



# **Universal Credit: how to support your clients and adapt your service**

**A guide for Help-to-Rent projects**

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Rebecca Derham

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## Introduction

The aim of this document is to outline some of the concerns that Help-to-Rent projects<sup>1</sup> may have regarding the roll out of Universal Credit. It will also provide some suggestions of potential actions projects can take to mitigate some of the risks for their clients and service models. As this document is targeted at Help-to-Rent projects, it will largely focus on the housing addition of Universal Credit. Crisis is the national charity for single homeless people, this document will therefore focus on matters of Universal Credit relating to single claimants.

This guide assumes a certain level of understanding about how Universal Credit works. It will not go in to the background or intricacies of Universal Credit in detail. More information can be found in the [Useful Links](#) section at the end of this document. Neither will it answer some of the more general queries about Universal Credit and should therefore be read in conjunction with Crisis' publication [Universal Credit: Frequently Asked Questions](#).

Universal Credit has already been introduced around the country, with a staggered roll-out approach. The government anticipates that the full system of Universal Credit will be implemented for all claimants by 2021. May 2016 sees the gradual introduction of the full service in to jobcentre areas. Jobcentre areas offering the full service will see all new Universal Credit claimants (and in time existing Universal Credit claimants) placed on the digital system. Claimants placed on the digital system will not be subject to the gateway conditions applicable to the live service.

Under the live service, due to the gateway conditions, someone who is currently homeless would continue to claim the 'legacy' benefits (JSA/ESA/Housing Benefit etc.) as opposed to making a claim for Universal Credit. As jobcentre areas transfer to the full service, this will not be the case – homeless people making a new claim for benefits will apply for Universal Credit. In principle, Universal Credit should bring with it many benefits, the transition will however, require change of practices for claimants and projects supporting claimants. Help-to-Rent projects will therefore need to consider how they can best support their clients with Universal Credit and how they can protect their landlords, and service models, against some of the risks that may come with the shift from legacy benefits to Universal Credit.

For more information on any of the recommendations in this documents, please contact:

Crisis Housing Team  
0207 426 5686  
[private.renting@crisis.org.uk](mailto:private.renting@crisis.org.uk)

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<sup>1</sup> Also known as private rented access projects – projects working with both landlords and homeless or vulnerably housed people to create sustainable tenancies in the private rented sector

## Concerns and potential actions

### 1. Maintaining links with local Job Centre Plus and Housing Benefit departments

#### Key points

- Build relationships with District and Partnership Managers
- Retain contacts at jobcentres and Housing Benefit departments

Good relationships with local agencies such as the Job Centre Plus and local Housing Benefit departments have proved useful for projects in a multitude of ways. Where local jobcentres are aware of projects in the area, Work Coaches are better prepared to signpost homeless claimants, and take into consideration an individual's homelessness when assessing their job searching activity. Links with Housing Benefit departments have allowed quick processing of claims, direct payments to landlords engaging with projects, streamlined applications for Discretionary Housing Payments, and swift resolution of issues relating to clients' claims. The concern is that with online management of claims and centralised service centres, these beneficial relationships will be broken.

It will be worthwhile for projects to contact their local [JCP District Manager](#) and [DWP Partnership Manager](#), responsible for relationships with external organisations, to ensure that they are aware of the project. These contacts may also be useful resources for updates regarding Universal Credit in the area, and to facilitate the project building relationships with local jobcentre managers and Work Coaches. Work Coaches will be able to make the decision as to whether clients can receive Alternative Payment Arrangements (APAs), so it will be worthwhile for coaches to be familiar with the Help-to-Rent service in the area and the needs of clients and landlords.

Projects should ensure that they retain their ongoing relationships with local Housing Benefit departments. These departments will remain operational to process Housing Benefit for those continuing to claim the legacy benefits, those living in supported accommodation, and for pensioners. Discretionary Housing Payments will continue to be administered by the local authority department.

### 2. Payment of the housing addition to claimant

#### Key points

- Support clients and landlords to apply for Alternative Payments Arrangements
- Educate landlords
- Conduct pre-tenancy training and provide ongoing tenancy support
- Clients make use of budgeting accounts

Universal Credit, including the housing addition (to help with housing costs) will be paid in a monthly payment to the claimant. Local Housing Allowance is also by default paid to the claimant, however by developing relationships with local Housing Benefit departments, and supporting clients with Housing Benefit applications, projects are often able to arrange direct payments to landlords. For projects, this arrangement has become a key selling point of their service. Direct payment of the benefit to landlords will still be possible with Universal Credit, however, the system under which these arrangements can be made will be significantly different from the Housing Benefit and Local Housing Allowance regime.

