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1. What is Universal Credit?

Universal Credit is the biggest change to benefits for over a decade. Paid by the [Department for Work and Pensions \(DWP\)](#), Universal Credit is a monthly payment to help with living costs if you are on a low income or out of work.

Universal Credit replaces:

- Child Tax Credit
- Housing Benefit
- Income Support
- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Working Tax Credit

2. Universal Credit Full Service Roll Out in Wigan

Universal Credit is being introduced by central government across the country in stages. Universal Credit is being rolled out for new benefit claims in Wigan from 18th April 2018.

Universal Credit prepares claimants for a working environment, in which 75 per cent of employees are paid monthly. It also encourages claimants to take responsibility for their own financial affairs. Households are expected to manage their own budgets and make housing costs a priority.

Existing claimants will remain on their existing benefits until they are contacted by the Department for Work and Pensions (DWP), who will let them know directly about moving to Universal Credit. This means that unless a claimant has a change in circumstances, they do not need to do anything.

In the short-term families with more than 2 children will continue to claim a legacy benefit accessed through the normal route.

3. What information will your tenant need before applying for UC?

Before applying for Universal Credit, claimants should complete the [DWP preparation planner](#), which will tell claimants what they need to apply:

- Bank, building society or credit union account details. See [attached link](#) for more detail.
- National Insurance number
- E-mail address as Universal Credit applications are exclusively online
- [Housing information](#)
- Details of savings and any investments
- Details of childcare costs

4. Access to free Wi-Fi and computers within the borough

Wigan Council has produced a guide on connecting to [Wi-Fi and the internet at home](#). If your tenant does not have internet access at home, there are a number of Wi-Fi and computer access points that are available across the borough. Find your nearest [internet access point](#).

If your tenant does not have an email address, community partners can assist in helping them [set one up](#), can help them use the internet and give guidance on completing the application form.

5. How to apply for UC and verifying identity

Tenants will need to go to [Universal Credit](#) on the government website for to both find out if they are eligible and to apply.

For couples both parties will need to sign up separately to obtain their individual account numbers/code.

They should also verify their identity online through [gov.uk verify](#).

They will need some proof of identity for this. For example, their:

- driving license
- passport
- debit or credit card

In certain circumstances, they may be able to claim by telephone. The free telephone number is **0800 328 9344**.

6. Information required for housing costs element

To be eligible for Universal Credit housing costs the claimant must provide a rent book, tenancy agreement or a letter from you (the landlord) as evidence to support their claim.

The letter should state:

- Name of all tenants on the tenancy agreement
- Tenant and landlord/agent's name, address and contact details
- Date the tenancy began and how long the term is for
- Property address including postcode
- Amount of rent and how often it is paid (i.e. monthly, weekly)
- Tenancy agreement signed and dated by the landlord/agent (the tenancy agreement can be signed electronically)

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

7. Transition to Universal Credit housing payment

Universal Credit is assessed and paid monthly in arrears, whereas legacy benefits are paid more frequently. For some claimants this change in payment frequency when transitioning to Universal Credit has been challenging and has led to rent arrears.

For the cohort of housing benefit claimants who currently have their benefit paid directly to their landlord, this risk can intensify as they move to the Universal Credit system and become responsible for paying their housing costs themselves with this payment.

A two week transitional housing benefit payment has been introduced for housing benefit claimants migrating to Universal Credit. This payment will bridge the gap between housing benefit and regular monthly payment cycle of Universal Credit.

The transition to Universal Credit housing benefit payment is disregarded as unearned income for Universal Credit purposes and will not reduce the first payment, which will help Universal Credit claimants adjust to the new payment cycle.

This is expected to reduce the number of overlapping payments recovered in the first assessment period. This will also ensure that more claimants receive their full Universal Credit amount in the first assessment period and help them adjust to their new income more quickly.

Claimants now only have to wait five instead of six weeks for their first benefit payments.

If the claimant needs help to pay their bills or cover other costs while waiting for the first Universal Credit payment, they can apply to get an advance.

8. Support to help tenants with budgeting

A number of safeguards are in place to support tenants and help them manage their money. Budgeting support will be offered when claimants first receive Universal Credit.

This support can be money advice, or depending on individual circumstances, an advance of benefit.

A claimant can ask for an advance of their Universal Credit payment if they are in financial need and cannot manage until their first monthly payment. This will be a proportion of the full payment and will be recovered over a period of time.

Alternative payment arrangements will be available in some circumstances for claimants who genuinely cannot manage their monthly payment. This could mean having a managed payment made to their landlord, a split payment or a more frequent payment.

[Help for managing money while on Universal Credit](#)

9. Who can request a managed payment of the Universal Credit housing costs to the landlord?

The claimant, their representative or the landlord can request a managed payment and this can be considered at any point during the Universal Credit claim. This need could be identified at the outset by the Jobcentre Plus work coach during a work search interview, through personal budgeting support or during the claim process where it is clear the claimant is struggling with a single monthly payment.

