

Private Tenants: A Guide to Universal Credit

Fact Sheet 6: For Tenants, Landlords and Advisers

15th October 2024

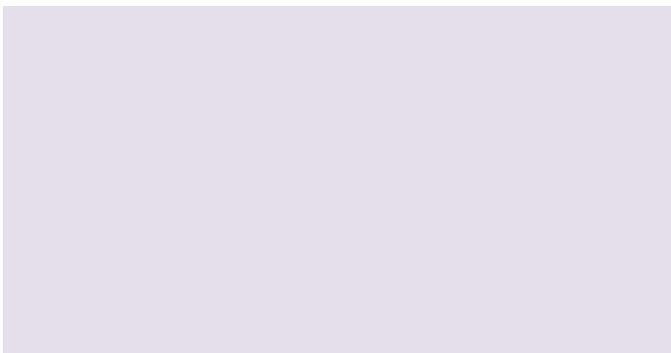
www.wolverhampton.gov.uk

1. 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.



2. What is Universal Credit?

Universal Credit is a new Social Security benefit that is designed to help people of 'working age' (aged 16 to 66) 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.

3. How do I apply for Universal Credit?

A claim for Universal Credit must normally be made online using a computer. You can make an application for Universal Credit using the following link:

www.gov.uk/apply-universal-credit

If you would need help to apply for Universal Credit, then ring the Universal Credit Service Centre.

**FREEPHONE
0800 328 5644**

**Department for Work and Pensions (DWP)
Universal Credit Service Centre**

The Universal Credit Service Centre can give you details of places you can go to 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.

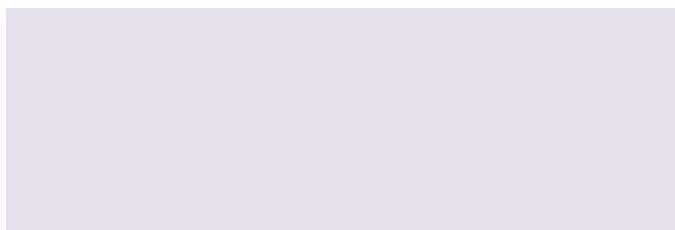
When you claim, you will need to provide details of your landlord and your rent payments. Therefore, make sure you have this information at hand when you apply.

4. 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.

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

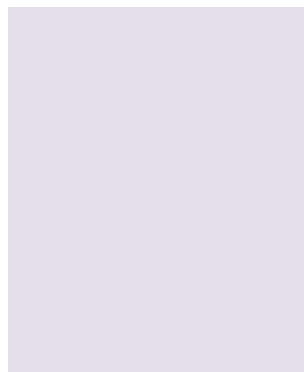
If you have applied for Universal Credit and are in financial need because you do not have enough money to buy food, pay for gas and electric bills or to pay your rent whilst you are waiting for your first payment, then you should ring the Universal Credit Service Centre (or talk to someone at your local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



An [Advance Payment](#) is a form of Universal Credit loan worth up to the value of your Universal Credit entitlement (including any allowance awarded for your rent).

Therefore, should you get an Advance Payment you should have money to buy food, pay for your fuel bills and pay your rent, etc.

Any Advance Payment will need to be repaid (usually over a 24-month period) by way of deductions from your future Universal Credit payments.

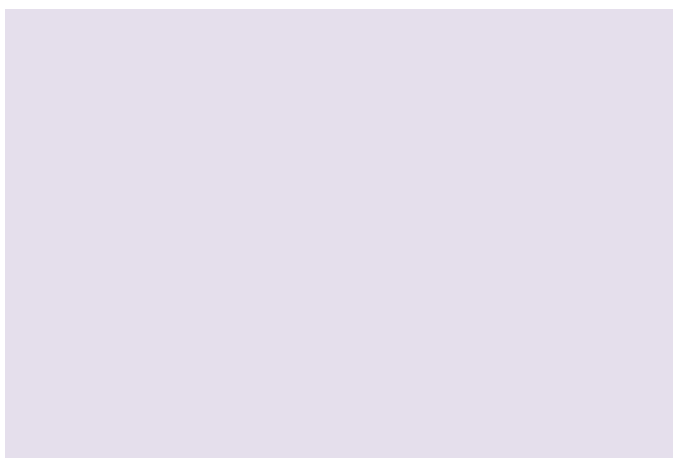


What you should avoid doing is borrowing money from a high street lending company or loan shark. This is because although an Advance Payment will need to be repaid, no interest will be charged.

