



# Universal Credit Statistical Ad Hoc: Data on Alternative Payment Arrangements

Data for September 2015 to May 2016

One Off

Published: 11 July 2016  
Great Britain

One Off

Universal Credit aims to reduce poverty, by making work pay, and to help claimants and their families to become more independent.

This publication provides ad hoc statistics on Managed Payment to Landlord (MPTL) Alternative Payment Arrangements (APAs) in Universal Credit Live Service (see page 2 for a description of the difference of the Universal Credit "Live Service" and "Full Service"). MPTL APAs are available to provide assistance to Universal Credit claimants who have difficulty budgeting on a monthly basis. This publication is part of a wider publication strategy which aims to release relevant information about Universal Credit into the public domain in a clear and controlled way.

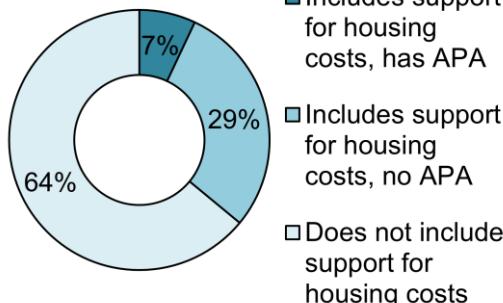
## Main stories

### Support for housing costs and MPTL APAs

In May 2016, 36% of Universal Credit awards include support for housing costs, while 7% have this support paid directly to their landlord via a MPTL APA (see page 4).

This means that in May 2016 20% of Universal Credit awards that include support for housing costs have a MPTL APA.

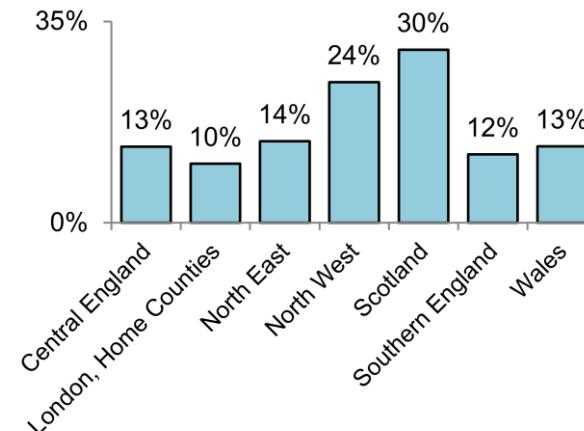
#### May 2016 awards breakdown:



### Regional variation

Claimants in Scotland and the North West of England have higher proportions of both awards which include support for housing costs and, of those, awards with a MPTL APA (see page 5).

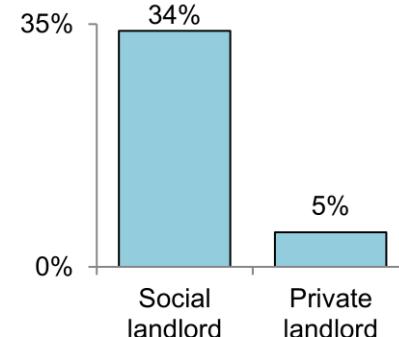
#### Proportion of May 2016 awards with support for housing costs that have a MPTL APA:



### Landlord type variation

MPTL APAs are much more prevalent amongst claimants with Social landlords. In May 2016, 34% of UC claimants with support for housing costs and in Social housing had a MPTL APA, compared to only 5% for those in Private rented accommodation (see page 6).

#### Proportion of May 2016 awards with support for housing costs that have a MPTL APA:



## At a glance

Page

Background

2

Proportion of UC awards with support for housing costs that have a MPTL APA is consistent over time at around 20%

4

More MPTL APAs in the North West and Scotland

5

Claimants with Social landlords have more MPTL APAs

6

**Analytical Lead:** Timothy Townsend

**Lead Statistician:** James Evans

[James.Evans1@dwp.gsi.gov.uk](mailto:James.Evans1@dwp.gsi.gov.uk)

**DWP Press Office:** 0203 267 5129

Comments? Feedback is welcome

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## What you need to know

### Universal Credit

Universal Credit aims to reduce poverty, by making work pay, and to help claimants and their families to become more independent. It also aims to simplify the benefits system by providing a single payment based upon the circumstances of the household. Support for housing costs, children and childcare costs are integrated in the new benefit. It also provides additions for disabled people and carers.

The following benefits will be replaced as Universal Credit rolls out.

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

The main characteristics of Universal Credit are:

- Universal Credit is available to people who are in work and on a low income, as well as to those who are out-of-work.
- Most people will apply online and manage their claim through an online account.
- Universal Credit will be responsive – as people on low incomes move in and out of work, they will get on-going support.
- Most claimants on low incomes will still be paid Universal Credit when they first start a new job or increase their part-time hours.
- Claimants will receive a single monthly household payment, paid into a bank account in the same way as a monthly salary; support with housing costs will usually go direct to the claimant as part of their monthly payment.

