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New survey shows hard-pressed local authority landlords are subsidising Universal Credit

“This level of intense support from social landlords just isn’t sustainable.”

Universal Credit is draining cash and resources from already hard-pressed councils and their not-for-profit housing companies.

The highly respected fourth annual Universal Credit survey from the National Federation of ALMOs and the Association of Retained Council Housing is published today (Monday 15 July).

Patching the net: Measuring the impact of Universal Credit on tenants and landlords shows that households on the new benefit are still significantly more likely to have housing debt than those on Housing Benefit, and they also owe more.

But the figures would be even worse, suggests the data from 39 of England’s councils and council-owned housing management ALMO companies, if local authorities weren’t plugging the gaps with their own staff, training, IT investment and cash.

“We cannot stress enough how much time it takes and how much it costs NFA and ARCH members to cope with the impact of Universal Credit,” said the NFA’s Policy Director Chloe Fletcher.

“Councils and their management companies have had to innovate and come up with countless work-arounds to make sure arrears don’t escalate and tenants are able to keep their homes when they move onto the new benefit system.”

“This level of intense support from social landlords just isn’t sustainable as Universal Credit rolls out and the government starts to move existing benefit claimants onto UC.”

“Council housing budgets are already under enough pressure from the cuts in rental income imposed upon them by Government for the past four years. We are calling for government to both improve the way it administers UC and to fund social housing organisations to provide the support tenants need during the transition to UC.”

Two council landlords estimate that Universal Credit has added upwards of £200,000 each more to their housing management costs in the previous 12 months. While others found it difficult to disentangle precise UC costs from their routine housing and social support work, most reported that they had taken on extra staff or bought new IT systems to cope with the problems cause by welfare changes.

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Since the NFA-ARCH annual UC survey was first published in 2016, it has become a trusted source of information about the impact of welfare reform. Its evidence has played a critical role in a number of recent changes to UC policy, including the removal of the seven-day waiting period, the run-on of Housing Benefit, and the development of the Landlord Portal which makes direct contact with DWP possible.

The Chartered Institute of Housing's Chief Executive Terrie Alafat CBE, welcoming the report's findings, said: "This report is timely, showing as it does that Universal Credit as it stands isn't working as it needs to.

"Far from supporting people into work, it is leaving some of the poorest people having to choose between rent and food. And the burden is falling on already hard-pressed councils and their not-for-profit housing companies."

"These councils are doing great work, despite the obstacles the system places in their way. It's time for the government to review the impact of Universal Credit and this report indicates the key issues to address as a start."

Note to editors:

Case studies from a range of named councils and council-owned housing management companies are available. as are interviews with key figures in the sector. Please contact lisa.birchall@almos.org.uk or cheryl.stonehouse@almos.org.uk for further information and contact details.

The full report, *Patching the net: Measuring the impact of Universal Credit on tenants and landlords*, can be downloaded [here](#).

The National Federation of ALMOs (NFA) represents England's 31 arms-length management organisations (ALMOs). ALMOs are not-for-profit council-owned housing companies that **manage nearly 420,000 council homes across 34 local authorities**.

First established in 2002 as part of the Government's Decent Homes programme, ALMO companies now work with their parent councils to deliver diverse housing services. These range from new-build development to support for residents' employability, financial resilience and health and well-being.

ARCH is an association of councils in England who have retained ownership and management of their council homes and works on their behalf to get the best deal for councils and tenants. **About 100 local authorities still own and manage around 800,000 homes**, and ARCH's aim is to make sure that a positive future for council housing is secured.

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