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.

6. How much Universal Credit / help towards my rent will I get?

The amount of overall Universal Credit awarded is meant to provide you with sufficient income to meet the cost of day-to-day living and enable you to pay your rent.



Universal Credit entitlement is determined month to month by comparing how much money it is considered you need per month to live off / pay your rent against how much

income you have received during the same period.

Therefore, how much Universal Credit actually paid to you will depend on your personal circumstances and the level and nature of any income you already have.

Put simply, when you apply for Universal Credit, you will be awarded a 'maximum amount' of Universal Credit subject to whether you are single or a member of a couple, your age, whether or not you have any dependent children and the level of rent you have to pay.

The amount of help awarded to you towards your rent as a private tenant would be capped at the levels set out below.

Wolverhampton: Local Housing Allowance

- One bedroom: £495.01 per month
- Two bedrooms: £625.02 per month
- Three bedrooms: £749.99 per month
- Four bedrooms: £925.01 per month

In essence, the amount allowed is set according to how many bedrooms it is considered you need given the size of your family and the gender and age of your children should you have any.

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 aged under 16 of the same sex and 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 (or single and aged 35 or over and living in shared accommodation) then the maximum amount you will be allowed towards your rent will be £319.98 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.

However, you may 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 25 years old.

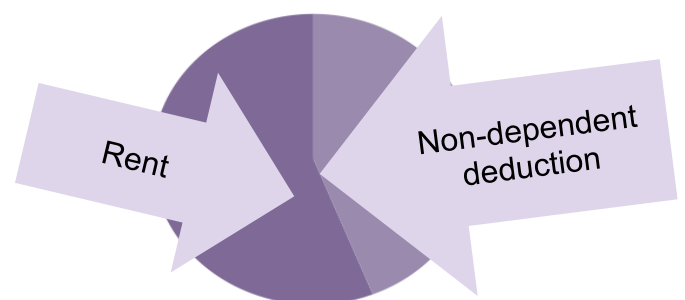
Non-dependent deduction: If you have someone living with you like a grown-up son or daughter or an elderly relative, then the amount of help you get towards your rent may be reduced. This is because a deduction in the amount you would otherwise get is made because they (i.e., the non-dependent) are expected to contribute something towards your rent payments. This is the case even if they do not pay you anything towards their keep.

No non-dependent 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 non-dependent 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) or Attendance Allowance
- has a child aged under 5.

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

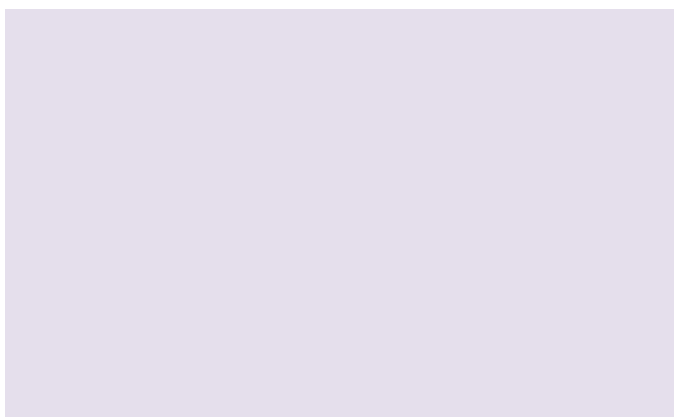


If a non-dependent deduction is to be made, then it will be £91.47 per month per person (or

couple) irrespective of the person's (or couple's) overall income.

If the total amount of non-dependent 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.

You should be aware that when it comes to assessing your income that not all of your income is necessarily taken into account. This is because whilst some income is taken into account in full (e.g., New Style JSA, New Style ESA, and Carer's Allowance) some other forms of income are only taken into account in part (e.g., earnings) or may be fully disregarded (e.g., Child Benefit, Personal Independence Payment, Disability Living Allowance).



If you (or your partner) work, then only 55% (previously 63%) of your overall net take home pay (that is your pay after deductions for tax and National Insurance) is deducted from the 'maximum amount' of your Universal Credit amount. Moreover, if you have a child or you (or your partner) have been assessed as having 'limited capability for work' because your health impacts on your ability to work, then you are allowed to keep the first £404.00 per month before any deduction is made.

7. 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, building society or credit union about paying your rent direct from your account on the same day as you get your Universal Credit payments.

