

Mr John Simmons  
Clerk, Committee for Social Development  
Room 242  
Parliament Buildings  
Belfast  
BT4 3XX

2 June 2011

Dear Sir

**Westminster Welfare Reform Bill: Request for Committee support for a  
Legislative Consent Motion and briefing on the content of the Bill**

Please find enclosed papers relating to the Welfare Reform Bill introduced in the House of Commons on 16 February 2011. The Bill contains provisions to reform welfare and the benefit system to improve support and incentives for people to move from benefits into work, simplify the benefit system by introducing Universal Credit. It also contains provision to introduce a new benefit, Personal Independence Payment to replace Disability Living Allowance.

The Bill contains provisions which deal with the transfer of tax credits functions including a provision for a wider single two way data sharing gateway between the Department for Work and Pensions, HM Revenue and Customs and relevant Northern Ireland Departments. A Legislative Consent Motion approved by the Assembly will be required to enable the provisions contained in the UK Welfare Reform Bill to extend to Northern Ireland.

I would be grateful if you could bring the paper attached at Annex 1 and 2 to the attention of the Committee.

Yours faithfully



Anne McCleary  
Director  
Social Security Policy and Legislation Division

## **UK WELFARE REFORM BILL: LEGISLATIVE CONSENT MOTION IN RELATION TO TAX CREDITS PROVISIONS**

### **INTRODUCTION**

1. This paper seeks the Committee's support for the inclusion of provisions for Northern Ireland dealing with the transfer of tax credits functions and the supply of information in relation to Northern Ireland Departments as contained in the Westminster Welfare Reform Bill introduced in the House of Commons on 16 February 2011. The wording of the proposed Motion is as follows:

“That this Assembly agrees that the provisions in clauses 122 and 123 of the Welfare Reform Bill, as amended in the House of Commons, dealing with the transfer of tax credits functions and the supply of information by a Northern Ireland Department, or by a person providing services to a Northern Ireland Department, should be considered by the UK Parliament.”

2. The Bill contains proposals concerning:
  - the introduction of Universal Credit and changes to the conditionality and sanctions regime associated with it;
  - the incorporation of support provided through Housing Benefit and Tax Credits into Universal Credit and Pension Credit;
  - the introduction of Personal Independence Payment which will replace Disability Living Allowance for working age customers;
  - changes to Housing Benefit, Employment and Support Allowance; and

- changes to the forthcoming child maintenance scheme.
3. As the inclusion of provisions in the Westminster Welfare Reform Bill dealing with the transfer of tax credits functions and the supply of information by a Northern Ireland Department, or by a person providing services to a Northern Ireland Department alter, or have the potential to alter, the functions of a Northern Ireland Department or Departments, they trigger a requirement for the NI Assembly to pass a Legislative Consent Motion.

## **BACKGROUND**

4. The following paragraphs describe the provisions in the Westminster Welfare Reform Bill for which the consent of the Northern Ireland Assembly is sought.

### **Tax Credits Functions**

5. It is proposed that Working Tax Credit and Child Tax Credit, which are administered by HM Revenue and Customs, will be replaced by the new integrated in and out of work benefit Universal Credit. The current plan is that Universal Credit will be introduced in 2013, and that there will be no new claims for tax credits after April 2014 (for out of work benefits, the current intention is that there will be no new claims from October 2013) although work continues to decide the best approach to migration. Existing tax credits claimants will then be transferred to Universal Credit through a managed transition process. It is expected that by October 2017 there will be no remaining tax credits awards. To enable the Department for Work and Pensions to manage the transition process it may be desirable to transfer tax credits functions to that Department.

6. Clause 122(1) of the Welfare Reform Bill as amended in the House of Commons contains an order making power to allow the transfer of tax credits functions to the Secretary of State or for those functions to be exercised concurrently by the Secretary of State, HM Treasury and HM Revenue and Customs. This would enable the Department for Work and Pensions to take over the administration of tax credits from HM Revenue and Customs during the transitional period when Universal Credit runs alongside the legacy benefits and credits it replaces.
7. The Bill also provides for an Order to make consequential provisions including the power to modify existing legislation and to allow functions to be given or removed from HM Treasury, HM Revenue and Customs, a Northern Ireland Department or the Secretary of State. This power to allocate or remove functions is purely consequential on a transfer/direction order under clause 122(1) of the Bill.
8. Under Schedule 2 to the Northern Ireland Act 1998 tax credits are excepted matters. It is intended that tax credits will remain an excepted matter and that the Department for Work and Pensions will administer tax credits for Northern Ireland until the last tax credits claimants have been migrated to Universal Credit.

