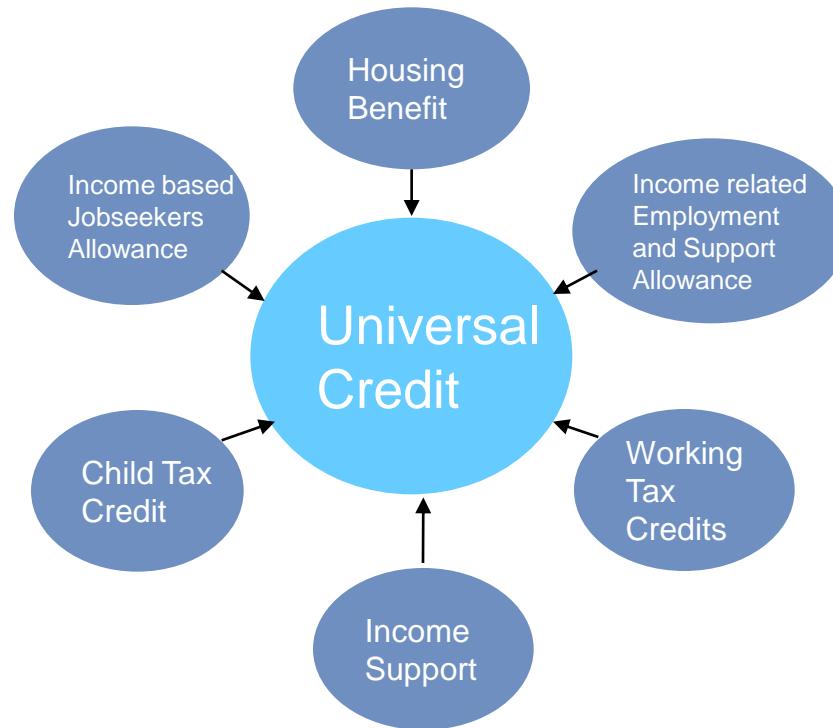


Universal Credit and rented housing

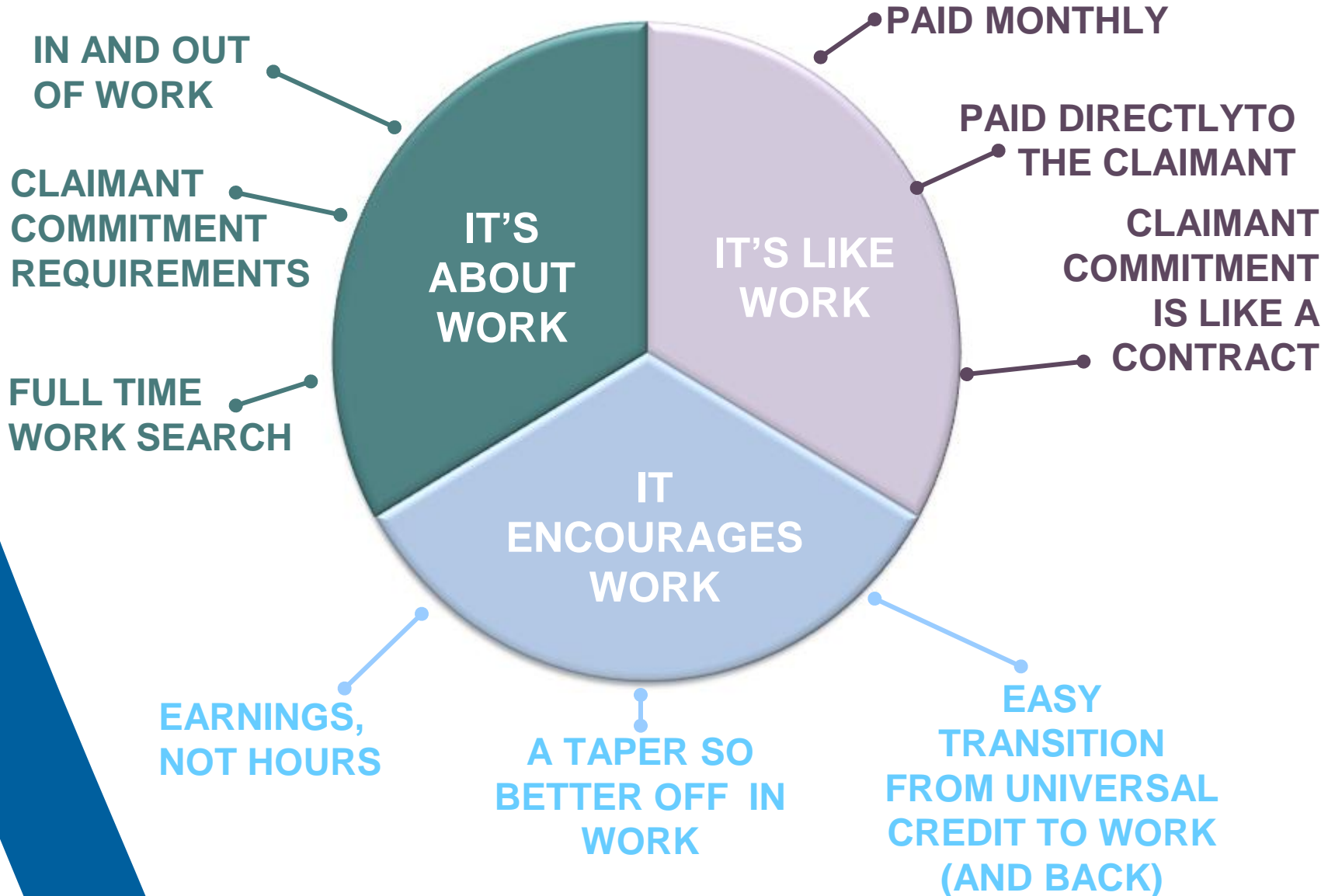
Updated 25.03.15

Universal Credit – overview



- One simple payment
- Paid monthly
- For people in and out of work
- Use PAYE in real time information (RTI)

What's different about Universal Credit?



Changes for claimants

- Make claim online
- Single household payment
- Paid monthly
- Housing costs paid direct to tenant
- Claimant Commitment
- Cohesive support

Changes for landlords

- Direct payment of housing costs to tenants
- New protections for landlords
- Closer relationship with tenants needed – assessing needs and understanding the support available
- Role to support tenants during transition – helping them prepare
- Ensuring rent is paid
- New relationship with DWP
- Be prepared

Universal Credit claimant journey

I get information or advice about how to claim Universal Credit.

I receive a telephone call inviting me to attend an interview in the jobcentre.

I attend my interview at the jobcentre, taking along any paperwork that has been asked for. I sign my Claimant Commitment, which records the activities I've agreed to do in return for receiving Universal Credit.

I receive my Universal Credit decision letter. It tells me when I will receive my payments, and confirms what I need to do in return for getting Universal Credit.

I telephone the helpline if there is a change in my circumstances, including if I start work. My Claimant Commitment is reviewed and may be changed to take into account my new situation.

I make my claim online at GOV.UK. If I need help, I can telephone the Universal Credit helpline for assistance.

