

## Housing Benefit Circular

Department for Work and Pensions  
Caxton House, Tothill Street, London SW1H 9NA

# HB A13/2013

### ADJUDICATION AND OPERATIONS CIRCULAR

<b>WHO SHOULD READ</b>	All Housing Benefit (HB) staff
<b>ACTION</b>	For information
<b>SUBJECT</b>	Universal Credit: Change of circumstances affecting Housing Benefit

### Guidance Manual

The information in this circular affects the content of the HB Guidance Manual. Please annotate this circular number against paragraph 6.360 – Change of circumstances.

### Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <http://www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/hbctb-circulars/>
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  - **technical content of this circular**, contact [la.universalcredittransition@dwp.gsi.gov.uk](mailto:la.universalcredittransition@dwp.gsi.gov.uk)
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## Universal Credit: Change of circumstances affecting Housing Benefit

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# Universal Credit: Change of circumstances affecting Housing Benefit

## Introduction

1. The Universal Credit Pathfinder begins on 29 April 2013 in selected areas in the North West. This circular is produced to guide local authority (LA) Housing Benefit (HB) staff through the actions to take if a Universal Credit claimant and a HB claimant have a change of circumstance that requires the closure of an HB claim.

## Background

2. Universal Credit is a new, simpler, single monthly payment for working age people in work or out of work, which replaces:
  - Income based Jobseekers' Allowance
  - Income related Employment and Support Allowance
  - Income Support
  - Child Tax Credits
  - Working Tax Credits, and
  - HB
3. Claimants currently receiving the above benefits will remain on them until such time that their claim is migrated to Universal Credit. These benefits will be referred to as legacy benefits.
4. Universal Credit will be introduced in phases from April 2013 through to 2017. The Pathfinder will start in April 2013, progressive roll-out will start from October 2013, and full Universal Credit migration will be completed by 2017.
5. The Universal Credit Pathfinder begins on 29 April 2013 in North West England for eligible claimants in postcodes served by Ashton-under-Lyne Jobcentre, with Oldham, Warrington and Wigan Jobcentres to follow shortly afterwards.
6. The Pathfinder eligibility criteria is summarised below, with full details at Annex A:
  - New claim
  - Single
  - Fit for work
  - With no children
  - With or without housing costs (but not mortgages)
  - No savings over £6000

## Change of circumstances that affect HB

7. Once a claimant is in receipt of Universal Credit they will remain on Universal Credit even if their circumstances change (subject to conditions of entitlement), for instance if they gain a partner or children, or move away from the Pathfinder area.
8. If you identify a Universal Credit claimant the initial action on the LA should be to direct the claimant to the Universal Credit Service Centre phone line on 0845 6000 723 to report their change of circumstance.
9. If the Universal Credit claimant becomes part of a couple, living in the same household, then the joining partner (known as the “new claimant partner”) will become part of the existing Universal Credit claim (subject to conditions of entitlement) and the couple will receive one monthly payment. If the new claimant partner is receiving any of the benefits listed in paragraph 3 then those awards will be terminated.
10. This means that an LA outside of the Pathfinder area will normally be required to close down a HB claim if:
  - a HB claimant moves in with a Universal Credit claimant, or
  - a Universal Credit claimant moves in with a HB claimant outside of the Pathfinder area
11. When a change of circumstance is reported to Universal Credit to add a partner to a Universal Credit claim, the Universal Credit agent will check the Customer Information System (CIS) to establish if there are any legacy DWP, HMRC or LA benefits. When necessary, a Universal Credit agent will contact the LA of the new claimant partner to initiate the migration process of the HB claim to Universal Credit.
12. It is worth noting that we expect the number of these cases during the Pathfinder period to be minimal.

