

HAILO

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# WORK AND WELFARE REFORM

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Impacts in the  
South West

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Baseline report  
March 2014

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# Introduction

## About HAILO

The chief executives of eleven leading housing organisations in the south west have come together to form influencing group South West Housing Association Influence and Leadership Organisation (HAILO). The member organisations own and build homes across the region and collectively have a turnover of £900m, with 201,000 homes in management and 13,200 new homes in development to 2015.

The members of HAILO are:

- Aster
- Curo
- DCH
- Green Square
- Knightstone
- Magna
- Plymouth Community Homes
- Sovereign
- Spectrum
- Westward
- Yarlinton

As well as homes for rent, HAILO members build homes for shared ownership, market rent and sale; over the next three years, HAILO members will build around 30% of all new homes in the South West. The ratio of private finance to public sector investment in this building programme will be 6:1; collectively HAILO members will be making a capital investment of £1.7 billion in the region and directly generating 20,000 new jobs through development activity.

HAILO is complementary to other bodies such as the National Housing Federation and the South West Housing Initiative. It is committed to working with other housing associations in the region, collaborating on shared agendas, contributing their knowledge, expertise and resources to make the case for investment, research and innovation in affordable housing.

HAILO is developing relationships with central government, LEPs, local authorities, housing bodies and mortgage lenders to raise the profile of a range of key issues. These include the economic case for future housing provision, investing in new affordable homes, the impact of welfare reform and the impact of housing organisations on health and well-being.

## About LSE Housing and Communities

LSE Housing and Communities is a research unit within the Centre for Analysis of Social Exclusion (CASE) at the London School of Economics led by Professor Anne Power. CASE is a multi-disciplinary research centre which focuses on the exploration of different dimensions of social disadvantage, particularly from longitudinal and neighbourhood perspectives, examining the impact of public policy. We aim to understand the social dynamics of disadvantaged neighbourhoods; promote models of housing and neighbourhood management; develop ways to support community and resident self-help action, especially in social housing areas; and shape government policy.

## Work and welfare reform: the project

In 2013, members of HAILO commissioned the London School of Economics and Political Science (LSE) to conduct an 18 month longitudinal study looking at how the government's welfare reform programme will influence tenants' work opportunities throughout the South West region.

Recent welfare reforms are intended to encourage benefit-dependent households to become more self-reliant, find and hold down work and take up training opportunities. HAILO has commissioned this research to look at whether the government's policies are delivering the expected outcomes, and what we as affordable landlords can do to support our residents.

The research will provide HAILO members with independent and respected empirical evidence of what's working and what is not. This will enable HAILO to demonstrate to Government the adjustments needed in order to ensure that reforms truly lead to fulfilling employment for those who can work, while providing a fairer system for those who can't.

# Acknowledgements

This interim baseline report outlines the findings of the first stage of the project, providing a snapshot of tenants' circumstances at the beginning of welfare reform. The final report will be published in the autumn of 2014.

This interim report was prepared by Anne Power, Bert Provan and Eileen Herden at LSE Housing and Communities with support from Nicola Serle and Emma Glassey. We would like to thank the members of the HAILO working group for regularly meeting with us to advise and support the research and provide valuable information on the impact of welfare reform in their areas and within their organisation. Thanks to Paul Smith (Aster Group), Clare Powell (Sovereign Housing Association), Lynette Nigh (Knightstone Housing Association), Jim Bruckel (Yarlington Housing Group), Sue Shaw (Plymouth Community Homes), Tom Woodman (DCH), Rob Webber (Spectrum Housing Group), and particular thanks to Victor da Cunha, David Clarke, Rita Waligo and Laura Marsland from Curo for supporting the research.

We owe special thanks to the 200 tenants who gave their time to share their experiences. Work, financial management and welfare reform are difficult subjects and we very much appreciate the participants' willingness to share their stories. Welfare reform is work in progress and households are constantly changing to adapt to new situations. As a result we fully acknowledge the limitations of this work and accept full responsibility for any mistakes, misleading or incomplete information. We hope that this longitudinal research begins to present valuable evidence on how policy is playing out in people's lives.

# 1 Executive summary

Welfare reforms will prompt many social housing tenants to make fundamental changes around their choice of jobs, housing, and how they manage their money day to day. LSE Housing and Communities has been asked by nine housing associations in the South West of England to understand these changes from a tenant's point of view.

This is the baseline report of a longitudinal study commissioned by the South West Housing Association Influence and Leadership Organisation (HAILO). The study aims to monitor the emerging consequences of benefit changes on working age social housing residents as these reforms progress. By following 200 social housing tenants across the South West over an extended period of time, the research will eventually answer three main questions:

- Does welfare reform encourage people who are currently unemployed into work?
- Does welfare reform encourage people who are currently working to work more?
- What are the main barriers to work for tenants and why do some tenants opt not to work?

