

## NFA and ARCH survey reveals 89% of Universal Credit Claimants in rent arrears

Survey [results](#) published today (17 December 2015) by the National Federation of ALMOs (NFA) and the Association of Retained Council Housing (ARCH) show that since its roll out across England from April 2014 89% of Universal Credit (UC) claimants have accumulated rent arrears, with 34% subject to an alternative payment arrangements (APA). Both the NFA and ARCH are extremely concerned about the proportion of tenants falling into rent arrears, and the subsequent level of hardship this is causing for UC claimants.

The [research](#) reveals that the current 6 week assessment period for UC claims combined with the initial 7 day waiting period is having serious consequences on tenants' ability to maintain rent payments, and is the primary reason for the rent arrears occurring.

This leads the NFA and ARCH to jointly urge government to:

- 1. Abandon the current 7 day waiting period for UC entitlement, and**
- 2. Speed up the UC assessment process to 3 weeks. Bringing UC processing periods closer to the 2 weeks usually achieved for Housing Benefit.**

Hugh Broadbent, NFA Chair says:

*'These survey findings are very concerning for everyone involved in managing social housing in this country. In his Ministerial Foreword to the [UC Social Landlords Support Pack](#), published this week, Lord Freud acknowledges the important role social landlords are playing in supporting tenants in receipt of UC. Yet despite our best efforts the proportion of UC Claimant in rent arrears (89%) evidenced by our survey is shocking and shows that changes need to be made to the way in which Universal Credit is processed and delivered as it is rolled out to more areas this year.'*

Today's [report](#) also identifies a number of procedural issues that are compounding the situation. The most common problems reported were not receiving timely notification of tenants going on to UC (described as 'frequently' or 'sometimes' a problem by 96% of respondents), claimants experiencing hardship while waiting for their first payment (95%), payments of UC being delayed (82%) and the housing element of UC being calculated incorrectly or omitted entirely (82%).

This has led the NFA and ARCH to renew earlier calls for 'direct payment' to landlords to be made available as a choice for all tenants.

John Bibby, Chief Executive ARCH advises:

*"In response to the worrying findings of our member survey we are collectively pursuing the issue with the DWP, as a matter of urgency. We have written to DWP Officials requesting a meeting to discuss the results. It is important we work together with Government to explore all available solutions to this problem and reduce the hardship being felt within our communities."*

**END**



## Related documents:

### DWP Universal Credit: Extended Gateway Evaluation Report:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/481865/universal-creditextended-gateway-evaluation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/481865/universal-creditextended-gateway-evaluation.pdf)

### DWP Universal Credit Social landlord Support pack:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/393805/uc-social-landlordsupport-pack.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/393805/uc-social-landlordsupport-pack.pdf)

### Notes:

Today's report summarises the findings of a survey of NFA and ARCH members, who together represent more than 1 million council homes in England. The research was conducted during October and November 2015, and is part of a series of reports tracking the impact of wider welfare reforms on local authority and ALMO rent arrears performance, since they were introduced in 2013. In total 36 organisations, responsible for managing a total 386,000 homes, responded to the survey. Of these 26 are ALMOs and 10 are local authorities.

Survey findings can be found here: [www.almos.org.uk](http://www.almos.org.uk) and at [www.arch-housing.org.uk](http://www.arch-housing.org.uk)

### NFA -The National Federation of ALMOs [www.almos.org.uk](http://www.almos.org.uk)

There are 39 ALMOs (arm's length management organisations) across England managing 542,808 council homes across 42 local authorities.

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### ARCH - Association of Retained Council Housing [www.arch-housing.org.uk](http://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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