

Private Tenants: A Guide to Universal Credit

Fact Sheet 11: For Tenants, Landlords and Advisers

21st June 2019

www.wolverhampton.gov.uk

Why should I read this?

You should read this because it provides useful information on Universal Credit to help you understand how it works and how it could affect you if you are:

- moving into privately rented accommodation; or
- living in privately rented accommodation

and you are applying for Universal Credit or you are already getting Universal Credit.

What is Universal Credit?

Universal Credit is a new Social Security benefit that is designed to help people of 'working age' with the costs of day-to-day living and with their rent payments.

You can apply for Universal Credit if you have no income or a limited income, perhaps because you are unemployed or too sick to work. You can also apply for Universal Credit if you work but have a limited income because the work you do is part-time or low paid.

Universal Credit is replacing:

- Income-based JSA - a benefit for those without paid employment
- Income-related ESA - a benefit for those who are too sick to work
- Income Support - a benefit for carers and lone parents with young children
- Child Tax Credit - a benefit for those with dependent children
- Working Tax Credit - a benefit for people who work but whose earnings are limited because they work part-time or because they are low paid
- Housing Benefit - a benefit for those on a low income to help them with their rent payments

If you are presently getting one of these benefits (known as the 'legacy benefits') and your circumstances change then you may be expected to apply for Universal Credit under a process known as 'managed migration'.



Universal Credit is not replacing Council Tax Support. Therefore, you will need to apply to the council separately should you want to get help with your council tax bills. See page 8.

A change in circumstances triggering a need to apply for Universal Credit under 'natural migration', could be if you:

- get a job
- are made redundant
- become too sick to work
- were too sick to work but are now well enough to work
- separate from your partner.

The following case studies provide a guide to some of the situations in which you would be required to apply for Universal Credit. Do seek further information and advice as necessary.

Amanda is a lone parent. She has been getting Income-based JSA, Child Tax Credit and Housing Benefit whilst she has been out of work. She has now secured a new job but it is only part-time (20 hours per week) and not particularly well paid. Amanda will have to stop claiming her Income-based JSA, Child Tax Credit and Housing Benefit. She will need to apply for Universal Credit instead.

Jim and Sonia live together as a couple. The couple's income has been Jim's wages, Working Tax Credit and Housing Benefit but Jim has recently been made redundant. The couple now need to apply for Universal Credit. Their Working Tax Credit and Housing Benefit payments will stop.

Salima is single. She has been getting Income-related ESA and Housing Benefit. However, Salima is now fit for work. She must now apply for Universal Credit whilst she is looking for work.

David and Julie were living together as a couple but have recently separated. David has gone to live in another part of the country. As a couple they got Working Tax Credit, because David works, Child Tax Credit and Housing Benefit. Now both David and Julie need to apply for Universal Credit. David needs to apply as a single person. Julie needs to apply as a lone parent. Any previous payments of Working Tax Credit, Child Benefit and Housing Benefit should stop.

The only exception to this rule applies to families with three or more children. If you have three or more children, you will have been able to apply for Universal Credit since **1st February 2019** even if you are getting a 'legacy benefit' and had a relevant change in your circumstances. Since **19th January 2019** disabled people whose benefit includes an award of the 'severe disability premium' have been prevented from moving on to Universal Credit under 'natural migration'. This is because this is one group of people who can end up worse off under Universal Credit.

In any event, between **1st July 2019** and **31st December 2023** the DWP is going to be contacting you if, at that time, you are getting a 'legacy benefit' with instructions that you must apply for Universal Credit. When this happens, Universal Credit will replace any 'legacy benefits' you have been getting. This process is known as 'managed migration'. If at this point you fail to apply for Universal Credit then payment of your 'legacy benefits' will finish and you will not be entitled to Universal Credit until you make a claim.

How do I apply for Universal Credit?

A claim for Universal Credit must normally be made online using a computer. If you need help to apply for Universal Credit then ring the Universal Credit Service Centre.

www.gov.uk/apply-universal-credit

**FREEPHONE
0800 328 5644**

**Department for Work and Pensions
Universal Credit Service Centre**

The Universal Credit Service Centre can give you details of places you can go locally to get help with making an online claim. In some situations, the Universal Credit Service Centre may allow you to make your claim over the phone. If you are housebound and not able to use a computer, then the Universal Credit Service Centre may arrange for a DWP Visiting Officer to visit you at home to help you make your claim.

