UNIVERSAL CREDIT FULL SERVICE

Supporting information for Private Landlords

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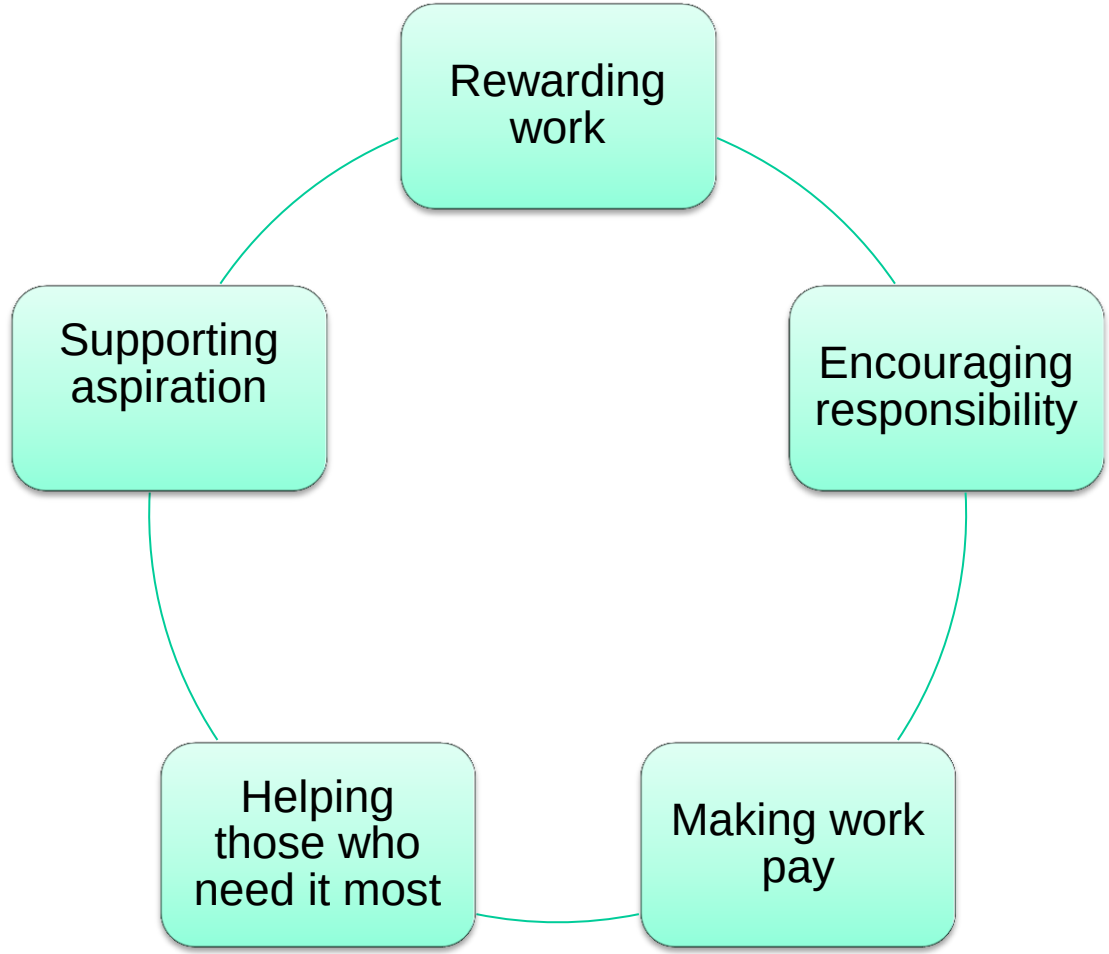
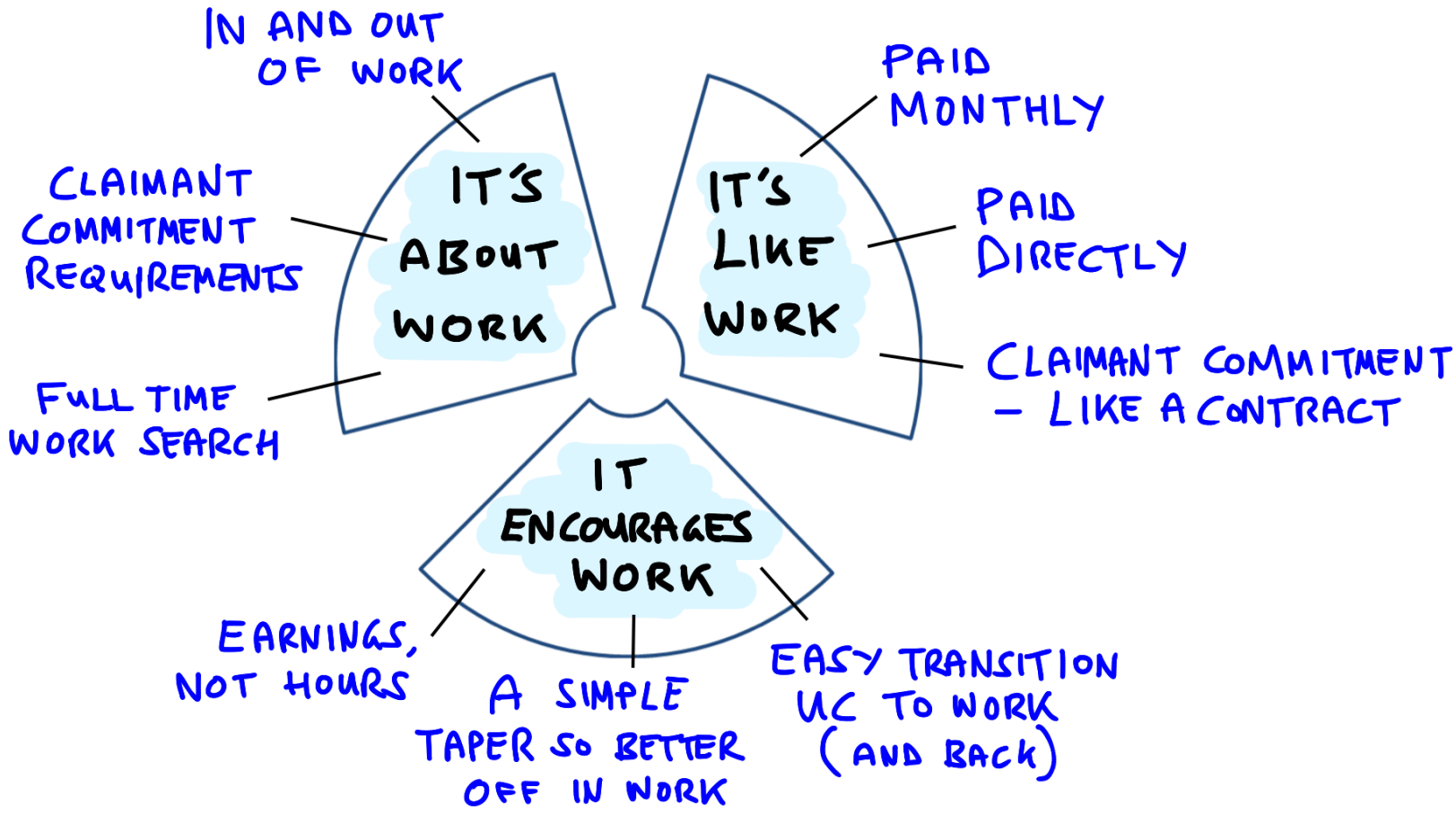
Universal Credit

