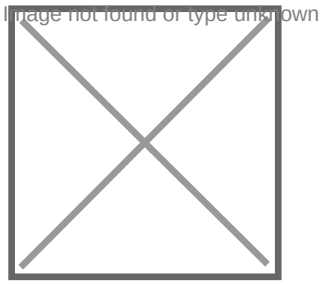
Introduction - Who is Help2Rent



Who we are and why we believe that a landlord should understand about Universal Credit.

Help2Rent is a 100% public sector housing organisation this means that we work alongside many local authorities and organisations that support vulnerable clients in the UK.

We design and create unique solutions to simplify the housing allocation process

We believe in working smarter, not harder - enabled by the use of modern technology

Help2rent is a housing platform similar to the likes of well-known platforms such as Zoopla and Rightmove but specialising in one sector, we help our council partners offer better security for landlords and agents that help them.

The Universal Credit additional amount for housing costs helps tenants with their eligible rent and service charge costs. Regulations state that claimants must be liable. to pay rent for the home they are living in to qualify for help with their housing costs.

Ensuring that rent is paid

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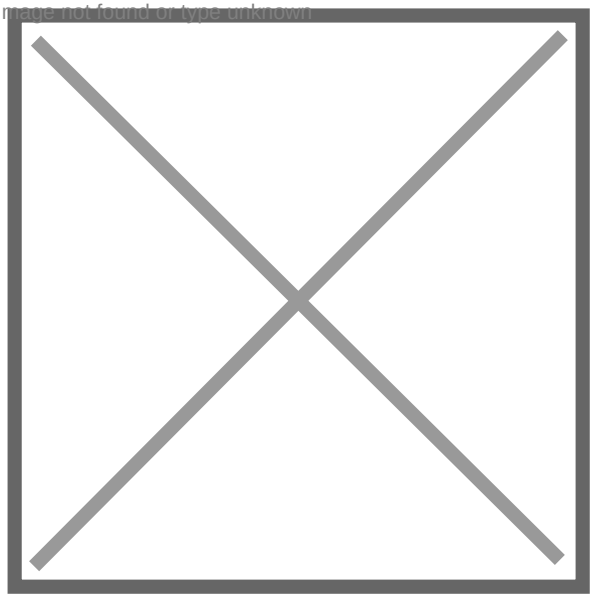

Ensuring that rent is paid

Universal Credit payments are paid monthly in arrears in the same way a wage is. Claimants will be expected, where possible, to arrange their own rent payments.

If landlords have previously received direct payment of Housing Benefit from the local authority, they will need to speak to their tenants to agree arrangements for collecting rent from them. Setting up a direct debit or standing order may help your tenant manage their rent payments.

In some cases Alternative Payment Arrangements can be put in place to support claimants.

First Universal Credit payment

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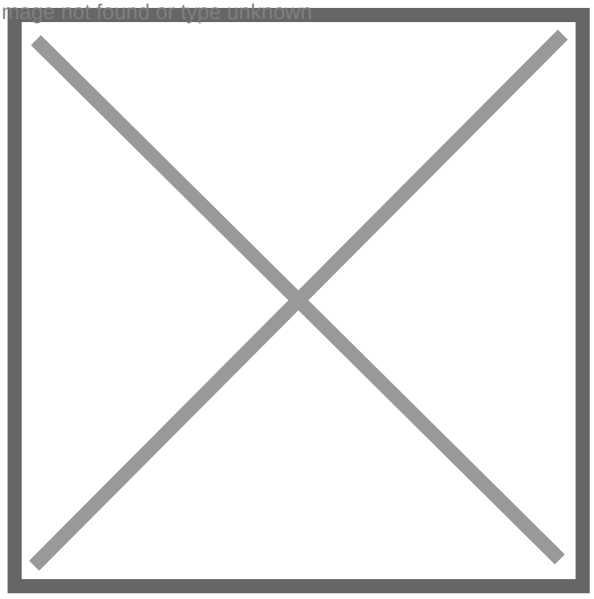

First Universal Credit Payment

Universal Credit is assessed monthly and paid monthly in arrears. The first payment will usually be received 1 month and 7 days after they submit their claim.