### **Data Sharing Provisions**

9. Following a transfer of functions the Department for Work and Pensions will need to be able to gain access to certain HM Revenue and Customs data and will also need to be able to provide data relating to tax credits to other government departments.
10. Currently a number of gateways exist to allow for information on tax, tax credits, National Insurance Contributions and social security information to be passed between the Department for Work and Pensions, relevant Northern Ireland Departments and HM Revenue and Customs. Each gateway is for a specific type of information for a

specific purpose and the number of gateways has accumulated over the years as and when new data exchange has become necessary.

11. The restrictions placed on each gateway do not allow for closer or joint working initiatives and are not sufficiently wide to guarantee that all the information needed to implement Universal Credit is available.
12. Current legislation for data sharing already extends to Northern Ireland and it is proposed that the provisions in the Bill should provide for this to continue to be the case.
13. The key reasons why the new data-sharing provision is needed include: to improve the Department for Work and Pensions' ability to collect debt from benefit payments; to join up fraud and error strategies; to deliver Universal Credit which is dependent on the Department for Work and Pensions having access to HM Revenue and Customs data on PAYE employees; and ultimately to create a single, clear data-sharing gateway to replace the multiple data sharing provisions which currently exist.
14. The Welfare Reform Bill and introduction of Universal Credit has provided an opportunity to improve the delivery of services and remove some barriers encountered in delivering core services by rationalising the existing gateways. By legislating for a single wider gateway between the Department for Work and Pensions, HM Revenue and Customs and relevant Northern Ireland Departments, information held by one department could be disclosed to the other more freely when it is required to effectively carry out their respective functions. This will ensure the process of information sharing is simple and more transparent for all those involved as the legal basis allowing the share of data will be less complex.
15. In practice the Northern Ireland Departments to which these provisions will apply are the Department for Social Development, the Department

for Employment and Learning and the Department of Finance and Personnel. The Department for Employment and Learning and the Department of Finance and Personnel have been consulted on the proposals.

16. As the provisions in the Bill which relate to the transfer of tax credits functions and the supply of information by Northern Ireland Departments will alter the functions of those Departments, this matter is within the competence of the Northern Ireland Assembly.

### **EQUALITY IMPACT ASSESSMENT**

17. The proposed amendments to tax credits functions and data sharing in the Welfare Reform Bill have no implications for equality of opportunity here.
18. The Impact Assessments prepared by the Department for Work and Pensions are available at [www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-bill-2011](http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-bill-2011)

### **FINANCIAL IMPLICATIONS**

19. Although some of the reforms may have financial implications, agreement to this Legislative Consent Motion will not have significant implications for Northern Ireland.

### **HUMAN RIGHTS ISSUES**

20. The provisions of the Westminster Welfare Reform Bill are considered to be compatible with the Human Rights Act 1998.

### **TIMING**

21. The timetable for the UK Welfare Reform Bill requires a Legislative Consent Motion to be passed by the Assembly before the summer recess. To meet this deadline the Executive would need to consider this paper by mid-June at the latest.

## **CONCLUSION**

22. The Committee is requested to agree to the inclusion of provisions for Northern Ireland dealing with the transfer of tax credits functions and the supply of information in relation to Northern Ireland Departments as contained in the Westminster Welfare Reform Bill and to indicate their support for the Legislative Consent Motion.

**BRIEFING NOTE FOR COMMITTEE FOR SOCIAL DEVELOPMENT ON  
THE WESTMINSTER WELFARE REFORM BILL 2011**

**Background**

1. The Welfare Reform Bill introduced in the House of Commons on 16 February 2011 contains proposals on:
  - the introduction of Universal Credit and changes to the conditionality and sanctions regime associated with it;
  - the incorporation of support provided through Housing Benefit and Tax Credits into Universal Credit and Pension Credit;
  - the introduction of Personal Independence Payment which will replace Disability Living Allowance for working age customers;
  - changes to Housing Benefit, Employment and Support Allowance; and
  - changes to the forthcoming child maintenance scheme.
  