Alternative Payment Arrangements (APAs) can be put in place for claimants who are likely to struggle. One form an APA can take is direct payment of the housing addition to landlords. This is called a 'managed payment'. APAs can be put in place from the beginning of a new claim or change of circumstances (such as a move to a new property) based on the decision of a Work Coach. Work Coaches will consider the needs of the claimant, with attention to whether the claimant falls into one of the groups who are owed special consideration. DWP considers being homeless as a *probable* need for an APA, and previously having experienced homelessness, and a history of rent arrears as *possible* needs for APAs.<sup>2</sup> APAs are intended to be a temporary intervention, and will therefore be reviewed at regular intervals by the Work Coach. The review period chosen will depend on the circumstances of the claimant, but periods are likely to range from 3 months to 24 months.

Projects should therefore support clients to make the case to their Work Coach that an APA should be put in place where necessary. Project workers could attend meetings with their clients to vouch for their history of homelessness and housing related needs, they should support clients to highlight their situation to Work Coaches. Where project workers do not have the capacity to attend in person, this could be done by providing support letters or by coaching clients to use language which will identify their homelessness or needs. APAs can also be requested by claimants phoning the Universal Credit phone line (0345 600 0723), this call could be made with the assistance of a project support worker.

### **2.1 Addressing landlords' concerns**

Projects have expressed that their landlords are concerned about a loss of rental income as a result of the way Universal Credit is paid. Projects are concerned that they will lose access to properties available on LHA as a result of landlords refusing to accept Universal Credit claimants, or as a result of landlords leaving the market completely.

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<sup>2</sup> Universal Credit: Personal Budgeting Support and Alternative Payment Arrangements Guidance, Annex A:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/521367/personal-budgeting-support-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/521367/personal-budgeting-support-guidance.pdf)

Projects can educate landlords on Universal Credit to ensure that the information they have is correct – this could be done through organising training events, speaking at landlord forums or arranging for JCP District Managers or specialist welfare advisors to attend forums, and by producing and signposting landlords to advice and guidance documents.

Projects can highlight to landlords the continued support that will be available from their service to clients with managing Universal Credit claims and rent payments included in their landlord offer. Projects will also be well placed to support their clients to get APAs put in place, and should make this known to the landlords they are working with.

Landlords will be looking for support to manage the Universal Credit process and projects are best placed to provide this and use it as a key selling point to retain and even support new landlords.

## **2.2 Supporting clients with rental liability**

The concern is that clients will face difficulties managing the monthly payment of Universal Credit straight into their bank accounts, and fail to make rent payments as a result. More information relating to budgeting can be found in section [5. Budgeting](#).

Projects will continue to support clients with their rental liabilities, and can do this through conducting pre-tenancy training and providing ongoing tenancy support. Projects should focus on clients' rental responsibilities and the consequences of rent arrears. Personal Budgeting Support will be provided through the Job Centre Plus, and projects should ensure that clients are identified for this support if necessary. Claimants can be referred for money advice which can be received online, over the phone or in person. See the [Useful Links section](#) for agencies offering this advice.

Landlords should also be made aware that they can request an APA (to get the housing addition paid directly to the landlord) when a tenant is in rent arrears of 2 months. Direct payments to landlords can also be requested when a claimant has continually underpaid their rent over time which has resulted in arrears equalling one month. In addition, third party deductions can be made from the tenant's claim to recover the arrears. Landlords can make a request for an APA by phoning the Universal Credit phone line (0345 600 0723), or by downloading and filling in a [Managed Payment/Rent arrears deduction form](#). This form can be sent via email from a secure email address, projects with secure email addresses could assist their clients with this.

In order to mitigate the potential for rent arrears, projects can encourage their clients to open accounts which facilitate budgeting on a low income, such as Credit Union 'jam jar' accounts or [The Change Account](#). These accounts usually come with an administration charge of between £5-15 a month. Projects should think about how they might be able to support their clients with these costs – perhaps using their own budgets, or by creating

partnerships to reduce these costs for clients opening accounts. Another option may be to fundraise specifically to cover these costs, perhaps from banks or financial institutions which have an interest in financial capability. If landlords require additional assurance when letting to Universal Credit claimants, projects could discuss whether landlords would be willing to contribute to the costs of these type of account.

### **2.3 Managing rental income for projects with landlord responsibility**

Projects who lease properties or guarantee rent to landlords, and therefore take responsibility for collecting rent should consider how they can protect their service model. Delivering robust pre-tenancy training, and sustainment support will be vital to ensuring rent is paid by tenants. Projects could also consider whether opening a 'jam jar' account is a requisite for clients to be housed with the service. If staffing structure allows, it may also be useful to have a dedicated member of staff responsible for housing management duties including rent collection, managing rent accounts and issuing late payment notices, separate to support workers, so as to streamline staff responsibilities. Up-to-date records should be kept regarding tenants using efficient case management systems to flag missed rent payments quickly to enable prompt interventions.

### **2.4 Forecasting claim rates on rent deposit guarantees**

Projects who underwrite rent deposit guarantees will need to consider how to safeguard their model against any potential for an increase in rent arrears. As well as supporting their landlords and clients, these projects will have a vested interest in ensuring that their clients pay their rent in full, so as to avoid potential claims made against the guarantee by the landlord. Good communication with landlords regarding rent accounts will be vital to enable projects to intervene promptly when rent payments are missed.