A tenant’s Housing Benefit payment will normally stop when their Universal Credit claim is received. The landlord doesn’t need to tell the local authority that the tenant is moving to Universal Credit.

If a tenant received Housing Benefit up to the date they applied for Universal Credit, their Housing Benefit will continue for the first 2 weeks for their new Universal Credit claim.

This payment will be paid automatically and is not recoverable. If the tenant has moved home, the local authority who paid Housing Benefit will make the payment to the claimant.

If a tenant lives in temporary accommodation, because the local authority placed them there because they were homeless, or they live in Specified (Supported) Housing, they will still need to claim Housing Benefit for help with their housing costs.

Paying rent while waiting for their first payment of Universal Credit

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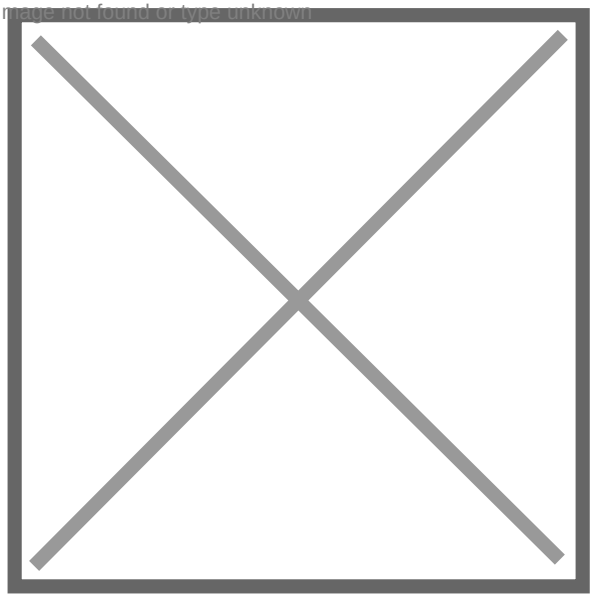

Paying rent while waiting for their first payment of Universal Credit

Many new claimants of Universal Credit will be coming from work and will be able to support themselves in the first month using their final payment of earnings.

However, where needed, a claimant can ask for a Universal Credit new claim advance to help pay their rent if they can’t manage until their first monthly payment of Universal Credit.

DWP checks on rent and tenancies under Universal Credit

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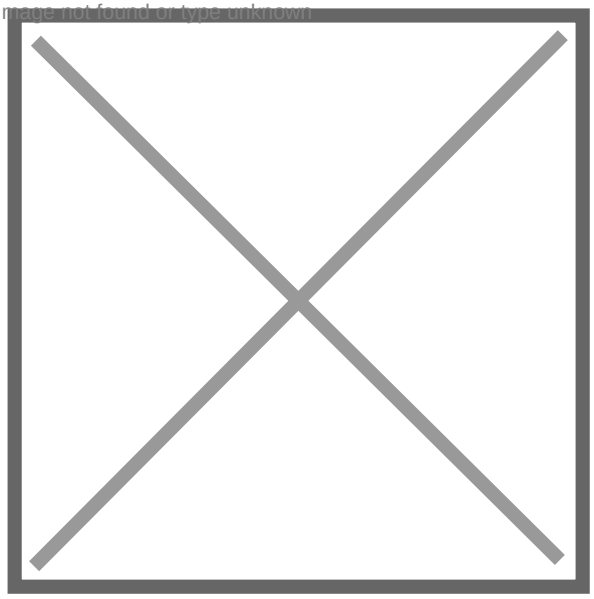

The claimant will be asked to provide the appropriate evidence to support their Universal Credit claim.

For private rented sector tenants, if a tenant doesn’t have a copy of their tenancy agreement, DWP may accept a letter from the landlord confirming the current rent and service charges.