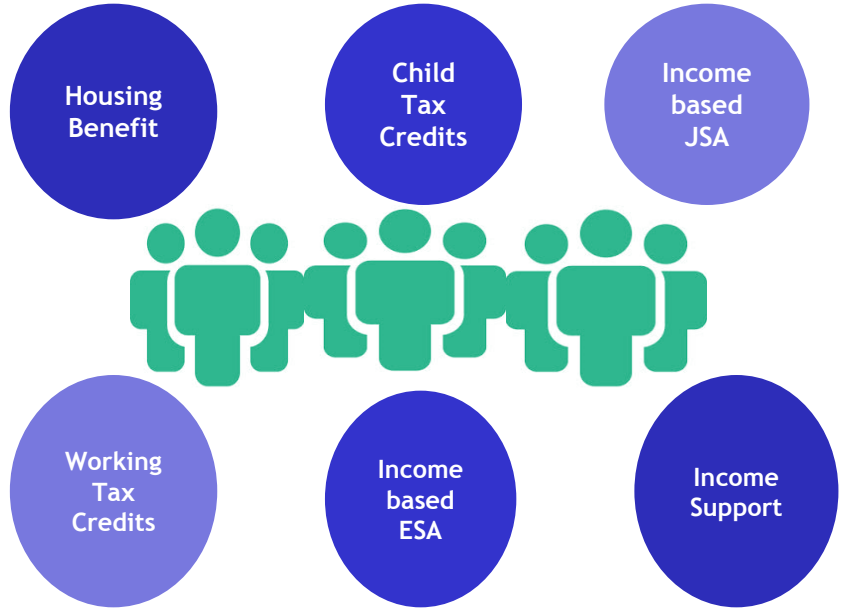
The Government has introduced the most fundamental reforms to the welfare system for more than 60 years