When you claim you will need to provide details of your landlord and your rent payments. Therefore, make sure you have this information at hand when you apply.

Is it true that I will have to wait up to 5 weeks for my first payment of Universal Credit?

Universal Credit is paid monthly in arrears. You also need to allow a further one-week administrative period before payment is made. Therefore, it will be one month plus one week from the date you apply for Universal Credit before you will get your first payment.

What if I have no money to live on or pay my rent?

If you have applied for Universal Credit and are in financial need because you do not have enough money to buy food, pay for gas and electric bills or to pay your rent, whilst you are waiting for your first payment then you should ring the Universal Credit Service Centre (or talk to someone at your local Job Centre) and ask for an Advanced Payment.



An Advanced Payment is a form of Universal Credit loan. Any Advanced Payment will need to be repaid by way of deductions from your future Universal Credit payments.



What you must avoid doing is borrowing money from a high street lending company or loan shark. This is because although an Advanced Payment will need to be repaid, no interest will be charged.

If you borrow the money from elsewhere you could end up having to repay a great deal more than you borrowed because of the interest you will be expected to pay.

How much help will I get with my rent?

How much overall Universal Credit you get will depend on your circumstances. Different amounts are paid to single people and couples and those with children. The amount you get will also depend upon your age. Certain carers and disabled people can also be paid more. How much you get will also depend on how much rent you have to pay.

The maximum amount of help you may get towards your rent as a private tenant will be capped at the levels set out below.

Wolverhampton: Local Housing Allowance

- One bedroom - £373.97 per month
- Two bedrooms - £454.52 per month
- Three bedrooms - £521.26 per month
- Four bedrooms - £656.50 per month

In essence, the maximum amount is set according to how many bedrooms the law allows depending on how many people are in your family, their gender and age. You will be allowed one bedroom for yourself and your partner, if you have one. You will also be allowed one bedroom for any other person aged 16 or over, two children of the same sex, two children aged under 10 irrespective of whether they are of the same sex. If you are considered to be under-occupying your tenancy, then it may be possible to be allowed an extra bedroom if one is needed because you/your partner is disabled, or you have a disabled child. Do seek further information and advice as necessary.

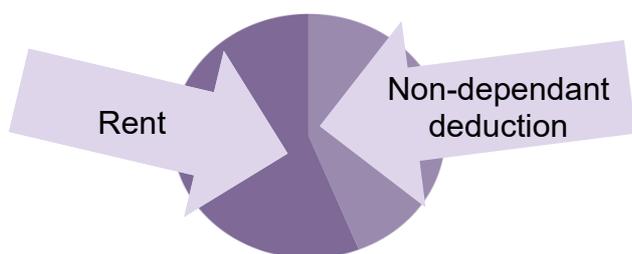
Single Young People: If you are single and aged under 35 then the maximum amount you will be allowed will be £260.00 per month. This is known as the 'shared accommodation' rate. It is meant to represent the amount of rent needed for accommodation where you have your own bedroom but share use of a kitchen and bathroom.

You will be exempt from the 'shared accommodation' rate if you get PIP (daily living component) or DLA (middle or higher rate care component). It will also not apply to you if you are a Care Leaver and aged under 22 years old.

Non-dependant deduction: If you have someone living with you like a grown-up son or daughter or an elderly relative then the amount of help you get towards your rent may be reduced. This is because a deduction in the amount you would otherwise get is made because they are expected to contribute towards your rent payments. This is the case even if they do not pay anything towards their keep. No deduction should be made if you or your partner get PIP (daily living component) or DLA (care component) or you or your partner are severely sight impaired. No deduction should be made for anyone who:

- is under the age of 21
- gets Carer's Allowance
- gets Pension Credit
- is in prison
- gets PIP (daily living component)
- gets DLA (middle or higher rate care component).

No deduction should be made for anyone who is only visiting you or staying with you temporarily.



If a deduction is to be made then it will be for £72.16 per month per person (or couple) irrespective of the person's (or couple's) income. If the total level of deduction is greater than the amount of rent you are expected to pay then you will get no help towards your rent under Universal Credit.

