

Universal Credit and Private Rented Housing

Universal Credit (UC) is a new benefit brought in via the Welfare Reform Act 2012 to support people who are on low incomes or out of work. It is managed by the Department for Work and Pensions (DWP).

THE CHANGES

UC replaces six existing benefits (Income-based Jobseeker's Allowance; Income-related Employment and Support Allowance; Income Support; Child Tax Credit; Working Tax Credit; Housing Benefit or Local Housing Allowance). The new system is based on a single monthly payment (rather than every two weeks) paid in arrears directly to a bank account.

Payments include all eligible housing costs meaning that claimants will be responsible for paying their rent themselves.

NB: There are two types of UC services: UC Full Service (all claimants must make and manage their claims online) and UC Live Service (not in full service areas and accounts managed by telephone). Live Service claims will eventually move to the Full Service.

ELIGIBILITY

UC is being introduced in stages across the UK by postcode area. It is available to single people, couples and families. It began being rolled out to single claimants nationally from February 2015. Whether a person can claim will depend on where they live and their personal circumstances. To find out who can claim UC in your area enter your postcode here: universalcreditinfo.net

NB: Couples living in the same house will receive one monthly payment between them (paid into a joint account or a single account in either person's name). Any other adults living in the same household who are claiming UC will be paid separately.

SUPPORT FOR TENANTS

All cases will be looked at on an individual basis. Personal Budgeting Support (PBS) can be offered to anyone claiming UC. Claimants needing help with monthly budgeting will be identified through talking with a Universal Credit Work Coach.

NB: In some circumstances, rent can be paid directly to a landlord from the start of a claim. When a claim is made, DWP will work with the claimant and landlord to decide if PBS or an Alternative Payment Arrangement (APA) is required. APAs are subject to review and will be determined on a case by case basis. APA reviews are set between 3-24 months depending on the claimants circumstances.

WHAT YOU NEED TO BE AWARE OF

The first payment will usually be received one month and 14 days after claimants submit their claim (six weeks). Rents will be calculated using the following formula: weekly rent multiplied by 52 and divided by 12.

NB: In 53 week years UC will always be based on a 52 week year, unless rent is charged over fewer than 52 weeks. The claimant will be asked to provide appropriate evidence to support their claim. The DWP should accept a landlord letter confirming the current rent if the tenant does not have a copy of their tenancy agreement. However, this will only be if the letter provides sufficient evidence to allow the calculation of housing costs i.e. the liability of the rent, the amount, the tenant details etc.

NB: The housing cost calculation will take into consideration rent free weeks when assessing housing costs.

NB: Claimants should tell DWP of any changes that might affect their UC payment, including annual changes in rent.

RENT ARREARS

When rent arrears reach the equivalent of one month's rent (built up over a period of eight weeks or more) or two full months' rental arrears, the landlord or claimant can ask DWP to consider if an APA would be appropriate. Landlords can apply online and fill in the UC47 Rent Arrears form and email or post it to DWP.

NB: This must be for the property the claimant lives in and not previous properties.

NB: Where a Third Party Deduction for Rent Arrears is in place the

Service Centre may disclose the following details to the landlord:

- When the landlord can expect to receive the next payment of the Housing additional amount and/or third party deduction.
- The amount of the payment and the period it covers (this may reduce if there is a change in the claimant's circumstances e.g. in their earnings). However, the circumstances that led to the change will not be discussed.

Information from third parties (e.g. family members, support workers, the claimant's landlord) can be considered when assessing a claimant's ability to manage their finances.

Third Party Deductions involves the DWP deducting a fixed amount from benefit payments to clear household arrears, most commonly housing costs, fuel costs, council tax, unpaid fines, and water and sewerage charges. The amount deducted is paid directly to a creditor until the debt is cleared.

Service Centre workers provide administrative support over the phone, whereas UC Work Coaches in Jobcentres work closely with claimants. If a tenant is already in rent arrears when they make a claim it will depend on the claimant's circumstances as to whether their rent will be paid to the landlord from the start. Where claimants who are not yet in rent arrears but may benefit from budgeting advice, the DWP can refer the third party, family member or landlord to appropriate supporting organisations. PBS or APA may also be considered.

TIMETABLE

The process started with a UC Live Service but will eventually move all claimants to UC Full Service by 2020.