulations to provide for circumstances in which a couple may be entitled to universal credit without both members of the couple meeting the basic entitlement conditions.
119. *Paragraph 2* allows for two periods of entitlement separated by a short gap to be treated as a single continuous period. This may be used, for example, to prevent a person having to go through a second qualifying period for an additional element. Regulations will prescribe the number of days allowable between periods of entitlement for linking rules to apply.
120. *Paragraph 3* makes provision relating to couples. Regulations under *sub-paragraph (1)* may provide for circumstances in which a joint claim may be treated as a claim by either or both members of a couple as single people and where claims made individually by members of a couple may be treated as a joint claim.
121. *Paragraph 3(2)* provides regulation-making powers relating to claimants becoming or ceasing to be members of a couple. This provides that a joint award may be converted into one or two single awards, or a joint award with someone else, when a couple separate, without a new claim having to be made. It also enables a joint award to be made without a claim when a single claimant becomes a member of a couple. This may be used in cases where it is administratively simpler to continue the award and treat a couple separating or entering into a new relationship as a change of circumstance rather than requiring either party to make a new claim. Under *sub-paragraph (2)(c)*, regulations may set out the procedure to be followed when an award is converted and the information that a claimant may be required to provide.
122. *Paragraph 4* provides for regulations to set out how the income and capital of a claimant or joint claimants is to be calculated for the purposes of universal credit. The first regulations made under this paragraph will be subject to the affirmative resolution procedure.
123. The intention is that the treatment of capital will be similar to that under income support currently. Capital below a certain level will be fully disregarded. Where a claimant has capital above a certain level, they will not meet the financial conditions and will not be entitled to universal credit. If they have capital between the lower and upper limits a nominal income from this will be calculated and taken into account as unearned income, reducing the universal credit award accordingly. Earned income will reduce a claimant's award at a constant rate for each extra pound earned, as set out in section 8.
124. *Sub-paragraph (2)* provides that regulations may allow income and capital to be calculated by reference to an average over a certain period. This could be used in cases where a claimant's income fluctuates and cannot easily be taken into account otherwise.
125. Under *sub-paragraph (3)(a)* regulations may set out when a person is to be treated as having or not having capital or income. This may be used, for example, if a person deliberately disposes of capital to increase their entitlement to universal credit. *Sub-paragraph (3)(b)* provides for income to be treated as capital or capital as income. This allows for one-off payments to be dealt with in the most appropriate way. For example, a payment such as royalties would be considered capital but under this power could be treated as income. *Sub-paragraph (3)(c)* enables unearned income to be treated as earned or earned income as unearned, for example to allow for certain other benefits to be treated as earned income and taken into account with the earned income taper when calculating the amount of an award.
126. *Sub-paragraph (3)(d)* allows for regulations to prescribe an assumed level of income from a person's capital. This will be used to reduce a claimant's award of universal credit if they have capital above a certain level and below an upper limit. *Sub-paragraph (3)(e)* enables the capital or income of one member of a couple to be treated as being the other member's.

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127. Regulations may be made under *sub-paragraph (4)* specifying groups of people who may be regarded as having a certain level of income.
128. *Sub-paragraph (5)* provides that where there are joint claimants the income and capital of both will be taken into account, although under *sub-paragraph (6)* regulations may specify circumstances in which the income and capital of either member may be disregarded.
129. *Paragraph 5* allows for regulations to specify when a person is to be regarded as responsible or not responsible for a child or qualifying young person, and makes provision in relation to a couple nominating which member is the responsible carer for a child (see section 19(6)(b)(ii)).
130. *Paragraph 6* allows for regulations to provide for liability to pay all or part of an award to be discharged by the provision of a voucher. In such cases, entitlement to the amount of universal credit in relation to which the voucher is provided is extinguished.
131. Regulations may only provide for payment by voucher in cases where the calculation of the award includes an amount in respect of particular costs which the claimant may incur (referred to here as claimant costs). The amount of the award to be paid as a voucher may be determined in regulations but must not be more than the amount included in the calculation of the award in respect of claimant costs.
132. Vouchers under this paragraph may include not only physical documents but also any electronic code, authorisation or other non-cash means by which a claimant may meet claimant costs of a particular description.
133. A voucher may be limited in relation to the particular people who will accept it (such as authorised providers of services), the particular costs in relation to which it may be used and the period for which it will remain valid.
134. *Paragraph 7* allows for regulations to provide that claimants who have a right to reside in the UK under EU treaties, and who would otherwise fall within sections 19, 20 or 21, may be treated as not falling into such groups, with the consequence that they will fall within section 22.
135. *Paragraph 8* provides for regulations to set out the circumstances in which there is or is not to be good reason and the factors which must or must not be considered when determining whether or not a person had good reason for a particular act or omission, such as failing to meet a requirement placed upon them. A determination as to whether a claimant has good reason is not appealable, as is the case under the current benefits system.

