

Landlord News

Keeping Knowsley private landlords in the know

SPECIAL EDITION
UNIVERSAL CREDIT

SPECIAL EDITION February 2018

Welcome to this special edition newsletter

As you may be aware, the Government's new Universal Credit benefit is being rolled out across the country.

Universal Credit **full service** is due to be rolled out in Knowsley in May 2018.

It replaces a number of existing means-tested benefits and tax credits for people of working age.

This may impact on your tenants and could change the way you receive your rent payments.

This special edition of our newsletter should help you understand the Government's changes and also point you and your tenants in the right direction for more information and support.

Best wishes

Councillor Brian O'Hare
Cabinet Lead Member for
Regeneration and Economic Development



What is Universal Credit?

Universal Credit (UC) is a benefit being introduced by the Government to replace six means-tested benefits and tax credits for working age adults.

The next phase is due to start in Knowsley in May 2018. Most people of working age making a new claim for one of the following six existing benefits or tax credits will be directed to claim Universal Credit instead:

- Income Support
- Jobseeker's Allowance (income-based)
- Employment Support Allowance (income-related)
- Housing Benefit
- Working tax credits
- Child tax credits

These are known as 'legacy benefits'.



How will Universal Credit affect my tenants?

UC is different to the benefits it replaces:

- It is paid monthly in arrears;
- It is a single payment for the household (i.e. if two partners are both eligible, one joint payment will be made);
- Those making a new claim will wait between five and six weeks for their first payment (they can request an advance of this to be paid sooner - see overleaf for further details); and
- It is designed to be paid directly to the claimant (there are exceptions to this and circumstances where rent can be paid directly to the landlord - see overleaf for details).

Who will receive Universal Credit?

From May 2018, most people of working age in Knowsley will be directed to claim UC **full service** instead of legacy benefits (see 'What is Universal Credit?').

UC is available to those both in work and out of work.

Under the current rules, families with more than two children will not be able to claim UC until January 2019 and will instead be directed to claim the legacy benefits.

After May, private tenants already in receipt of one of the benefits being replaced will be asked to apply for UC either:

- When a change in circumstances affects their claim (for example they have a baby) or;
- From July 2019, as part of the planned migration to UC, when all remaining 'legacy' claims are scheduled to move across.

Some residents already receive a version of UC known as **live service**. These claimants will be invited to claim **full service** later in 2018. They will need to do this to continue receiving their benefit. The claim will not transfer to the new system automatically.

When can my tenant make a claim for Universal Credit?

New claims to the **live service** ended on 31 December 2017 and no new claims for UC can be made until the new **full service** version launches in Knowsley currently scheduled for **Wednesday 16 May 2018**. Anyone who would have made a claim for UC between these dates will be directed to claim the legacy benefits instead.

How can my tenant prepare for Universal Credit?

Digital help

Everyone making a claim will need access to the internet and digital skills. They will need an email address to complete their application.

Support to get online and to claim UC is available from the Department for Work and Pensions (DWP) through local Jobcentres.

There are also many free digital skills sessions available across Knowsley. You can find local sessions by searching under 'My neighbourhood' on the Knowsley Council website - www.knowsley.gov.uk - including those delivered by FACE (Family and Community Education). Visit the **FACE** website or call **0151 443 2026** for details.

All residents can use computers for free at local Jobcentres, libraries and at the council's One Stop Shops.

Managing a monthly budget

Everyone claiming UC will need an account for their benefit to be paid into. You can find further detail on the **Money Advice Service** website. Unlike other benefits, UC is paid monthly, meaning claimants will need to manage larger payments over a longer period. The DWP offers personal budgeting support to everyone making a UC claim. Your tenants should be encouraged to take up this offer, which can be accessed at any time, through their work coach or by calling the UC helpline on **0800 328 5644**.

Does it matter if my tenant is on the live or full service version?

Although **live** and **full service** are different, everyone claiming UC will eventually move to the **full service** version. If your tenant is on **live service** they will be asked to make a new claim for **full service** around August 2018. They won't automatically transfer across and will need to make a new claim when asked to do so to continue receiving the benefit.

Under **full service** all communications will be online, meaning claimants will need regular internet access and digital skills to manage their claim.

How will my tenant receive their benefit?

In most cases, UC will be a single, monthly payment paid directly into the claimant's bank/building society or other account. Direct payments to landlords can be requested when there are arrears or due to some other specific circumstances. Changes announced by the Government in November 2017 mean that in some circumstances rent will be paid directly to the landlord.

Can the rent be paid directly to me?

Changes announced in November mean that when UC **full service** arrives in Knowsley in May 2018, private tenants who were already in receipt of Housing Benefit paid directly to their landlord will be able to keep this arrangement in place when they move to UC. This will apply to those who move onto UC from another benefit, rather than those making a new claim after 16 May.

You can apply for direct payments if your tenant is in arrears. You should apply online and upload evidence of rent arrears. This [link](#) can also be used to upload evidence of rent arrears.

How can my tenant make a claim?

From Wednesday 16 May, Knowsley residents should visit www.gov.uk/universalcredit to make a claim. Those wishing to claim before this date will be redirected to the legacy benefits (for example, Jobseeker's Allowance and Housing Benefit).

Your tenant will need a valid proof of their rental liability when they claim.

What support is available for my tenant after they've made a claim?

Tenants can ask the DWP for an **advance payment** once they have made their claim and verified their identity. They should call **0800 328 5644** (Monday to Friday 8am-6pm). They will be able to request up to 100% of their basic entitlement which will then be paid back over 12 months through deductions from their ongoing UC payments. All tenants should be encouraged to apply for this if it will help them manage their money as they move to UC.

UC claimants can receive **personal budgeting support** at any time to help them move to, and manage on, a monthly budget. They should ask their **DWP work coach** to make a referral.

Can I talk to DWP about my tenant?

DWP will only speak with landlords about their tenant's UC claim if they have given their explicit consent and entered this into their electronic journal (available with UC **full service**). This means the DWP can see the tenant has agreed to their information being discussed with a named third party. Ask your tenant to make a journal entry before you call DWP (they will need to do this each time you need to speak with DWP).

If my tenant has a shortfall between the rent I charge and the Universal Credit housing element, what can they do?

Your tenant may be eligible to claim a Discretionary Housing Payment from Knowsley Council. For more information, including how to apply, visit the **council website**. The tenant will need to show why they need this extra support. These payments are designed to give short term help while tenants try to resolve the problem (eg. by making changes to their monthly budget, increasing their income or moving to more affordable accommodation).



Where should I go for further information or updates?
Visit www.gov.uk/universal-credit for more information.