Changes that might affect a Universal Credit payment

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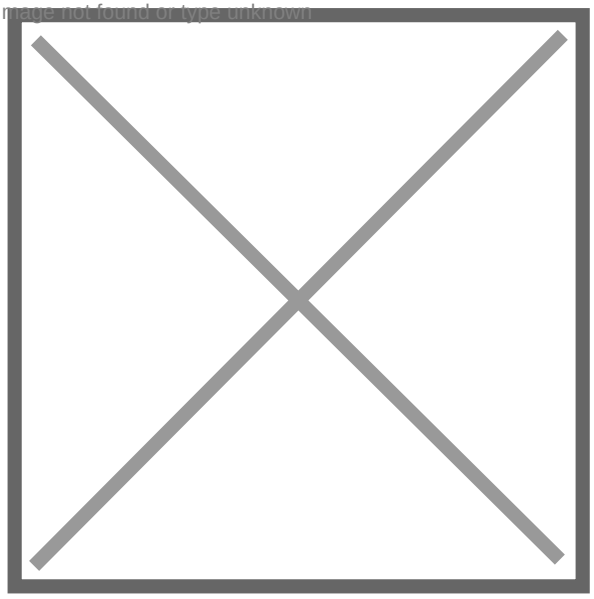

Claimants are responsible for telling DWP of any changes that might affect their Universal Credit payment. This includes things like annual rent changes, changes to eligible service charges or separating from a partner.

Notifying landlords that tenants are claiming Universal Credit

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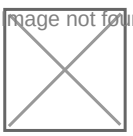

If you’re a social landlord and your tenant has made a claim to Universal Credit, you’ll be notified by one of the following:

A UC179 form – notification to social landlord of a claim to Universal Credit

A UC182 form – verification of housing costs, this is issued to a social landlord if a tenant claims Universal Credit but fails to produce sufficient evidence to verify their housing costs the Universal Credit Landlord Portal (if you have access) – verification request if a tenant claims Universal Credit

As part of the housing costs verification process, a form is sent to the claimant’s social rented sector landlord asking for housing cost details. This is also the notification that a claim has been made.

This is in line with the Social Security (Information Sharing in Relation to Welfare Services Amendment) Regulations 2015 that will enable the sharing of limited relevant information with social landlords.

The supply of information and its appropriate use is governed by requirements of the Data Protection Act. Social landlords will have an obligation only to use the information supplied by DWP for its specific intended purposes.

DWP does not have legislation to allow us to inform private landlords that their tenant has made a claim to Universal Credit.

Calculating monthly rent if a claimant’s rent is paid weekly

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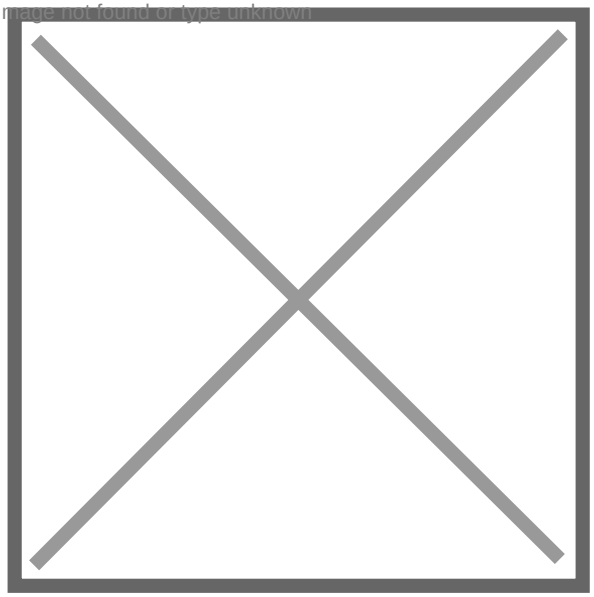

Universal Credit will be paid monthly. If rent is paid weekly, a monthly amount will be calculated by multiplying the weekly rent by 52, then dividing by 12.