Section 31: Supplementary and consequential amendments

136. *Section 31* gives effect to *Schedule 2*.

Schedule 2 – Universal credit: amendments

137. *Schedule 2* makes consequential amendments relating to the introduction of universal credit. This includes amendments to allow some universal credit claimants to receive other benefits such as free school meals or legal aid.
138. *Paragraph 1* amends various provisions in the Children Act 1989 so that universal credit claimants in particular circumstances may be exempted from contributing to the costs of certain services provided by local authorities.
139. *Paragraph 2* amends the Child Support Act 1991 so that where a person is paid universal credit and meets other prescribed conditions they will be taken to have no assessable income for the purposes of calculating maintenance payments.

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(c.5) which received Royal Assent on 8 March 2012*

140. *Paragraphs 3 to 34* amend SSAA 1992 to apply the provisions that relate to other benefits in respect of claims and payments to universal credit and to make other consequential amendments.
141. In particular, *paragraph 16* enables the Secretary of State to require rent officers to provide housing information for the purposes of universal credit or housing credit. *Paragraphs 17 to 21* make further provision relating to the supply of information for universal credit purposes.
142. *Paragraph 22* provides that rates of universal credit may be uprated annually by way of an uprating order. Under *paragraph 23* the amount of an award may be altered as a result of uprating without a further decision being made by the Secretary of State. Similarly *paragraph 24* allows for a person's universal credit award to be increased due to them reaching a particular age without a further decision. *Paragraph 25* makes consequential changes to existing financial provisions.
143. *Paragraphs 32 to 34* amend the Local Government Finance Act 1992 so that in certain circumstances outstanding amounts of council tax owed to a local authority may be deducted directly from an award of universal credit.
144. *Paragraph 35* amends section 2(3C) of JA 1995, as inserted by section 12(5) of WRA 2009, so that a person may be taken to have met the first contribution condition for contributory JSA in prescribed circumstances when they have been in receipt of universal credit.
145. *Paragraph 36* contains amendments to the Housing Act 1996 which make provision relating to the functions of rent officers in relation to universal credit.
146. *Paragraphs 37 to 39* make amendments to the Education Act 1996 relating to school trips and free school meals. Under section 457 of the Act a pupil's parents are excluded from paying for board and lodging on school trips if they are in receipt of IS, income-based JSA or prescribed elements of tax credits. *Paragraph 38* amends this so that eligibility will be based on receipt of universal credit and other prescribed circumstances. *Paragraph 39* makes similar provision relating to free school meals and the right to request free milk at school.
147. *Paragraphs 40 to 42* apply the provisions of the Social Security (Recovery of Benefits) Act 1997 to universal credit, so that if a person is awarded damages to compensate for wrongful dismissal or personal injury which has resulted in a claim to universal credit the amount of damages received may be reduced by the amount of benefit paid.
148. The amendments in *paragraphs 43 to 51* apply provisions in SSA 1998 relating to the making, supersession and revision of benefit decisions to universal credit.
149. *Paragraphs 52 to 54* make amendments to the Immigrations and Asylum Act 1999 so that people subject to immigration control cannot claim universal credit, except in prescribed circumstances.
150. *Paragraph 55* amends the Child Support, Pensions and Social Security Act 2000 to enable local authorities to make discretionary housing payments to universal credit claimants.
151. *Paragraphs 56 to 63* amend the SSFA 2001 to apply its provisions to universal credit.
152. *Paragraph 64* amends the SPCA 2002 so that a member of a couple who has attained the qualifying age for state pension credit may not receive state pension credit if the other member of the couple has not attained that qualifying age. This is to ensure that all claimants who have not attained the qualifying age for state pension credit are required to claim universal credit and, if appropriate, be subject to work-related conditions of entitlement.