2. The Bill is organised into the following Parts:
  - Part 1: Universal Credit
  - Part 2: Working-age Benefits (jobseeker's allowance, employment and support allowance, income support, statutory payments and state maternity allowance)
  - Part 3: Other Benefits (industrial injuries benefit, housing benefit, social fund and pension credit)
  - Part 4: Personal Independence Payment
  - Part 5: Social Security: General (changes to matters relating to the administration of benefits and tax credits, a benefit cap, prosecutions, appeals and information)
  - Part 6: Miscellaneous (Tell Us Once, child support maintenance, employment and training, and Social Mobility and Child Poverty Commission)



Part 7: Final (repeals, financial provision, extent and commencement)

**Detail**

Part 1 – Universal Credit

3. Part 1 provides for an integrated working-age benefit to be called Universal Credit, which, depending on the claimant's circumstances will include a standard allowance to cover basic living costs along with additional elements for responsibility for children or young persons, housing costs and other particular needs.
4. Universal Credit will be paid to people both in and out of work, replacing working tax credit, child tax credit, housing benefit, income support, income-based jobseeker's allowance and income-related employment and support allowance. It will provide support for people between 18 and the age at which the claimant becomes eligible for state pension credit.
5. The aim of Universal Credit is to smooth the transition into work by reducing the support a person receives at a consistent rate as their earnings increase.
6. The financial support provided by Universal Credit will be underpinned by work-related responsibilities which claimants may be required to meet. The level of those requirements will depend on the claimant's particular circumstances.

Part 2 – Working-age benefits

7. Part 2 makes changes to the responsibilities of claimants of jobseeker's allowance, employment and support allowance and income support in the period leading up to the introduction of Universal Credit and the abolition of income-based jobseeker's

allowance, income-related employment and support allowance and income support. In particular provision is made for the introduction of claimant commitment. The claimant commitment will be a record of the requirements claimants are expected to meet in order to receive benefit and the consequences should they fail to do so.

8. Once the Universal Credit clauses come into operation, employment and support allowance and jobseeker's allowance will continue alongside Universal Credit as contributory benefits. As well as changes to be made in the interim period, this Part also introduces longer-term reforms to align employment and support allowance and jobseeker's allowance more closely with the provisions for Universal Credit.

### Part 3 – Other benefits

9. Part 3 makes changes to Industrial Injuries Benefits by amalgamating elements of the scheme and reducing the number of "special cases" without radical change to the fundamental scheme.
10. It will simplify the Industrial Injuries scheme by:
  - incorporating those parts of the scheme that deal with people injured as trainees and those injured by work before 5 July 1948 into the main scheme (Industrial Injuries Disablement Benefit);
  - paying all people injured at work the same rate irrespective of their age;
  - removing the right to apply for an accident declaration separately from a claim to benefit (which is often a nugatory process); and
  - removing the right to claim Industrial Death Benefit which has become redundant.

11. Part 3 also makes changes to housing benefit by restricting entitlement to social housing tenants whose accommodation is larger than they need. The criteria to assess the amount of rent that a social housing tenant can claim will be similar to that used for private rented sector cases. This will result in the amount of rent to be met by housing benefit will be reduced by a percentage for each bedroom that the claimant does not need.
12. The up-rating of Local Housing Allowance rates will change. Local Housing Allowance rates are currently reviewed and changed where necessary on a monthly basis and uprated on an assessment of rents in each local area. It is intended that Local Housing Allowance rates will be set annually from April 2013 and will be restricted to the maximum of any change in the Consumer Prices Index.
13. This Part also provides for the abolition of Social Fund Community Care Grants and Crisis Loans, other than “alignment” loans currently available to applicants pending payment of benefits. Instead, funding is to be made available to local authorities in England to enable them to provide new locally-administered assistance to vulnerable groups, under existing powers. Funding will also be made available to the devolved administrations in Scotland and Wales, which will decide the most appropriate arrangements for assistance.
14. Budgeting Loans and alignment loans are to be replaced by a new nationally administered advance of benefit facility. The rules for the Budgeting Loan scheme will be amended to allow (until the scheme is wound up) loans to be made for maternity and funeral expenses. This is linked in part with the abolition of the Sure Start Maternity Grant for second and subsequent children.