The survey will also monitor responses to particular benefit changes, financial management strategies, and levels of connectivity and digital inclusion among social housing tenants over time.

This report sets out the findings from the first stage of our longitudinal survey of 200 working age social housing tenants against which future waves of interviews will be compared. The baseline report aims to provide a snapshot of tenants' circumstances at the beginning of welfare reform by identifying the demographic makeup of social housing tenants in the South West, their work status, the barriers to work tenants face, their financial situations and management strategies, and their understanding of welfare reform.

From June 2013–October 2013, LSE Housing and Communities carried out 200 telephone interviews in ten sites across the South West of England. Researchers took care to reflect the demographic as well as the geographic spread of the region.



**The majority of tenants cited disability or ill health and caring responsibilities as the main barriers to work**



Urban, suburban, coastal areas and rural towns and villages were chosen from around the region, and tenants were randomly contacted to participate in semi-structured interviews ranging between 20–45 minutes.

## Overview of baseline findings

### Employment, barriers and attitudes to work:

- Fifty-seven per cent of households interviewed said they currently have no-one in work. The majority of tenants cited disability or ill health and caring responsibilities as the main barriers to work. Half of the tenants interviewed said they had spent most of their lives in work. Of the rest, 38% said they had worked intermittently and 12% that they had never worked.
- Four fifths of the tenants interviewed think it is difficult to find work. Lack of relevant experience, lack of qualifications, and low confidence make finding work difficult. Tenants also feel that work options are limited for people with low skills. Jobs in cleaning, chain supermarkets and health-related care are in high demand, but are usually part-time, low wage and oversubscribed. Work seems to be hardest to find for tenants in their twenties and fifties.
- Low wages, insecure contracts and worries about signing off and back on to benefits were also mentioned as barriers to moving off benefits. Some tenants feel working makes their income unpredictable which risks rent and utility arrears. Travel costs are a disincentive, especially in rural areas where a car is essential to reach jobs.
- There are differences between areas in terms of access to transportation and local services, as well as in labour market composition. Tenants in urban areas feel they are often competing with students and “foreigners” (including those not from the region) for low-paid, casual jobs. Tenants in coastal areas find seasonal work difficult to manage financially, and tenants in rural areas have to travel to access jobs in surrounding towns and cities.
- Working tenants generally enjoy their jobs and are happy to be employed, but worry about their job security and the stability of their income. 83% of household with someone in work are also receiving benefits.



**67% of tenants interviewed said they did not feel well informed about welfare reform**



#### **Welfare reform and financial management:**

- Sixty seven per cent of tenants interviewed said they did not feel well informed about welfare reform, even though almost half of the tenants surveyed (96 out of 200) had already been affected by changes to their benefits, most often through new Council Tax payments or the ‘bedroom tax’.<sup>1</sup> Fifty two per cent of tenants had heard of Universal Credit and the great majority worried about monthly payments and the impact on their budgeting arrangements. The great majority of tenants disliked the idea of the housing cost element of Universal Credit being paid direct to them.
- The bedroom tax is having a widespread impact. This along with other benefit changes and the increasing cost of living is leading tenants to rely on a range of coping strategies including cutting back on food, utilities and other household goods, dipping into savings, selling their belongings and borrowing money. Family members of those affected are often trying to cover additional costs by lending money, buying food and providing other in-kind services.
- Many tenants face a combination of testing problems. Several tenants affected by the bedroom tax, for example, also suffer from a long-term disability, find it hard to manage their finances, and are falling into arrears.
- Tenants report they are starting to lose confidence in their ability to manage their finances. Sixty two per cent of tenants reported falling or stagnating incomes at the same time as increased cost of living, and 190 out of 200 tenants said they were struggling or just managing financially. Tenants say they are making do with less and feel under pressure.
- Seventy nine per cent of tenants interviewed described their current situation as difficult. Tenants deal with a variety of hardships on a regular basis, including ill-health, caring responsibilities, financial pressures, anxiety around benefit receipt and changes, low-paid work or unemployment, and life events such as divorce.
- Levels of ill-health are high among social housing tenants. More than half of the tenants we spoke to said they were suffering from physical or mental ill-health and 44% of tenants were either receiving Disability Living Allowance or Employment Support Allowance.

<sup>1</sup> Also called the ‘Spare Room Subsidy’ but referred to throughout this report as ‘bedroom tax’.



**It’s been really difficult because we don’t have any spare rooms!**



## **Looking ahead**

A second round of follow-up interviews will begin in April 2014, a full year after the first wave of current changes to the benefit system. The research will follow up with tenants to see how they are managing and to monitor changes in residents’ employment statuses. In addition case studies will be conducted with ten families around the region to gain an in-depth understanding of their work histories, how they organise their income and make decisions around work and work incentives. The introduction of the universal credit pathfinder in Bath in February 2014 provides an early opportunity to follow the effects of the wider reforms on social housing tenants in the South West. We hope this research will also extend through to the eventual roll out of universal credit.