What is different about UC?



Universal Credit Full Service – who can claim?



The service will be available for all claimant groups from the start.

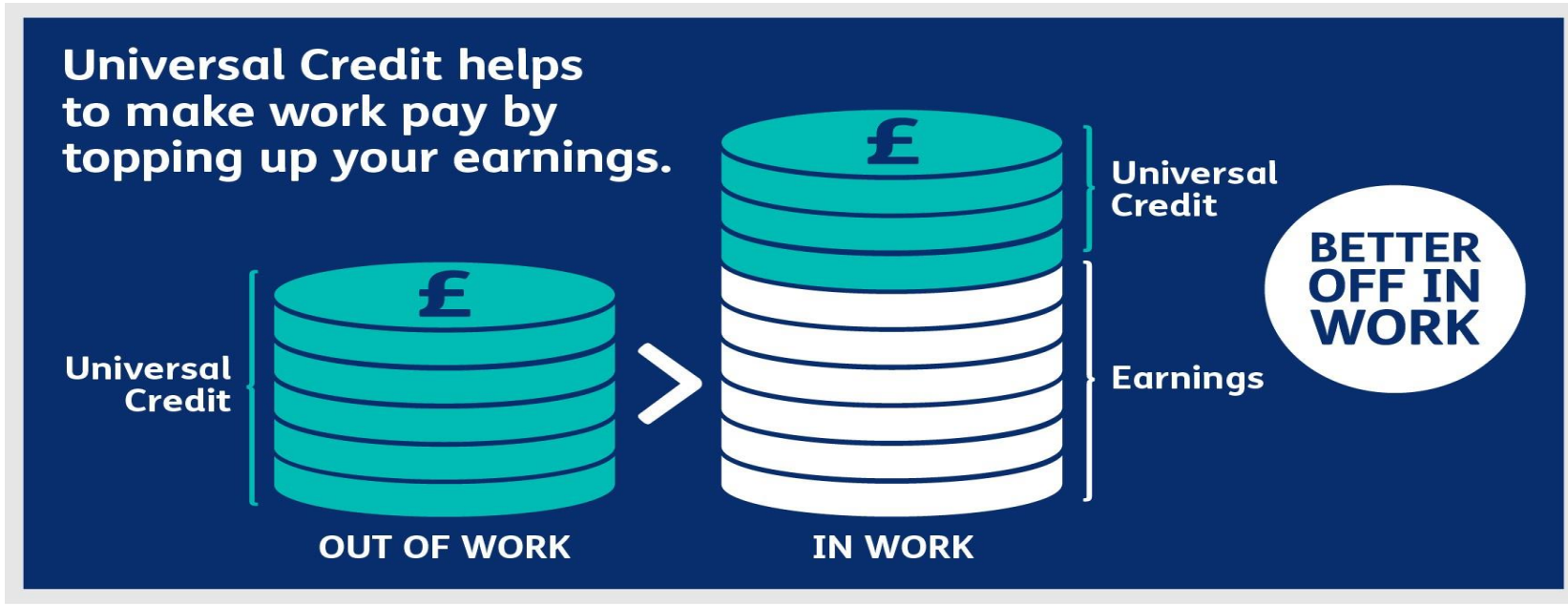
The service will initially be available to claimants making a new claim, or certain changes in circumstances.