Other rent payment frequencies

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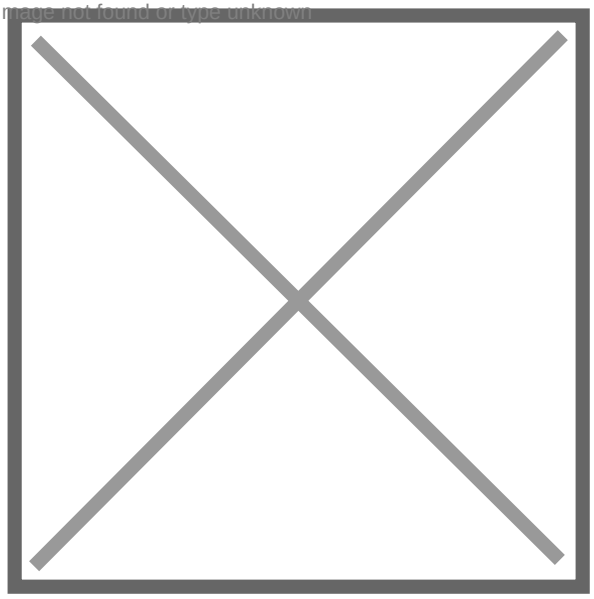

Other payment frequencies will be calculated as follows:

4 weekly payments are multiplied by 13 and divided by 12 3 monthly payments are multiplied by 4 and divided by 12 annual payments are divided by 12

Rent-free weeks

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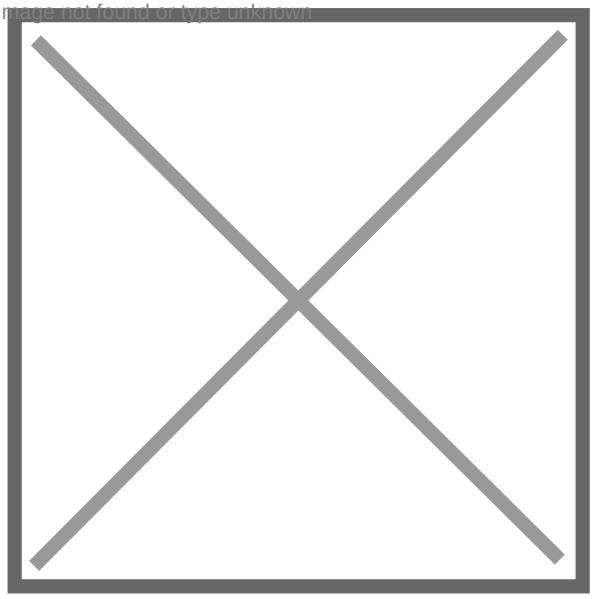

If a claimant has rent free weeks as part of their tenancy, the monthly payment will always be calculated by deducting the number of rent free weeks from 52.

For example, if there are 4 rent free weeks in a year, the 4 weeks are deducted from

52. Universal Credit will be calculated as weekly rent multiplied by 48 and divided by 12.

Tenants should be made aware of any rent free weeks they have so that they can notify DWP, this will help to avoid confusion and ensure payments are accurate.

Universal Credit and service charges

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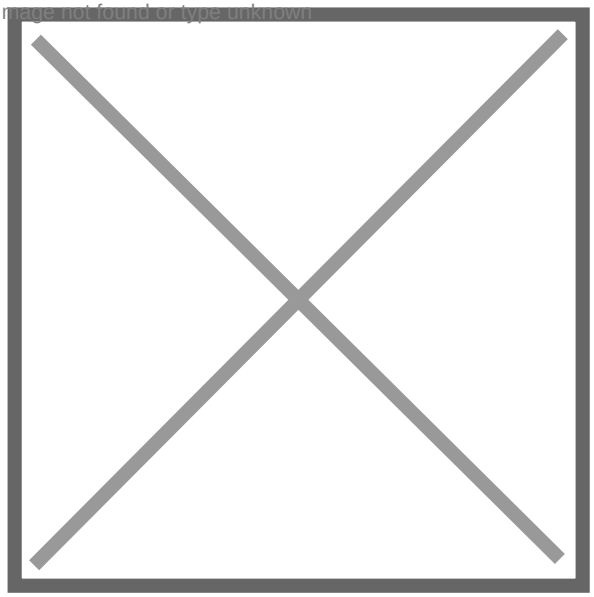

Any eligible service charges will be paid directly to tenants as part of the Universal Credit additional amount for housing costs payment.