15. In addition this Part makes changes to Pension Credit 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.

#### Part 4 – Personal Independence Payment

16. Disability Living allowance is to be replaced with a new cash benefit to be called Personal Independence Payment. The purpose of the benefit is to contribute to the extra costs of overcoming the barriers faced by long-term disabled people to leading full and active lives.
17. Personal Independence Payment will consist of two components – the daily living component and the mobility component. For each there will be two rates – standard and enhanced. Entitlement to either component (and at which rate) will be determined with reference to a new objective assessment, the details of which will be set out in secondary legislation.
18. The new assessment will assess the ability of an individual to perform specified activities and will consider the impact of physical, sensory, mental, intellectual and cognitive impairments on the individual in undertaking the specified activities.
19. Personal Independence Payment is to be a non-contributory benefit, and is neither taxable nor means tested. It will be available to those who are in work, as well as those who are out of work.
20. Periodic reviews of all awards will ensure everyone continues to receive the correct amount of benefit. To support those in the most

difficult circumstances special rules will apply for people who are terminally ill.

#### Part 5 – Social Security: General

21. Part 5 makes changes to matters relating to the administration of benefits and tax credits, including provisions on a cap on benefit payments, measures to deal with benefit and tax credit fraud and the sharing of data.
22. A cap on working age benefits will be introduced during 2013 so that households on out of work benefits no longer receive more in benefits than the average working household receives in pay.
23. A new system of advances of benefits will replace the current system of budgeting loans. The new system will offer greater certainty about the amount of money that can be borrowed and the repayment terms.
24. There will be a requirement for a revision of a decision to be considered before making an appeal against it.
25. Changes to overpayment recovery process and the fraud investigation service will ensure that erroneous payments fraudulent claims are managed effectively.
26. The transfer of Tax Credits functions are included to ensure the smooth administration of the transition from Tax Credits to Universal Credit. In addition data-sharing provisions between HM Revenue and Customs and the Department for Work and Pensions will be streamlined by rationalising several existing data-sharing gateways into one.

## Part 6 – Miscellaneous

27. Part 6 makes provides for a Tell Us Once programme and makes changes to Child Support maintenance agreements Employment and Training, and Child Poverty.
28. The Tell Us Once programme will provide a means by which a person can tell the Government once about a birth or death. It is a voluntary service, running alongside as an alternative to conventional notification channels. This will allow the local authorities to transmit information of the registration of births and deaths to the Department for Work and Pensions and other relevant departments with a person's consent. This will remove the need for people to repeat and verify the same information on various occasions.
29. This Part introduces a gateway to the statutory child maintenance scheme. The gateway process is to ensure parents receive information and guidance to enable them to consider their options which include making a family based arrangement or the use of the statutory scheme. The gateway will not deny access to the statutory scheme and cases where it would be clearly inappropriate, for example victims of domestic violence, will be fast-tracked to the statutory scheme.
30. Amendments will be made to Employment and Training legislation to remove the obligation for departments to advertise certain types of vacancies or opportunities in the adult entertainment industry.
31. Amendments will be made to the Child Poverty Act 2010 to enable the establishment of a broader and stronger Commission to include social mobility as well as child poverty.

## Part 7 – Final

32. Provisions in the Bill, sets out the territorial extent and details the coming into operation process for the various provisions.

# **Westminster Welfare Reform Bill**

## **(As amended by House of Commons)**

### **Excerpt of Clauses Relevant to Legislative Consent Motion**

#### **Clause 122 - Tax credits: transfer of functions etc**

(1) Her Majesty may by Order in Council—

(a) transfer to the Secretary of State any tax credit function of the Treasury or the Commissioners;

(b) direct that any tax credit function of the Treasury or the Commissioners is to be exercisable concurrently with the Secretary of State or is to cease to be so exercisable.

(2) Provision within subsection (1) may be limited so as to apply only in relation to cases within a specified description.

(3) Her Majesty may by Order in Council, as Her Majesty considers appropriate—

(a) make provision in connection with a transfer or direction under subsection (1);

(b) make other provision within one or more of the following subparagraphs—

(i) provision applying (with or without modifications) in relation to tax credits any provision of primary or secondary legislation relating to social security;

(ii) provision combining or linking any aspect of the payment and management of tax credits with any aspect of the administration of social security;

(iii) provision about the use or supply of information held for purposes connected with tax credits, including (in particular) provision authorising or requiring its use or supply for other purposes;

(iv) in relation to information held for purposes not connected with tax credits, provision authorising or requiring its use or supply for purposes connected with tax credits.

(4) An Order may make provision under subsection (3)(b) only if—

(a) the Order also makes provision under subsection(1), or



(b) a previous Order has made provision under subsection(1).