153. *Paragraph 65* amends paragraph 1(5) of Schedule 1 of WRA 2007 so that a person may be taken to have met the first contribution condition for contributory ESA in prescribed circumstances when they have been in receipt of universal credit.

Section 32: Power to make supplementary and consequential provision etc

154. *Section 32* enables the Secretary of State in relation to reserved or excepted matters, and Welsh ministers in relation to provision that falls within their devolved legislative competence, to make consequential, supplementary, incidental or transitional provision relating to universal credit. The power could, for example, be used to amend legislation under which a benefit or advantage of some kind is provided by another body, and which requires a person to be entitled to a benefit that is abolished by this Act (often called passported benefits), so as to substitute a requirement that a person is entitled to an award of universal credit on a particular basis. It could also be used to make related provision such as provision for the Secretary of State to provide information to another body so that it can assess whether a person is entitled to the benefit concerned under the new requirement.
155. Regulations under this section may amend, repeal or revoke any relevant primary or secondary legislation.

Section 33: Abolition of benefits

156. *Section 33* provides for the abolition of income-based JSA, income-related ESA, IS, housing benefit, council tax benefit, child tax credit and working tax credit. *Schedule 3* makes consequential amendments relating to the abolition of these benefits. Abolition will happen once all claimants have been transferred to universal credit, with the exception of council tax benefit, which will be abolished in favour of localised schemes from April 2013. The repeals in *Part 1* of *Schedule 14* are consequential on this.

Schedule 3 – Abolition of benefits: consequential amendments

157. *Schedule 3* makes amendments consequential to the abolition of the benefits listed under *section 33*. For the most part these changes remove references to contributory ESA or JSA, as these will be unnecessary once ESA and JSA are contributory benefits only, and update references to other legislation which has been amended.

Section 34: Universal credit and state pension credit

158. *Section 34* and *Schedule 4* provide for a new housing credit element of state pension credit to replace housing benefit for claimants above the qualifying age for state pension credit.

Schedule 4: Housing credit element of state pension credit

159. State pension credit is currently made up of two elements: the guarantee credit and the savings credit. *Schedule 4* amends SPCA 2002 to create a new credit to cover housing costs. This will provide support for people who have reached the qualifying age for state pension credit (for couples where both members have reached the qualifying age) once housing benefit is no longer available following the introduction of universal credit.
160. *Paragraph 2* and *3* of *Schedule 4* amend SPCA 2002 to provide that a person is entitled to state pension credit if, in addition to being in Great Britain and having attained the qualifying age, that person satisfies the conditions for entitlement to the new housing credit element. A person may be eligible for the housing credit without being entitled to either of the other elements of state pension credit, or may receive more than one element if they meet the relevant conditions.
161. *Paragraph 4* inserts a new *section 3A* into SPCA 2002. *Section 3A* sets out the conditions of entitlement to the housing credit and provides the powers to set out the

structure of the housing credit in regulations. *Subsections (1) and (2)* of section 3A outline the specific conditions which a claimant must meet along with basic conditions which need to be satisfied in order to be entitled to the housing credit. *Subsection (1)* provides that, as with housing benefit, a claimant must be liable to make payments in respect of the accommodation they occupy as their home. *Subsection (2)* provides that a claimant will not be entitled to housing credit if the amount payable is below a certain level, to be prescribed in regulations, once the claimant's income and capital has been taken into account. This calculation will be specific to the housing credit and will not be the same as the income rules for the other elements of state pension credit.

162. *Subsection (3)* of the new section allows the Secretary of State to prescribe in regulations the method by which the rate of the housing credit will be determined or calculated. The amount may be zero to allow entitlement to be restricted in specific circumstances outside of the core entitlement conditions. The intention is that claimants will be entitled to broadly the same amount of support under the housing credit as they would have been entitled to by way of housing benefit.
163. *Subsections (4) and (5)* of the new section specify types of accommodation in respect of which a housing credit may be claimed and allow the Secretary of State to make provision through regulations to determine when a claimant is treated as liable or not liable for payments in respect of the accommodation. *Subsection (6)* enables different provision to be made for different areas.
164. Assessed income periods in state pension credit are set periods in which changes to retirement provision, such as income from retirement pensions, annuities or capital, do not need to be reported, thereby fixing the amount of retirement provision. Provision in respect of fixing a claimant's retirement provision is provided by section 7 of SPCA 2002. *Paragraph 5* of the Schedule amends section 7 so as to give the Secretary of State the power to prescribe in regulations circumstances in which retirement provision will not be fixed for the purpose of determining entitlement to the housing credit.
165. *Paragraph 6* amends section 12 of SPCA 2002 to enable regulations to modify provisions relating to the housing credit where a claim is made by members of a polygamous marriage. *Paragraph 7* inserts a definition of housing credit into the interpretation section of SPCA 2002.
166. *Part 2* of the Schedule makes consequential amendments to other legislation as a result of the replacement of housing benefit with the housing credit.

