

Universal Credit Full Service Local Support Pack V15 14/08/2017

Universal Credit at the heart of Welfare Reform

Universal Credit full service continues to transform the benefit system and brings with it a complete culture change; both for our claimants and ourselves.

- We are transforming the benefits system by opening up work and providing more support than ever before, helping our claimants live independently and keep more of what they earn.
- Getting a job, or becoming more self-sufficient will be the best choice for individuals and families because work will always make financial sense. It also gives people a sense of self worth and helps them fulfil their potential in society.
- By sweeping away the barriers to work, Universal Credit will lift households out of poverty, encourage personal responsibility and reduce welfare dependency.

Further information can be found by selecting.

- Welfare Reform
- Universal Credit

The key differences are:

- It is built on an IT platform that allows the claimant to manage an on-line account and report changes.
- Does not have any gateway conditions

- claimants in Specified Accommodation will continue to receive their rent via Housing Benefit. Additionally, as of 6th April 2017, claimants, where the household has more than two dependant children at the point of **a new claim**, will need to apply for Child Tax Credit and any other legacy benefits, including Housing Benefit (HB), that they may be entitled to. Claimants who have been in receipt of Universal Credit within the previous six months and are making a reclaim should not be directed to a legacy benefit or CTC as they will remain on UC . <u>Universal Credit and families with more than 2 children: information for stakeholders</u> for more information.

- Data Hub Housing Benefit stop notices and the MGP1 process *detailed later in the pack*
- Verifying rental costs from the Social Rented Sector (SRS) *detailed later in the pack*
- Managed payments of Housing costs and rent arrears to the SRS *detailed later in the pack*
- Postcode areas

So what are the key differences between the UC Live and UC Full Service

• Requesting information from the Service Centre for Discretionary Housing Payments (DHP)

- The Live service process of e-mailing the Service Centre to request UC award details will not apply to full service. Local Authorities are advised to check the Customer Information System (CIS) to confirm UC entitlement and/or request the award details directly from the claimant. Claimants can access award and payment details via their UC online Journal. The DHP proforma UC395 will not be used by the Service Centre in full service.

• Requesting information from the Local Authority to confirm claimant in Specified Accommodation

– The Live service process of e-mailing form UC321 Specified Accommodation Data Share to the LA will not apply to full service. The Service Centre will check directly with the Social Rented Sector as part of the Housing Cost verification and HB Stop Notice process.

Prevention of Dual Provision of Carer Related Benefits

- The Live service process of e-mailing form UC454/ UC456 to the LA when a UC claimant is awarded or has ceased receiving the Carer element is currently under development for full service. Detailed guidance will be issued when finalised.

UC full service will make welfare benefits modern and easy to use.

The online service gives customers more independence as they are able to:

- make their claims online
- submit change of circumstances
- check on the live progress of their claim and payments
- message their work coach and arrange appointments.

Customers can also use tablets & smart phones to access the digital portal so they do not need access to a computer to access their UC account.

The claim is maintained via the claimant's journal, where they can message their work coach, the service centre and upload various documents, eg: CVs and other work search information. Similarly the work coach or service centre will contact the claimant via the journal also.

A text or email is sent to the claimant, advising them that a message has been left on their journal. This could be to confirm an appointment, to ask for further information, or to request that a claimant "to do" is completed.

Full Service online claim demonstration. https://www.youtube.com/channel/UC7Km4IXfVJB1n8SQUmkJD0Q

Universal Credit Full Service – who can claim?



The service will be available for all claimant groups from the start.

The service will initially be available to claimants making a new claim, or certain changes in circumstances.

As of 6 April 2017, claimants, where the household has more than two dependant children at the point of **a new claim**, will need to apply for Child Tax Credit and any other legacy benefits including Housing Benefit (HB) that they may be entitled to. Claimants who have been in receipt of Universal Credit within the previous six months and are making a reclaim should not be directed to a legacy benefit or CTC as they will remain on UC . Universal Credit and families with more than 2 children: information for stakeholders.

UC Full Service Claimant Journey – Pictorial Representation



Live Service to full Service the claimant journey

- When you become a full service area all Universal Credit Live Service claimants will start to transfer onto the full service. The transfer process is managed by Universal Credit, the claimant does not have to do anything until they are asked. Transferring claimants to the full service commenced in January 2016 on a small scale and is continuing with the transfer process starting approximately 3 months after offices have transitioned to full service.
- Claimants will have an explanation about the transfer process, either by their work coach when they attend the jobcentre or in writing prior to them having to transfer their Universal Credit Claim. This will explain when they have to take action to transfer.
- The action required from them is to complete their details on line via the full service, and then book and attend an appointment in their jobcentre. Claimants will also be asked to provide evidence to support their identity either by successfully using <u>VERIFY</u> on Gov.uk or at the jobcentre. This will ensure the most up-to-date evidence is held for the claimant.
- Jobcentre staff will take all opportunities to explain to existing Universal Credit claimants about transferring to the full service and support will be offered for those who require it.