Do I have to pay my rent myself?

Your Universal Credit assessment/payments will include money for your rent. Therefore, it is up to you to pay your rent in full yourself from your Universal Credit payments and/or other money you may have coming in each month.

It is really important that you pay your rent. If you do not pay your rent then you risk losing your tenancy.

If you think that you will struggle to pay your rent (or to pay it on time) then talk to your bank or building society about paying your rent direct from your account on the same day as you get your Universal Credit payments.

WCCU

Wolverhampton City Credit Union

Telephone: 01902 555939

You can join the City of Wolverhampton Credit Union and arrange for your Universal Credit to be paid into your Credit Union account and arrange for the Credit Union to, in turn, pay your rent as well as other bills by direct debit.



What if I cannot trust myself to pay my rent?

If you feel that you would be unable to pay your rent on time because you are disabled and cannot manage your money, drug dependent or alcohol dependent then talk to the Universal Credit Service Centre (FREEPHONE 0800 328 5644) or someone at your local Job Centre.

A 'managed payment' arrangement (Alternative Payment Arrangement) can be put in place meaning that the DWP will pay your rent direct to your landlord from your Universal Credit.



If you feel that you would be unable to pay your rent on time because you are not very good at budgeting, managing money or because you already have lots of debts then talk to someone at your local Job Centre. The Job Centre can refer you to somewhere local where you can get help with managing your money, dealing with debts and budgeting.

What if I do not have enough money to pay my rent?

If you do not have enough money to pay your rent, for example, because your rent is greater than the amount of your Local Housing Allowance (see page 3) or because you have disability-related expenditure in addition to the normal costs of living or because your circumstances are unusual and mean that you incur extra expenditure for some reason or other then you may be eligible for a Discretionary Housing Payment (DHP) from the Council.

You can apply for a DHP by ringing (01902) 551166. Alternatively, you can apply online.

<https://www.wolverhampton.gov.uk/article/6760/Discretionary-Housing-Payment-DHP>

Normally any DHP will only be awarded for a temporary period, for example, three months. It is unusual for a DHP to be paid for longer than this. Unfortunately, the money the Council has for DHPs is extremely limited and there is a lot of demand due to things like the bedroom tax and benefit cap.

Getting some help will give you time to look at the way you budget or get debt advice should you need it. It will buy you time to look for somewhere cheaper to live.

When you make your application for a DHP, make sure that you fully explain why you need help and what could happen should you not get a payment.

What if I am already in rent arrears?

If you are already in rent arrears amounting to:

- **One month** or more of your rent and you have a history of not paying or underpaying your rent; or
- **Two months** or more of your rent

then contact the Universal Credit Service Centre (FREEPHONE 0800 328 5644) or talk to someone at your local Job Centre. A 'managed payment' (Alternative Payment Arrangement) can be put in place to pay your rent direct to your landlord.

If you are in the level of rent arrears stated above, then your landlord can apply directly to the Universal Credit Service Centre to have your rent paid direct to them plus an amount towards repaying your arrears. The amount deducted for the arrears will normally be equal to 20% of your Universal Credit 'standard allowance'. Typically, this will be £63.50 per month if you are single and aged 25 or over or £99.70 per month if you are a member of a couple and one of you is aged 25 or over.



Your landlord can find out more about Universal Credit and Alternative Payment Arrangements online.

<https://www.gov.uk/government/publications/universal-credit-and-rented-housing--2/universal-credit-and-rented-housing-guide-for-landlords>

Your landlord can make an application for a 'managed payment' (Alternative Payment Arrangement) online.

<https://directpayment.universal-credit.service.gov.uk/>

Under the current DWP policy, if you get a 'managed payment' which means that your rent is paid direct to your landlord but you then move address, your 'managed payment' arrangement will stop. You will need to reapply if you want to see the rent of your new tenancy paid direct to your landlord/your new landlord.



What if I was already getting my Housing Benefit paid directly to my landlord?

If you are now being expected to apply for Universal Credit but have been getting Housing Benefit and your Housing Benefit payments have been paid direct to your landlord because you are disabled, vulnerable or had a history of rent arrears (or for some other reason) then you can ask for your rent to now be paid direct to your landlord under Universal Credit.

