

Press release: Rent boost for millions of claimants moving onto Universal Credit

New Universal Credit claimants already getting support with their housing costs will continue to receive Housing Benefit for 2 weeks after their claim ends, to help them transition onto Universal Credit.

This non-recoverable extra support is worth an average £233 and is set to help around 2.3 million people when they move onto Universal Credit.

Work and Pensions Secretary of State Esther McVey said:

Universal Credit has been specifically designed to be simpler and provide better personalised employment support. It ensures all benefits get paid in one monthly payment, so you won't be getting separate amounts from different agencies for housing or tax credits.

However, we understand that moving onto Universal Credit can be a big change for those used to the previous benefits system – especially the monthly payment, designed to reflect the world of work. So this week, extra rent support is being made available to allow people to adjust from fortnightly Housing Benefit payments to monthly Universal Credit ones.

Universal Credit removes the barriers which prevented people from taking up work in the past, most notably the 16 hour cut off rule and the prohibitive tax rates should someone start work. Instead, Universal Credit ensures it pays to take on extra hours of work, and provides additional employment support to not only help get you into a job but also progress up the career ladder.

This extra help with housing costs, worth £550 million, is part of a wider £1.5 billion package of improvements for people when they first move onto Universal Credit. This includes:

- extending the repayment of advances from 6 to 12 months, and allowing people to receive 100% of their payment upfront from January 2018
- from February 2018, abolishing the 7 waiting day period to reduce the wait for payment so no one has to wait 6 weeks for their first Universal Credit payment

Other measures that will come in soon include:

- Universal Credit claimants will be able to have their temporary accommodation costs met by Housing Benefit – this will enable local

authorities to recoup more money they spend on temporary accommodation directly from the Department for Work and Pensions (DWP), which will prevent losses to them of more than £70 million in 2018 to 2019

- extended partnership working with Citizen's Advice, to provide more face to face support to Universal Credit claimants
- making it possible for people to apply for advances online from spring 2018, making it even easier for a claimant to access an advance if they need it

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