Universal Credit payments

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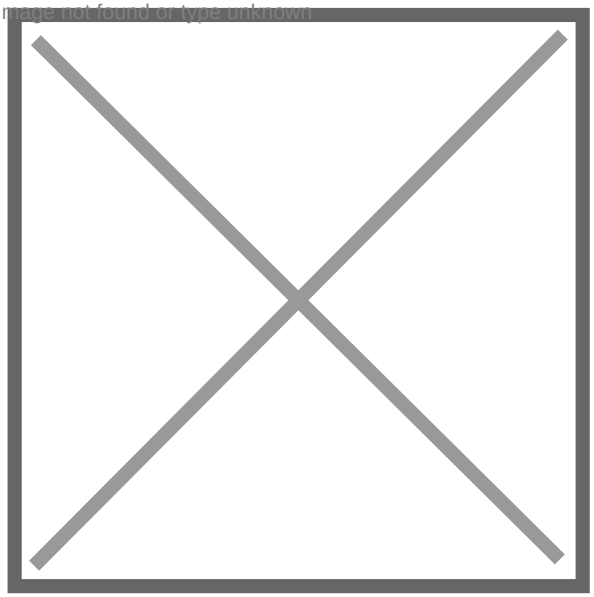

Universal Credit payments

In most cases, Universal Credit will be a single, monthly payment that is paid in arrears directly into the claimant’s bank account. Payments will include all eligible housing costs.

This means that claimants will be responsible for paying their rent themselves. Couples living in the same household will get one monthly payment between them,

this can be 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 Universal Credit will be paid separately.

Help with housing costs under Universal Credit

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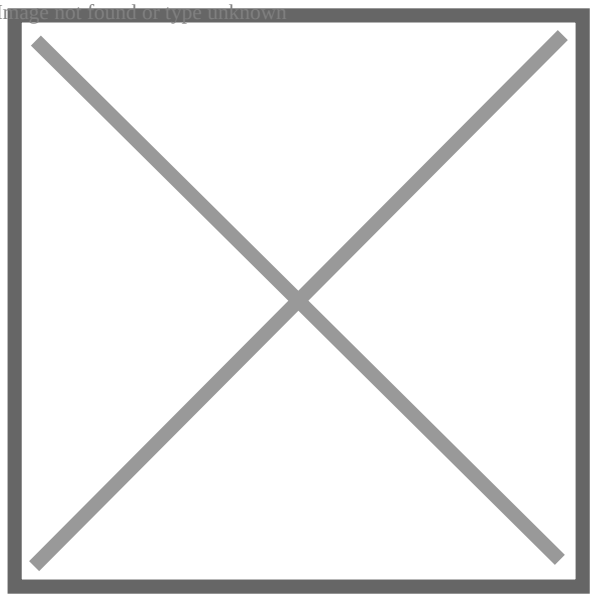

Universal Credit payments are made up of different amounts depending on the claimant's circumstances.

The Universal Credit additional amount for housing costs helps tenants with their eligible rent and service charge costs. Regulations state that claimants must be liable to pay rent for the home they are living in to qualify for help with their housing costs.

For claimants living in local authority temporary accommodation due to homelessness, or specified (supported) accommodation, Universal Credit does not provide support with these rental costs.

In such circumstances, claimants will need to apply for Housing Benefits from their local authority for help with housing costs.

Private rented sector tenants

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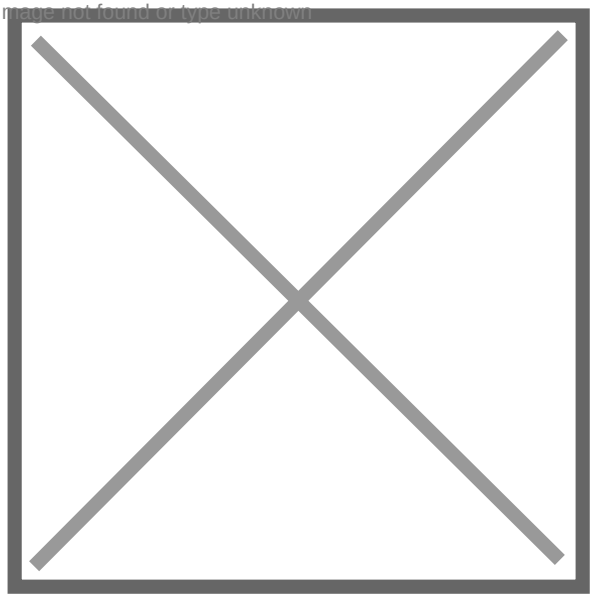

For private rented sector tenants, their Universal Credit additional amount for housing costs will be whichever is lower out of their actual costs or the Local Housing Allowance rate.

