

Rt Hon Stephen Timms, MP
Chair of the Work & Pensions Select Committee
House of Commons
London
SW1A 0AA

12th July 2021

Dear Stephen Timms,

Re: ARCH and NFA survey findings on the impact of Universal Credit on tenants and landlords

We are writing to let you know that we have published the latest results from the ARCH and NFA survey into Universal Credit and welfare reform, *Heads above Water*.

ARCH (the Association of Retained Council Housing) and the NFA (National Federation of ALMOs) together represent over 100 local authorities and ALMOs across England, which between them manage over a million homes.

The survey analyses data from 39 local authorities and ALMOs managing just under half a million social/affordable rented properties. We also compare data from 31 organisations that responded in 2020 and 2021 to look at the impact of the pandemic.

Firstly, it is worth saying that while the survey is very much focused on landlord experience, we do pick up some worrying indications of the impact of the pandemic on tenants living in local authority housing. For example, 77% of income managers reported the increased use of foodbanks/ increased fuel poverty; 77% had seen increased demand for support services, 74% had seen increased demand for hardship funds and 66% had seen increased demand for Discretionary Housing Payments.

Our survey shows that local authority households have, on average, avoided increasing their housing debt during the pandemic, with overall arrears and UC arrears remaining broadly stable, and in some cases, improving. It is clear that the combination of national governmental support, including furlough and the £20 uplift to UC, combined with the local intensive support provided by landlords to help tenants onto UC and sustain tenancies, has supported households in the local authority sector.

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Rents are, in the majority of cases, entirely covered by UC housing entitlement which also makes a big difference when compared with many households in the private rented sector.

However, our members have real concerns about maintaining this situation as the COVID-19 support mechanisms are gradually withdrawn, namely:

- The £20 a week uplift to UC has made a real difference to households living in precarious circumstances and removing it will leave a massive gap in household incomes when it is clear that foodbank use has increased.
- DHP pots were considerably higher in 2020-2021 and nearly all local authorities and ALMOs in our survey had concerns about meeting the same level of demand from DHP in 2021-2022 from smaller pots.

We have listed five key asks for DWP within our report:

- **Remove the five-week wait for the first Universal Credit payment.** Across our respondents, this was still by far the biggest change requested, and it continues to have detrimental impact on households. The advance loan is a complicated way of getting around the payment in arrears that puts people into debt from the beginning.
- **Retain the £20 uplift to Universal Credit.**
- **Remove the benefit cap and under-occupancy penalty.**
- **Support social housing landlords in their role of providing employment and training services.**
- **Build at least 90,000- 100,000 new socially rented homes a year to widen access to genuinely affordable homes.**

If you have any questions or would like further information, please contact Chloe Fletcher, NFA Policy Director at chloe.fletcher@almos.org.uk or 07526 171033.



John Bibby,
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Sarita-Marie Rehman-Wall
Chair
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