Projects should also ensure they have a good savings scheme in place, and are supporting clients to pay in to this scheme as well as making their rental liability. Projects may want to consider getting their clients to increase their savings to mitigate risk – perhaps by saving towards a 6 week rent deposit, or saving at a faster rate if feasible.

Projects will need to consider what the maximum liability is that they can possess at any one time, and adjust this figure if they see an upwards trend of claims being made. Accurate records should be kept so as to influence future budgeting and setting allowances for claim rates. It might be worth projects erring on the side of caution when setting their budgeted claim rate during the transition to Universal Credit.

## **3. Six week waiting period**

### **Key points**

- Consider best dates for tenancies to commence based on clients' circumstances

- Support clients to make feasible applications for advance payments
- Make use of funding sources to assist clients with securing and setting up tenancies

Claimants will have to wait approximately six weeks before getting paid after making a new claim for Universal Credit. This period is made up of one 'waiting' week in which the claimant has no entitlement to Universal Credit, one month since the award is paid in arrears, plus another week to allow for the claim to be processed. Projects will need to work with clients to establish how housing costs will be covered during this time, especially for the week in which the claimant is not entitled.

### **3.1 Covering housing costs during the 'waiting' week**

Some claimants will be exempt from this period. There is no specific exemption for people experiencing homelessness, but projects should check whether their clients fall in to any of the other exempt groups – these include in part, those who have recently experienced domestic violence, those who have been in prison in the last month, and in some instances where someone has recently had a claim for 'legacy' benefits.<sup>3</sup>

Projects should consider the timing of moving clients, if a client has recently made a completely new claim for Universal Credit, it would be worth waiting until after the waiting week has expired before beginning a new tenancy, providing they have somewhere to stay. This is to avoid accruing rental liability during the first week of no entitlement. See [Appendix 1: Universal Credit Timeline E.g. 1.](#)

Advance payments of Universal Credit are available, however they will only be payable for periods of entitlement, therefore will not cover the first week. More information on advance payments are detailed below. If a client is unable to wait for the waiting week to expire, projects could consider how they can support their clients to cover housing costs for this week of no entitlement from other sources – perhaps by covering the week using their own funds, or by supporting clients to apply for benevolent funds or DHPs.

### **3.2 Financially assisting clients to secure a tenancy**

Projects will have agreements in place with their landlords to reduce tenancy set-up costs – this may be by issuing bonds or deposit guarantees, or by paying for rent in advance or deposits from their own funds. Projects may support clients to apply for benevolent funds, budgeting loans, welfare assistance or local authority funds to pay for these costs. Projects may also be able to encourage landlords to wait for Housing Benefit payments as opposed to receiving rent paid in advance. With a new claim for the housing addition of Universal Credit, the wait for the first rental payment may be longer than with Housing Benefit, particularly if there are delays in payment. Projects should

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<sup>3</sup> The Universal Credit (Waiting Days) (Amendment) Regulations 2015:  
[http://www.legislation.gov.uk/ukxi/2015/1362/pdfs/ukxi\\_20151362\\_en.pdf](http://www.legislation.gov.uk/ukxi/2015/1362/pdfs/ukxi_20151362_en.pdf)

prepare their landlords for this waiting period. This could be a concern for landlords, particularly where APAs are not in place, and particularly for smaller portfolio or accidental landlords who rely on the rental income to settle their mortgage costs.

Projects should think about how they can meet the needs of their landlords with the transition to Universal Credit. This may be by continuing to access funds from external sources to cover rent in advance, or include rental costs in their bond or deposit guarantee agreement. There may be other creative solutions that projects can offer landlords to this problem – projects could pay rent in advance as opposed to a deposit and request that this money becomes a deposit paid in to a deposit protection scheme when Universal Credit is in payment, or pay rent in advance and request that this money is returned to the project when the landlord receives the first rent payment from the client in receipt of Universal Credit.

### **3.3 Helping clients set up home**

The initial period of setting up home can be costly and difficult to budget for at the best of times. Projects should support clients to make applications for welfare assistance and to benevolent funds, and encourage clients to seek other affordable, or potentially free, sources of home-start items (furniture, bedding, cleaning products etc.).

Where a claimant is already receiving the standard allowance of Universal Credit but not the housing addition, and due to beginning a tenancy is making a new claim for the housing addition of Universal Credit, projects should support clients to commence tenancies close to their payment date. This will allow the client to have some funds available to help with the costs of setting up home. See [Appendix 1: Universal Credit Timeline E.g. 2](#). It is important that the claimant also reports the change in their circumstances as soon as possible so that their next payment reflects their increased rental liability ([see 5.2](#)).