Section 35: Universal credit and working-age benefits

167. This section and *Schedule 5* make provision about the relationship between universal credit, JSA and ESA.

Schedule 5: Universal credit and other working-age benefits

168. *Paragraph 2* of *Schedule 5* enables the Secretary of State to make provision in regulations for circumstances where a claimant is entitled to universal credit and either ESA or JSA. After the introduction of universal credit, ESA and JSA will continue to be available as contributory benefits.
169. *Sub-paragraph (1)* allows for regulations to determine the amount of ESA or JSA payable where a claimant is entitled to universal credit as well as one of the contributory benefits. Under *sub-paragraph (2)* this may include paying no amount of ESA or JSA.
170. Regulations may also make provision for how work-related requirements and sanctions will apply where a person is entitled to either JSA or ESA and universal credit. This may include treating compliance with a requirement for the purposes of one benefit as compliance for the other, or not applying work-related requirements in certain circumstances.

171. *Sub-paragraph (5)* enables regulations to provide for the order in which sanctions are applied when a person is entitled to more than one benefit and provide that, if both benefits are payable, a reduction in one as a result of a sanction does not lead to an increase in the other.
172. *Paragraph 3* allows regulations to provide that sanctions imposed on a universal credit claimant may be applied to an award of ESA or JSA if the award of universal credit ceases and the claimant moves onto one of these benefits.
173. Similarly, regulations may provide that sanctions imposed on JSA or ESA claimants may be applied to an award of universal credit. In certain circumstances, these rules may not apply (which may include, for example, certain changes in a claimant's circumstances such as severe ill health).
174. *Paragraph 4* allows for regulations under section 28 to provide for hardship payments to be made to a person who is subject to a sanction and is entitled to JSA or ESA and universal credit, or where a sanction imposed on a JSA or ESA claimant has been applied to a subsequent award of universal credit.
175. *Paragraph 5* amends JA 1995 and WRA 2007 to allow for the introduction of an earnings taper, so that ESA and JSA will be reduced at a constant rate as earnings increase in the same way as universal credit. This rate will be prescribed in regulations.

Section 36: Migration to universal credit

176. *Section 36* gives effect to *Schedule 6* which makes provision relating to the replacement of the benefits that will be abolished under section 33, as well as any other prescribed benefits.

Schedule 6 – Migration to universal credit

177. *Schedule 6* provides for the migration to universal credit. *Paragraph 1(1)* provides a general regulation-making power for this purpose, and the rest of the Schedule sets out illustrative examples of how this power may be used. The first regulations made under this sub-paragraph will be subject to the affirmative resolution procedure, where they are making provision under *paragraphs 4, 5 and 6* of this Schedule. *Paragraph 1(3)* defines the 'appointed day', which is referred to in many of the illustrative provisions, as the day on which section 1 (and therefore the universal credit provisions) come into force.
178. *Paragraph 2* contains provisions relating to claims made before universal credit provisions come into effect. *Sub-paragraph (1)(a)* enables a claim for universal credit to be made before the universal credit provisions are introduced. *Sub-paragraph (1)(b)* allows a claim for universal credit made before the appointed day to be treated as a claim for the appropriate existing benefits. This may be used if the person making the claim fell into a group which had yet to begin the transition process. *Sub-paragraph (1)(c)* allows for a claim for an existing benefit to be treated as a claim for universal credit.
179. *Sub-paragraph (2)* allows for an award of universal credit to be made in respect of a period before universal credit is introduced. This might be used if a person made a claim to one of the existing benefits shortly before the introduction of universal credit. In these circumstances, it could make sense to treat their claim as a claim to universal credit, making an award for the whole period.
180. *Paragraph 3* contains provisions relating to claims made after the 'appointed day' on which the universal credit provisions come into effect. It allows for a phased transition from existing benefits to universal credit.
181. Claimants may not be able to move voluntarily from an existing benefit to universal credit. *Sub-paragraph (1)(a)* provides that regulations may exclude temporarily or permanently anyone receiving one of the relevant existing benefits from making a claim

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for universal credit. The power to exclude a person permanently could be used, for example, where a claimant is approaching state pension age and so will soon not meet the conditions of entitlement for universal credit.