## Universal Credit Migration Gather Proforma

13. The Universal Credit Migration Gather Proforma 1 LA (UC MGP1 (LA)) at Annex B is the mechanism during the Pathfinder for Universal Credit to request that the LA carry out certain actions, and to provide information on the claimant who is migrating from HB to join an existing Universal Credit claim. Therefore during Pathfinder, the UC MGP1 (LA) will only be completed for the new claimant partner of existing Universal Credit claimants.
14. The purpose of the UC MGP1 (LA) is for :
  - Universal Credit to notify the LA that the existing claim to HB is to be closed to prevent dual provision
  - the LA to provide information on the new claimant partner that is not visible to Universal Credit and which may affect the Universal Credit claim

## Receiving and completing the UC MGP1 (LA)

15. The Universal Credit agent will telephone the HB section of the LA to make them aware that the UC MGP1 (LA) is being sent by email, and take the secure email (GSx/GCSx) address to send the form to. The LA should complete the UC MGP1 (LA) and return it to the Universal Credit Service Centre via secure email.
16. **LAs are requested to identify a point of contact and secure email address in their HB team now** so that this information can be given immediately to the Universal Credit Service Centre should they contact the LA to email the UC MGP1 (LA).
17. In order for Universal Credit to take the required action on the Universal Credit claim, **LAs are requested to return the completed UC MGP1 (LA) within 5 working days of receipt**, or if this is not possible, to contact the Universal Credit Service Centre on 0845 6000 723. The non-return of the completed UC MGP1 (LA) may result in an incorrect Universal Credit award, which could have serious consequences for the claimant meeting their financial commitments. This could also impact the LA with regards to any overpayment of HB, which would have subsidy implications if the overpayment did not satisfy the criteria for classification as departmental error, as specified in paragraphs 28 - 29 below.
18. The first part of the UC MGP1 (LA) is completed by the Universal Credit agent and contains:
  - claimant details - this will be the HB claimants details
  - Universal Credit effective date
  - benefit(s) in payment
19. All relevant fields of the second part of the UC MGP1 (LA) should be completed by the LA agent to provide information on:
  - HB closure
  - debt
  - sanctions
20. Detailed guidance on completing the UC MGP1 (LA) is set out at Annex C.
21. In the event that the HB claimant questions the LA about their entitlement to Universal Credit or the process to claim Universal Credit, the LA should direct the claimant to ring the Universal Credit Service Centre on 0845 600 0723.

## Treatment of outstanding HB appeals – MGP2

22. If after the claimant has migrated to Universal Credit, the LA receives a decision on an outstanding appeal for the claimant, they should notify Universal Credit of the outcome by completing form MGP2 set out at Annex D. Guidance on how to complete the MGP2 is set out at Annex E.

## Treatment of HB Overpayments during Pathfinder

23. It is a fundamental principle that Universal Credit is assessed and paid on a whole month basis. Thus [the Universal Credit \(Transitional Provisions\) Regulations 2013](#) prescribe that any previous HB entitlement for all new claimant partners should end the day before the first day of the existing Universal Credit claimant's assessment period, regardless of when in the month the couple form.

### HB claimant moves into Universal Credit household

24. A person moving into a Universal Credit household as a new claimant partner may have had a genuine rental liability, and would otherwise have been eligible for HB, beyond the first day of the Universal Credit assessment period.

#### For example:

- Julia lives on her own and receives HB
- Ben receives Universal Credit, with a monthly assessment period starting on the third of the month
- On 17 July 2013, Julia moves in with Ben and they become joint claimants of Universal Credit from 3 July
- The regulations require that Julia's HB ends on 2 July 2013 (the day before the start of the assessment period)

25. In this example, Julia continued to have a rent liability for her old home beyond 2 July 2013. The regulations take this into account for Universal Credit by ignoring any HB payment made to the new claimant partner during the assessment period when calculating the first month's Universal Credit payment for the new couple. This is different to the treatment of other overlapping legacy benefit payments, which are treated as unearned income when calculating the couple's first Universal Credit payment.
26. However, a HB overpayment will still be generated if HB has been paid to Julia beyond 2 July 2013. The subsidy rules mean that LAs cannot simply decide not to recover this overpayment, despite the fact that Julia otherwise would have been entitled to HB beyond that date, and that she could not reasonably have been expected to realise that she was being overpaid.
27. We are looking at ways of addressing this in legislation for the wider roll-out from October. However, for the Pathfinder period, where
- a HB claimant forms a couple with, and moves into the home of, a Universal Credit claimant, and
  - HB has been paid for a period beyond the first day of the first Universal Credit assessment period, and
  - HB would otherwise have been payable

we recommend that the consequent HB overpayment is classified **departmental error**, thus removing any need to take recovery action.