Projects can support clients to apply for advance payments of Universal Credit following a new claim or change in circumstances. This is a loan, the cost of which will be deducted from future Universal Credit payments. Projects can support their clients to calculate how much of an advance payment to ask for, and to create a budgeting projection to ensure that clients are able to manage future deducted payments.

Budgeting advances are also available, which will replace social fund budgeting loans. These can be applied for one-off costs such as furniture, rent in advance, deposit etc. The minimum someone can apply for is £100, and up to a maximum of £348 for a single claimant. Again, projects should support clients to make use of these loans where appropriate and to work out how future deducted payments of Universal Credit will be managed.

### 3.4 Monitoring delays in payment

There are reports that claimants are waiting significantly longer than the approximate six week waiting period to receive their first payment of Universal Credit, due to administrative errors and delays in processing. Projects should support clients to put pressure on service centres to process claims within the given timeframe, and keep a record of any delays in payments so as to inform their local JCP District Managers and to update landlords.

## 4. Applying for Universal Credit and managing a claim

### Key points

- Provide access to computers and phones
- Work with clients on computer literacy skills
- Encourage clients to take advantage of Universal Support, refer to and partner with other support agencies
- Utilise benefit calculators and handbooks

The majority of people will apply for Universal Credit electronically via the online portal. Claimants will need to create a personal online account which they will continue to use to manage their claim, using it to enter job searching activity, monitor their award when in work and report changes of circumstances.

### 4.1 Enabling computer literacy

Some clients may find it difficult to apply for Universal Credit, and manage their claim, online. This could be due to lack of access to computers or because of computer literacy skills. Projects may be able to assist by providing access to computers on their premises. In some circumstances, clients will be able phone the Universal Credit line and have an officer make the claim on their behalf. Calls to this phone line incur a charge, so projects should think about making a phone available for clients to use for this purpose. There will also be the opportunity in some cases for new claims to be processed face-to-face with a Work Coach; projects should support clients to take advantage of this opportunity where necessary.

A programme of [Universal Support](#) is being developed to be delivered by local providers within a local authority. Universal Support will include an IT package as well as already operational budgeting advice and support. Projects should keep an eye out for these services delivered locally, and support their clients to take advantage of this package.

Projects should also have a look at how they can support their clients with computer literacy skills with a special focus on managing a Universal Credit claim, by providing IT training and offering use of IT equipment to clients on a drop-in basis. It may be the case that there are local training providers offering courses in IT skills which projects could

refer clients to. Local libraries or community centres may also provide assisted IT sessions which could be beneficial for clients.

#### **4.2 Using staff time and resources efficiently**

Supporting clients with applying for Universal Credit and requesting APAs may be resource intensive for project workers, particularly during the transition period to the full service. It will be worthwhile for projects to invest time in preparing clients for Universal Credit to mitigate the potential difficulties of managing a claim.

If project workers do not have the capacity to attend Work Coach appointments with clients to request APAs, they can consider how else they can support the request – potentially by writing support letters or coach clients into using appropriate language for their needs to be recognised.

Budgeting support will be available through the Job Centre Plus and Universal Support delivered locally includes IT support and money management advice, so projects should encourage clients to take advantage of the advice and resources available. It will also be worthwhile for projects to be familiar with welfare advice centres in their area to be able to signpost clients to.

In order to minimise staff time, computer literacy training could be delivered in groups, and regular IT clubs or drop-in sessions could be implemented to focus staff time on supporting clients with their claims in a more efficient way. Projects could also consider who they could partner with in their area to share resources – perhaps IT equipment could be shared with another organisation, there may be an external body willing to run IT sessions, or volunteers could assist with sessions.

#### **4.3 Managing caseloads**

There is the potential that some previously housed clients may approach projects for assistance as claimants migrate from legacy benefits to Universal Credit or where there has been a break in their claim resulting in a new claim for Universal Credit. Projects could send out literature to prepare their previously housed clients for Universal Credit, signposting to relevant support agencies. Projects should refer to these agencies, and consider setting up partnership arrangements, if they do see an increase in returning clients and project workers' caseloads are at capacity.

Projects should also ensure that they have robust case management and monitoring systems in place to accurately record time spent with clients. These systems should measure the softer outcomes, such as maximising income or increasing financial capability, as well as hard outcomes such as tenancies created. The ability to evidence the impact of staff intervention will be helpful in making the case for additional capacity where necessary. Projects should consider whether there are funding streams from the financial industry which could be targeted to resource this kind of work.

#### 4.4 Support clients to understand their Universal Credit awards

There have been reports that when new claimants have asked what their prospective award will be when applying for Universal Credit, they have been given inaccurate information, particularly when third party deductions have not yet been taken in to consideration.

Work Coaches will not be specially trained in how to give advice regarding the housing addition of Universal Credit, and any queries regarding the housing addition of Universal Credit should be dealt with by the service centre. The concern is that these factors will mean that claimants are unable to budget as their award will be unclear until they actually receive it, whether for the first time or as part of an ongoing claim.