(5) Provision within subsection(3)—

(a) may confer functions on, or remove functions from, the Secretary of State, the Treasury, the Commissioners, a Northern Ireland department or any other person;

(b) may (in particular) authorise the Secretary of State and the Commissioners to enter into arrangements from time to time under which the Commissioners are to provide services to the Secretary of State in connection with tax credits.

(6) Provision within subsection(3)—

(a) may expand the scope of the conduct which constitutes an offence under any primary or secondary legislation, but may not increase the scope of any punishment for which a person may be liable on conviction for the offence;

(b) may expand the scope of the conduct in respect of which a civil penalty may be imposed under any primary or secondary legislation, but may not increase the maximum amount of the penalty.

(7) An Order under this section may include such consequential, supplementary, incidental or transitional provision as Her Majesty considers appropriate including (for example)—

(a) provision for transferring or apportioning property, rights or liabilities (whether or not they would otherwise be capable of being transferred or apportioned);

(b) provision for substituting any person for any other person in any instrument or other document or in any legal proceedings;

(c) provision with respect to the application in relation to the Crown of provision made by the Order.

(8) A certificate issued by the Secretary of State that any property, rights or liabilities set out in the certificate have been transferred or apportioned by an Order under this section as set out in the certificate is conclusive evidence of the matters so set out.

(9) An Order under this section may amend, repeal or revoke any primary or secondary legislation.

(10) A statutory instrument containing an Order under this section is subject to annulment in pursuance of a resolution of either House of Parliament.

(11) In this section references to tax credits are to child tax credit or working tax credit or both.

(12) In this section references to primary or secondary legislation are to such legislation whenever passed or made.

(13) In this section—

- “the Commissioners” means the Commissioners for Her Majesty’s Revenue and Customs;
- “primary legislation” means an Act (including this Act) or Northern Ireland legislation;
- “secondary legislation” means an instrument made under primary legislation (including an Order under this section);
- “tax credit functions” means functions so far as relating to tax credits conferred by or under any primary or secondary legislation.

(14) In section 5A(3) of the Ministers of the Crown Act 1975 for “section 5(1)” there is substituted “section 5(1)(a) or (b)”.

## ***Information-sharing***

### **Clause 123 - Information-sharing between Secretary of State and HMRC**

(1) This subsection applies to information which is held for the purposes of any HMRC functions—

- (a) by the Commissioners for Her Majesty’s Revenue and Customs, or
- (b) by a person providing services to them.

(2) Information to which subsection (1) applies may be supplied—

- (a) to the Secretary of State, or to a person providing services to the Secretary of State, or
- (b) to a Northern Ireland Department, or to a person providing services to a Northern Ireland Department,

for use for the purposes of departmental functions.

(3) This subsection applies to information which is held for the purposes of any departmental functions—

- (a) by the Secretary of State, or by a person providing services to the Secretary of State, or
- (b) by a Northern Ireland Department, or by a person providing services to a Northern Ireland Department.

(4) Information to which subsection (3) applies may be supplied—

- (a) to the Commissioners for Her Majesty’s Revenue and Customs, or
- (b) to a person providing services to them,

for use for the purposes of HMRC functions.

(5) Information supplied under this section must not be supplied by the recipient of the information to any other person or body without—

- (a) the authority of the Commissioners for Her Majesty's Revenue and Customs, in the case of information supplied under subsection (2);
- (b) the authority of the Secretary of State, in the case of information held as mentioned in subsection (3)(a) and supplied under subsection (4);
- (c) the authority of the relevant Northern Ireland Department, in the case of information held as mentioned in subsection (3)(b) and supplied under subsection (4).

(6) Where information supplied under this section has been used for the purposes for which it was supplied, it is lawful for it to be used for any purposes for which information held for those purposes could be used.

(7) In this section—

- “departmental functions” means functions relating to—
  - (a) social security,
  - (b) employment or training, or
  - (c) the investigation or prosecution of offences relating to tax credits;
- “HMRC function” means any function—
  - (a) for which the Commissioners for Her Majesty's Revenue and Customs are responsible by virtue of section 5 of the Commissioners for Revenue and Customs Act 2005, or
  - (b) which relates to a matter listed in Schedule 1 to that Act;
- “Northern Ireland Department” means any of the following—
  - (a) the Department for Social Development;
  - (b) the Department of Finance and Personnel;
  - (c) the Department for Employment and Learning.