Social rented sector tenants

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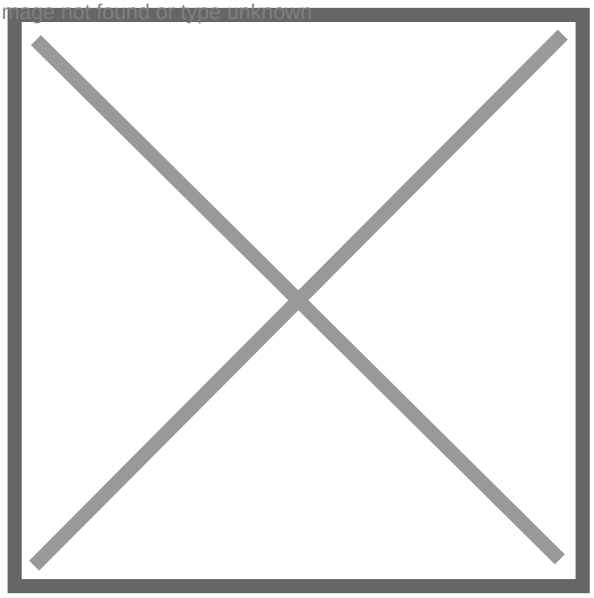

For social rented sector tenants, their Universal Credit additional amount for housing costs will be their actual eligible housing costs which includes service charges covered by Universal Credit.

Universal Credit will not provide support for personal utility costs, such as water or electricity.

If a social rented sector tenant has any spare bedrooms, their additional amount for housing costs will be reduced by:

14% for one spare bedroom

25% for 2 or more spare bedrooms

Getting ready for Universal Credit

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Getting ready for Universal Credit

DWP encourages landlords who currently receive Housing Benefit payments from their local authority to familiarise themselves with Universal Credit and look at how they can prepare themselves. As a landlord you can consider how Universal Credit may impact your business and consider how you might need to adapt any policies or processes

Get local information and advice about universal credit by contacting your regional partnership manager to engage with your tenants early to identify any support needs making sure they understand their need to make rent payments

Landlords can help tenants to get ready for Universal Credit by encouraging them to:

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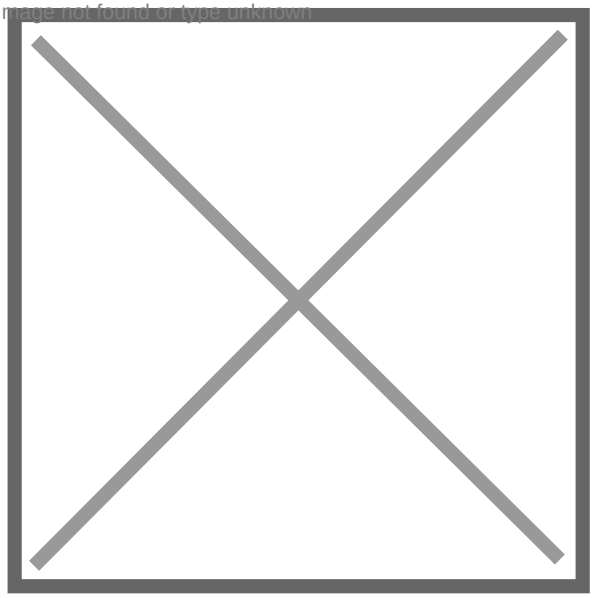

Landlords can help tenants to get ready for Universal Credit by encouraging them to:

Go online and set up an e-mail account

Open a bank account to receive Universal Credit payments

Know how much their rent is (including rent free weeks) and who their landlord is setting up direct debits for housing costs read the Universal Credit and you guide

Universal Credit is designed to be claimed online. If tenants don’t have access to the internet or are not confident using a computer, their jobcentre can tell them about local services that can help.

From April 2019 Citizens Advice and Citizens Advice Scotland will provide a new Help to Claim service.