Universal Credit was introduced in April 2013 in certain pathfinder areas of North West England. Since October 2013, it has progressively been rolled out to other areas. It is now available in all Jobcentre Plus offices to single claimants, as well as limited numbers of other claimant types, as the Universal Credit Live Service.

From May 2016 Universal Credit began its roll out to all claimant types as the Universal Credit Full Service. Please note that this publication does not include statistics from the Universal Credit Full Service. See the Universal Credit statistics release strategy (link on page 7) for updates on the release of Universal Credit Full Service statistics.

## **Support for housing costs and Alternative Payment Arrangements**

Support for housing costs in Universal Credit helps claimants with their eligible rent and service charge costs. In the majority of cases this will be paid directly to the claimant as a single, monthly payment. It is then the claimant's responsibility to pay their rent.

The move to a single monthly household payment will be a significant change to the way most benefits are currently paid.

For a minority of claimants, Alternative Payment Arrangements (APAs) may be required. The following Alternative Payment Arrangements will be available to help claimants who are identified as needing additional support:

- A Managed Payment to Landlord (MPTL) APA. Hereby the housing costs support is paid direct to the landlord;
- A More Frequent Payment APA; and
- A Split Payment APA (where both members of a couple receive part of their joint UC payment).

MPTL APAs make up around 97% of all APAs applied in Universal Credit Live Service, and this is the only type of APA considered here.

## **Glossary of Acronyms**

AP – Assessment Period

APA – Alternative payment arrangement

JCP – Jobcentre Plus

MPTL – Managed Payment to Landlord

UC – Universal Credit

# Alternative Payment Arrangements by Month

## Universal Credit awards with support for housing costs / MPTL APAs by month

Awards are grouped by calendar month according to the date in which the Assessment Period ends.

Month of AP end date	Number of UC awards	% of UC awards that have support for housing costs	% of UC awards that have support for housing costs and a MPTL APA	Number of UC awards with support for housing costs	% of UC awards with support for housing costs that have a MPTL APA
Sep-15	94,900	35	7	33,400	19
Oct-15	108,000	35	7	38,200	19
Nov-15	120,500	36	7	42,900	19
Dec-15	132,400	36	7	47,900	19
Jan-16	144,100	37	7	52,600	19
Feb-16	163,100	36	7	58,600	20
Mar-16	183,800	36	7	65,300	20
Apr-16	201,800	35	7	71,300	20
May-16	215,300	36	7	77,300	20

This table shows that the proportions of Universal Credit awards that include support for housing costs and that have a MPTL APA have remained very consistent over time.

The rest of the analysis includes only awards with an Assessment Period ending in May 2016 (the latest available data). This means that the analysis presented in the subsequent pages can be considered as breakdowns of the Universal Credit caseload in payment in May 2016 (subject to the caveats detailed on page 7).

In May 2016, 36% of Universal Credit awards include support for housing costs, while 7% have a MPTL APA. This means that 20% of Universal Credit awards that include support for housing costs have a MPTL APA.

# Alternative Payment Arrangements by JCP Group

## Universal Credit awards with support for housing costs / MPTL APAs by JCP group

Awards are grouped by the regional group associated with the claimant's Jobcentre Plus office.

JCP Group	Number of UC awards	May 2016 awards only			
		% of UC awards that have support for housing costs	% of UC awards that have support for housing costs and a MPTL APA	Number of UC awards with support for housing costs	% of UC awards with support for housing costs that have a MPTL APA
Central England	36,300	27	4	9,600	13
LHC <sup>1</sup>	27,000	27	3	7,300	10
North East	24,700	30	4	7,500	14
North West	69,000	48	12	33,200	24
Scotland	23,300	38	11	8,800	30
Southern England	22,200	34	4	7,500	12
Wales	12,800	26	3	3,300	13
<i>Total (ALL)</i>	<i>215,300</i>	<i>36</i>	<i>7</i>	<i>77,300</i>	<i>20</i>

There is a large degree of regional variation in the figures presented in this table, with almost half of Universal Credit awards with support for housing costs being paid to claimants in the North West (33,200 out of 77,300). Claimants in the North West and Scotland have significantly higher proportions of both awards with support for housing costs and, of those, awards with a MPTL APA. The higher proportions in the North West are likely due to Universal Credit being available to couples and families, who are more likely to have support for housing costs and MPTL APAs. The higher proportions in Scotland are likely due to Scotland having a much higher proportion of social housing<sup>2</sup>, as the table on page 6 shows that in all regional JCP groups claimants in social housing are more likely to have a MPTL APA.