As of 6 April 2017, claimants, where the household has more than two dependant children at the point of a new claim, will need to apply for Child Tax Credit and any other legacy benefits including Housing Benefit (HB) that they may be entitled to. Universal Credit and families with more than 2 children: information for stakeholders

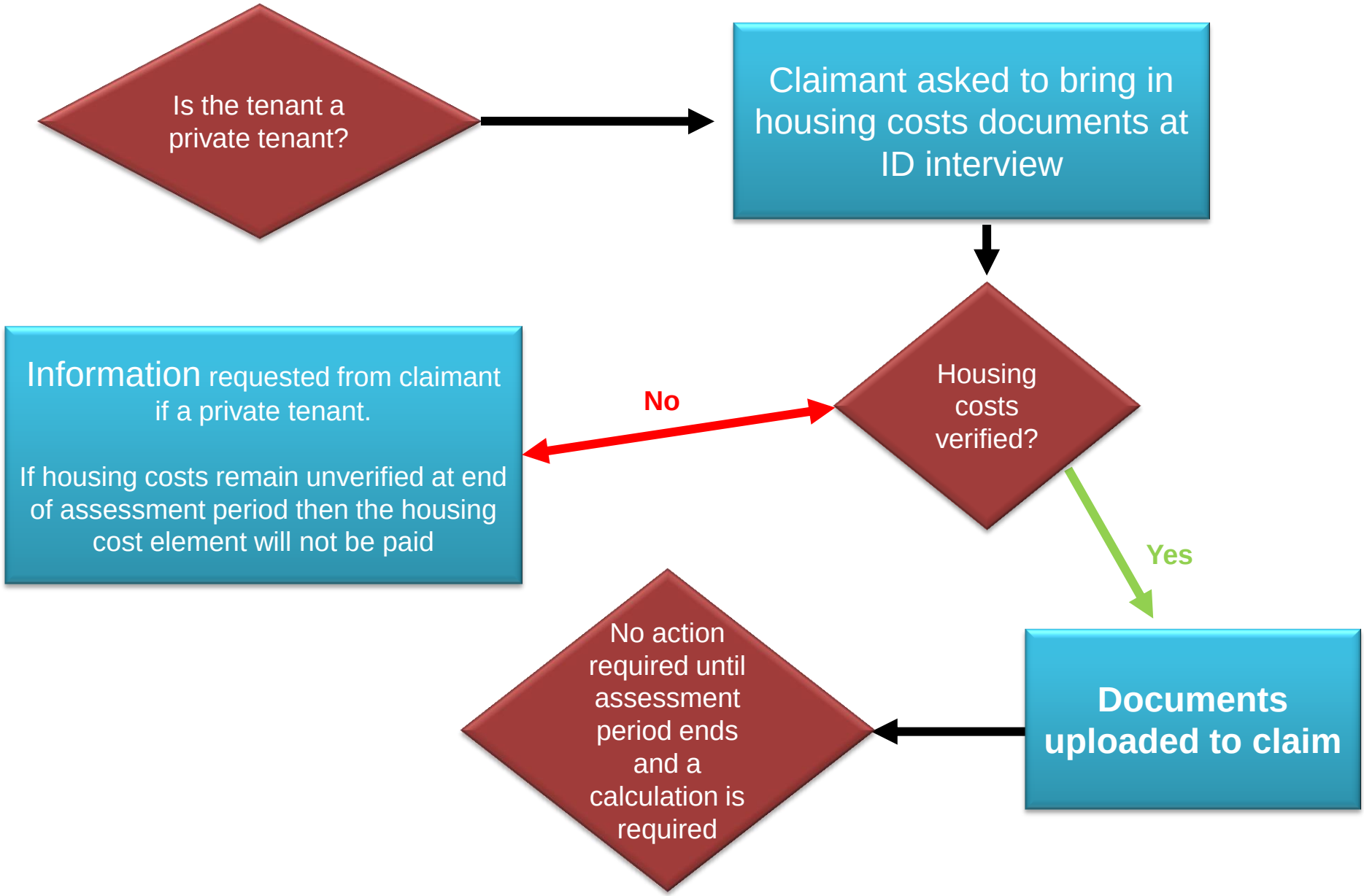
Making work, and more work pay

Universal Credit helps to ensure people are better off in work than on benefits by:

- **Removing the limit** to the number of hours someone can work each week.
- Reducing a claimant's Universal Credit payment **gradually** as their earnings increase, so they won't lose all their benefits at once if they're on a low income.
- The Universal Credit **taper** means that financial support is withdrawn at a **consistent and predictable rate**, meaning claimants can **clearly understand** the advantages of work



Housing Cost verification



Housing Costs Evidence Required for Verification

For Private Rental Sector:

To be eligible for Housing Costs the claimant must provide a rent book, tenancy agreement or a letter from the landlord as evidence to support their claim that states:

- name of all tenants on the tenancy agreement
- property address including postcode
- current rent and frequency (for example. monthly, weekly)
- landlord/Agent details (name, address)
- tenancy agreement signed and dated by the Landlord/Agent (the Tenancy agreement can be signed electronically)

However, UC recognises if the tenancy agreement has expired, there is no legal requirement for a new one to be issued.

In addition to the above proof of rent liability, the additional information that will be required if the tenancy has expired:

- Proof of residency or occupation: e.g: recent utility bill
- Proof of rent payments made: e.g: receipts, identifiable entries on a bank statement, letter from landlord

Supporting claimants with complex needs.

- Assisted Digital Support
- Personal Budgeting Support
- Alternative Payment Arrangements
- Advance payments

Assisted Digital Support.

- Working in Partnership with the Local Authority to develop the support needed for claimants to access and maintain their UC account
- Working in partnership with Local Authorities to ensure that holistic support is provided for claimants in each local area
- Claimants are supported to increase their confidence in making and maintaining their UC account.
- Most of our claimants can make and maintain their claim for UC on line.

Personal Budgeting Support

- Support for claimants requiring budgeting advice, supporting UC claimants who might require assistance to budget appropriately
- The UC Work Coach will discuss budgeting support with the claimant to provide an opportunity to discuss further financial guidance and support
- Working with Local Authorities and organisations, such as Citizens Advice and the Money Advice Service, to signpost claimants in need of advice around budgeting and financial matters

Alternative Payment Arrangements

For a minority of claimants, alternative payment arrangements may be required; these might include -

- paying the housing element directly to the landlord
- making more frequent than monthly payments
- splitting the payment within the household.

We will also have the option to make rent payments direct to the landlord if a claimant reaches a certain level of rent arrears.

Managed Payment of Housing Costs to Landlords

We expect most Universal Credit claimants will receive the single monthly payment, taking responsibility for paying their own household bills including their rent on time.

However, we recognise that some claimants will need extra support and so alternative payment arrangements including a managed payment of the UC housing cost to the landlord can be considered in some cases to help protect tenancies.

Managed payments will be considered on a case-by-case basis and can be requested by landlords as well as claimants. They can be considered on request from the start of the claim or during the claim if the claimant has accumulated rent arrears which will put their tenancy at risk.

What are the key elements to consider

When a claimant has accumulated one month's rent arrears due to persistent underpayment, we will review the financial support they need and, if requested by the claimant or landlord, will consider making managed payments to their landlord if appropriate.

If a claimant has accrued two month's rent arrears, we will, if requested by the landlord, pay the UC housing costs direct to the landlord and take steps to recover the rent arrears through deductions from their remaining UC payment.

Alternative Payment Arrangements

Tier One factors – Highly likely / probable need for alternative payment arrangements
Drug / alcohol and / or other addiction problems e.g. gambling
Learning difficulties including problems with literacy and/or numeracy
Severe / multiple debt problems
In Temporary and / or Supported accommodation
Homeless
Domestic violence / abuse
Mental Health Condition
Currently in rent arrears / threat of eviction / repossession
Claimant is young either a 16/17 year old and / or a Care leaver
Families with multiple and complex needs

Alternative Payment Arrangements

Tier Two factors - Potential need for alternative payment arrangements
No bank account
Third party deductions in place (e.g. for fines, utility arrears etc)
Claimant is a Refugee / asylum seeker
History of rent arrears
Previously homeless and / or in supported accommodation
Other disability (e.g. physical disability, sensory impairment etc)
Claimant has just left prison
Claimant has just left hospital
Recently bereaved
Language skills (e.g. English not spoken as the ‘first language’).
Ex Service personnel
NEETs - Not in Education, Employment or Training

How to Request a Managed Payment

Landlords can use the form available on GOV.UK – UC47 Landlord request for a managed payment or rent arrears deduction to apply for a managed payment of the housing costs and recovery of arrears.