182. *Sub-paragraph (1)(b)* allows for a temporary delay before a person can make a claim for universal credit. *Sub-paragraph (1)(c)* allows for a person to be excluded from entitlement for a temporary period.
183. *Sub-paragraph (1)(d)* allows claims for universal credit to be treated as claims for an existing benefit. This may apply particularly in cases where the claimant is excluded from claiming universal credit under *sub-paragraph (1)(a)*. *Sub-paragraph (1)(e)* enables a claim for an existing benefit to be treated as a claim for universal credit during this transitional period.
184. *Sub-paragraph (2)* allows for an award of universal credit to be made in respect of a period before the universal credit provisions come into effect. This follows the provision in paragraph 2(2) with the same effect for claims during the transitional period.
185. *Paragraph 4* enables regulations to make provisions relating to ongoing awards of the existing benefits and the making of awards for universal credit.
186. *Sub-paragraph (1)* allows for the termination of an award of an existing benefit and the making of an award of universal credit in its place. An award of universal credit may be made without the claimant having to apply.
187. Under *sub-paragraphs (2)(a)* and *(b)* regulations may require claimants to follow a certain procedure, provide information or undergo an assessment when the new award of universal credit begins, and to set out the consequences if a person fails to do so.
188. *Sub-paragraph (2)(c)* allows for regulations to temporarily or permanently alter the conditions of entitlement for people moving onto universal credit and determine the amount of their award. This means that some people who are entitled to an existing benefit but would not otherwise meet the conditions of entitlement for the universal credit could be entitled to universal credit.
189. The sub-paragraph also allows in certain circumstances for people who have taken a work capability assessment for the purposes of an existing benefit to be exempted from the requirement to undertake an assessment for universal credit.
190. *Sub-paragraph (2)(d)* enables regulations to make provision for the amount of an award. *Sub-paragraph (2)(e)* enables the fulfilment of certain conditions of entitlement for an existing benefit to be treated as fulfilment of the same condition for universal credit.
191. *Sub-paragraph (3)* allows for the amount of universal credit a claimant will receive to be linked to the amount of benefit they receive under the current system, so that their amount of universal credit is the same as or not more than a prescribed amount less than their current award. It also enables the amount of a person's universal credit award to be linked to the amount of an existing benefit award even where there is a short gap in entitlement before their universal credit award begins.
192. *Paragraph 5* includes transitional provisions relating to the imposition of work-related requirements and sanctions. This includes provisions under *sub-paragraphs (2)(a)* and *(b)* to allow claimant commitments or requirements that claimants have accepted in relation to JSA, ESA or IS to be treated as being for universal credit. *Sub-paragraph (2)(c)* allows compliance with a requirement for one of these benefits to be treated as compliance for universal credit. Under *sub-paragraph (2)(d)* requirements may also be withdrawn or not applied temporarily for the purposes of transition.
193. *Sub-paragraph (3)* makes provision relating to sanctions. In particular, *sub-paragraph (3)(a)* allows for a sanction applied to an existing award of JSA, ESA or IS to be continued when a person moves to universal credit. Under *sub-paragraph (3)(c)* provisions relating to universal credit sanctions may be disapplied temporarily.

194. *Sub-paragraph (4)* sets out the work-related requirements and sanctions to which these provisions may apply.
195. *Paragraph 6* allows for any provision of TCA 2002 (or regulations made under it) to be modified as necessary for the purposes of transferring people from working tax credit and child tax credit to universal credit. This may be used to align certain tax credit rules more closely with universal credit in advance to facilitate the transition process. Paragraph 6 also provides for overpayments of tax credits to be treated as overpayments of universal credit.
196. *Paragraph 7* provides for regulations which will allow these transitional provisions to operate even if there is a gap in entitlement which would otherwise mean that they could not be used.

