

The Rt Hon Mel Stride MP
Secretary of State for Work and Pensions

6 September 2023

Dear Rt Hon Mel Stride MP,

ARCH/NFA survey on the cost-of-living crisis and council tenants and Managed Migration

We are writing to share with you the findings from our recent survey into the impact of the cost-of-living crisis on families living in council housing. The survey uses data from 28 local authority and council housing management organisations across our membership, which between them manage around 300,000 council homes (around a third of the local authority sector).

Our report, [On the edge: cost-of-living findings from the council housing sector](#) finds:

- **Increased use of foodbanks**
- **Increased demand for hardship funds and support**
- **Increased rent arrears**

Survey respondents gave very clear reasons as to why households are struggling:

- **Income through work and/or benefits is not enough to meet the cost of essentials.**
- **Deductions from benefits are further reducing the amount some households have to live on.**
- **Increases in food, utility bills, petrol and other bills.**
- **Households are too poor to absorb financial shocks or changes to their circumstances.**
- **Universal Credit does not work for those in insecure, low-paid, fluctuating or short-term employment.**
- **Some households have built up debts that they are trying to prioritise.**
- **Increasing households with mental health conditions and other vulnerabilities that impact on their ability to cope in already difficult circumstances.**

Households living in the social rented sector are more likely to be in vulnerable groups than in other tenures and have therefore had the most exposure to the cost-of-living crisis. Half of households in the social rented sector are in the lowest income quintile, over half have at least one household member with a long-term illness or disability; 10 per cent have experienced homelessness; and 18 per cent are lone parent households.ⁱ

Association of Retained Council Housing
4 Riley Court, Millburn Hill Road
University of Warwick Science Park, CV4 7HP
Tel:024 7647 2711

info@arch-housing.org.uk
www.arch-housing.org.uk
@ARCH_housing
Company Reg.No:07970258

National Federation of ALMOs
4 Riley Court, Millburn Hill Road
University of Warwick Science Park, CV4 7HP
Tel:024 7527 1868

info@almos.org.uk
www.almos.org.uk
@NFA_ALMOs
Company Reg. No:6781539

Around half of 16-64 year olds living in social housing work, although they are more likely to be significantly disadvantaged in the labour market, as shown in the Institute for Employment Studies and Learning and Work Institute authored report, Building Opportunity.

We recognise that the government has provided a package of support for low-income households over the last few years, but our findings show that this has not been enough for the poorest households in the local authority sector, and as the funding for Discretionary Housing Payments has been cut by £40 million and then frozen until 2025 we are deeply concerned about councils' ability to help these families as we move towards another autumn and winter of high bills.

Rather than a short-term pots of money, we urge government to reform Universal Credit to make it fit for purpose and:

- **Stop paying Universal Credit in arrears.**
- **Increase the basic Universal Credit element to cover the essentials of living.**
- **Establish a minimum income below which UC payments must not drop, ending deductions that push households towards destitution.**
- **Take practical steps to improve Universal Credit for those in short-term, fluctuating employment.**

Managed Migration

The NFA and ARCH are also part of DWP's Social Rented Sector Landlords group which is discussing the practical challenges of moving claimants from legacy benefits to Universal Credit. We have some concerns about how the policy is being developed to support vulnerable claimants in council housing and would urge some policy changes to help support vulnerable claimants during the process. These include:

- Reviewing the timescales for those who are due to migrate January-March of each year so that they can migrate after the annual rent increase and benefit uprating.
- Extending the three-month period a claimant has to apply for Universal Credit once they receive notice to do so; and not ending the claim at the end of that period until DWP has got to the bottom of why the claim has not been made.
- Fully develop the support and protection for vulnerable households before scaling up the migration so that no vulnerable household is left without a means to live.
- Delay or cancel direct deductions for historic debts.

Association of Retained Council Housing
4 Riley Court, Millburn Hill Road
University of Warwick Science Park, CV4 7HP
Tel: 024 7647 2711

info@arch-housing.org.uk
www.arch-housing.org.uk
@ARCH_housing
Company Reg. No: 07970258

National Federation of ALMOs
Octavia House, Westwood way
Coventry, Cv4 8JP
Tel: 02476 851729

info@almos.org.uk
www.almos.org.uk
@NFA_ALMOs
Company Reg. No: 6781539

We also recommend practical changes that will assist social landlords to support tenants through the process which include:

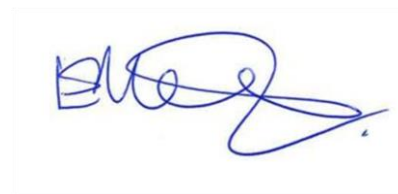
- Putting in place a data sharing agreement with local authorities and ALMOs to provide them with details about which households will be affected and when, to allow targeted support.
- Reviewing social landlords' ability to act on behalf of tenants (in such cases where they require assistance).
- Improving the two-way communication between landlords and DWP so that landlords can more easily rectify issues with managed migration cases.
- Providing clear communication to households that the housing element will be paid to them and they are responsible for paying rent unlike under Housing Benefit.
- Allowing the setting up of an APA as soon as tenants migrate if the tenancy is at risk.
- Considering whether on the managed migration notice households could be directed to their social landlord for help completing the claim.
- Clearly communicating that households should make a new claim for Council Tax support at the same time.

We would very much appreciate the opportunity to meet with you to discuss both our report findings and recommendations and policy suggestions on improving the managed migration process for claimants. We look forward to hearing from you.

Yours sincerely



Paul Price
Chief Executive – ARCH



Eamon McGoldrick
Managing Director - NFA

CC: Guy Opperman MP, Minister of State (Minister for Employment)
Tom Pursglove MP, Minister of State (Minister for Disabled People, Health and Work)
Mims Davies MP, Parliamentary Under Secretary of State (Minister for Social Mobility, Youth and Progression)

CC: Neil Couling, Change and Resilience Director General and SRO Universal Credit

ⁱ English Housing Survey, Social Rented Sector 2020-21.