

Universal Credit Housing Guide

If you and/or your partner are responsible for paying rent (including any eligible service charges) for the home you live in, or if you have a mortgage, Universal Credit may provide help towards the cost. We call this Universal Credit Housing Costs.

Simply click an image to view the information you require to help you with your claim.





Already receiving Housing Benefit

Your Housing Benefit payment is made by your local authority to help towards paying rent for your home and other related housing costs such as service charges.

When you make a new claim for Universal Credit your housing costs will be paid as part of your Universal Credit payment. If you are receiving Housing Benefit we will contact your local authority to stop your Housing Benefit payments.

This ensures that the Department for Work and Pensions and your local authority do not both pay your rent at the same time.

If you are making a new claim to Universal Credit your first payment will be received 7 days after the end of your first assessment period. You may need to discuss this with your landlord so that they understand your situation and that you have made a new claim to Universal Credit and that a claim for housing costs has been included as part of your claim.

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Information you need to make a claim

Being responsible for paying rent means you have an agreement to make rent payments and have a contract or written rent agreement with a landlord, organisation or agency.

If you are applying for housing costs for rented property under Universal Credit in a Live Service area you will need to bring evidence with you. For example;

- A current tenancy agreement
- A current rent statement
- A current rent book
- A signed letter from your landlord

If you are applying for housing costs for social rented property under Universal Credit in a Full Service area – Social rented property is usually property rented from your local authority or a local housing association. The Universal Credit service centre will email a Housing Costs Verification form (HCV) to your landlord. Once this has been returned, the information will be checked against your claimant declaration, and uploaded to your claim through your online account.

If you are applying for housing costs for private rented property under Universal Credit in a Full Service area – Private rented property is property you rent from a private landlord and not your local authority or local housing association. You will need to bring evidence with you. For example;

- A current tenancy agreement
- A current rent statement
- A current rent book
- A signed letter from your landlord

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If you are a homeowner or buying a home

If you are responsible for paying your mortgage (or loans secured on your property), you will have an agreement with a lender and/or a loan company (or companies). We may be able to provide support towards housing costs under Universal Credit but you will need to bring evidence with you, for example:

- A mortgage agreement
- A current mortgage statement
- Any loan agreement(s) secured on property
- Bank statements showing payment of mortgage/loan(s)

If you make a claim to Universal Credit it is your responsibility to provide this evidence to us. You will need to take your evidence to your local jobcentre. We will check and validate your evidence before paying Universal Credit Housing Costs. If housing costs remain unverified at the end of your assessment period, then housing costs will not be paid.

Payment to my lender – The amount you receive will depend on the amount of your outstanding mortgage, or any loans secured on your home. A standard interest rate is used to calculate the amount of owner occupiers' housing costs. The amount is usually paid directly to the lender.

Help is limited to claimants who have not had a break in their benefits claim for 39 weeks. If you are moving to Universal Credit from another benefit, time spent on that other benefit will count toward this 39 weeks – as long as you (and your partner) are not in paid work. In Universal Credit, all loans secured on a claimant's property will be eligible for help, subject to the capital limit of £200,000 for working age claimants.

It is important to understand that you will not be eligible for owner-occupier housing costs if you are in paid work. If you begin work whilst you are getting owner-occupier housing costs, this help will stop. You will be notified of your Universal Credit Housing Costs amount and payments by letter for live service claimants, or online for full service claimants.

If you are part of a shared ownership scheme – Shared ownership schemes are usually provided through housing associations. A share of your home's value between 25% and 75% is purchased by you. This is usually via a mortgage and rent is paid on the remaining share.

In shared ownership cases, Universal Credit payments include an amount for mortgage interest and an amount for rent. Your mortgage and rent costs will be assessed, calculated and paid. Rent and mortgage calculations are grouped together and paid to you as one single payment. It is then your responsibility to pay your lender.

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Temporary, Supported and Sheltered Housing

Temporary Housing

If you live in temporary accommodation, you will need to contact your local authority for assistance with rent costs.

If you are already in receipt of Universal Credit and report a change of circumstances resulting in you becoming homeless and placed in temporary accommodation, you will continue to receive

Universal Credit, including a rental element for your accommodation.

The rental element will be based on your Local Housing Association allowance rate for the household size or the actual rent (whichever is the lowest) and the rent will be paid directly to you. It is your responsibility to budget correctly and make sure you pay your full rent.

Supported and sheltered housing

Supported and sheltered housing is also known as 'specified accommodation'.

If you live in supported or sheltered housing you are unable to claim housing costs through Universal Credit, but you can claim Housing Benefit from your local authority. Your rent will still be met by Housing Benefit from your local council, even if the rest of your money comes from Universal Credit.

Please contact your local authority for more information on claiming Housing Benefit if you live in supported or sheltered housing.