Section 37: Capability for work or work-related activity

197. *Section 37* provides powers relating to the determination of limited capability for work and limited capability for work-related activity owing to a physical or mental condition. A person's capability for work may affect the amount of a claimant's universal credit award and may determine the work-related requirements which may be imposed under chapter 2. The section allows for the same provision as for ESA in sections 8 and 9 of WRA 2007.
198. *Subsections (1) and (2)* define limited capability for work and limited capability for work-related activity for the purposes of universal credit. Regulations under *subsections (3), (4) and (5)* will set out how a person's capability for work is to be determined and provides powers for an assessment to be carried out, including a medical examination if required. It is intended that the work capability assessment will continue to be used to determine limited capability for work and limited capability for work-related activity for universal credit, as is currently the case for ESA.
199. Under *subsection (6)* regulations may provide for a claimant to be treated as having or not having limited capability for work or work-related activity. In particular, a claimant may be treated as not having limited capability for work or work-related activity if they fail without good reason to provide any evidence or information requested in the prescribed manner or to attend a medical examination when required to do so. Provisions on good reason are contained in paragraph 8 of Schedule 1.
200. *Subsection (8)* enables a person to be treated as having limited capability for work before they undertake an assessment or a decision is made to treat them as not having limited capability for work (if, for example, they fail to attend a work capability assessment). This will allow a claimant's work-related requirements to be decided initially on the basis of medical certificates while the assessment process is carried out. The intention is that this provision has the same effect as section 8(5) of WRA 2007.
201. *Subsection (9)* allows for an assessment of a person's capability for work to be made whilst they are being treated under subsection (6) as having limited capability for work or work-related activity.

Section 38: Information

202. *Section 38* ensures that, where there may otherwise be some doubt, certain information is to be considered social security information. The section covers information relating to a claimant's work-related requirements (for example, information on employment which a claimant has given in the course of an interview) or medical information gathered on claimants whose capability for work or work-related activity has been assessed under section 37.

Section 39: Couples

203. *Section 39* sets out how a couple is to be defined for the purposes of universal credit. Regulations under *subsection (3)* may prescribe circumstances in which a married couple are to be treated as single people and in which two people are to be treated as living together as man and wife or civil partners or treated as being or not being in the same household.

Section 40: Interpretation of Part 1

204. *Section 40* provides details of how certain other terms are to be interpreted for the purposes of Part 1. In particular, regulations under this section may prescribe what is meant by disabled, severely disabled and regular and substantial caring responsibilities.

Section 41: Pilot schemes

205. *Section 41* provides for pilot schemes of any regulations under Part 1 of this Act or regulations relating to universal credit under the SSAA 1992 or the SSA 1998. The purpose of these pilot schemes is to test whether the regulations would:
- make universal credit simpler to understand or administer;
 - help people to remain in work, obtain work or increase their pay or hours; or
 - affect the behaviour of claimants or others.
206. Pilot schemes under this section will in the first instance be limited to three years, although could be extended. Regulations under this section will be subject to the affirmative resolution procedure.

Section 42: Regulations: general

207. *Section 42* makes provision about the ways in which the powers to make regulations included in this Part may be used.
208. *Subsection (2)* enables regulations to make different provision through regulations for different cases or purposes and in relation to all or some particular cases or purposes. *Subsection (5)* allows for any amount that is to be set in regulations under Part 1 to be zero. This will, for example, enable the rates of any of the amounts to be included in a person's maximum amount to be zero or for the amount of a sanction to be zero. Amounts may be different for single people and couples or varied according to a person's age, as a result of *subsection (6)*.
209. *Subsection (7)* allows for regulations relating to the housing costs element or the element for other particular needs or circumstances to make different provision for different areas. For example regulations relating to support for housing costs will reflect the relative housing costs in different geographical areas in Great Britain.

Section 43: Regulations: procedure

210. *Section 43* provides that regulations made under Part 1 are subject to the negative resolution procedure in the Houses of Parliament, with certain exceptions. Regulations made under specified provisions will be subject, in the first instance, to the affirmative resolution procedure. Regulations made by the Secretary of State may be subject to the affirmative procedure if they relate to a pilot scheme under section 41(1) or if they are combined in a single statutory instrument with any other provision attracting the affirmative procedure. Regulations made by Welsh Ministers will be subject to the affirmative procedure.