28. This classification should only be applied for payment made up until the week that the HB claimant moved into the Universal Credit household. Using the example above, the classification should only be used for an overpayment up to Sunday, 21 July 2013. Any HB overpayment for a period beyond that date should not be classified in this way.
29. Given the scope of the Pathfinder, we expect the number of such cases to be minimal.

### **Universal Credit claimant moves into HB household**

30. Where the Universal Credit claimant moves into the HB address, HB entitlement will also end the day before the first day of the assessment period. In these cases, the Universal Credit housing element will cover the cost of the property for the month.
31. This means that any HB paid from the start of the Universal Credit assessment period will duplicate the Universal Credit housing element. Therefore any HB overpayment should **not** be classified as departmental error in cases where the Universal Credit claimant moves into the HB household.

### **Further Information**

32. Comprehensive Q&A on LA actions to complete the proforma is set out at Annex F. If you have specific questions after receiving the UC MGP1 (LA) or the MGP2, your point of contact should be the Universal Credit Service Centre [LA-SST.HDD@DWP.GSI.GOV.UK](mailto:LA-SST.HDD@DWP.GSI.GOV.UK) 0845 6000 723.

## Annex A: Pathfinder Eligibility Criteria

This sets out the Pathfinder eligibility criteria (April-October 2013), to rule the claimant in or out of Universal Credit

**1. Where does the claimant live** - Pathfinder only covers certain geographical areas. Claimants living outside of the following post code areas cannot claim Universal Credit:

Tameside	OL6, OL7, M43, SK16	From 29 April 2013
Wigan	WN1, WN2, WN3, WN4, WN5, WN6	From July 2013
Oldham	OL1, OL2, OL3, OL4, OL8, OL9, M35	
Warrington	WA1, WA2, WA3*, WA4, WA5, WA13**	

\*part only: to include WA3-4, WA3-5, WA3-6, WA3-7

\*\*part only: to include WA13-0, WA13-9

**2. Personal Circumstances** - To claim Universal Credit the claimant must:

be single	not be pregnant
be a Great Britain national and normally resident in Great Britain	not have given birth within the last 15 weeks
have a valid NINO (excludes temporary NINOs)	not have responsibility for children (including adopted or foster children) or provide care for any other person
be between 18 years old and 60 years and six months	not be a registered foster parent (even if no child is currently placed with them)
have a bank or building society account or Post Office Card Account	not be required by the Child Maintenance Enforcement Commission to pay child maintenance
not be homeless or in supported accommodation	not have a fit note (unless Work Capability Assessment confirmed found fit for work)
not own their own home (including part ownership)	not be in a period of self-certification awaiting a fit note
not have more than £6000 in Savings and Capital	not be making the claim through a Personal Acting Body /Corporate Acting Body
	not have a family member in the Armed Forces who is away in connection with those duties

**3. Current Benefit Status** - A claim to Universal Credit cannot be made if the claimant is in supported or exempt accommodation, or is entitled to or waiting to hear about a claim to or is waiting to hear about an Appeal or Reconsideration for any of the following benefits:

Job Seeker's Allowance (JSA)*	Working Tax Credit (WTC)
Employment Support Allowance (ESA)**	Child Tax Credit (CTC)
Income Support (IS)	Housing Benefit (HB)
Incapacity Benefit (IB)	

\* For JSA only, the claimant must also have left old style JSA more than two weeks ago to claim Universal Credit during Pathfinder.

\*\*Has not just had an ESA (Contribution Based) claim ended within the last two weeks unless found fit for work

**Disability Benefits** - To claim Universal Credit the claimant must not be entitled to Disability Living Allowance (DLA), Personal Independence Payment (PIP) or Carers Allowance (CA).