WCCU

Wolverhampton City Credit Union

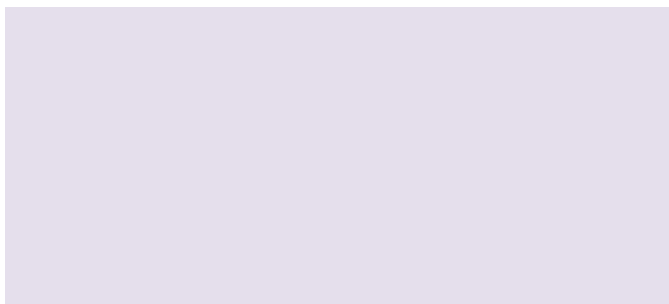
Telephone: 01902 555939

If you live in Wolverhampton then you can join the Wolverhampton City 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 by direct debit.

8. 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 or because you are drug / 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.

9. 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.

[Discretionary Housing Payment](#)

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 City of Wolverhampton Council has for DHPs is limited and there is a lot of demand due to things like the bedroom tax and benefit cap.

Getting some help will at least give you some 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.

10. 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 can be between 10-20% of your basic standard Universal Credit amount. Therefore, typically, the deduction/payment to your landlord would be £39.34 - £78.69 per month if you are single and aged 25 or over or approximately £61.76-£123.52 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 here:

[Universal Credit and Rented Housing: Guide for Landlords](#)

Your landlord can make an application for a [Managed Payment](#) (Alternative Payment Arrangement) online here:

[Landlord: Apply for Direct Rent Payments](#)

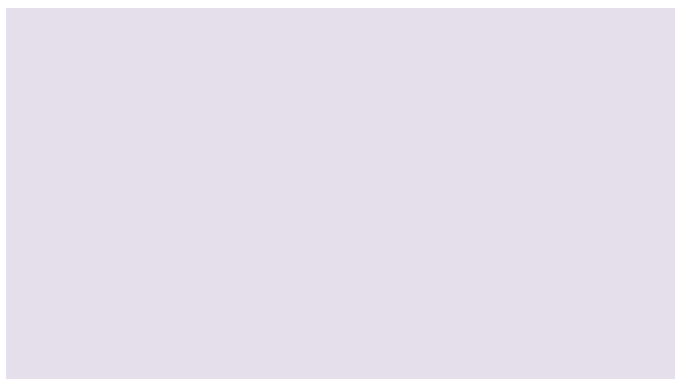
Under the current DWP policy, if you get a Managed Payment which means that your rent is paid direct to your landlord, but you then move address, your 'managed payment'

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.

11. 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 to 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.



12. 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.'

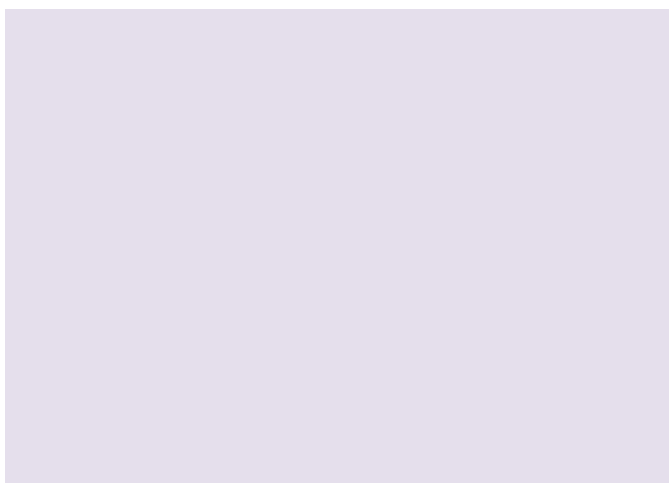
You can provide 'explicit consent' in writing (by putting a note in your Universal Credit journal or by way of a letter to the Universal Credit Service Centre), over the phone or face to face at your local Job Centre. You can do this at any time during your Universal Credit claim.

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.



However, please be aware that your landlord can ask for your rent to be paid directly to them by way of Managed Payments without the need for your consent in the circumstances

explained in 10. What if I am already in rent arrears? on page 5. Yet, 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.

You can see full details of the rules on sharing information and 'explicit consent' here [Universal Credit Consent and Disclosure of Information](#) online.

13. 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 during this period, and you must have an intention to return otherwise you will no longer be able to get help with your rent. 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.