### **1. Tenant portrait | Urban area**

Mr Burton is a carer for his life-time disabled wife. The couple live with their teenage daughter. The family is paying the bedroom tax on one spare room, but the under occupation will worsen by the end of September when their daughter leaves for university. Due to his wife’s disability Mr Burton needs his own bedroom, and the couple also have overnight carers stay four times a week. Mr Burton is very stressed by the changes.

*“It’s been really difficult because we don’t have any spare rooms! As a carer I need to use one of the bedrooms because my wife needs to sleep in the other and my daughter is in the third. We also have overnight carers but they only stay four nights a week. I’m not coping well at all and it’s put huge strain on my relationship with my wife. I tried to end my life in April, I was under so much pressure. My daughter will be leaving for university soon and I’ll have to pay even more.”*

Before he was a carer for his wife, Mr Burton worked in retail and volunteered at local schools. Mr Burton currently feels very isolated and says that if things were different he would very much like to get out of the house and work again.

*“I would love to get out and work ... I’d like to get back into*





**We've had to cut back on everything, all the essentials**



education again, anything creative, [but] my caring work has run me into the ground.”

The family is trying to cope with their reduced income by cutting down completely on their energy use, buying cheap food and not using their car.

“We've had to cut back on everything, all the essentials. We are really limiting how often we shower to just once or twice a week. We can't go out and visit family and friends because it's too expensive. We've cut back on heating and other energy spending.”

Mr and Mrs Burton have noticed cuts to local services, in particular what is available locally in terms of community nurses and support.

“My wife has a wound on her shoulder and the district nurses no longer provide dressings. So we have to buy these. We used to get the same nurse coming every time but they've run low on funding and now we have a different nurse every time. Which is difficult.”

## 2

## About the research

This research has been commissioned by the Housing Association Influence and Leadership Organisation (HAILO), a group of 9 housing associations in the South West of England. HAILO's members build homes and provide services across the region and collectively have a turnover of £900 million, with 201,000 homes in management and 13,200 new homes in development to 2015.

As their first major project, HAILO have commissioned LSE Housing and Communities to conduct a longitudinal study of 200 of their tenants around the region to monitor the effects of the government's welfare reforms. The research in particular focuses on how the reforms affect tenants' work incentives and work opportunities throughout the region.

### Method

This report sets out the baseline finding of our longitudinal study of 200 working age social housing tenants in the South West of England on the topic of work incentives, finances and welfare reform. The South West provides an interesting context for this research due to its varied local economies, geography and urban to rural spread. Our methods were developed in order to capture this diversity.

We set out to identify five types of area with clusters of social housing – urban, suburban, coastal, small town and rural village – that covered the geography of the South West, had a significant amount of social housing stock and included residents from all nine participating housing associations. An analysis of the make-up of the region and distribution of population identified Bristol and Bath and North East Somerset as good choices to represent urban and suburban areas; Plymouth and Torbay to cover higher density coastal areas; South Somerset and North Dorset to cover rural towns; and two villages in Wiltshire to provide evidence for the rural village area.

Within the five broad area types we narrowed down the geographic scale to focus on two sites in which to conduct the interviews per area. We selected sites with 150 or more



## The research focuses on how the reforms affect tenants' work incentives and opportunities



properties, covering a variety of stock characteristics such as purpose built, mixed development and ex-council. We selected the ten sites listed below:

### Urban

- Bristol city centre
- Bath city centre

### Suburban

- Twerton, Bath
- Hartcliffe and Whithywood, Bristol

### Coastal

- Plymouth
- Torbay

### Rural town

- Yeovil, Somerset
- Gillingham, North Dorset

### Village

- Purton, Wiltshire
- Pewsey, Wiltshire

We developed and piloted a questionnaire to gather information on the baseline profile of 200 tenants of working age. This questionnaire was designed to answer the study's key interests around work and welfare reform. The main topics covered household characteristics, work history and work status, attitudes to work and training opportunities, benefit receipt, knowledge of welfare reform, financial management, and questions around transportation and digital inclusion.

All working age tenants in the ten research sites were contacted by their respective housing association in early May 2013 to introduce the research and the possibility that they may be contacted by the LSE. LSE researchers then contacted tenants by telephone between June and October 2013 and interviews lasted between 20 and 45 minutes. Interviews were conducted throughout the day and early evenings during the week, and on Saturdays to ensure a representative sample of tenants.

The survey findings were coded and entered into an Excel database. Answers to open questions were transcribed and analysed thematically. 200 tenant vignettes were written up summarising each interviewee's background and experience of work and welfare. Ten tenant portraits were developed to provide greater insight into different tenants' situations, and are presented between the chapters throughout this report.