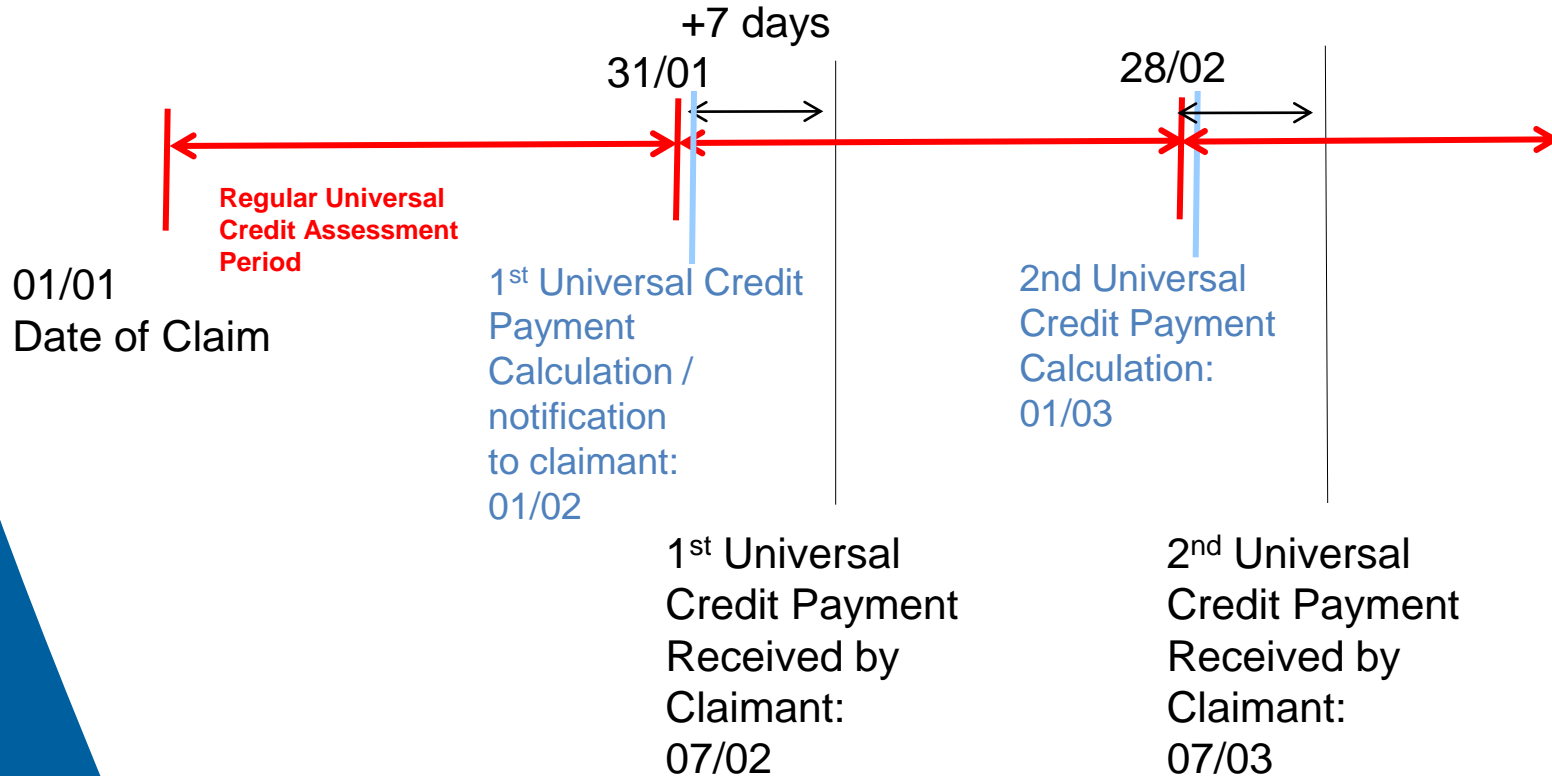
I receive an email (or text message if no email address) to remind me about my interview at the jobcentre.

I undertake my agreed activities. I can get advice on jobseeking, budgeting and going online from my work coach.

I regularly visit the jobcentre where my work coach and I discuss the actions we've agreed in my Work Plan.

If a change in my circumstances means my Universal Credit payments change, I receive a letter confirming the new details.

An example claim



Preparing for Universal Credit - tenants

- **Step 1 – Check what changes they need to make**

They can use the online Personal Planner at

<http://ucpp.dwp.gov.uk/universal-credit-preparation/>

- **Step 2 – Make sure tenants have a suitable account such as a bank, building society or credit union account for their monthly payments**

- **Step 3 – Work out their monthly budget by planning ahead and ensuring that bills are paid promptly**

They can use a simple monthly budget planner, like the one available on the [Money Advice Service](#) website

Delivering the policy – how Universal Credit is rolling out to eligible claimants

The test and learn approach to Universal Credit has allowed us to continuously improve

- Budgeting Support
- Data sharing
- Universal Support - delivered locally
- Management of Universal Credit housing cost element