Waiting Days – Timeline



<u>Universal Credit: different earning patterns and your payments</u> – information about different earnings patterns and how these may affect a Universal Credit payment



Personal Budgeting Support & Alternative Payment Arrangements

Personal Budgeting Support

Personal Budgeting Support (PBS) under full service remains the same. It is about helping claimants adapt to 3 key changes:

- a single household payment
- being paid monthly and
- rent paid directly to the claimant instead of to the Landlord

There are 2 elements to Personal Budgeting Support:

- Money Advice
- Alternative Payment Arrangements (APA)

There is also a <u>Universal Credit Personal Planner</u> available online to help claimants identify any changes they may need to make in order to manage their Universal Credit claim.

Detailed information can be found by selecting <u>Universal Credit personal budgeting support and</u> <u>alternative payment arrangements guidance</u>



Managed Payment of the Housing Costs to Landlords

Managed Payment of Housing Costs to Landlords

We expect most Universal Credit claimants will receive the single monthly payment, taking responsibility for paying their own household bills including their rent on time.

However, we recognise that some claimants will need extra support and so alternative payment arrangements including a managed payment of the UC housing cost to the landlord can be considered in some cases to help protect tenancies.

Managed payments will be considered on a case-by-case basis and can be requested by landlords as well as claimants. They can be considered on request from the start of the claim or during the claim if the claimant has accumulated rent arrears which will put their tenancy at risk.

What are the key elements to consider

When a claimant has accumulated one month's rent arrears due to persistent underpayment, we will review the financial support they need and, if requested by the claimant or landlord, will consider making managed payments to their landlord if appropriate.

If a claimant has accrued two month's rent arrears, we will, if requested by the landlord, pay the UC housing costs direct to the landlord and take steps to recover the rent arrears through deductions from their remaining UC payment.

How to Request a Managed Payment

Landlords can use the form available on GOV.UK – UC47 <u>Landlord request for a managed payment or</u> rent arrears deduction to apply for a managed payment of the housing costs and recovery of arrears.

The information they will need to supply includes

- tenants name, address, and if known their date of birth and National Insurance number
- current tenancy agreement including
- proof of the rent arrears which must include the amount of rent outstanding and the amount of rent due each calendar month
- the landlord's contact details their name and address plus their bank/ building society account number and sort code for the payments.
- any reference number / transaction ID for that tenant
- the social landlords DWP creditor reference number

Once UC receives this information they will decide whether or not a managed payment is appropriate and inform both the landlord and claimant.

The claimant will also be offered Personal Budgeting Support.

Social Landlords should note that they can apply for a managed payment of housing cost and recovery of rent arrears at the new claim rent verification stage. This is covered in more detail later in the learning.

Will a claimant have a managed payment to their landlord from the start of their claim, if they are already in rent arrears when they make a claim for Universal Credit.

It will depend on the claimant's level of arrears and their particular circumstances. When a Universal Credit claim is made, UC will offer the claimant Personal Budgeting Support and through this process decide if a managed payment to the landlord is needed. All cases will be looked at on an individual basis.

Can landlords contact UC to ask for a managed payment from the start due to the claimant having significant rent arrears?

Yes, Landlords can contact UC as stated in an earlier slide to request a managed payment from the start. Once the necessary information is received the UC agent will then decide if a managed payment is appropriate and inform the landlord and claimant.

Can rent arrears be recovered from claimants through a deduction to their Universal Credit?

Yes, arrears of rent and service charges for the property the tenant is currently living in are included in the list of deductions that can be made from a Universal Credit payment.

Landlords should use the UC47 Landlord request for a managed payment or rent arrears deduction to request a 'third party deduction' for rent arrears when arrears reach the equivalent of two months rent.

What budgeting support will be available and how do claimants access this?

Personal budgeting support will be offered to anyone claiming Universal Credit. Claimants needing help with monthly budgeting will be identified at their first Universal Credit appointment with the Jobcentre and will be referred for personal budgeting support

Many claimants will be able to help themselves through the online budgeting support services that are already available, and we will help people who have a clear need for more intensive support.

Money advice will be offered at a national and local level, and will include a mix of online, phone and face to face services.