<sup>1</sup> London and the Home Counties

<sup>2</sup> In 2014, 24% of Scottish households were in the social rented sector, while 14% were in the private rented sector (see the Scottish Household Survey: <http://www.gov.scot/Publications/2015/08/3720>). By contrast, 17% of English households were in the social rented sector, while 19% were in the private rented sector (see the English Housing Survey: <https://www.gov.uk/government/collections/english-housing-survey>).

# Alternative Payment Arrangements by Landlord Type

## Universal Credit awards with support for housing costs / MPTL APAs by JCP group and landlord type

Awards are grouped by the regional group associated with the claimant's Jobcentre Plus office, and by the claimant's landlord type (Social or Private). Note that for around 5% of Universal Credit awards in each JCP group the claimant's landlord type is not known, and these awards are not included in this table.

JCP Group	May 2016 awards only				May 2016 awards only	
	Number of UC awards with Housing Element paid to claimants with a Social landlord	% of which that have a MPTL APA	Number of UC awards with Housing Element paid to claimants with a Private landlord	% of which that have a MPTL APA	% of UC awards with support for housing costs paid to claimants with a Social landlord	% of UC awards with support for housing costs paid to claimants with a Private landlord
Central England	4,600	23	4,600	3	50	50
LHC <sup>3</sup>	3,400	17	3,700	3	48	52
North East	3,100	26	4,000	5	44	56
North West	15,800	41	15,500	8	50	50
Scotland	5,900	42	2,600	3	69	31
Southern England	2,600	27	4,600	3	36	64
Wales	1,300	25	1,800	5	42	58
<i>Total (ALL)</i>	<i>36,700</i>	<i>34</i>	<i>36,700</i>	<i>5</i>	<i>50</i>	<i>50</i>

This table shows that MPTL APAs are much more prevalent amongst claimants with Social landlords, with 34% of Universal Credit awards that include support for housing costs paid to claimants with a Social landlord having a MPTL APA, compared to only 5% for Private landlords.

In most JCP groups claimants receiving support for housing costs are split fairly evenly between having a Social landlord and having a Private landlord. Exceptions to this are Scotland and Southern England, which strongly tend towards Social and Private landlords respectively (69% with Social housing in Scotland and 64% with Private rented accommodation in Southern England).

<sup>3</sup> London and the Home Counties

# About these statistics

These statistics have been compiled using data from systems within local Jobcentre Plus offices and records of Universal Credit benefit payments made by the Department for Work and Pensions.

All data is for the Universal Credit Live Service. Statistics covering the Universal Credit Full Service are not included here. More information about the transition to Universal Credit Full Service can be found at: <https://www.gov.uk/government/publications/universal-credit-transition-to-full-service>

The recording of APA data in its current form began in mid-2015. As such this analysis covers the period from September 2015 onwards.

Universal Credit is a monthly benefit which is awarded once each calendar month in arrears. The 'Assessment Period' (AP) is the month-long period preceding each payment over which a claimant's award entitlement is calculated. To investigate how APA use varies over time, this analysis groups all awards for an Assessment Period ending within a given calendar month<sup>4</sup>. Some claimants will receive their UC award in the following month, depending on how close the end of their Assessment Period is to the end of the month.

This analysis includes nil value Universal Credit awards. These may occur, for example, when a claimant has high earnings during the relevant Assessment Period.

We only include Universal Credit awards for which payment calculation data is centrally recorded. For around 8% of Assessment Periods there is no centrally collated payment calculation data (for example due to the payment being made clerically, with the payment calculation only being locally recorded) and the awards are therefore excluded here. We also exclude 0.2% of awards which have a MPTL APA recorded but do not include support for housing costs.

All volumes given in tables are rounded to the nearest 100 awards. All percentages are rounded to the nearest 1%. Totals may not sum due to rounding.

## Where to find out more

More information on the Universal Credit statistics release strategy can be found at:

<https://www.gov.uk/government/publications/universal-credit-statistics-background-information>

Monthly Universal Credit official experimental statistics releases can be found at:

<https://www.gov.uk/government/collections/universal-credit-statistics>

This report was produced by:

Timothy Townsend ([Timothy.Townsend@dwp.gsi.gov.uk](mailto:Timothy.Townsend@dwp.gsi.gov.uk)), David Simpson ([David.Simpson1@dwp.gsi.gov.uk](mailto:David.Simpson1@dwp.gsi.gov.uk)),  
James Evans ([James.Evans1@dwp.gsi.gov.uk](mailto:James.Evans1@dwp.gsi.gov.uk))

Department for Work and Pensions

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<sup>4</sup> The number of these awards is different to the size of the Universal Credit "caseload" in the given month, as reported in the Universal Credit official experimental statistics, due to a combination of timing differences and claims on the caseload that never make it to payment.