

What is Universal Credit?

- **It the biggest change to the welfare system for 50 years**
- **It is a modern approach for modern lives - Universal Credit is designed for the world of work today**
- **It is more accessible to people who really need it**
- **It is a major part of Welfare Reform Agenda, intended to:**
 - **Simplify a complex system of multiple benefits**
 - **Make work pay**
 - **Reduce worklessness**

Universal Credit is replacing:

- Income Based JSA
- Income related ESA
- Income Support
- Working Tax Credits
- Child Tax Credits
- Housing Benefit

Universal Credit is:

A policy that tackles welfare dependency, poverty and worklessness by making work pay

A benefit that replaces a complex system of working age benefits and tax credits with a universal credit and a single set of rules

A gateway that together with our employment support programmes helps people into work

A platform that will help us deliver an internet age service while continuing face to face support for those who need it

An ambition reforming welfare to transform lives

Functions of Jobcentre and the Service Centre

The Service Centre and Jobcentre have very distinct roles in supporting you back to work. The Service Centre deals with e.g. reporting a change to the claimants circumstances, found a job/ becomes ill/can't attend a Jobcentre appointment/payment query etc.

The Jobcentre reviews the claimants work search and work preparation activities to help them back into work.

The Service Centre telephone number is

0345 6000 723

Universal Credit

Universal Credit Rolled out in Edinburgh on 9th March 2015

Universal Credit is available to single people who are on a low income or are out of work.

To claim people must be aged between 18 and 60 years six months, and must satisfy other eligibility criteria

Alternative Payment Arrangement (APA)

The Work Coach can use the tier one and two factors to help them consider if a claimant needs an APA:

- Managed payment of the UC Housing Element to their landlord
- A more frequent payment
- A split payment between each partner

Alternate Payment Arrangement (APA) Tier One

- **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**

Alternate Payment Arrangement (APA) Tier Two

- **Third party deductions in place (e.g. for fines, utility arrears etc)**
- **Claimant is a Refugees / 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**

Landlord Escalation Telephone Number

0345 266 0041

This dedicated phone line is to escalate previously raised issues that have not been resolved.

Universal Credit Payment

In the majority of cases Universal Credit will be a single, monthly payment which is paid in arrears directly into the claimant's account. Payments will include all eligible housing costs – which means that claimants will be responsible for paying their rent themselves.

Universal Credit Payment (cont.)

Universal Credit payments are made up of different amounts depending on the claimant's individual circumstances.

The Housing additional amount of the Universal Credit payment helps tenants with their eligible rent and service charge costs. Regulations state that claimants must satisfy three conditions – payment, liability and occupation – to qualify for help with their housing costs.

DWP will, in the majority of cases, pay eligible housing costs directly to the claimant as part of the single Universal Credit payment. For private sector tenants, their Universal Credit Housing additional amount will be whichever is lower out of their actual costs or the Local Housing Allowance rate.

Universal Credit Payment (cont.)

For social sector tenants, their Universal Credit Housing additional amount will be their actual housing costs. This cannot include service charges that are not covered by Universal Credit or charges for utilities, such as water or electricity.

If a social sector tenant claimant has any under-occupied bedrooms their Housing additional amount will be reduced by:

- 14% for one spare bedroom
- 25% for two or more spare bedrooms

Collection of rent

There will be improved protection in place for landlords and tenants against arrears under Universal Credit.

Many landlords in the social rented sector receive their housing cost payments directly from their local authority. Universal Credit will be a single, monthly payment (including eligible housing costs) paid direct to claimants. Social landlords may need to look at how and when they collect their rent, and the level of support some tenants will need to make the transition to a single, direct monthly payment.

Landlords can get ready for Universal Credit

Landlords can get ready for Universal Credit by:

- Familiarising themselves with the changes and looking at how they might need to adapt their policies and processes
- Engaging with their tenants early, to start assessing their needs, and ensure they understand their responsibilities and the support available

Universal Credit

Most private sector landlords will not see any change with the introduction of Universal Credit. This is because most working age claimants in the private rented sector are already used to receiving their Housing Benefit/Local Housing Allowance payments directly and are responsible for paying their rent to their landlord.

Personal Budgeting Support (PBS)

A number of safeguards are in place to support tenants and help them manage their money. Budgeting support will be offered when claimants first move onto Universal Credit; this can be money advice or, depending on their individual circumstances, an advance of benefit.

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

Rent Payments

Claimants will be expected, where possible to arrange their own rent payments as they would if they were in full-time work.

Landlords need to think about how this will fit with their own payment calendars. If landlords have previously received a managed rent payment from the local authority, they will need to speak to their tenants to agree arrangements for collecting rent from them.

Evidence Requirements

The claimant will be asked to provide the appropriate evidence to support their Universal Credit claim.

If a tenant doesn't have a copy of their tenancy agreement, will DWP accept other evidence as proof of a tenancy (e.g. letter from landlord)?

DWP may accept a landlord letter confirming the current rent and service charge.

Calculating Rent

Universal Credit will be paid monthly.

Weekly rents will be calculated using the following formula: weekly rent multiplied by 52 and divided by 12.

Calculating Rent (Cont.)

Other payment frequencies will be calculated as follows:

- four-weekly payments are multiplied by 13 and divided by 12
- three-monthly payments are multiplied by 4 and divided by 12
- annual payments are divided by 12

Universal Credit will always be calculated based on a 52 week year, unless rent is charged over fewer than 52 weeks.

Payment for 2 Homes

Support through Universal Credit can be paid on two homes, if:

Liability for two homes has arisen because of fear of violence in the normal home.

Both liabilities can be paid for up to 12 months as long as there is an intention to return to the original property.

A disabled person can't move into a new home because it needs adaptations.