This can also be triggered by information received from the claimant, their representative, their caseworker or their landlord, highlighting a build-up of rent arrears. To safeguard the claimant’s home, a landlord can notify Universal Credit of a build-up of rent arrears and ask for the Universal Credit housing element to be paid direct to them.

When alternative payment arrangements are considered, the Tier 1 and Tier 2 factors set out below are used as an indicator to decide if these arrangements are appropriate to an individual.

If the landlord is making the request, this can either be:

- By email, or post, using the UC47 Managed Payment/ Rent Arrears forms available on [gov.uk website](http://gov.uk)
- Or by phoning Universal Credit on 0800 328 9344 and requesting a UC47 Managed Payment/ Rent Arrears form.

Tier 1 - 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 or multiple debt problems
- In temporary and/or supported accommodation
- Homeless
- Domestic violence/abuse
- Mental health condition
- Currently in rent arrears, threat of eviction or repossession
- Claimant is a 16 or 17 year old and/or a care leaver
- Families with multiple and complex needs

Tier 2 - Less likely/possible need for Alternative Payment Arrangements

- Third party deductions in place e.g. for fines, utility arrears
- Claimant is a refugee or asylum seeker
- History of rent arrears
- Previously homeless and/or in supported accommodation
- Other disability e.g. physical disability, sensory impairment
- Claimant has just left prison
- Claimant has just left hospital
- Recently bereaved
- Language skills e.g. English not spoken as their first language
- Ex-service personnel
- NEETs – Not in education, employment or training

10. How do landlords recover rent arrears from Universal Credit?

If your tenant has accrued rent arrears to the value of two month’s rent or more, you can request a third party deduction to recover the rent arrears using the [request for a managed payment or rent arrears deduction form](#).

The maximum rate at which deductions for rent arrears can be made is 20 per cent of the Universal Credit standard amount.

The deduction rate will depend on the claimant’s circumstances. Only the claimant can request a change to the percentage rate by contacting Universal Credit.

If approved, once payments are set up on the third party payments system, you will normally receive payment every 28 days and will be 28 days in arrears.

The payment will appear as a single transaction on your bank statement along with a reference number (settlement number). You will then receive a third party deductions schedule with a breakdown of all the individual transactions which make up that payment and their associated references.

The first payment is normally received within six weeks from the date deductions commence. A bank automated clearing system (BACS) payment will be paid into the bank account nominated by the landlord.

11. Claimant's journal and online account

The claimant has all their data in their own hands via a secure online claimant account. This online account allows claimants to check payments and award details, ask a question or alert the work coach of any changes.

12. Universal Credit – disclosure to landlords

If an issue arises, the landlord should engage with their tenant about this in the first instance.

The tenant has access to their own information via their online account. They can share the information from their account with their landlord or another representative if they wish, as this contains information about housing payments made.

They will need to provide explicit consent to share their personal information with their landlord or other representative and this can be done either through the journal, face to face or by phone.

When contacting Universal Credit, the claimant's representative will be asked to confirm their identity so the case manager can speak to the landlord direct.

Explicit consent is only valid for a single interaction. The claimant should be clear about what information they want to be disclosed, e.g. full details about their claim or about a specific aspect of the claim.

As Universal Credit full service is a fully online transactional service, most of the information a third party will need is available via the claimant's account.

There will be instances when a third party makes contact to discuss an interaction they have directly with Universal Credit. For example; a landlord may want to know if the service centre have received/ and or accepted an alternative payment arrangement application. Responding to this query does not involve disclosing any claimant data, so agents will answer the landlord.

13. Discretionary housing payment

The discretionary housing payment (DHP) scheme can give your tenants limited short term help towards paying their rent.

It is a short term emergency payment, normally no longer than three months. It should not be considered as a permanent solution to a shortfall in their housing benefit or Universal Credit award.

Before a DHP is considered:

- Tenants must already receive housing benefit or Universal Credit
- Require additional help with their housing costs i.e. have a shortfall between their rent and benefit entitlement
- Tenant must have already spoken with their housing provider about their rent payments
- The council must have sufficient funds available to cover the cost of the DHP.

The decision on whether to award a discretionary housing payment rests with the local authority - please see [website](#) for more information

14. Useful websites / YouTube

[Universal Credit Full Service Overview](#)

[Universal Credit and rented housing: guide for landlords](#)

[Personal Budgeting Support and Alternative Payment Arrangements](#)

[Universal Credit: Landlord request for a managed payment or rent arrears deduction](#)

[Where to get Wi-Fi or access to a computer – Wigan Borough](#)

[Universal Credit: help with managing your money](#)

[Digital Support](#)