## Our sample is in line with regional and national data



We have ensured that our methods are robust within the limitations of a qualitative study, in the following ways:

1. We developed a stratified sample of tenants to reflect the wider demographic make-up of the region.
2. Our random sample is in line with the demographic profile of tenants provided by the nine participating housing associations, as well as regional and national data on the make-up of social housing tenants.
3. Our typology of areas – urban, suburban, coastal, rural town and rural village – was developed to reflect a cross section of the region.
4. We devised a sampling method to reflect tenants from all nine participating housing associations, and tenants are equally represented in all five areas.
5. We chose two sites per area in order to match the range of property types, access to services and job markets. Each site had a concentration of at least 150 properties from which randomly interviewed 20 households.
6. Trained LSE researchers randomly telephoned over 2500 tenants in the chosen areas at varying times in the day to ask them to participate. All interviews followed the baseline questionnaire.

All of these factors strengthen our confidence in our stratified random sample of working-age social housing tenants in the South West. The following chapters outline the baseline findings against which future waves of interviews will be measured.

## 2. Tenant portrait | Suburban area

Ms Barrett is a full-time teaching assistant who is struggling through the lower paid summer holidays.

*"I could do my job better if the pay was better ... It's seven hours a week I don't get paid for in the school holiday. That's 28 hours a month that I don't get paid. I really struggle and it affects my work."*

The lower pay is especially difficult at the moment because

“  
I’m not living,  
I’m surviving  
at the moment  
”

she is now paying the bedroom tax which she worries she won't be able to cover in August.

“It’s been really difficult especially not being paid my full wage over the summer holidays. I’ve been in touch with the housing association because I won’t be able to cover my August payment. I’m not living, I’m surviving at the moment.”

She has had to borrow money from friends and is reducing bills by cutting back on water, food etc. She has struggled significant with utility bill arrears in the past.

“Without a doubt cost of living has gone up. The bedroom tax comes together with my lower summer wage. Last month I had 25p in my bank account! I had a water meter fitted, I don’t flush toilet but catch water from the shower and use it to flush, don’t use central heating, don’t eat very much ...”

She is angry that she is being hit by the bedroom tax because she feels that she does not need to be incentivized to work.

“I have been hit by the bedroom tax and I work full-time! I feel like I’m being punished and I work full-time. I don’t understand it.”

### 3

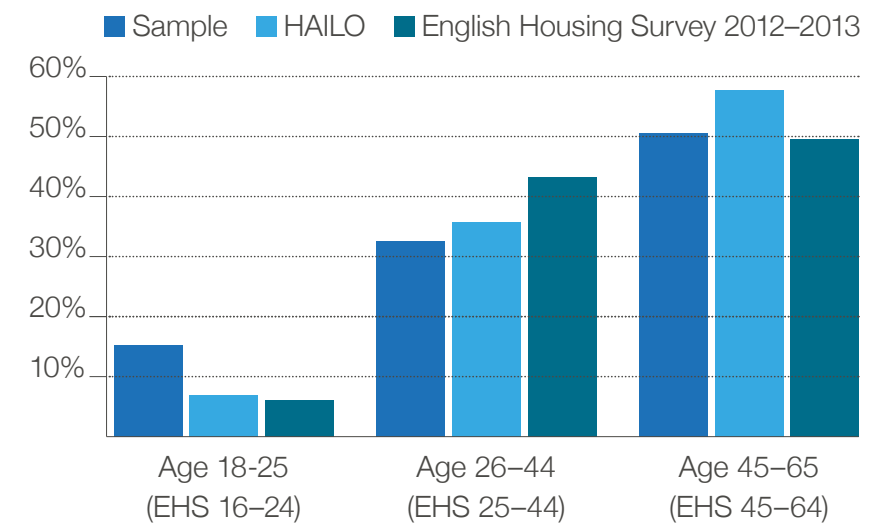
## About the tenants

We interviewed 200 working age social housing tenants across the South West in the summer of 2013 to establish baseline data against which to measure future waves of interviews.

### Age and gender

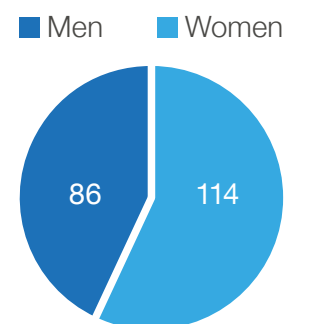
The age distribution of the tenants we interviewed broadly aligns with tenants living in HAILO properties and social housing tenants nationally. Figure 1 shows the comparison between the sample of 200, tenants in the nine housing associations as a whole (HAILO), and social housing tenants in England. Tenants contacted in their sixties were often receiving pension payments, disqualifying them for the working age sample.

Fig. 1 | Age comparison



More women than men were interviewed in the sample at 57% (fig. 2). This gender split is characteristic of social housing tenants nationally, the English Housing Survey reporting women making up 56% of social housing tenants in 2011-2012.