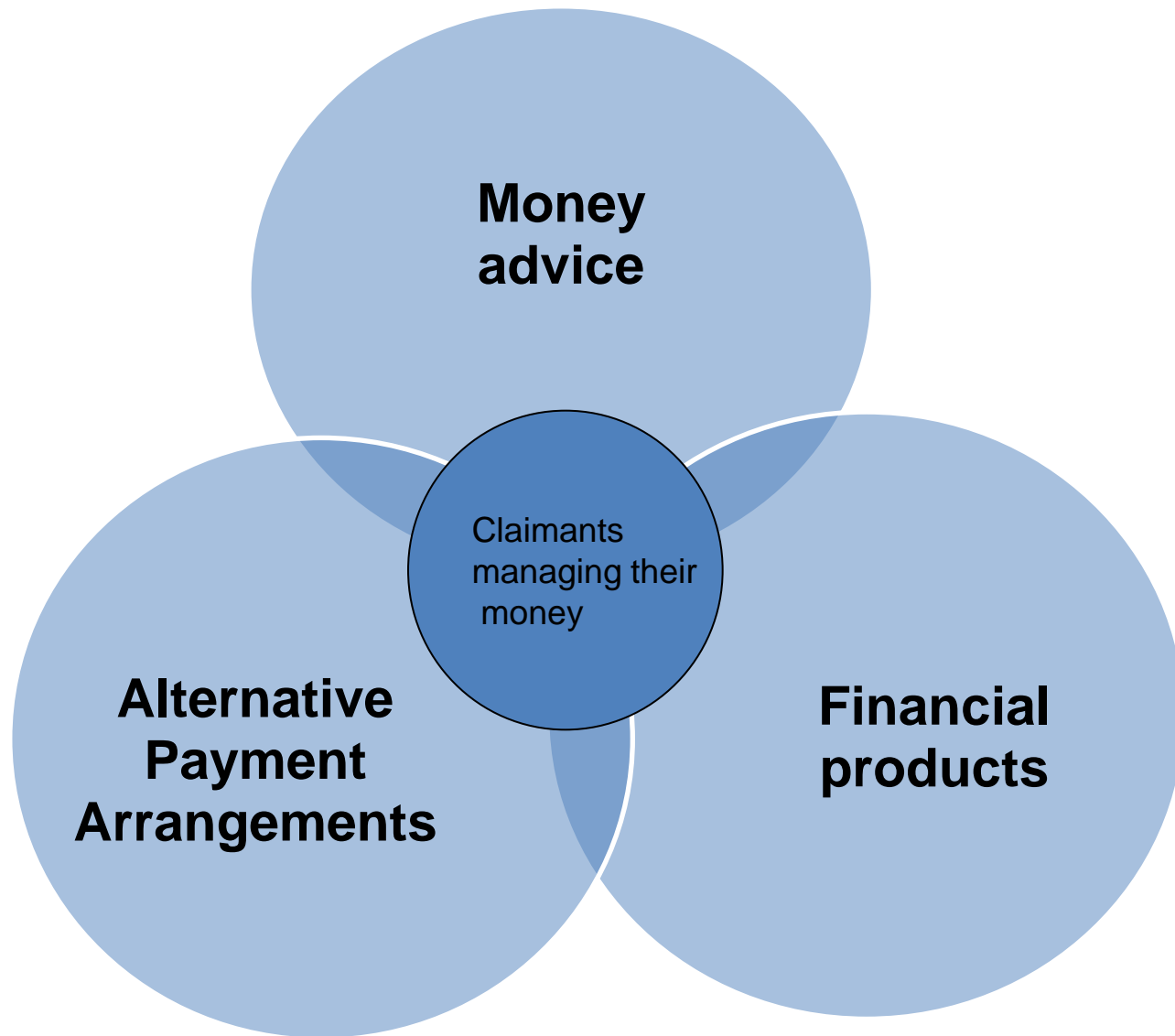
Universal Support – delivered locally

Local Delivery Partners - What we are hoping to achieve



The purpose of the partnerships approach is joined up “coherent claimant journey” for claimants with complex needs, from benefits dependency to independence and, where appropriate, work

Personal Budgeting Support – overview



Personal Budgeting Support – financial products

- A **personal planner** is available on GOV.UK to help claimants **understand** and **prepare** for financial changes arising from the introduction of Universal Credit
- Up to **1.3 million** potential Universal Credit claimants currently do not use a transactional bank account to manage their benefit payments
- We are **looking at ways** to make accounts with **budgeting functionality**, such as ‘jam jar’ accounts, **more widely available**. We are consulting with financial providers across the private, social and third sectors and considering the best ways to make these types of products more widely available
- Universal Credit monthly payments have been paid into some types of credit union account since October 2013, but DWP has worked with a range of stakeholders to enable Universal Credit to be paid into all types of credit union account from **6 April 2015**
- Better Basic bank accounts go live in 2015 which will offer users the ability to set up and pay by direct debit and pay bills

Personal Budgeting Support - Money Advice

- Offered to anyone claiming Universal Credit
- Now included as part of the work coach role
- Online budgeting tools for claimants who are able to self-help. Worked closely with the Money Advice Service to produce a range of products
- Money advice services offered via the LA using a mix of face to face and telephony support
- Longer term will be delivered via Universal Support – delivered locally through delivery partnership agreements – more about this later
- The Universal Credit personal planner on GOV.UK:
<https://secureonline.dwp.gov.uk/universal-credit-preparation/>

Personal Budgeting Support – Alternative Payment Arrangements

- For a minority of claimants, Alternative Payment Arrangements may be required; these might include
 - DWP will pay housing costs directly to the landlord (managed payment to landlord)
 - making payments more frequent than monthly
 - splitting the payment within the household
- Option to make managed payments directly to the landlord if a claimant reaches a certain level of rent arrears (usually 2 Calendar months / 8 weeks)
- Considered on a case by case basis and assessed on their individual needs
- The decision about whether an Alternative Payment Arrangement is suitable will be made by a Universal Credit Decision Maker through the Personal Budgeting Support process
- All Alternative Payment Arrangements are subject to review