All you need do is contact the Universal Credit Service Centre (FREEPHONE 0800 328 5644) or talk to someone at your local Job Centre and explain things. A 'managed payment' (Alternative Payment Arrangement) can be put in place to pay your rent direct to your landlord.

What if I am already getting Housing Benefit but being required to apply for Universal Credit?

Since the **11th April 2018** people who have been getting Housing Benefit but are expected to apply for Universal Credit under 'natural migration' (because they have been getting a 'legacy benefit' but have had a relevant change of circumstance resulting in the need for them to now claim Universal Credit) will get an extra two weeks' Housing Benefit. That is to say, their Housing Benefit claim will be allowed to overlap their claim for Universal Credit for two weeks. The Housing Benefit two-week run-on payment will be made to you. It will not be paid to your landlord. This payment is intended to help you to pay at least some of your rent obligation whilst you are waiting for your first payment of Universal Credit.

Further, the DWP has announced that from **1st July 2020** claimants who are expected to move on to Universal Credit under 'managed migration' from Income-based JSA, Income-related ESA and Income Support will continue to be paid their Income-based JSA, Income-related ESA and Income Support payments for the first two weeks of their Universal Credit claim. This will help people to manage financially during the period before they get their first payment of Universal Credit.

Is it true that if I am a young person I cannot get help towards my rent under Universal Credit?

It is true that from **1st April 2017** young single people (i.e. people aged 18 or over but under 21) were excluded from getting help with their rent under Universal Credit unless they met one of the 'exempt group' conditions. See page 7. However, the rules on this completely changed from **28th December 2018** to remove this particular measure.

Prior to 28th December 2018 a single young person could only get help with their housing costs under Universal Credit if they:

- had a child
- did not have any parents
- were getting Personal Independence Payment (daily living component) or Disability Living Allowance (care component at the middle or highest rate)
- were unable to live with their parents because they were estranged from them or because if they were to live with their parents there would have been a serious risk to their physical or mental health.

See **Memo ADM 6/17** for further information.

The fact that this rule was scrapped from 28th December 2018 now means that single young people are able to access assistance with rent payments in the same way as other Universal Credit claimants.

What if my landlord wants to speak to the DWP about my Universal Credit?

There are strict rules in place prohibiting the DWP from passing on information about you and your Universal Credit claim to other people, including your landlord.



You can give permission for another person or organisation to act on your behalf, as a representative, in relation to a matter concerning your Universal Credit claim. This permission is called 'explicit consent'.

It must be provided by you in writing (by putting a note in your Universal Credit journal or by way of a letter to the Universal Credit Service Centre), over the phone or face to face at your local Job Centre. You can do this at any time during your Universal Credit claim.

The rules say that in giving permission (explicit consent) you must:

- give consent for your information to be shared with the representative and outline what information you want to be disclosed
- explain why the information is needed
- explain the representative's relationship to you if they are family or a friend
- give the name of the representative and the organisation they work for if this is relevant.

The 'explicit consent' will not last forever. It will usually only last until either the relevant information has been disclosed or the issue in question has been dealt with or for a period of one month.

Your landlord can act as your representative but in all cases you will first need to provide your explicit consent for them to do this.

Your landlord can ask for your rent to be paid directly to them without the need for your consent in the circumstances explained in 'What if I am already in rent arrears?'. See page 5.

Providing these circumstances are met then your rent can automatically be paid direct to your landlord. However, if you dispute that you are in rent arrears, you can contest the 'managed payment' arrangement by providing evidence that you are not in rent arrears.

Once a 'managed payment' is in place the following information can be disclosed to your landlord - the start date of your rent direct payments, the date on which the first payment will be made and the amount of the direct payment.

If there has been a change to the amount of the 'managed payment' then your landlord can be informed of the change. However, they will not be informed of the reason for the change.

<https://www.gov.uk/government/publications/universal-credit-detailed-information-for-claimants/universal-credit-consent-and-disclosure-of-information#consent>

You can see full details of the rules on sharing information and 'explicit consent' online.

What if I am temporarily away from my home?

Under Universal Credit rules you can get help towards the rent on accommodation you occupy as your normal home. You can get help/continue to get help towards your rent whilst you are temporarily absent from your home for up to six months. This is irrespective of the reason why you are away (e.g. you are in hospital or visiting someone to care for them for a temporary period), providing whilst you are away you continue to be entitled to Universal Credit and have an intention to return to your home to live.