The claimant must show that the delay is reasonable. Both liabilities can be paid for up to 1 month.

Rent Arrears

We would expect landlords to follow their usual rent collection practices. However, if the claimant is unable or unwilling to resolve a payment issue that puts them at risk of eviction, DWP can assist landlords by considering if a managed payment to the landlord (Alternative Payment Arrangement) is appropriate.

When arrears reach the equivalent of one month's rent, DWP will review the situation following notification from the claimant or the landlord. At this point DWP can offer the claimant budgeting support and may decide to pay the rent directly to the landlord.

Rent Arrears

When arrears reach an equivalent of two months' rent the landlord (or the claimant) can ask DWP to consider if an Alternative Payment Arrangement would be an appropriate course of action.

Rent arrears form

To notify DWP at either the one or two month stage, open form within the link:-

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/478234/uc47-universal-credit-rent-arrears-form.pdf

and either email it (if you have access to a secured email system) or post it to DWP – full instructions are included on the form.

DWP offers an email address for landlords to use for urgent enquiries UC.SERVICECENTREHOUSING@DWP.GSI.GOV.UK. This should only be used for cases facing eviction or in instances where landlords require an urgent response.

Repayment of rent arrears

We can deduct up to 20% of a claimant's Universal Credit standard allowance each month until the claimant has repaid their rent arrears. This has gone up from a flat rate 5%

a new minimum deduction rate for rent arrears of an amount equal to 10% of the Universal Credit standard allowance will apply

a new maximum deduction rate for rent arrears of no more than 20% of the Universal Credit standard allowance will apply

Universal Credit will continue to apply the overall maximum deduction rate of 40% of the Universal Credit Standard Allowance

Post

There will be no paper claims to Universal Credit.

External mail

all inbound post needs to be sent to the designated Universal Credit Mail Opening Unit (MOU). The MOU will:

- scan mail to the Document Repository System (DRS) and set a task to be actioned

Internal mail

the courier service will deliver internal Universal Credit mail to the MOU. The MOU will handle internal mail as above, scanning the mail and setting actions and tasks as appropriate.

Working and Receiving Universal Credit

for the majority of Universal Credit claimants earnings verification will not be required

Earnings and Pension information will now be provided by HMRC through the Real Time Information (RTI) system.

DWP will use the Real Time Earnings (RTE) information provided by RTI to assess how much Universal Credit is payable.

Some earnings will still need to be verified by the claimant sending in wage slips or payment information for example:

- self-employed
- receiving cash payments or
- employer not currently using PAYE.

Universal Credit Payments

<i>Date of entitlement</i>	The date the completed UC application is submitted.
<i>Assessment period</i>	Monthly assessment period starts on date of entitlement.
<i>Payday</i>	The payday will be up to 7 days following the end of the assessment period.

□ Example:

Universal Credit is paid monthly in arrears

Date of entitlement and therefore start of the assessment period is 3rd June

Assessment period ends 2nd July

Payment received by 9th July.

Universal Credit Payments (continued)

Universal Credit Advances are designed to provide financial support for claimants:

- at the start of a claim, or
- when a change of circumstances increases the amount of Universal Credit and additional money is needed by the claimant.

Budgeting Advances will be made available in specified circumstances and the claimant has a need.

Universal Credit – Housing Cost Journey

Customer Touch Points

Day 1-2
I complete the housing section questions online, by phone or face to face

Day 4/5
I receive an email/text/letter to remind me about my appointment and to bring my housing evidence

Day 5
I attend my interview in the Jobcentre and take the housing evidence that has been requested

Day 5+
I send any additional missing evidence to the Mail Opening Unit (MOU)

Day 5+
I receive my UC decision letter which includes my payment schedule, including Housing Cost portion if appropriate

Day 39+
I notify the UC Service Centre if there is a change in my housing circumstances

Day 39+
I receive a notification to advise me that my Universal Credit housing entitlement has changed or ceased

Day 35 - 38
Payment received up to 7 days after end of first assessment period

Capita / UC Service

Capita Agent

On receipt of the online UC claim, I contact single claimants by telephone to arrange an interview at the Jobcentre

UC Service Centre Account Developer (AD)

I contact the couple & families making a claim to UC by telephone to arrange an interview at the Jobcentre.

Capita Agent / UC Service Centre Account Developer (AD)

I inform them to bring their Housing evidence i.e. rent book, tenancy agreement. (In date or updated rent statement referring to the Knowledge Management Acceptable Housing Evidence guidance)

Jobcentre

Personal and Account Support Agent (PASA)

I conduct the interview with the claimant, gather the appropriate housing evidence and begin the Housing Benefit Migration process. I may also consider if Managed Payment to Landlord (MPTL) and Personal Budgeting Support (PBS) is appropriate. I update the UC Portal and ensure the claim documents and any supporting evidence are sent to the Mail Opening Unit (MOU), completing a cover sheet to indicate that a task is required for the Housing AD at the Service Centre I do not update the Housing Verification in the Portal.

UC Service Centre/ MOU

Housing Account Developer (AD)

I action the task set by the MOU to process the housing evidence and update the housing verification in the portal. If SRS I issue a UC179 to the Landlord. I then make/record the decision on MPTL if required.

Account Developer (AD)

If required I complete the Housing Benefit Migration (UC413) for live HB claims and email the appropriate LA.

Local Authority

They process the UC413 – New Claim – Housing Benefit Migration form.

UC Service Centre

Once all evidence has been verified, this triggers the processing of the UC claim. I process any returned UC413 – New Claim – Housing Benefit Migration forms.

UC Service Centre Telephony Agent (TA)

If the claimant has a change of circumstance in their housing they must report it to me at the Service Centre. I then notify the claimant of any change to the award of Universal Credit including housing entitlement and any impact on their Claimant Commitment.

Any questions?