Fig. 2 | Gender





“  
**39% of tenants are living alone and 19% are single parents**  
 ”

## Household composition

The household composition distribution of our sample of 200 tenants is shown in fig. 3 compared to all HAILO tenants and English social housing tenants as a whole. The figure shows that our sample is very much in line with the 128,408 households managed by the nine commissioning housing associations (HAILO), as well as with social housing tenants nationally as reported by the English Housing Survey (2011–2012). The two most common household groups are tenants living alone at 39% and single parents at 19%. This is similar to findings of Hills (2007) who shows that nationally 43% of social housing tenants are living alone and 18% of social housing.

**Fig. 3 | Household composition comparison**

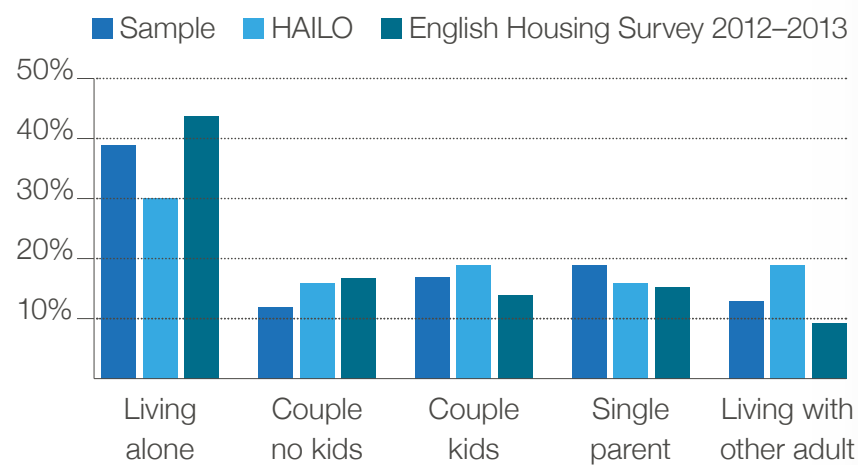
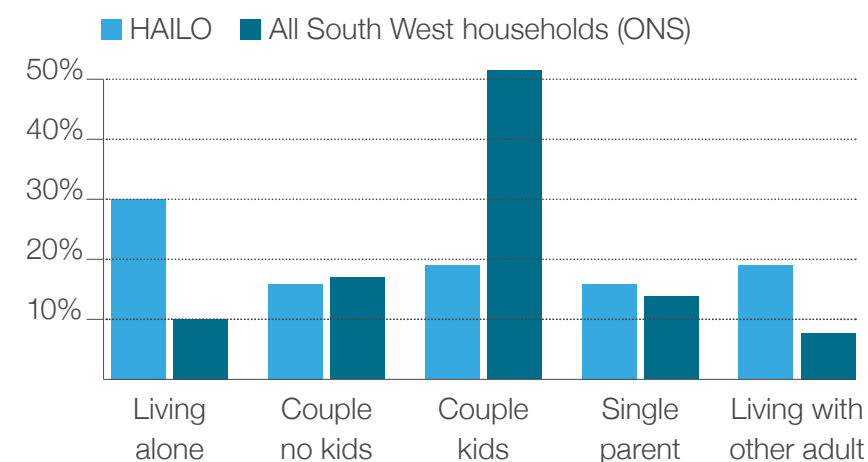


Fig. 4 shows the household composition of HAILO social housing tenants compared to the population of the South West as a whole. The table shows that more social housing tenants live alone or are single parents, or live with other adults, compared to the regional figures. The South West’s population as a whole is more likely to have a traditional family structure comprising a couple with children. Differences in household composition between social housing tenants and the general population is most likely due to the nature of tenants living in social housing and their particular needs and vulnerabilities.

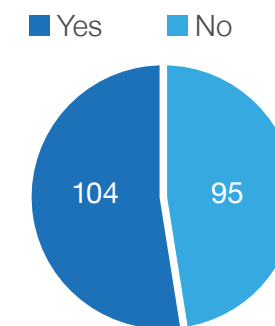
**Fig. 4 | Household composition**



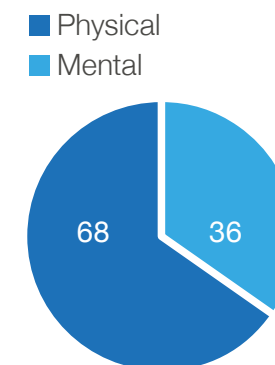
## Disability

Fifty two per cent of tenants stated that they were in ill-health or had a disability (fig. 5). This is higher than the registered level of disability among HAILO tenants, which according to aggregated housing association records of the nine participating organisation is 20%, and higher than the region as a whole, with 19% of the population claiming their day-to-day activities are limited by their health (ONS 2011). Hills (2007) finds similarly high levels of disability among social housing tenants nationally, with 43% of households claiming at least one member ill health or with a disability.