Projects should work closely with their clients to understand how a Universal Credit award is calculated, so that clients are able to anticipate deductions to their full award and recognise if an award has been calculated incorrectly. [Universal Credit handbooks](#) will be a useful resource for projects to use. Projects could also encourage clients to make use of [benefit calculators](#) to predict their future award. Clients can enter their earned income over an assessment period into these calculators to predict what they will receive in their next payment. Calculators, therefore, will be a useful tool for claimants to use during the lifetime of their claim and changes of circumstances, as well as when making a new claim.

## 5. Budgeting

### Key points

- Clients receive pre-tenancy training and budgeting support
- Report changes of circumstances immediately
- Time changes of circumstances at the beginning of assessment periods

Receiving Universal Credit as a monthly payment is likely to pose budgeting challenges for many claimants, especially for those claimants transitioning from legacy benefits. Claimants should be offered budgeting support and money advice at the beginning of any new claim and as a result of a request for an APA. Budgeting support is part of a larger package of Universal Support, delivered locally by partner agencies. Projects can make sure that clients are being referred for this support where necessary as well as referring clients to money advice agencies directly.

### 5.1 Switching to monthly payments

Universal Credit claimants will receive their total award in one monthly payment. Projects should highlight the advantages of bringing benefit payments in line with how rent is typically paid. However, for clients who have been used to budgeting on a fortnightly basis, or calculating their Housing Benefit entitlement on a weekly basis, they will need to adjust to monthly figures. Projects can prepare clients for managing their monthly

award by conducting pre-tenancy training. Projects can also continue to support clients with ongoing tenancy costs by making use of budgeting plans and payment calendars.

Projects can also encourage clients to open budgeting or jam jar accounts to ring-fence their income to ensure rent and bills are covered. Projects can also work with landlords to set flexible payment dates for rent collection so as to bring rent payments in line with receiving Universal Credit.

## **5.2 Change of circumstances apply to a whole month**

Where a claimant has a change in their circumstances, most changes will result in a change of entitlement to Universal Credit which will apply to the whole monthly payment. However, for working claimants, there will be a real-time link with HMRC which may mean that working claimants do not have to notify changes in their income. Where this link exists, an award of Universal Credit will change from the date of the actual change of income increase or decrease as opposed to applying to the whole award for the assessment period. See [Appendix 1: Universal Credit Timeline E.g. 3](#). For other changes to circumstances, when a claimant's award will change will depend on whether the change of circumstances will result in an increase or decrease in entitlement.

If the change of circumstance will result in an increased entitlement to Universal Credit, when the entitlement is changed will depend on when the claimant notified DWP. For example, imagine someone's assessment period started on 1<sup>st</sup> January and their rent went up on 15<sup>th</sup> January entitling them to an increase in award. They notified DWP on 16<sup>th</sup> January, so when they receive their next payment (7<sup>th</sup> February for example) the increase in Universal Credit would apply to the whole assessment period starting 1<sup>st</sup> January, rather than the change being applied from 15<sup>th</sup> January. See [Appendix 1: Universal Credit Timeline E.g. 4a](#). If the claimant does not notify DWP until February, then the increase in award will only apply to February's assessment period. See [Appendix 1: Universal Credit Timeline E.g. 4b](#). There will be no backdating of changes to entitlement when the change results in an increase in award. It is important that projects are supporting clients to report changes of circumstances immediately so that any increase in award can be applied to the assessment period in which the change took place.

If the change of circumstances results in a decrease in award then the change is applied to the assessment period in which the change occurred, even if the change is not notified in this period. For example, someone's assessment period starts on 1<sup>st</sup> February, and moves from a studio in to a room in a shared house with lower rent on 15<sup>th</sup> February, resulting in a decrease in award. Even if they do not report the change until March, the change in entitlement will apply from 1<sup>st</sup> February and they will have received an overpayment for February's assessment period, having not notified DWP during the same assessment period as the change occurred. See [Appendix 1: Universal Credit Timeline E.g. 5a & 5b](#). Projects should support clients to report changes of

circumstances straight away. If overpayments arise, projects should support clients to create payment plans with the DWP.

In this example, there will be two weeks when the claimant has costs which their income does not cover because the change of award applied to the whole month. DWP have stated that there will be some winners and some losers under this system. If at all possible, claimants should try to time changes to their circumstances which will result in a decreased award as close to the beginning of an assessment period as possible to ensure that their award covers their actual costs in that period. Projects should be aware of this when supporting clients to move in to properties causing a change to their housing addition award.

## 6. Sanctions and conditionality

### Key points

- Monitor in-work conditionality trials
- Prepare clients for potential that housing addition may be sanctioned

Claimants will have to accept a claimant commitment when applying for Universal Credit and will be subject to the conditions of this agreement. Sanctions will be applied when claimants fail to uphold the requirements of their claimant commitment. Hardship payments can be issued at a rate of 60 per cent of the sanction applied, providing the claimant has fulfilled their requirements in the previous period. Hardship payments are loans which the claimant will need to pay back. Claimants can request a hardship payment by phoning the Universal Credit helpline, or during an appointment with a Work Coach.