Will managed payments be reviewed?

Yes, all managed payment will be subject to a review. The UC agent will decide the review period taking into account the claimant's particular circumstances and level of rent arrears. At the review, they will decide if the claimant is now capable of managing the standard monthly payment.

When would a managed payment not be considered appropriate?

A managed payment is not considered appropriate if there is no financial risk to the claimant or their family and / or any rent arrears are being satisfactorily managed.

These arrangements will be kept under review as Universal Credit rolls out and may be subject to change.



Migration and UC MGP1LA

Migration Definitions

Claimants currently claiming Income Support (IS), Jobseekers Allowance (Income Based) (JSA(IB)), Employment & Support Allowance (Income Related) (ESA(IR)), Working Tax Credit (WTC), Child Tax Credit (CTC) and Housing benefit (HB) will remain on their existing benefits until such time that their claim can migrate to Universal Credit. These benefits will be referred to as Legacy benefits.

Type 1

Natural Migration – This occurs when a claimant reports a natural migration qualifying change of circumstance to their Legacy benefit, for example when moving from sick to out of work or claimant is no longer a full time carer.

As Universal Credit is a household benefit, this would also trigger the closure of all legacy benefits that Universal Credit is replacing for others in the household.



Managed Migration – This occurs when DWP will initiate the transfer of an entire household from Legacy benefits to one Universal Credit entitlement.

Move from out of work to in work Current JSA(IB)/ IS claimants, or their partners, who increase their working hours or start work such that they no longer meet the conditions for JSA/IS are no longer able to make a new claim to Tax Credits if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit. Those with an existing Tax Credit claim can continue to claim Tax Credit	Move from in work to out of work Current WTC claimants whose hours reduce to less than 16 hours per week are no longer able to make a new claim to JSA(IB) or IS if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit.	Move from out of work to sick Current JSA(IB)/ IS claimants are no longer able to make a new claim to ESA(IR) if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit.	Move from sick to out of work Current ESA(IR) claimants are no longer able to make a new claim to JSA(IB) or IS if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit
Move from sick to in work (or permitted work becomes permanent) Current ESA(IR) claimants are no longer able to make a new claim to Tax Credits if they live in a Universal credit Full Service area and should be advised to make an online claim to Universal Credit. Those with an existing Tax Credit claim can continue to claim Tax Credit	Move from in work to sick (reduction in hours due to sickness) Current WTC claimants are no longer able to make a new claim to ESA(IR) if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit.	Household becomes responsible for a child for the 1 st time Claimants living in a Universal Credit Full Service area are no longer able to make a new claim to Tax Credits and should be advised if they wish to claim for additional financial support because they have a child living with them to make an online claim to Universal Credit. Those with an existing Tax Credit claim can continue to claim Tax Credit	
Claimants separate For example where a current joint tax credit claimants who separate and live in a Universal Credit Full Service area are unable to make a new claim to Tax Credits as a single person. Claimants should be advised to make an online claim to Universal Credit if they continue to require additional financial; support if they have (a) child(ren) living with them or are	IS lone parent child under 5 reaches age 5 or permanently leaves household Current IS claimants are no longer able to make a new claim to JSA(IB)/ ESA(IR) when their award to IS ends if they live in a Universal Credit Full Service area and should be advised to make an online claim to Universal Credit.	HB claimant moves from a UC Live Service LA into a UC Full Service LA Existing HB claimants who move into a Universal Credit Full service area LA are no longer able to make a new claim to HB in the new LA area and should be advised if they wish to continue to obtain financial support with their rent to make an online claim to Universal Credit.	Stopping an existing claim when a claim to Universal Credit-Full Service is made If a new claim to Universal Credit Full Service is made and there is a current JSA(IB)/ ESA(IR)/ IS/ HB or Tax Credits claim. Universal Credit Full service will contact Benefit Centres/Local Authorities and/or Her Majesties Revenues and Customs to stop the existing claim.

on a low income





Verification of Housing Costs

Full Service Housing Cost Verification Process Map



Housing Costs Evidence Required for Verification

For Social Rental Sector the evidence will be obtained directly from the Social Landlord, and include:

- name of all tenants on the tenancy agreement
- property address including full postcode
- current rent and frequency (for example. monthly, weekly)
- breakdown of rent type, frequency and amount of each service charge
- number of bedrooms
- landlord/agent details (name, address)
- rent free weeks (where applicable)
- if the tenant(s) are living in temporary accommodation

Housing Costs Evidence Required for Verification

For Private Rental Sector:

To be eligible for Housing Costs the claimant must provide a rent book, tenancy agreement or a letter from the landlord as evidence to support their claim that states:

- name of all tenants on the tenancy agreement
- property address including postcode
- current rent and frequency (for example. monthly, weekly)
- landlord/Agent details (name, address)
- tenancy agreement signed and dated by the Landlord/Agent (the Tenancy agreement can be signed electronically)

List of Third Party Deductions

There are currently eleven different types of Third Party Deductions (TPDs), set out in the regulations:

- Mortgage Interest arrears (where the lender is not part of the MID scheme)
- Owner-occupier service charges arrears
- Rent and/or service charges arrears
- Gas arrears
- Electricity arrears
- Council Tax or Community Charges arrears
- Court Fines (or Compensation Orders)
- Water arrears
- Child Support Maintenance (Old Scheme)
- Integration loan arrears
- Eligible loan arrears

There is a form available on GOV.UK to request a TPD - <u>Application for third party deductions:</u> <u>Universal Credit</u>



Universal Credit Advances

Universal Credit Advance (new claim or Change of Circumstances)

A Universal Credit Advance (new claim) or (change of circumstances) is an advance payment of a claimant's future award of Universal Credit which is recoverable from subsequent payments of benefit. The purpose of this is to:

- provide emergency funds where a claimant doesn't have enough money to support them through the period until their first UC payment or
- provide access to financial support where a claimant has a change in circumstances, such as the birth of a child that will increase their UC award. They will have to verify the change in circumstances in order to request a (change of circumstances) award or
- provide an interim payment to pay a claimant's full award where their payment due date has been reached but their benefit cannot be paid for technical reasons

It is a Secretary of State decision to make a UC Advance and it is a discretionary decision that depends on the claimant's individual circumstances. The discretionary nature of the Advance means that the department can identify and support those most in need. Any decision will not carry the right of appeal but the claimant can ask for a reconsideration of the decision.

The claimant will need to contact the UC service centre to request an advance. The recovery period will be 6 months starting from the first benefit payment.

Universal Credit Advance (benefits transfer)

A Universal Credit Advance (benefit transfer) is an advance of benefit for claimants in financial need. They can be considered when a new claim to Universal Credit has been made and the claimant was previously in receipt of a qualifying benefit within the last month prior to the claim to Universal Credit.

A Universal Credit Advance (benefit transfer) can be up to 50% of the claimant's likely entitlement of the next Universal Credit payment.

The Universal Credit Advance (benefit transfer) has to be repaid within 12 months. Repayments will be of equal amounts.

For example, $\pounds 360 = \pounds 30$ repaid over 12 months.

Universal Credit Budgeting Advances

Budgeting Advances in Universal Credit will provide valuable access to an interest-free advance for one-off items, for claimants that have been continuously receiving an income related benefit for a period of 6 months and have no, or very low, income. A Budgeting Advance might be required to:

- buy furniture or household equipment
- buy clothing and footwear
- pay rent in advance, in order to secure a new tenancy or removal expenses
- pay for essential home improvements
- help with travel to work costs
- help with maternity and funeral expenses
- help cover the cost of obtaining work or remaining in work (in particular, upfront child care costs)

UC full service contact details

On occasions when claimants send post to Universal Credit Full Service, there are two addresses they need to be aware of.

Signed delivery and Recorded delivery must be addressed to:

• UCFS Post, Canterbury BC, Nutwood House, Chaucer Road, Canterbury, Kent, CT1 1 ZZ

All other post must be addressed to:

Freepost DWP UNIVERSAL CREDIT FULL SERVICE

If mail is not addressed correctly there is a risk the post will be sent to the wrong place which could result in delays to claims being processed and paid.

Claimants can also contact the Service Centre by telephoning 0345 600 4272.

Disclosure of Information to LA's & 3rd parties.

Universal Credit full service is transforming delivery. The claimant has all their data in their own hands via a secure online claimant account. This online account means claimants can check payments and award details, ask a question through the journal and alert the work coach of any changes. This builds financial responsibility and minimises telephony queries.

- For claimant specific enquiries, we advise local authorities to first check the Customer Information System (CIS) to confirm UC entitlement. You can also request the award details directly from the claimant when further information is required. Claimants can access award and payment details via their UC online account which is accessible via any internet enabled device. If, for whatever reason, claimants cannot access the online service, they can call the Universal Credit Service Centre to get details of their claim.
- We also ask local authorities and social landlords to work closely with their vulnerable tenants to provide the best possible support. Each request received for the disclosure of personal information will be assessed on its individual needs and any relevant legislative powers.
- The APOLLO register and implicit consent data share protocol for UC live service does not apply to UC full Service as claimants have full access to their personal data and award details.
- LA's may wish to consider how they engage with their residents to gather the additional information DWP is unable to share.