Alternative Payment Arrangements: consideration 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
Less likely / possible need for Alternative Payment Arrangements
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

DIRECT PAYMENTS DEMONSTRATION PROJECTS

- **Key findings:**
- Independent research over an 18 month period found that overall, tenants paid **95.5 per cent of all rent owed** (a difference of **only 3.6 ppts** compared to the non-DP sample).
- In the 4th – 6th payment periods the difference fell to 2.8 ppts; falling again in the 7th – 9th periods to 1.3 ppts less rent paid.
- By the **18th payment**, tenants' average payment rate had risen to **99 per cent**.
- **87 per cent** of participants reported that they were **coping well** with direct payment in the final survey.
- 64 per cent of participants who had received advice or support agreed that it had **helped them to *manage their money***, and 79 per cent agreed it had **helped them to *manage their rent payments***.

We are listening, testing and learning...

- We have worked particularly closely with the social rented sector supported by the National Housing Federation
- We have introduced rent arrears triggers to help protect landlords and tenants alike
- We have taken steps to improve the take up of budgeting support
- We have set up new dedicated teams as a result of feedback to manage housing and Alternative Payment Arrangement cases
- We have conducted business tests in the North West involving landlords in the housing costs verification process
- We are continually reviewing our strategy to ensure we have it right as Universal Credit expands, working closely with landlords, the National Housing Federation and others, learning as we go and implementing service improvements

We are listening, testing and learning...

- As part of our commitment to continuous improvement, we have introduced some further practical adjustments to strengthen the Universal Credit offer for claimants and landlords. They include:
 - Dedicated teams to manage housing and Alternative Payment Arrangement cases
 - Provision of single point of contact details to LAs and social landlords
 - Better designed and simpler notifications and forms
 - A new dedicated external e-mail address for social landlords - enabling them to escalate request for Alternative Payment Arrangements and deductions for arrears in cases where they are considering formal pre-eviction action
UC.SERVICECENTREHOUSING@DWP.GSI.GOV.UK
- LA Housing Benefit experts have been working in the Service Centre on secondment since Summer 2014
- We have established a dedicated network of single points of contact

Useful links for stakeholders

- **An introduction to Universal Credit video**
<http://youtu.be/E7GUu7Xa7Nw>
- **Universal Credit – managing your money video**
https://www.youtube.com/watch?v=ZOjGmDWf6IU&list=PLeysxjNpEPy_UnItAtlw9u3tTwE4oMliL&index=17
- **Universal Credit pages on GOV.UK**
<https://www.gov.uk/universal-credit>
- **A toolkit for Partners**
<https://www.gov.uk/universal-credit-toolkit-for-partner-organisations>
- **The Claimant Commitment**
<https://www.gov.uk/universal-credit-toolkit-for-partner-organisations#the-claimant-commitment>
- **A Personal Planner to help claimants prepare for Universal Credit**
<http://ucpp.dwp.gov.uk/universal-credit-preparation/>
- **A pictorial representation explaining Better off in Work**
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/301408/how-uc-tops-up-earnings-to-make-work-pay.pdf
- **Budgeting help and support**
<https://www.gov.uk/government/publications/budgeting-your-universal-credit-quick-guide>
- **Operating Guidance for Personal Budgeting Support & Alternative Payment Arrangements**
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181399/personal-budgeting-support-cover-note.pdf
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181400/personal-budgeting-support-guidance.pdf

Useful links for stakeholders

- **The Local Support Services Framework**
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181395/uc-local-service-support-framework.pdf
- **The Money Advice Service**
<https://www.moneyadviceservice.org.uk/en>
- **A Money Advice Service Universal Credit video**
<https://www.moneyadviceservice.org.uk/en/videos/get-ready-universal-credit>
- **Making work pay comparison graph explaining how Universal Credit compares to the current system when claimants increase their hours**
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/301411/how-uc-helps-to-make-work-pay.pdf
- **A quick guide for employers about Universal Credit and RTI**
<https://www.gov.uk/government/publications/universal-credit-works-for-employers-and-claimants-quick-guide>
- **HMRC and RTI**
<http://www.hmrc.gov.uk/payerti/getting-started/payee-basics/rti.htm>
- **Eight Ways Universal Credit can help your business**
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/307091/how-uc-can-help-your-business.pdf