Special rules apply if you are absent from your home due to domestic violence. In this situation you may be able to get help/continue to get help towards your rent for up to 12 months. Again, there must be a likelihood that you will return to your normal home inside this period and you must have an intention to return otherwise you will not qualify. If, when you are away, you have to pay rent on both your normal home and the place you are staying temporarily (e.g. a women's refuge) then you may be able to get help under Universal Credit for both lots of rent. Do seek further information and advice as necessary.

What if the person who is responsible for the rent is not paying it?

Universal Credit will normally only help you towards the rent payments for which you are responsible - meaning payments which you are liable for that may be legally enforceable. However, if the actual person who is responsible for the rent is not paying it because, for example, they have moved out or are choosing to spend the money on other things then the DWP can treat you as being responsible for the rent if it would be 'reasonable' to do so and your continued stay in the accommodation is dependent on the rent being paid.

In such circumstances the DWP can include the rent in your Universal Credit assessment. Do seek further information and advice as necessary.

How do I apply for Council Tax Support?

You can apply for Council Tax Support (Formerly Council Tax Reduction) by ringing (01902) 551166. Alternatively, you can apply online.

<http://www.wolverhampton.gov.uk/benefits>

It is difficult to say just how much help you will get under the Council Tax Support scheme. How much benefit is awarded will depend on your personal and financial circumstances. However, if you get Universal Credit (and you are not working) then you should get at least 78% of your liability met by Council Tax Support. The council tax liability for a Band A property is £1,220.14 for 2019/2020 (£23.39 per week). If you fall into arrears with your council tax you will face court action which will only serve to increase the amount of money you owe to the Council. It is, therefore, important that you claim your right to help with your council tax and meet your council tax liability.

Help... You can get more information about Universal Credit and details of places you can go in Wolverhampton for help with matters connected to Universal Credit, including help to apply for Universal Credit online at the following link:

www.universalcreditwolverhampton.co.uk/

This is the 'Universal Credit Hub' built by the City of Wolverhampton Council with input from stakeholder organisations. It contains useful information for both residents and landlords.

Fact Sheets and Information Guides

The City of Wolverhampton Council's Welfare Rights Service produces the following Benefits Fact Sheets and Benefits Information Guides on benefits and welfare reform.

Benefits Fact Sheets:

1. Benefits and Work
2. Benefits and Young People
3. Benefits and Older People
4. Benefits for those who are Unable to Work Due to Ill-health or Disability
5. Benefits for those Affected by Cancer
6. Benefits and Carers
7. Benefits and People from Abroad
8. The Bedroom Tax
9. The Benefit Cap
10. Local Welfare Assistance
11. Private Tenants and Universal Credit
12. Volunteering and Benefits

Benefits Information Guides:

1. Universal Credit
2. Universal Credit - Claims and Payments
3. Universal Credit - The Claimant Commitment
4. Universal Credit - Sanctions and Hardship Payments
5. Universal Credit and Vulnerable People - Claims and Payments
6. Universal Credit - Unable to Work Due to Ill-health or Disability
7. Personal Independence Payment
8. Personal Independence Payment - Toolkit
9. Employment and Support Allowance
10. The Work Capability Assessment - Toolkit
11. Form Filling - PIP2 and ESA50/UC50
12. DWP Social Fund

13. Disputes and Appeals

14. Going to Appeal: First-tier Tribunals

Copies of our Benefit Fact Sheets and Benefits Information Guides may be obtained by visiting our pages on the City of Wolverhampton Council website at:

[Benefits and Welfare Reform Information](#)

Benefits Bulletins:

Please also watch out for our Benefits Bulletins which provide news on the latest developments surrounding benefits and welfare reform. These are also available on the website.

 Telephone: (01902) 555351

 Email: WRS@wolverhampton.gov.uk

Note: The details provided in this and our other Information Guides are meant to provide an overview on important and topical issues relating to Social Security benefits and welfare reform. The details should not be treated as an authoritative statement of the law. The details may be subject to change by new regulation and/or case law. Do seek further information and advice as necessary.

Welfare Rights Service
Specialist Support Team
City of Wolverhampton Council