(8) For the purposes of this section any reference to functions relating to social security includes a reference to functions relating to—

- (a) statutory payments as defined in section 4C(11) of the Social Security Contributions and Benefits Act 1992;
- (b) maternity allowance under section 35 of that Act;
- (c) statutory payments as defined in section 4C(11) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;
- (d) maternity allowance under section 35 of that Act.

(9) This section does not limit the circumstances in which information may be supplied apart from this section.

(10) In section 3 of the Social Security Act 1998 (use of information), in subsection (1A) after paragraph (d) there is inserted—

“(e) the investigation or prosecution of offences relating to tax credits.”

## **Westminster Welfare Reform Bill – Explanatory Memorandum**

### **Excerpt of Clauses Relevant to Legislative Consent Motion**

#### **Clause 122: Tax credits: transfer of functions etc**

611. *The Commissioners for Revenue and Customs Act 2005 amended the Ministers of the Crown Act 1975 such that certain functions of the HMRC Commissioners could not be transferred by an Order in Council under the 1975 Act, including those relating to the payment and management of working tax credit and child tax credit. Clause 122 removes this statutory bar in relation to tax credits. Further, it allows for an Order in Council to be made, transferring any tax credit function of the Treasury or the HMRC Commissioners to the Secretary of State, or directing that any such function shall be exercisable concurrently with the Secretary of State, or cease to be so exercisable.*

612. *An Order under this section may also make provision in connection with such a transfer or direction, and other provision including provision relating to the use or supply of information, combining any aspect of the payment and management of tax credits with any aspect of the administration of social security and applying social security legislation in relation to tax credits. Subsection ( 5 )(a) allows new functions to be conferred on, or functions to be removed from, the Secretary of State, the Treasury, the HMRC Commissioners, a Northern Ireland Department or any other person. Under subsection ( 5 )(b), the Order may authorise the Secretary of State and the HMRC Commissioners to arrange for the HMRC Commissioners to provide services to the Secretary of State in connection with tax credits.*

613. *Subsection ( 6 ) provides that provision under subsection (3) may extend an offence provided for under primary or secondary legislation or extend any conduct in respect of which a civil penalty may be imposed, but may not increase the scope of punishment for which a person may be liable or the maximum amount of a penalty.*

614. *Any Order may also make such consequential, supplementary, incidental or transitional provision as Her Majesty considers appropriate, such as transferring property, rights or liabilities. Subsection ( 9 ) enables the Order to amend, repeal or revoke primary or secondary legislation.*

615. *Subsection (10) provides that a statutory instrument containing an Order under the clause is subject to the negative resolution procedure.*

616. *Subsection (1 4 ) amends the Ministers of the Crown Act 1975 to remove the statutory bar referred to above.*

## **Clause 123: Information-sharing between Secretary of State and HMRC**

617. *Clause 123 provides for the sharing of data between the Secretary of State and the HMRC Commissioners.*

618. *Subsections (1) and (2) allow for information held for the purposes of HMRC functions by the Commissioners (or providers of services to them) to be supplied to the Secretary of State, a specified Northern Ireland Department or any providers of services to the Secretary of State or specified Northern Ireland Department (including, for example, those authorised to exercise the Secretary of State's functions under clause 29) for use for the purposes of departmental functions.*

619. *Subsections (3) and (4) allow for information held by the Secretary of State or the Northern Ireland Department (or providers of services to them) for the purposes of any departmental functions to be supplied to the Commissioners (or providers of services to the Commissioners) for the purposes of HMRC functions.*

620. *Subsection (7) defines the departmental and HMRC functions for the purposes of which data may be provided and specifies the Northern Ireland Departments which are included in these provisions.*

621. *Information supplied under this clause must not be passed on to another person or body without the authority of the original supplier, as a result of subsection (5).*

622. *Once the information has been used for the purposes for which it has been supplied, subsection (6) allows this information to be used for any purposes for which information held for those purposes could be used.*

623. *Subsection (8) provides that the provisions in this clause may apply to statutory payments, such as statutory sick pay or statutory maternity pay, as functions relating to such payments are functions relating to social security for the purposes of this clause.*

624. *Subsection (9) ensures that the provision in this clause does not limit other powers to supply information.*

625. *Subsection (10) amends section 3(1A) of SSA 1998 to add as a new matter information in relation to the investigation or prosecution of tax credit fraud. This means that such information can be used for any of the matters referred to in section 3(1A) (for example social security or war pensions).*