



Together we serve the interest of more than a million homes in England

Under imposed embargo status until Tuesday 25 July 2017. 08:00hrs

**Pause for Thought
NFA and ARCH Call on Government to Halt Roll Out of UC as Problems Remain Unresolved.**

In a joint report, published today, the National Federation of ALMOs (NFA) and the Association of Retained Council Housing (ARCH) call on Government to halt to the roll out of Universal Credit (UC) and remove the 7 day wait period for new claims. Together the NFA and ARCH, who represent over a million council homes, voice strong concerns at Government's plans to accelerate the roll out UC despite evidence of the considerable hardship it is causing to tenants and communities.

Today's report '*Pause for Thought – Measuring the impact of welfare reform on tenants and landlords 2017 survey results*' has tracked the impact of welfare reforms on landlords and tenants. Clearly the problems associated with the UC rollout identified in previous research remain unresolved. Almost four years on from the initial introduction of UC in October 2013 our research shows that delays in the UC assessment process, poor communications between DWP and landlords, and the 7 day wait period continue to cause significant problems to both landlords and their tenants. Other issues such as digital access also present problems for 50-65yr old claimants.

Key findings include:

- Tenant rent arrears among UC claimants remain stubbornly high at **73%**, a total cost of **£6.68million**.
- Families with no previous history of rent arrears are being driven into debt, with **40%** of households accumulating rent arrears as a consequence of claiming UC.
- Households already struggling with rent payments are being driven deeper into debt as the average arrears amount for UC claimants has increased from £611.73 (March 2016) to **£772.21** (March 2017).

In general our members support the principles of UC and appreciate the value of encouraging individual responsibility; having introduced a variety of initiatives and projects to support tenants into work. Councils and landlords are also developing innovative practices including triage systems and employing additional support workers to identify and prioritise those households in greatest need.

However, it is clear that support provided to tenants by landlords alone is not sufficient to resolve the problems being experienced and is not scalable as the roll out accelerates

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across the country and many more families and children become a part of the Universal Credit system.

Eamon McGoldrick, NFA Managing Director says:

*'We are strongly urging Government/DWP to halt the roll out of UC and **'Pause for thought'** – until the system works properly for both claimants and landlords. Our members are supportive of the principles of UC and are willing to work with the DWP to find solutions to the problems identified within our survey. In the meantime we are calling on government to restrain its ambition to accelerate roll out UC over the course of 2017/18 and remove the 7 day wait period. '*

To date Councils and landlords have borne the costs of providing essential support to tenants transitioning onto UC. Whilst this has been manageable in small numbers (currently roll out stands at 2.6% of our tenants) the level and intensity of support needed can not be sustained by landlords alone as the roll out is set to increase rapidly over the course of 2017/18.

John Bibby, Chief Executive ARCH:

*'If the level of intensive support needed to vulnerable tenants is to be sustained during the planned rollout additional resources are essential. Councils and ALMOs are therefore calling on Government to create a **Transition Funding Pot** to enable councils and landlords to effectively manage the rollout of UC and adequately support vulnerable tenants. Without this increasing numbers of vulnerable households will drop through the net.'*

END

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Notes:

NFA -The National Federation of ALMOs www.almos.org.uk

There are 35 ALMOs (arm's length management organisations) across England managing 479,338 properties across 38 local authorities.

ARCH - Association of Retained Council Housing www.arch-housing.org.uk

Working on behalf of local authorities who own and manage their properties, we are here to get the best deal for councils and tenants.

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