**4. Employment/Education status** - To claim Universal Credit the claimant must declare they are / will:

Not expect any self employed earnings in the next month	
not be in any form of education or training	
not expect to commence education or training in the next month	
be out of work or in work but does not expect to have net earnings (from employment) in the next month exceeding:	
Single claimant <25 = £270	Single claimant >25 = £330



**Annex B: Universal Credit Migration Gather Proforma 1 (LA)**

Version 6

**UC MGP 1 (LA) - Universal Credit Migration Gather Proforma 1 (LA)**  
**Universal Credit Requirements & Claimant Information**

*To be completed by Universal Credit Agent*

**1. Claimant Details**

**Claimant Details**

NINO

Title Mr  Mrs  Miss  Dr

Other

Surname

Forename

Middle name(s)

Previous name

Gender Male  Female

DOB

Current address

Postcode

Telephone Number

UC Effective Date

Benefit(s) In payment HB  *This Benefit will be replaced by UC*

**Universal Credit information**

Name

Team

**HB Benefit Closure & Data Gather**

*To be completed by Local Authority Agent*

**2. Local Authority Name**

**Close outstanding In scope Benefit**

Confirm closure action of outstanding Housing Benefit

HB

Date Closed

**3. Debt (Recoverable Overpayments)**

Current deductions from benefit

Yes   
No

Referring Local Authority Name

Debt Reference

Ref

Amount of current debt balance

Amount £

Date

Classification

Fraud Overpayment   
Recoverable Overpayments

**4. Sanctions**

**Loss of Benefit Sanction**

Yes   
No

Reason

Type of LOB Sanction

Strike 1   
Strike 2   
Strike 3

LOB Sanction Start date

*(First date for LOB Sanction was applied by Local Authority)*

Date

Sanction End Date

*(Last date the sanction would be applied by Local Authority if claimant had remained on HB)*

Date

Sanction applied to date

*(The date the sanction applied up to is the date to which Local Authority payment has been paid with the sanction applied)*

Date

Sanction Amount

*(The weekly deduction applied to the Local Authority benefit)*

Amount £

Sanction percentage rate

*(20% or 40% based on the proportion of IS personal allowance rate used to calculate the sanction amount)*

Amount £

**5. Completion Section**

**UC MGP 1 Proforma has been completed for return to Universal Credit**

Local Authority Agent Name

Team

Date

**UC MGP 1 Proforma Received by Universal Credit**

Universal Credit Agent Name

Team

Date

**Annex C: LA action to complete UC MGP1 (LA) – Claimant information**

STEP	ACTION	NOTES
1	Access LA Mailbox and open the UC MGP1 (LA) email and attachment	Section 1 will have been pre-populated with the claimants details by the Universal Credit agent
2	Check UC MGP1 (LA) to see if closure action is required on HB, and action as required.	Business As Usual – follow current LA guidance for closure of HB.  <b>Note:</b> HB entitlement will end the day before the 1 <sup>st</sup> date of the existing claimants assessment period regardless of when in the month the couple form
3	<b>Check for current Deductions</b>	
4	Check Legacy system (s) for current debt deductions.  <b>If there are no current debt deductions, tick the ‘No’ box and go to step 7</b>	Business As Usual – follow current LA guidance to access systems/records and check for current debt deductions.  Only consider HB related debt currently being recovered by deduction from HB.  <b>Note:</b> Only the joining partner’s debt will be considered
5	Identify current debt.	Debt classifications: HB Fraud overpayments and recoverable HB overpayments. Only the above debt types are to be considered for recovery by Universal Credit.  <b>Note:</b> If joining partner was part of a previous joint HB claim, LAs to use own Business As Usual rules to apportion relevant amount of debt to joining partner.
6	Update Debt Section of UC MGP1 (LA) with current debt deduction details	If current debt deductions exist, the following information will need to be provided: debt reference, amount outstanding, date of decision, classification.
7	<b>Check for Sanctions</b>	
8	Check Legacy system (s) for Sanctions.  <b>If NO sanctions exist tick the ‘No’ box and go to Step 11</b>	Business As Usual – follow current LA guidance to access systems/records and check for current sanctions. Only check for Loss of Benefit Sanctions that have <b>not</b> expired before the Universal Credit Effective Date
9	Identify Sanction migration details	For LAs, the Sanction Reason is the justification for applying the sanction. For LAs, the only applicable Sanction Type is Loss of Benefit ( <b>due to fraud</b> ). Sanction Sub-type for a Loss of Benefit sanction is