Useful links

- <u>Universal Credit and rented housing</u> explains what UC means for landlords, local authorities and tenants. The products hosted here include the Social Landlord Support Pack, Personal Budgeting Support (PBS) and Alternative Payment Arrangement (APA) guide.
- <u>Discretionary Housing Payments guidance manual</u> provides guidance and advice for local authorities on good practices that should be taken into account when payment of a DHP is being considered.
- How the deductions from benefit scheme works: guidance for creditors or suppliers gives an overview of how the Third Party Deductions Scheme works for organisations and individuals (referred to as Creditors or Suppliers), who receive Third Party Payments.
- <u>Housing Benefit claims processing and good practice for local authority staff</u> provide advice, guidance and information on Housing Benefit for local authority staff. Urgent bulletins contain advice and information for immediate action by local authorities. General information bulletins contain information about social security benefits, tax credits and council tax support arrangements.
- <u>Universal Credit and you</u> gives an introduction to Universal Credit for people who are claiming it.
- <u>Money Advice Service</u> advice and support for landlords <u>Money Advice Service</u> help for tenants
- <u>Money Manager</u> tool provides personalised, independent advice to help people manage their budget and monthly Universal Credit payments. A demo video is available for those who require more information <u>https://youtu.be/cfnLgHeFySQ</u>.

Useful links

- <u>Universal Credit: different earning patterns and your payments</u> information about different earnings patterns and how these may affect a Universal Credit payment
- <u>support you may be entitled to if you receive Universal Credit</u> provides links to information on the extra support you may be able to get if you receive Universal Credit, including: healthcare costs, free school meals ,grants and payments if you are disabled or pregnant.
- <u>Decision Making Guide</u> for detailed information and an explanation of the law.

Welfare Reform changes 2017 - Limiting support for third or subsequent child (UC Live Service and UC full Service)

Universal Credit will no longer pay an additional amount for a third or subsequent child or qualifying young person born on or after 6 April 2017, unless certain exceptions apply. Claimants with three or more children will not be able to make a new claim – unless the claimant has been in receipt of Universal Credit within the previous six month period and is making a reclaim.

Claimants will still be entitled to an additional amount for any child or qualifying young person born before 6 April 2017. Claimants will also be entitled to an additional amount in respect of any disabled children, regardless of the total number of children in the household. The exceptions where we pay for a third or subsequent child is when the child:

- is born as part of a multiple birth e.g. twins, apart from one child in the multiple birth
- is adopted from local authority care
- is living with the claimant as part of either:
- a formal caring arrangement (or was in such an arrangement until their 16th birthday and has continued living with the claimant); or
- an informal caring arrangement, where it is likely they would otherwise be likely to be looked after by the local authority
- is the child of a child (under 16) that the claimant is responsible for
- was conceived as a result of non-consensual sexual intercourse, or at a time when the claimant was subject to ongoing control or coercion by the other parent of the child.

For detailed information: Universal Credit and families with more than 2 children: information for stakeholders 33

Welfare Reform changes 2017 - Changes to housing costs for 18 to 21 year olds (UC full Service only)

From 1 April 2017, claimants who make a claim to Universal Credit **on or after 1 April 2017** aged between 18 and under 22 years of age will not get housing costs paid as part of Universal Credit unless they meet certain exemptions.

This change applies to:

- new claims and existing claimants that declare a change to add housing costs for the first time
- single claimants in the Intensive work search regime

Exemptions

Detailed information on exemptions can be found in <u>ADM memo 6/17: Housing costs element for</u> <u>Universal Credit claimants aged 18 to 21</u>

UC full service - Universal Support (US)

- Universal Credit Full service is delivered predominantly through online self-service, requiring the claimant to make their claim and subsequently manage enquiries and change of circumstance via their on-line UC account. This is not a problem for the majority of UC claimants.
- However, it is essential that claimants who struggle with self-service have their support needs identified. Those who could self serve with help should be offered Universal Support (Assisted Digital).
- Assisted Digital Support in UC Full Service, will support the claimants navigation around the system and their understanding of the information required to complete the online new claim data gather and additionally support claimants to manage UC and carry out transactions via the online UC account on whatever device they use to access the service.
- Claimants who cannot and will never be able to self-serve on-line and do not have a formal representative (appointee etc.) should contact the DWP service centre so that they can access UC through an appropriate channel.