## **EXPLANATORY NOTE**

(This note is not part of the Order)

This Order brings into force provisions of the Welfare Reform Act 2012 (c. 5) ("the Act") that relate to universal credit ("UC") and the abolition of income-related employment and support allowance and income-based jobseeker's allowance, in relation to the cases set out in articles 3 and 4.

Article 3 brings into force provisions relating to UC in Part 1 of the Act ("the UC provisions"), as set out in Schedule 2 to the Welfare Reform Act 2012 (Commencement No. 9 and Transitional and Transitory Provisions and Commencement No. 8 and Savings and Transitional Provisions (Amendment)) Order 2013 (S.I. 2013/983 (C. 41) ("the No. 9 Order")), in relation to the different cases as set out below.

Under article 3(1) and (2)(a), the UC provisions come into force in relation to a claim for UC, and any award that is made in respect of the claim, where the claim is made on or after 2nd December 2015 with respect to a period that begins on or after 2nd December 2015 and, on the date on which the claim is made, the claimant resides in one of the designated postcodes, as defined in article 2(1), namely the postcode part-districts SM5 1, SM5 3, SM5 9, SM6 0 and SM6 6.

Under article 3(1) and (2)(b), the UC provisions come into force in relation to a claim for UC, and any award that is made in respect of the claim, where the claimant claims UC on or after 2nd December 2015 in respect of a period that begins on or after that date and provides incorrect information regarding the claimant residing in the postcode in question but this is only discovered once payments of UC have been made

Under article 3(3), the day appointed for the coming into force of the UC provisions in the above cases is the first day of the period in respect of which the claim is made.

Paragraphs (4) and (5) of article 3 apply the provisions of article 3(6) (period for which a claim for UC is made) and article 3A (incorrect information regarding entitlement to claim UC) of the No. 9 Order respectively to the cases in article 3(2) of this Order.

Article 4 brings into force provisions of the Act relating to the abolition of income-related employment and support allowance and income-based jobseeker's allowance ("the amending provisions"), in relation to the different cases as set out below.

Below, "old style ESA" means employment and support allowance under Part 1 of the Welfare Reform Act 2007 (c. 5) as that Part has effect apart from the amending provisions, and "old style JSA" means jobseeker's allowance under the Jobseekers Act 1995 (c. 18) as that Act has effect apart from the amending provisions.

Under article 4(1) and (2)(a), the amending provisions come into force in relation to a claim for UC, and any award that is made in respect of the claim, where the claim is made on or after 2nd December 2015 with respect to a period that begins on or after 2nd December 2015 and, on the date on which the claim is made, the claimant resides in one of the designated postcodes.

Under article 4(1) and (2)(b), the amending provisions come into force in relation to a claim for UC, and any award that is made in respect of the claim, where the claimant claims UC on or after 2nd December 2015 in respect of a period that begins on or after that date and provides incorrect information regarding the claimant residing in the postcode in question, but this is only discovered once payments of UC have been made.

Under article 4(1) and (2)(c), the amending provisions come into force in relation to a claim for an employment and support allowance ("ESA") or a jobseeker's allowance ("JSA"), and any award

that is made in respect of the claim, where the claim is made on or after 2nd December 2015 and, on the date on which the claim is made, the claimant resides in one of the designated postcodes.

Under article 4(1) and (2)(d), the amending provisions come into force in relation to the case of a claim for ESA or JSA where the claim is not a claim for ESA or JSA as referred to in article 4(2) (c) and where the claim is made during the "relevant period" (mainly the period when a claim for UC is being considered or an award of UC is extant).

Under article 4(3), the day appointed for the coming into force of the amending provisions in the above cases is the first day of the period in respect of which the claim is made.

Paragraphs (6) to (8) of article 4 apply the provisions of article 4(6), (7), (9) and (10) (matters included in the reference to the case of a claim for UC) and article 5(1A), (1B) (claim for ESA or JSA by a member of a couple) and (8) (the period for which a claim for ESA, JSA or UC is made) of the No. 9 Order to the cases in article 4(2).

Article 5 provides that articles 9 to 22 of the No. 9 Order apply in connection with the coming into force of the amending provisions in relation to the case of a claim referred to in article 4(2), and any award made in respect of the claim, as they apply in connection with the coming into force of the amending provisions in relation to the case of a claim referred to in article 4(2)(a), (b) or (g) of the No. 9 Order, and any award made in respect of the claim.

Article 6 ensures that the provisions of articles 3(2)(bb) and 4(2)(ccc) and (ddd) of the Welfare Reform Act 2012 (Commencement No. 24 and Transitional and Transitory Provisions and Commencement No. 9 and Transitional and Transitory Provisions (Amendment)) Order 2015 (S.I. 2015/1537 (C. 87) ("the No. 24 Order")) for the coming into force of the UC provisions and the amending provisions do not apply where articles 3(2)(a) and 4(2)(a) and (c) of this Order apply. Those provisions of the No. 24 Order were due to take effect on 25th April 2016 for a claimant residing in one of the designated postcodes, as being part of "the No. 80 relevant districts" set out in "the Index of Relevant Districts" published on 20th July 2015 (each as defined in the No. 24 Order), subject to the restrictions on claiming UC set out in that Order ("the gateway conditions"). However they are now superseded by the equivalent provisions of this Order, which take effect from 2nd December 2015 and with no gateway conditions attached.

Article 7 contains transitional provisions which provide that, save in specified cases, a person may not make a claim for housing benefit, income support or a tax credit on any date where, if that person made a claim for UC on that date, the UC provisions would come into force in relation to the claim by virtue of article 3(1) and (2)(a) of this Order.

Articles 8 and 9 revoke modifications made by the No. 23 Order and the No. 24 Order to the savings provisions in regulation 5 of the Universal Credit (Digital Service) Amendment Regulations 2014 (S.I. 2014/2887) and in regulation 4 of the Universal Credit (Surpluses and Self-employed Losses) (Digital Service) Amendment Regulations 2015 (S.I. 2015/345) (together "the Amendment Regulations") because those modifications have been superseded by substitutions for those regulations made by the Universal Credit and Miscellaneous Amendments Regulations 2015 (S.I. 2015/1754). The designated postcodes fall to be treated as "digital service areas", as defined in the substituted savings provisions, so the Amendment Regulations apply to awards of UC made under this Order without more.

## **Changes to legislation:**

There are currently no known outstanding effects for the The Welfare Reform Act 2012 (Commencement No. 25 and Transitional and Transitory Provisions) Order 2015.