Going Abroad: The rules for people travelling abroad are different. People cannot normally continue to get Universal Credit (with or without getting help towards their housing costs) beyond one month whilst they are outside of Great Britain. Do seek further information and advice if you and/or your partner are planning to travel abroad.

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

Universal Credit will normally only help you with 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.

15. Universal Credit: What if I am presently getting a Legacy Benefit?

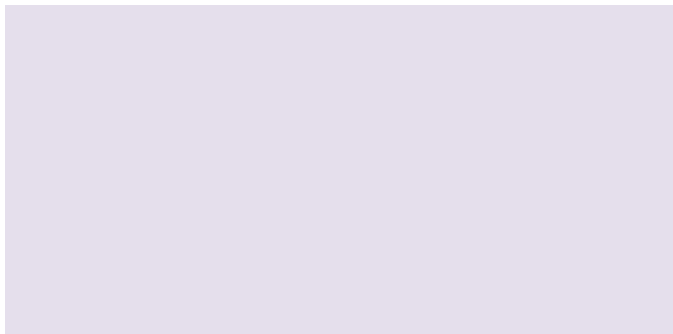
A 'legacy benefit' is a benefit that Universal Credit is set to replace. A 'legacy benefit' is:

- Income-based JSA
- Income-related ESA

- Income Support
- Child Tax Credit
- Working Tax Credit
- Housing Benefit.

Council Tax Support is not a 'legacy benefit' and will not be replaced by Universal Credit. Council Tax Support is administered by your local council. It is a benefit designed to help those on a 'low income' with meeting the cost of their council tax. Council Tax Support may be claimed separately to Universal Credit.

You can apply for Council Tax Support by going to this [LINK](#).



If (with the exception of Housing Benefit) you are getting a 'legacy benefit' (or more than one 'legacy benefit') and are moving into rented accommodation and need help with your rent, then you will usually be expected to apply for Universal Credit. In doing so, the 'legacy benefit(s)' you are getting will stop and in effect be replaced by Universal Credit.

However, if you are already getting Housing Benefit whilst living at an address in Wolverhampton and you are moving to another address that is also in Wolverhampton, then you will not be expected to apply for Universal Credit - you will be allowed to continue getting Housing benefit / your 'legacy benefits'. In this situation all you need do is report the fact that you are moving providing the details of your new address, new rent payments and, if applicable, new landlord details. This applies even if you are moving

from a Wolverhampton or housing association property to private landlord accommodation (or vice versa).

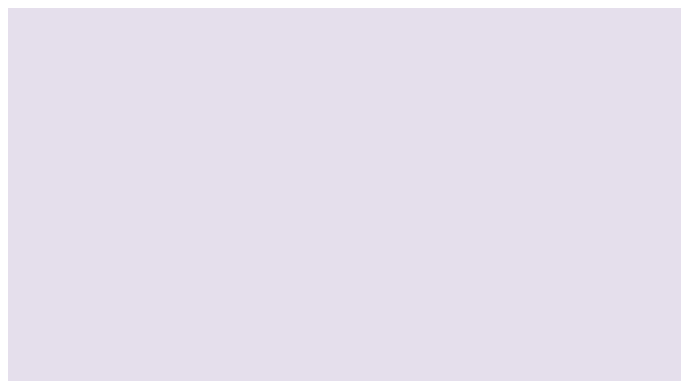
Natural Migration

If you are presently getting a 'legacy benefit' and you have a relevant change of circumstances, you may be required to claim Universal Credit and in doing so end your entitlement to your 'legacy benefits'. This is known as 'natural migration.'

A relevant change in circumstances could include:

- get a job
- being made redundant
- becoming too sick to work
- separating from your partner
- moving in with a partner.

It would also involve a situation whereby you were living in privately rented accommodation inside Wolverhampton but were looking to move outside of Wolverhampton (whether or not you were getting Housing Benefit) or vice versa.



Managed Migration

Eventually, everyone who receives a 'legacy benefit' will be asked to claim Universal Credit under a process known as 'managed migration.' Under 'managed migration' people will be selected and sent a 'migration notice' and given a three-month deadline in which to make a claim for Universal Credit. If you do not do this by your 'deadline day,' your 'legacy benefit' entitlement will stop. Any tax credits

you get will stop on the day before your 'deadline day,' but any other 'legacy benefits' will 'run on' for two weeks after your 'deadline day.'