**Fig. 5 | Disability**  
199 responses



**Fig. 6 | Type of health issue**  
104 responses



The breakdown in fig. 6 shows that instances of mental ill-health mentioned by tenants are also high, with 35% of interviewees reporting that they struggle with mental health issues. Many more tenants reported anxiety and stress related issues.

“  
I’ve been in the  
work programme  
every week for the  
past two years and  
I’m still out of work  
”

## Summary

The demographic composition of the tenants interviewed show that the sample is broadly representative of tenants in the nine housing associations across the South West and of social housing tenants nationally. The sample also shows that there are several areas in which the profile of HAILO social housing tenants differ from the regional population. In particular:

- More social housing tenants are living alone.
- More social housing tenants are single parents.
- More social housing tenants are living with adults who are not their partners;
- There are higher levels of disability and ill-health among social housing tenants.

### 3. Tenant portrait | Urban area

Mr Grove is 60 years old and has been unemployed for three years. He is currently on basic job seekers allowance. He has a varied employment history in both manual and service work. He recently completed a long period in the work programme but continues to be unemployed.

“I’ve been in the work programme every week for the past two years and I’m still out of work. My debt has gone up and I’ve done everything that I’ve been told to do. I’ve done training, the work programme, applied for jobs every week and still no job.”

Mr Grove has been hit by the bedroom tax and spent the remainder of his savings on the first three months additional rent. He has now had to go into arrears and worries about being evicted.

“I’m not paying the bedroom tax. I just don’t have any surplus money. I have one spare room. I’m falling into arrears and the end result may be that I’ll be homeless. I’ve had to use all my savings to cover my expenses while I’ve been unemployed over the last two years. I think eventually I’ll be in serious trouble with the housing association if my debt builds up. There are

“  
I’m falling into  
arrears and the  
end result may be  
that I’ll be homeless  
”

hundreds of others looking for a one bed flat – I don’t think I’ll be a lucky one.”

Mr Grove is beginning to feel very negative about his situation and is seeking out mental health support. He believes he may be homeless in six months. He feels his age and physical limitations stop him from getting work. He has applied to switch to a one bedroom apartment but has been told that this will not be possible in the near future.

# 4

## Work experiences

We asked 200 social housing tenants about their work histories, the barriers to work people face and what they thought about working in their area more generally.

### Work status

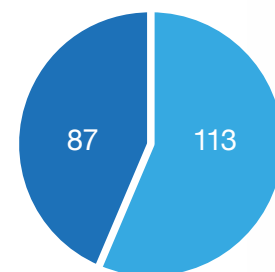
Fifty-seven per cent of tenants said they had no-one working in their household, compared to 33% with one person in work and 10% with two or more in work (fig. 7).

Asking more directly about the employment status of the interviewee, 71 people (43%) were in either full or part-time work, and 41 were actively looking for work on a weekly basis (fig. 8). The English Housing Survey shows 49% of all social housing tenants in full or part-time work nationally. In comparison, 74% of the general working age population in the South West of England were employed in November of 2013, according to the Labour Force Survey. The most common jobs held by the tenants interviewed were in care work or other health-related services, followed by cleaning, support work at local schools, catering, maintenance, administrative and shop work.

Out of the 88 tenants (44%) who were not actively seeking work, 70 claimed to have severe disabilities and the remaining 18 had caring responsibilities for family members or children. This corresponds with Hills (2007) findings that almost half of the working age social housing tenants nationally are either “permanently sick” or “otherwise inactive”.