### 6.1 In-work conditionality and sanctions

In the future, claimants who are working may be subject to work related requirements if they do not earn over the 'conditionality threshold', pending trials of in-work support. The conditionality threshold will be equal to the number of hours they are expected to work (depending on childcare commitments etc.) at minimum wage. If a claimant fails to meet the requirements – by not taking on additional hours for example, they could be sanctioned.

This would likely cut in to their housing addition, due to being in work their standard allowance would already be reduced. It is important that projects prepare their clients for this change and support them to uphold their conditionality so as to avoid rent arrears. Applications for hardship payments can be made to contribute to accommodation costs.

Sanctions cannot be applied where there is 'good reason/cause' for the claimant not fulfilling some mandatory activity. Decision makers should consider the circumstances of the claimant to establish whether they contributed to good reason of failure to complete

an activity. If the claimant is homeless, their circumstances should be taken in to consideration in making the decision as to whether a sanction should be applied. Projects should advocate on behalf of their clients to argue for good reason where applicable.

In-work conditionality is currently being trialled, projects should monitor the outcomes of these trials in preparation to support their clients, see the [Useful Links](#) section for more information.

## 7. Differences with Housing Benefit

### Key points

- Avoid delays between tenancies beginning and clients moving in
- Highlight the disregarded income received from a lodger to potential hosts

Many features of Housing Benefit have been lifted for the housing addition of Universal Credit. However, there are some key changes which Help-to-Rent projects should be aware of.

### 7.2 Removal of four-week run-on to cover housing costs

With Housing Benefit, if a claimant moves in to work after claiming JSA or ESA for a continuous period of six months or more, they will be eligible for full Housing Benefit for a run-on period of four weeks starting the Monday after the date they gained employment. This will no longer be the case with Universal Credit. If a claimant finds work after a period of unemployment, the change to their entitlement should reflect their actual earnings for the assessment period in which the change occurred ([see 5.2](#)).

### 7.3 Temporary absence

In comparison to Housing Benefit the rules around temporary absence from the home have been simplified when assessing eligibility for the housing addition of Universal Credit when being temporarily absent from a property the claimant is occupying. The claimant will continue to 'occupy' the home and the housing addition can continue to be paid if the claimant is temporarily away from the home for up to 12 months if the absence is due to fear of violence, or for up to 6 months for any other reason. As with Housing Benefit, it is essential that the claimant intends to return to the home for the absence to be considered temporary. These rules are specific to claiming the housing element of Universal Credit, and are distinct from the rules of temporary absence of claiming Universal Credit and travelling abroad.

### 7.4 Housing costs covered on two homes

Universal Credit is less generous than Housing Benefit when it comes to covering costs on two homes. The housing addition can be paid on two homes in limited circumstances. Where a claimant has had to temporarily move out due fear of violence, the housing

element can be paid for both properties for up to 12 months. Where a claimant is waiting to move in to a property which is undergoing disability adaptations, the housing element can be paid on two homes for a maximum of one month.

The housing addition can only be paid for a property which is being occupied as a home. Therefore, clients waiting for work to be done on a property (unless the aforementioned adaptations), waiting for a property to be furnished, or waiting for the outcome of an application for welfare assistance will not be eligible for the housing addition of Universal Credit until they move in. Projects could consider what assistance they are able to provide to enable a client to move in straight away – perhaps by providing home starter kits, or providing basic intermediate furniture.