If you apply for Universal Credit under 'managed migration' and the amount of Universal Credit you would be entitled to is less than the amount of your 'legacy benefits,' you may be awarded a 'transitional element' which is designed to prevent you from being worse off. To be eligible to an award of the 'transitional element,' you should claim Universal Credit before your 'deadline day.' If you miss your 'deadline day,' you can still be awarded the 'transitional element' providing you claim Universal Credit before your 'final deadline day,' which is one month after your 'deadline day.'

If you do not apply for Universal Credit by your 'final deadline day,' you can still claim Universal Credit, but you will not be entitled to any transitional protection if your Universal Credit is less than you were receiving from your 'legacy benefits.'

The government has indicated that most legacy benefit claimants will receive a migration notice by April 2025. It was originally planned that those getting Income-related ESA (without any tax credits) would not be included in the 'managed migration' process until 2028. However, this group will now be invited to apply for Universal Credit between September 2024 and December 2025.

You can find out more about the move to Universal Credit in Information Guide 6: Managed Migration. See this [LINK](#).

Two-week run on: As explained, when you make the move on to Universal Credit your 'legacy benefits' (apart from any tax credits) will 'run-on' for two weeks. This is intended to help you to meet your day-to-day living

expenses and rent whilst you are waiting for your first payment of Universal Credit. However, if you need extra financial support during this period then you can ask for an Advance Payment loan from the DWP. See this [LINK](#) for more information.

The rules governing 'natural migration,' and 'managed migration' are in some situations far from clear so if you are in any doubt then please do seek further information and advice, as necessary.

16. What if I need to pay council tax?

If you are liable for paying the council tax and you get Universal Credit or are otherwise on a low income, then you may apply for Council Tax Support (Formerly Council Tax Reduction) to help you with your council tax.

You can apply for Council Tax Support online using the following link or by ringing (01902) 551166.

[Council Tax Support](#)

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.

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.

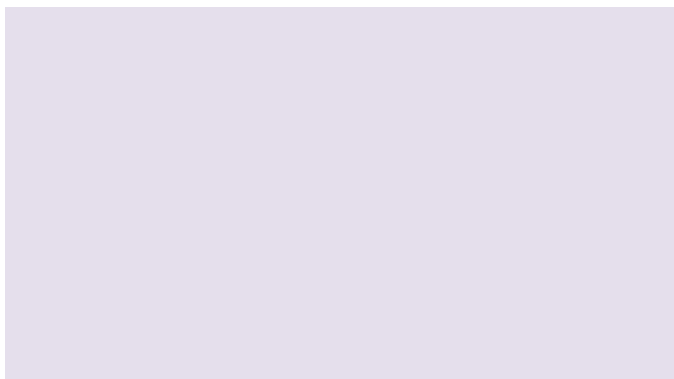
17. Information and advice helpline...

If you would like more information or advice about Universal Credit or any other Social Security benefit matter, then you can contact our benefits helpline.

Benefits Helpline 07966 292321

Monday to Friday - 10.00 am and 12.00 noon.

wrs.benefitshelpline@wolverhampton.gov.uk



18. Fact Sheets and Information Guides

The Welfare Rights Service produces the following Fact Sheets and Information Guides on Social Security benefits and welfare reform.

Benefits Fact Sheets:

1. Benefits and Work
2. Benefits and Disabled Children
3. Benefits and Young People
4. Benefits and Older People
5. Benefits and People from Abroad
6. Private Tenants and Universal Credit
7. 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 - Managed Migration
7. Universal Credit and The Work Capability Assessment - Toolkit
8. Personal Independence Payment
9. Personal Independence Payment - Toolkit
10. Form Filling: PIP2
11. Form Filling: ESA50 / UC50
12. DWP Social Fund
13. The Spare Room Subsidy
14. The Benefit Cap
15. Disputes and Appeals
16. Going to Appeal: First-tier Tribunals

The information in our fact sheets and guides is designed to provide details of the different benefits that may be available to people in a variety of situations including when they are in work, unable to work due to ill-health, unemployed or retired. It also seeks to inform people of the steps that may be taken should they wish to dispute a decision made surrounding their benefit entitlement.

A copy of the Fact Sheets and Information Guides may, together with other topical benefit information, be obtained from our [Social Security Benefits](#) page on the City of Wolverhampton Council website.

Please also watch out for our periodical **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 Fact Sheets and 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