		<p>either, Strike One, Two or Three.</p> <p>Sanction Period (start date) is the first date the <b>Loss of Benefit</b> sanction was applied to the Legacy organisation.</p> <p>Sanction Period (end date) is the date the <b>Loss of Benefit</b> sanction would be applied by the Legacy organisation, if the Claimant had remained on Legacy Benefit.</p> <p>Date Sanction Applied Up To is the date to which Legacy Benefit payment has been paid to with the Sanction applied.</p> <p>Sanction Amount is the weekly reduction (£s) applied to Legacy Benefit.</p> <p>Sanction Percentage Rate is 20% or 40% (based on the proportion of the IS Personal Allowance Rate used to calculate the Sanction Amount).</p>
10	Update UC MGP1 (LA) with sanctions to be migrated to Universal Credit	Update the UC MGP1 (LA) with details of each sanction to be migrated to Universal Credit
11	<b>Sign UC MGP 1 (LA)</b>	
12	Create email message(s) and attach completed UC MGP1 (LA)	<p><b>From:</b> LA secure mailbox – add own LA address</p> <p><b>To:</b> Universal Credit Shared Mailbox – <a href="mailto:LA-SST.HDD@DWP.GSI.GOV.UK">LA-SST.HDD@DWP.GSI.GOV.UK</a></p> <p><b>Subject:</b> Universal Credit MGP1, Expiry Date, NINO, Surname, Initial, RESTRICTED</p> <p><b>Email Body:</b> Attach completed UC MGP 1 (LA)</p>
13	<b>END</b>	

**Annex D: UC MGP 2 – Appeal Outcome Notification**

**UC MGP 2 - Universal Credit Migration Gather Proforma 2**

*Appeal Outcome Information*

**To be completed by DWP Benefit Centre/Local Authority**

**Claimant Details**

NINO

Surname

Forename

Middle Initial

DOB

**Appeal Information**

Appeal outcome Upheld   
Disallowed

Type of Appeal

Effect of Appeal decision on Legacy Benefit

Appeal start date  Appeal end date

**DWP Benefit Centre/Local Authority Agent**

Name

Telephone number

Team

## **Annex E: LA action to complete UC MGP 2 – Appeal outcome notification**

The outcome of an appeal against a legacy benefit decision may be notified after the claimant has been included on a Universal Credit claim.

The LA agent establishes the claimant's 'Universal Credit Effective Date' (using CIS or the MPG1). The LA checks if the period covered by the appeal is within 1 calendar month of this.

If the period of the appeal is within 1 month of the 'Universal Credit Effective Date' the LA agent must complete an MGP2 form, which must show:

- National Insurance number , name and date of birth of the claimant
- Appeal outcome – Upheld/Disallowed
- Type of Appeal
- Effect of Appeal decision on Legacy Benefit
- Appeal start date
- Appeal end date
- name, phone number and team of the person who completes the form

The LA agent sends the form as an attachment in the format:

- From: LA designated GSx/GCSx account
- To: [LA-SST.HDD@DWP.GSI.GOV.UK](mailto:LA-SST.HDD@DWP.GSI.GOV.UK)
- Subject: UC MGP 2, NINO, Surname, Initial, RESTRICTED
- Email Body: Attach the completed UC MGP 2

**Annex F: Q&A – Universal Credit change of circumstances affecting HB**

- 1) What is the process for receiving and returning the UC MGP1 (LA)?