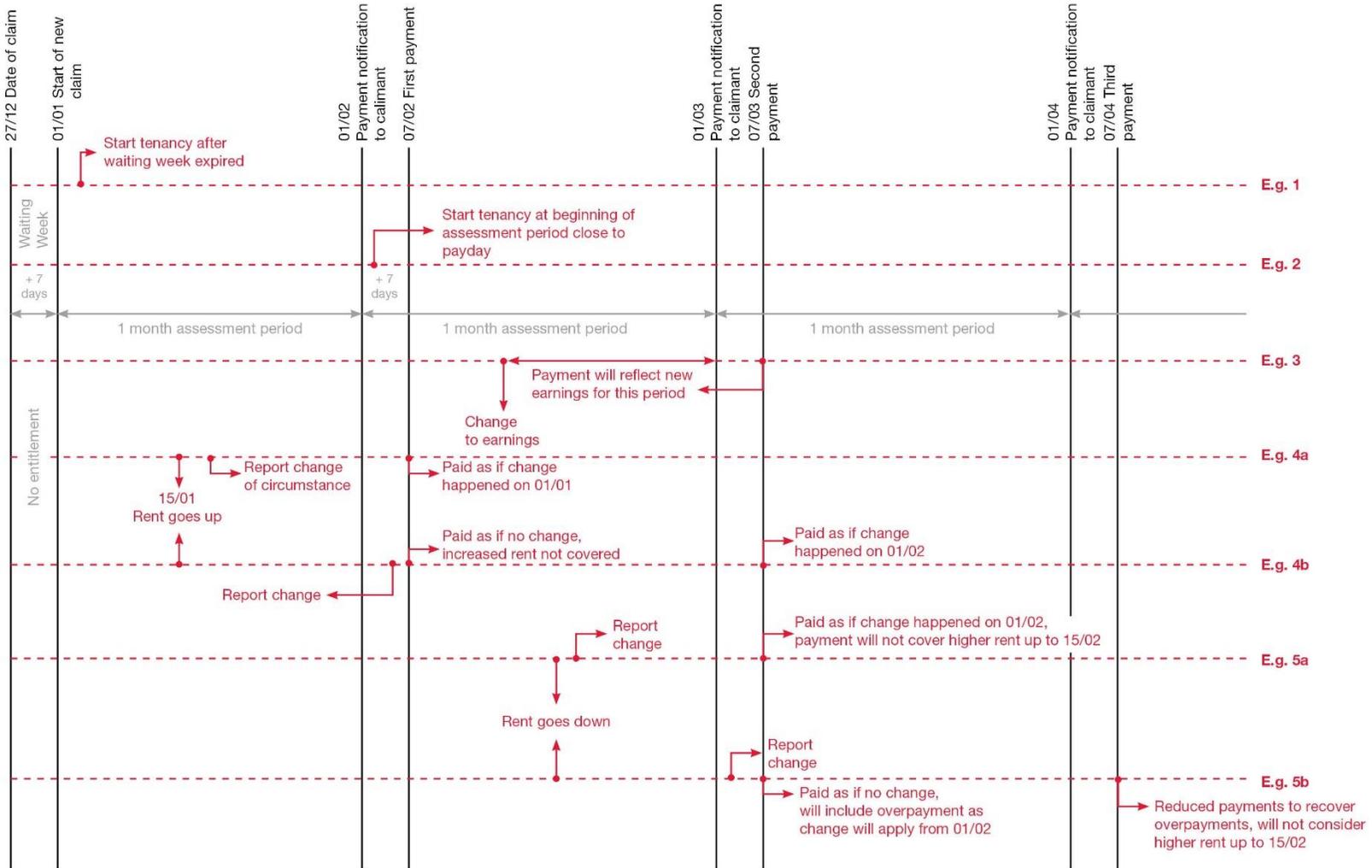
There is no longer a provision for housing costs to be covered on both properties when a tenant is moving and has incurred rental liability on two homes as a result of a new tenancy overlapping with the previous tenancy's notice period. Projects will need to consider the best move-in dates for clients, and negotiate with landlords to encourage flexibility, to avoid a situation when liability on two properties exists without the client possessing the income to cover the costs. Projects could also think about whether they can support clients with the physical move to a new home, or help with removal costs, so as to mitigate the need for tenancy cross overs.

### **7.5 Lodgers**

Unlike Housing Benefit, under Universal Credit a lodger does not count when assessing the size of a claimant's household. This means that having a lodger does not affect the rate of LHA a claimant would be eligible for. Equally, if the claimant lived in social housing, they would remain subject to the bedroom tax despite taking a lodger in their spare room. How income received from a lodger is assessed is also treated differently. As a result of the HMRC's 'rent a room' scheme, the first £7,500 of rent received from a lodger per year is not taxable, and is therefore not counted as income when assessing the housing addition award. If the income received from a lodger exceeds this amount, it will be counted as unearned income and taken in to consideration when assessing an award for Universal Credit.

Projects who are operating a lodging scheme should ensure they are familiar with these new rules, to best support their hosts who are also Universal Credit claimants. If projects are attempting to procure more social housing tenants as hosts to their lodging scheme, it will be useful for projects to advertise the threshold of income Universal Credit claimant hosts can receive before it will affect their award.

## Appendix 1: Universal Credit Timeline



**E.g. 1**

A client has made a completely new claim for Universal Credit. They will need to claim the housing addition when their tenancy starts. It would be advisable for their tenancy to commence after the initial waiting week has expired.

**E.g. 2**

A claimant is already receiving the standard allowance of Universal Credit, but will be making a new claim for the housing addition. Timing the tenancy to begin as close to the claimant's payment date as possible will allow them to use their payment to support with the additional costs of moving and setting up a home.

**E.g. 3**

A claimant is working and claiming the housing addition of Universal Credit, there is a change to their earned income part way through their assessment period. Because earned income should be assessed in 'real-time', their next payment of Universal Credit will reflect the change in award from the date the change of circumstances occurred rather than applying to the whole assessment period.

**E.g. 4**

There is a change in a claimant's circumstances which results in an increased award, for example their rent goes up.

**a)** The claimant reports change in circumstances in the same period as the change occurs. Their next payment will be increased to reflect the change in that assessment period, applying to the whole assessment period.