The Citizens Advice Help to Claim service offers tailored, practical support to help people make a Universal Credit claim and receive their first full payment on time.

It will be available nationally online, over the phone and face to face through local Citizens Advice services.

Universal Credit will usually be paid monthly in arrears into a single account, so setting up a direct debit or standing order may help your tenant manage their rent payments.

All claimants receive the Universal Credit and you guide when they make a Universal Credit claim to help support them through the changes. You can use this as a basis for conversations with tenants.

Managing your money

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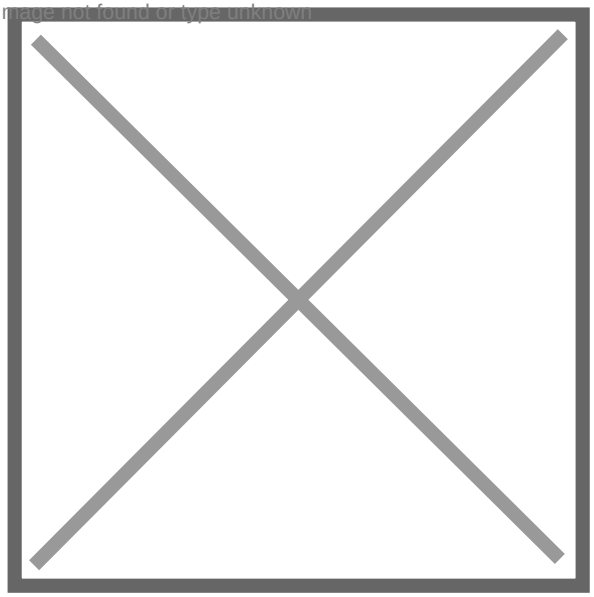

Managing your money

Money Manager is an interactive digital tool, owned by the Money Advice Service, that offers personalised money management advice.

Your tenant can get help with managing their money using the online Money Manager.

The advice includes how to open a bank account, dealing with rent arrears and regular bills and debt advice services. There’s a quick and easy way to use budget planner and money management hints and tips, including how to reduce household bills.

This also has information about claiming Universal Credit as a couple; claiming with children; information for carers; links to local authorities and other information centres.

Money advice can be offered online, by phone, or face-to-face and is delivered by external organisations with the relevant expertise to do this.

Ask your tenant to speak to their work coach for more information.

Alternative Payment Arrangements

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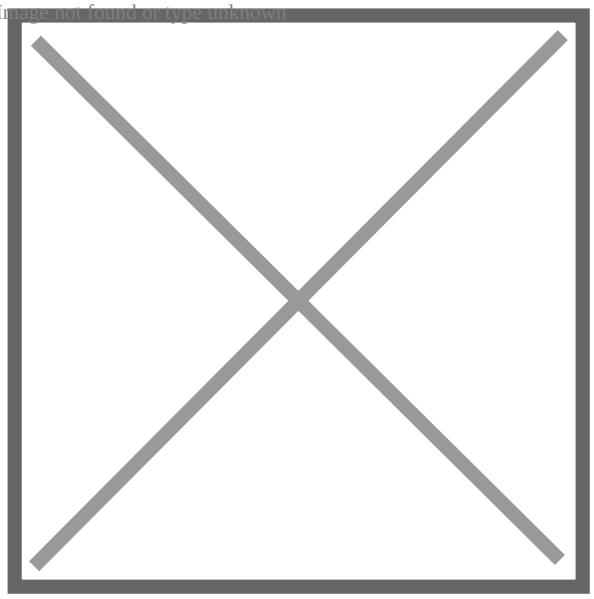

Alternative Payment Arrangements

Alternative payment arrangements are available for claimants who can’t manage their monthly payment.

The landlord or claimant can apply for an Alternative Payment Arrangement (APA) Managed Payment to Landlord (MPTL) at any time, which will be considered on a case by case basis.

An APA can also include a more frequent than monthly payments or a split payment of an award between partners.

The Universal Credit Landlord Portal allows registered social landlords to submit managed payment requests. This will only be for those tenants that are listed on the landlord’s Portal account.

More detailed information about Alternative Payment Arrangements can be found on GOV.UK website.