**Fig. 7 Household employment**  
200 responses

■ 1 or more employed  
■ No one employed

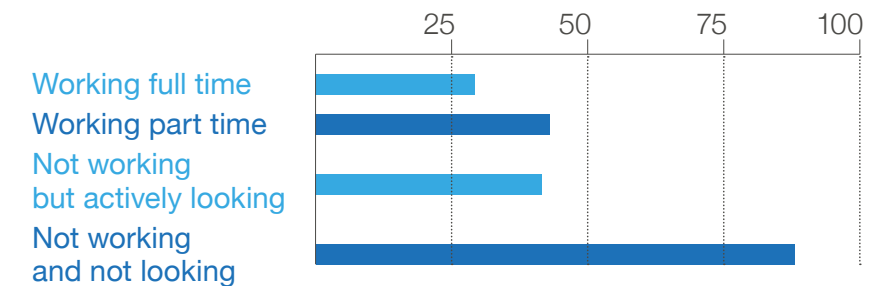


**Health and disability play a big role in social housing tenants’ lives**



**Fig. 8 | Employment status of interviewee**

200 responses

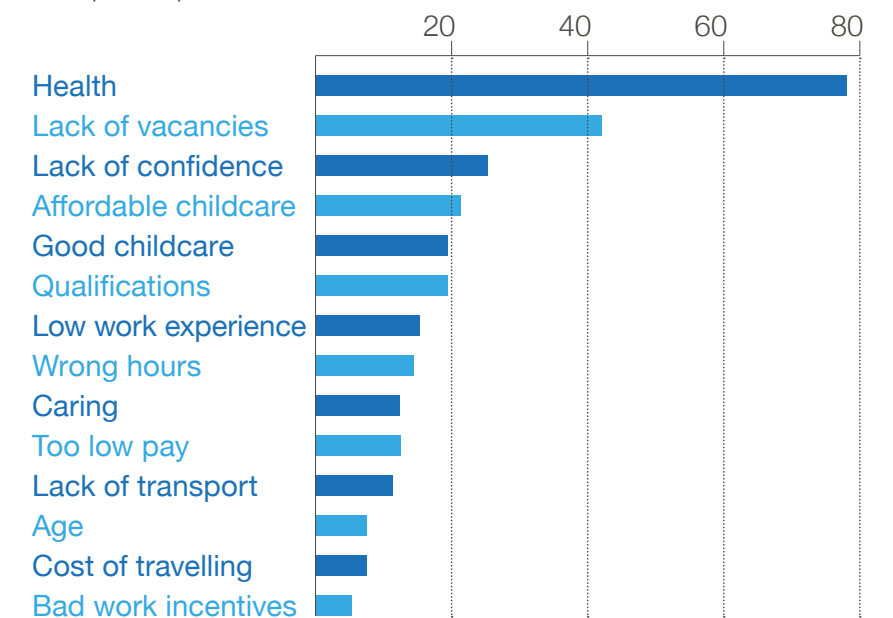


### Barriers to work

Health and disability play a big and often limiting role in social housing tenants’ lives. The most frequently mentioned barrier to finding work was health-related issues. 78 people mentioned that poor health stopped them from working, in comparison to 42 people who said that lack of vacancies was the biggest problem. While these were the two most common barriers, interviewees also mentioned lack of confidence, lack of good and affordable childcare, and low levels of qualifications as hurdles in finding work (fig. 9).

**Fig. 9 | Barriers to work**

multiple responses



“  
**Many believe that low-paid work does not cover costs and that the contracts and hours available are too unstable**  
 ”

Barriers to work vary according to age. Interviewees in their 20s and 30s mentioned a lack of affordable childcare; people in their 30s and 40s referred to a lack of job vacancies; and people in their 40s through to their 60s overwhelmingly talked about poor health as the main barrier to work. Interviewees in their 50s were most likely to mention low confidence as a barrier.

A barrier which was repeatedly raised by tenants was concern that the work available locally was insecure and underpaid. Many tenants believe that low-paid work does not cover costs and that the contracts and hours available are too unstable to offer a secure income. Some see benefits as a more reliable source of income. The following quotes illustrate this sentiment.

“Everything has gone up in price but the money I receive has not. What scares me about getting a job is that I wouldn’t be able to cover everything regularly the way I can on benefits.”

“Moving from job seekers allowance onto Tax Credits is just not fluid at the moment. They don’t even have a Tax Credit form at the Jobcentre. You have to apply at HMRC and it seems to take weeks. If there is a problem with your forms no-one gets in touch with you. It’s up to you to chase people constantly and that’s expensive for me on the phone!”

“I used to own a home but my husband lost his job and we split and I have to earn a certain amount to pay the bills and there is a cut-off point where it’s just better to be at home because minimum wage just is not reasonable - it’s a joke because you can’t sustain your family off of it. I would like to work but it doesn’t make sense.”

“I calculated that I would be no better off going back to work and working part-time. So I decided to stay with my children.”

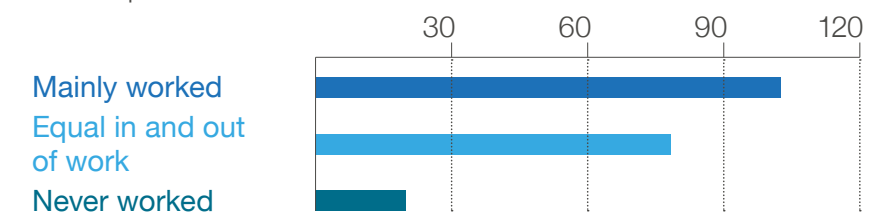
### Work history

We also asked interviewees to look back at their work histories. The majority of interviewees (103) said that they had spent most their lives in work. In contrast 77 people said they had

“  
**Long-term contracts have recently been switched to short term**  
 ”

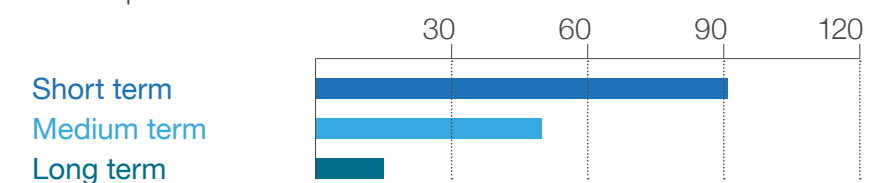
experienced periods in and out of work due to childcare or health issues, and only 20 people said they had never worked (fig. 10).