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Local Council Tax Reduction

You may be able to get help from your local authority with your Council Tax if you are on a low income or claim benefits, including Universal Credit. The help you will get depends on:

- Where you live
- Your circumstances
- Your household income – including savings and pensions
- If any children live with you

- If other adults live with you
- Your local council's own Council Tax reduction scheme

You can start the process to apply for Local Council Tax Reduction here on [GOV.UK](#). It will take you directly to the relevant page on your local council's website, which will tell you what you need to do next.

If you are claiming Universal Credit for the first time we would advise you to apply for Local Council Tax Reduction straight away, as many local authorities will not back date it for you. You do not need to wait until your claim for Universal Credit has been assessed and/or paid.

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Single and under 35 old years old and in private rented accommodation

If you are paying rent to a private landlord and you are under the age of 35, not disabled, single and have no children you will be paid what is known as the shared accommodation rate.

If this applies to you, the maximum Universal Credit Housing Cost that you can get is the same rate as if you were renting a single room in a shared house. This applies even if you rent a self-contained flat.

There are some exceptions to this depending on your personal circumstances, for example, if other people live with you, if you are a care-leaver aged under 22, or if you have been living in a hostel in some circumstances. You can contact your work coach for further information.

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18-21 year olds in Universal Credit full service areas

Some 18 to 21 year olds claiming Universal Credit in full service areas are not entitled to help with housing costs. This is to encourage those who can live at home to stay at home. But it is recognised that for many different reasons some young people are not able to return home, so there are a lot of exemptions to this rule to make sure that those who really need support can get it. If you are aged 18 to 21 and can't live with your parents, you should make a claim as one of the exemptions may apply to you.

The rule only applies to new claims in Universal Credit full service areas, so if you are already receiving Housing Benefit or Universal Credit Housing Costs this will continue until such time as your circumstances change.

Which 18-21 year olds can get help with housing costs?

In Universal Credit full service areas some 18 to 21 year olds can get help with their housing costs. For example if you: (not an exhaustive list)

- are unable to live with your parents
- are looking after a child / children
- are sick or disabled
- left care before age 18
- have been in prison
- are getting treatment for a drug or alcohol problem
- are claiming as a couple
- are in work (subject to minimum earnings)
- have recently left work (subject to minimum earnings, and for a limited period)

There are many other specific circumstances where this rule will not apply to you, so make sure you apply for help with your housing costs and explain your situation fully to the jobcentre.

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The benefit cap

There's a limit on the total amount of benefit that most people aged 16 to 64 can get. This is called the benefit cap.

The benefit cap is currently £20,000 a year, except for in *Greater London where it is £23,000 a year. The single person rate is £13,400 a year, except in *Greater London where it is £15,410 a year.

If you are already claiming benefits and are likely to be affected by the benefit cap rules, you will already have been notified and offered help and support from a work coach to prepare for the changes. There are certain exemptions from having your benefits capped.

If you live in supported or sheltered accommodation, any amount of housing costs included in your Universal Credit will be disregarded when calculating whether your total benefits have reached the benefit cap level.

By Greater London we mean the City of London and the 32 London boroughs. You can find out more here on [GOV.UK](#).

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Help with rent arrears

If you are 2 months or more behind on your rent, your landlord can apply for a third party deduction directly from your Universal Credit payment. This will only apply if you are at least 2 months in arrears with your rent. You may want to talk to your landlord and come to an arrangement (to avoid these deductions).

This is one of the Universal Credit payment options that can help you manage your money. Please see the section on Alternative Payment Arrangements.

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Alternative Payment Arrangements

Alternative Payment Arrangements are available for claimants who can't manage the standard Universal Credit payment. Alternative Payment Arrangements can be considered at any point during your Universal Credit claim. If you are currently applying for Universal Credit, or about to apply, you can ask for an Alternative Payment Arrangement at the interview you'll attend as part of your application.

Not all requests for Alternative Payment Arrangements will be granted. Each request will be considered against the eligibility criteria. If you are eligible for an Alternative Payment Arrangement, you can get:

- Money paid directly to your landlord for rent – this means your Universal Credit Housing Costs will automatically get paid each month to your landlord from your Universal Credit payment
- Weekly or fortnightly payments instead of monthly – this can help prevent you from running out of money if you're struggling to make your payment last a whole month
- Payments split into 2 bank accounts instead of one (couples only) – this can help you manage your money yourself if you have responsibilities that are different to your partner's, or if you've been a victim of abuse and want to manage your money yourself

If you are already receiving Universal Credit you can contact to your work coach for further information.

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If you are having difficulty paying your rent you may be able to get a discretionary housing payment from your local authority.