**b)** The claimant reports the change in circumstances in the assessment period after the change occurred. Their next payment will reflect the assessment period in which the change was reported, not the one in which the change occurred.

**E.g. 5**

There is a change in a claimant's circumstances which results in a decreased award, for example their rent goes down. Claimants should plan changes to circumstances which result in a decrease in award close to the beginning of an assessment period to ensure their payment meets their costs for that period as much as possible.

**a)** The claimant reports the change of circumstances in the same period as the change occurs. Their next payment will be decreased to reflect the change in that assessment period, applying to the whole assessment period.

**b)** The claimant reports the change of circumstances in an assessment period after the change occurred. Payments they receive for assessment periods before they report the change will include overpayments. This overpayment will be deducted from future payments.

## Appendix 2: Useful Links

### Information on Universal Credit

- Universal Credit Guides - <https://www.gov.uk/guidance/universal-credit-toolkit-for-partner-organisations> - a selection of guides from gov.uk preparing claimants for Universal Credit
- Universal Credit and rented housing FAQ - [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/515127/uc-rented-housing-faq.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/515127/uc-rented-housing-faq.pdf) - a guide for private and social landlords to prepare for Universal Credit
- Universal Credit: Frequently Asked Questions - <http://www.crisis.org.uk/publications-search.php?fullitem=501>
- Shelter resources - [http://england.shelter.org.uk/get\\_advice/universal\\_credit](http://england.shelter.org.uk/get_advice/universal_credit)
- JCP District Managers - <https://www.gov.uk/government/publications/local-partnership-opportunities-with-jobcentre-plus/jobcentre-plus-district-managers-contacts-for-partnership-opportunities>
- Universal Credit: Personal Budgeting Support and Alternative Payment Arrangements Guidance - [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/521367/personal-budgeting-support-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/521367/personal-budgeting-support-guidance.pdf) - outlines the tiered factors decision makers will consider when assessing a request for an APA
- Request for direct payment of housing element to landlord - [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/478234/uc47-universal-credit-rent-arrears-form.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/478234/uc47-universal-credit-rent-arrears-form.pdf)
- The Universal Credit (Waiting Days) (Amendment) Regulations 2015 - [http://www.legislation.gov.uk/uksi/2015/1362/pdfs/uksi\\_20151362\\_en.pdf](http://www.legislation.gov.uk/uksi/2015/1362/pdfs/uksi_20151362_en.pdf) - outlines the exemptions to when the waiting days apply
- Mendip City Council guide to waiting days exemptions - <http://www.mendip.gov.uk/CHttpHandler.ashx?id=10378&p=0>
- Universal Support - <https://www.gov.uk/government/publications/universal-support-delivered-locally-information-for-local-authorities> - gives details of and links to the trials of Universal Support being conducted
- Universal Credit Official Statistics - <http://dwp-stats.maps.arcgis.com/apps/Viewer/index.html?appid=82116e01690d4e8584014362d67900c6> – map showing number of Universal Credit claimants in employment by local authority

### Money advice agencies

- Citizen's Advice Bureau - <https://www.citizensadvice.org.uk/>
- Money Advice Service - <https://www.moneyadviceservice.org.uk/en>
- StepChange - <http://www.stepchange.org/>

### **Budgeting accounts**

- Find your local Credit Union - <http://www.findyourcreditunion.co.uk/home>
- The Change Account - <https://www.thechangeaccount.com/>

### **In-work conditionality**

- In Work Progression Randomised Control Trials - <https://www.whatdotheyknow.com/request/269211/response/659103/attach/10/Doc%208.pdf> – FAQ document for Work Coaches
- In-Work Progression in Universal Credit - <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmworpen/549/54902.htm> - Parliamentary publication
- Jobcentres participating in trials - <https://www.whatdotheyknow.com/request/181505/response/444582/attach/2/4974%20annex.pdf> – list of names and addresses

### **Universal Credit handbooks**

- Shelter & CIH - Help with Housing Costs: Volume 1 Guide to Universal Credit and Council Tax Rebates 2016-2017 - <http://shop.shelter.org.uk/publications/help-with-housing-costs-volume-1-guide-to-universal-credit-and-council-tax-rebates-2016-2017.html>
- CPAG – Universal Credit: what you need to know - <http://www.shop.cpag.org.uk/universal-credit-what-you-need-to-know>

### **Benefit calculators**

- entitledto - <http://www.entitledto.co.uk/>
- Turn2us - <https://www.turn2us.org.uk/>
- Crisis Into Work Calculator - <http://www.crisis.org.uk/pages/into-work-comprehensive.html>

66 Commercial Street  
London E1 6LT  
Tel 0300 636 1967  
Fax 0300 636 2012  
Email [enquiries@crisis.org.uk](mailto:enquiries@crisis.org.uk)  
Website [www.crisis.org.uk](http://www.crisis.org.uk)

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