The LA will be telephoned by a Universal Credit agent to identify the LA contact and secure email address to issue the form to. The LA should return the completed form to [LA-SST.HDD@DWP.GSI.GOV.UK](mailto:LA-SST.HDD@DWP.GSI.GOV.UK).

- 2) Which claimant's details should go onto the UC MGP1 (LA) form?

The 'claimant details' will be those of the joining partner, that is the existing HB claimant whose claim must be closed down so that the couple become part of one joint Universal Credit claim. The 'claimant detail's part of the UC MGP1 (LA) will be completed by the Universal Credit agent, so the LA will receive the form with that section pre-populated.

- 3) Should the LA close the HB claim even when information is awaited for a review of entitlement, reconsideration, appeal, or there is an on-going fraud investigation?

Yes the claim should be closed. The UC MGP2 should be used to notify the outcome to an appeal or reconsideration of a migrated HB claim.

- 4) The UC MGP2 is only interested in Appeal outcomes, how should the LA notify Universal Credit about an outstanding reconsideration?

'Appeal' includes reconsiderations and other such names used by LAs. All outcomes will need to be noted.

- 5) What should the LA do about any HB debts that are not being taken as current deductions from benefit?

For pathfinder only a current debt is applicable. The LA should not inform Universal Credit of debt that is not being currently recovered as the Universal Credit system cannot hold this information.

- 6) If the LA does not wish Universal Credit to take over recovering an existing debt, should the debt section be completed, and if so, how should the LA indicate on the form that the debt should not be recovered by Universal Credit?

If the LA does not wish UC to recover the debt, they should complete the 'No' tick box and leave the rest of the section blank. LAs are under no obligation to send outstanding/current debts (unless they are already being deducted via DWP).

7) Does the sanctions section include 'one strike / two strike' penalties?

The Sanctions section on the UC MGP1 (LA) covers all strikes.

8) If the HB claimant is in supported and exempt accommodation (SEA) should the LA close the HB claim?

In the event that the Universal Credit claimant moves in with a HB claimant residing in SEA then the HB claim should not be closed, as the housing costs for SEA cannot be covered by Universal Credit. In such cases, the LA should notify Universal Credit Service Centre that the claimant is in SEA so that the appropriate actions can be taken on the Universal Credit claim.

9) What is the position if the joining partner is close to pension age?

If the joining partner is within three months of Pension Credit age they will be given an option to go onto Universal Credit or Pension Credit.

10) The UC MGP1 (LA) does not require information about rent or rent arrears. It may be that a landlord direct payment was in place, or about to be put in place, to tackle rent arrears or vulnerable claimant issues. How will Universal Credit address the risk posed by paying all claimants direct?

During pathfinder all claimants will be offered help with managing their money. Where vulnerability issues and/or arrears of rent are identified, the claimant will have an interview to gain a greater understanding of their circumstances, establish the level of budgeting support needed and whether an Alternative Payment Arrangement (APA) is appropriate. This includes paying rent directly to a landlord. More vulnerable claimants will be offered budgeting support and this will be arranged by the LA who will determine the level and frequency of support and who is best placed to deliver that support. The intent is that claimants become financially independent over time and the relevance of any APA reviewed. Additionally, Landlords can refer rent arrears cases to Universal Credit; those which are under 2 months rent will trigger Universal Credit to contact the claimant to discuss their non payment as part of the Personal Budgeting Support process, where as those with over 2 months arrears will be switched to direct rent payment automatically and relevant budgeting support activity arranged subsequently.

11) Where can I get more detailed information about Universal Credit?

The Universal Credit Partners Toolkit is a web based product which is aimed at Universal Credit delivery partners and providers via [www.gov.uk](http://www.gov.uk). The Partners Toolkit quick guides are condensed reference material on Universal Credit. In addition the 'About Universal Credit' Help Centre also available via [www.gov.uk/uc](http://www.gov.uk/uc) will provide information that partner organisations, claimants and the general public need to know about Universal Credit.