Discretionary housing payments are a temporary solution to financial difficulty. They may be made when people have been affected by welfare changes like:

- The benefit cap
- Removal of the spare room subsidy
- Changes to local housing allowance

To receive discretionary housing payments you must be entitled to Universal Credit, including the housing costs element towards your rent, and you must need additional financial help. Check with your local authority to see if you can claim a discretionary housing payment. Details of how to claim a discretionary housing payment can be found here on [GOV.UK](#).

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Spare Room Subsidy 'spare bedrooms'

Social Rented Housing

If you pay rent to a local authority, council or housing association you will have your full rent included in the housing costs calculation, unless the following apply:

- The accommodation is under-occupied, if so, a deduction of Universal Credit Housing Costs is applied. This is referred to as the Removal of the Spare Room Subsidy (some exceptions apply)
- A reduction is applied to Universal Credit Housing Costs where a non-dependent is aged over 21 (some exceptions apply)

If you are under-occupying your home, your housing costs are reduced by 14% for 1 spare bedroom or 25% for 2 or more spare bedrooms.

Private Rented Housing

As a private tenant you are not subject to the Spare Room Subsidy, but you will still be subject to similar rules for private tenants under the Local Housing Allowance Scheme.

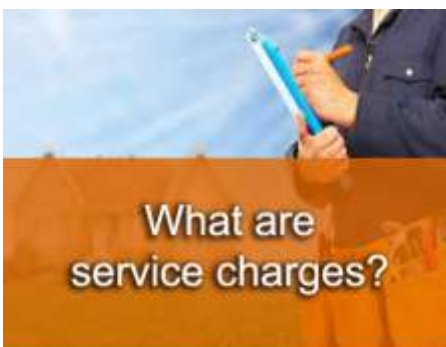
This means that the amount of Universal Credit housing costs you receive will be limited if you rent a home with more bedrooms than the rules say you need.

The actual size of your home doesn't matter. It is the number of bedrooms you have and the number of people living there that count.

The amount of Local Housing Allowance varies across the UK. This is because rent can be either higher or lower than average depending on where you live.

Universal Credit will look at your circumstances and, where necessary, apply any relevant deduction to your housing costs before they are paid to you.

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Service charges

Sometimes, when a rental property is contained in a housing development or apartment block, either the tenant or the landlord may be expected to pay an annual service charge.

This charge will usually cover maintenance and repair work in communal areas.

Your service charge statement from your landlord will show you any service charges you are paying. If you pay any service charges as part of your rent, Universal Credit may provide help towards the cost. You will need to provide us with evidence of any service charges you are responsible for.

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Paying my utility bills

In addition to paying your rent you must ensure you pay your other household expenses, such as water, gas and electricity. If you're struggling to afford your water, gas and electricity bills, and are in arrears, contact your supplier to discuss ways to pay what you owe them.

If you do not pay what you owe, your gas or electricity supplier could cut you off. Your supplier has to help you come to a solution. You should try to negotiate a way to pay back what you owe that works for both of you. This may include a repayment plan that you will manage yourself.

If you are really struggling to budget and manage your money, as a last resort and to protect you from being cut off or being taken to court, we can arrange for some of your Universal Credit to be deducted and a fixed amount paid to your supplier directly if certain eligibility criteria are met.

Once your arrears are paid off all payments to your supplier will cease and you will become responsible for paying your own bills. For further information please contact your work coach.

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Paying rent on two homes

Universal Credit can be paid on two homes at the same time, for any of the following reasons:

- A family is so large that the housing authority has housed them in two properties
- A family member leaves their home through fear of violence or abuse but intends to return
- A family member (receiving a benefit being paid on account of disability) changes address and has to pay 2 lots of rent because adaptations (due to their disability) delays the move to their new home.

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Privately renting in Scotland

In Scotland, all landlords must register their properties with their local authority.

If you are living in an unregistered property, you will need to speak to your local authority. You can still qualify for Universal Credit Housing Costs in Scotland if your landlord has not registered the property, provided that you:

- Are legally responsible for paying rent
- Make payments to a landlord
- Live in the rented property
- For further information contact your work coach.

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Change of circumstances

Changes in your circumstances may alter your Universal Credit Housing Costs payment. It is your responsibility to notify us of any changes of circumstance, these include things like:

- finding or finishing a job
- having or caring for a child
- a change to your address
- becoming too ill
- a change to your banking details your rent going up or down
- becoming too ill to work or meet your work coach
- a partner joining or leaving the home you rent and live in (if a partner leaves the home you may need to speak to your landlord and get a new tenancy agreement. You will need to inform Universal Credit of this change)

This list is not exhaustive. To tell us about any change of circumstance please contact your work coach.

Please note that it is the rent you're liable for at the end of your Universal Credit assessment period that determines how much housing cost's you get. So if you move address and your rent drops, the amount we pay at the end of that assessment period may not completely cover the rent due in that month.

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