The information they will need to supply includes

- tenants name, address, and if known their date of birth and National Insurance number
- current tenancy agreement including
- proof of the rent arrears which must include the amount of rent outstanding and the amount of rent due each calendar month
- the landlord's contact details – their name and address plus their bank/ building society account number and sort code for the payments.
- any reference number / transaction ID for that tenant
- the social landlords DWP creditor reference number

Once UC receives this information they will decide whether or not a managed payment is appropriate and inform both the landlord and claimant.

The claimant will also be offered Personal Budgeting Support.

More Frequent Payments.

Universal Credit is paid monthly. However, where it is identified that a claimant is finding it difficult to budget monthly, they can have their Universal Credit divided over the month to be paid more frequently i.e. twice monthly or, exceptionally, four times a month.

These can only be paid at the end of their first assessment period and would, in the majority of circumstances, be half their Universal Credit award, with the remaining half paid 14/15 days later. In very exceptional cases they could be paid four times a month e.g. a quarter of their Universal Credit payment after the end of the first assessment period and the rest paid at 7/8 day intervals.

In cases where their Universal Credit includes the housing cost, this would be accompanied by a managed payment to the landlord to safeguard their home and provide greater assistance for the claimant household.

Move from out of work to in work Current JSA(IB)/ IS claimants, or their partners, who increase their working hours or start work such that they no longer meet the conditions for JSA/IS are no longer able to make a new claim to Tax Credits if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit. Those with an existing Tax Credit claim can continue to claim Tax Credit	**Move from in work to out of work** Current WTC claimants whose hours reduce to less than 16 hours per week are no longer able to make a new claim to JSA(IB) or IS if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit.	**Move from out of work to sick** Current JSA(IB)/ IS claimants are no longer able to make a new claim to ESA(IR) if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit.	**Move from sick to out of work** Current ESA(IR) claimants are no longer able to make a new claim to JSA(IB) or IS if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit
Move from sick to in work (or permitted work becomes permanent) Current ESA(IR) claimants are no longer able to make a new claim to Tax Credits if they live in a Universal credit Full Service area and should be advised to make an online claim to Universal Credit. Those with an existing Tax Credit claim can continue to claim Tax Credit	**Move from in work to sick (reduction in hours due to sickness)** Current WTC claimants are no longer able to make a new claim to ESA(IR) if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit.	**Household becomes responsible for a child for the 1st time** Claimants living in a Universal Credit Full Service area are no longer able to make a new claim to Tax Credits and should be advised if they wish to claim for additional financial support because they have a child living with them to make an online claim to Universal Credit. Those with an existing Tax Credit claim can continue to claim Tax Credit	
Claimants separate For example where a current joint tax credit claimants who separate and live in a Universal Credit Full Service area are unable to make a new claim to Tax Credits as a single person. Claimants should be advised to make an online claim to Universal Credit if they continue to require additional financial; support if they have (a) child(ren) living with them or are on a low income	**IS lone parent child under 5 reaches age 5 or permanently leaves household** Current IS claimants are no longer able to make a new claim to JSA(IB)/ ESA(IR) when their award to IS ends if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit.	**HB claimant moves from a UC Live Service LA into a UC Full Service LA** Existing HB claimants who move into a Universal Credit Full service area LA are no longer able to make a new claim to HB in the new LA area and should be advised if they wish to continue to obtain financial support with their rent to make an online claim to Universal Credit.	**Stopping an existing claim when a claim to Universal Credit-Full Service is made** If a new claim to Universal Credit Full Service is made and there is a current JSA(IB)/ ESA(IR)/ IS/ HB or Tax Credits claim. Universal Credit Full service will contact Benefit Centres/Local Authorities and/or Her Majesties Revenues and Customs to stop the existing claim.