**Fig. 10 | Have you worked since leaving school?**  
 200 responses



Nearly half of the interviewees have had mainly long-term contracts (91) in the past, and one quarter had mostly had short term – hourly or zero-hour – contracts (fig. 11). Several people said that they had been on long-term contracts most of their working lives and have recently been switched to short term contracts.

**Fig. 11 | What kinds of contracts have you had?**  
 156 responses



### Attitudes to work

There is a general consensus that it is not easy to find work in the South West. Many noted the increasingly low-paid and part-time nature of current vacancies, as well as the prevalence of zero-hour contracts and insecure hours – making work a poor option. Several young people reported finding it difficult to secure work with no experience, and people in rural areas found it difficult to reach jobs due to poor transportation options. Tenants say shops and factories have closed, university students compete with them for jobs in urban areas,



**What some people go through to receive benefits is crazy – and then they get sanctioned for missing the bus or doing training**



and interviewees living in coastal towns struggle from seasonal economies. The following quotes give a sense of how tenants perceive the work currently available to them and their family members.

“It’s all low level jobs where you’re pushed into zero-hours contracts that just suit employers.”

“It’s all agency work! I have to stand by the phone and wait for work every morning.”

“I’ve tried getting other jobs but they say I’m not qualified. They are all minimum wage and don’t even cover travel expenses. I can’t even cover rent that way!”

“Why should we take jobs at minimum wage and the government has to subsidise these companies to make it just enough to survive? It doesn’t make sense. Working is supposed to make life better, not more of a struggle.”

“I don’t think anyone finds it easy. It’s the quality of work they’re offering that’s so poor. The way people are being made to look for work is incredibly stressful. What some people need to go through to receive benefits is crazy – and then they get sanctioned all the time for missing the bus or doing training. I read that 30 people 23 are applying for the same job around here. So why does the Jobcentre give people such a hard time? It just hurts people’s confidence.

“So many people are unemployed. You go for an interview and do a day’s trial and then you never hear back again – It’s really just a way for employers to get free work.

“There’s no transport, you have to find £4 just to travel into town for a day. My husband’s Jobcentre appointment is at nine in the morning and the next bus home is not until 1pm – so that’s lots of wasted time. He was offered a job at the post office but its six miles away from the nearest bus stop so he couldn’t accept.”

“People can’t find a job anywhere especially if it’s not holiday season. I don’t understand why the government is trying to get



**A significant majority claimed they would like to be working**



old people back to work when there isn’t even enough around to employ young people. We old ones have done our stint. I’ve worked 30 years.

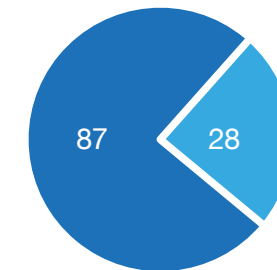
“It’s difficult for young people like my son. He’s under qualified, and going to Jobcentre every week. I feel sorry for young people. But I think they should only take jobs that pay a living wage.”

We also enquired more specifically about people’s attitudes to work. A significant majority of people out of work claimed they would like to be working (fig. 12). However, when probed whether they might try a job that is not ideal for them 32 out of 50 said no. This was often due to the nature of people’s disability or caring responsibilities.

When we asked people in work whether they liked their job and the resounding answer was yes (92%). Even though many of those responding were working part-time, zero-hour, low-paid jobs, they found work rewarding and were generally happy to be employed (Fig. 13).

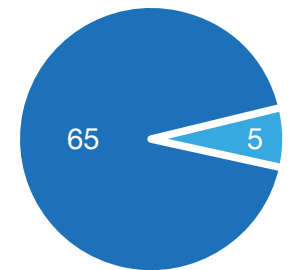
**Fig. 12 | If you currently do not work, would you like to be working?**  
115 responses

■ Yes ■ No



**Fig. 13 | Do you enjoy your job?**  
70 responses

■ Yes ■ No



### Job security and training

We asked people in work whether they worried that their job could be affected by cuts. 67% said they were, particularly those working in the cleaning, caring or building professions (fig. 14). People with contract work complained that their



“

**I haven't had a raise in 2½ years. I get just over minimum wage**

”

salaries had gone down significantly. People in work worry especially about low wages, redundancies, unstable contracts and varying hours, and cuts to services. The following quotes illustrates working tenants' levels of anxiety.

“In the last two years I've had three jobs. I got made redundant three years ago and I have been doing maternity cover ever since. My situation in not stable!”

“My wages have been cut recently. I've been taking on more and more responsibilities as they get rid of people, but I'm on less money. It's really not been easy.”

“My boss just doesn't pay me if we don't get enough work.”

“The last three years I've seen a lot of cuts. Some of us were made redundant recently. Lots of people have had their hours reduced. People are stressed out.”

“The construction industry is very difficult at the moment. If you're lucky to get a job you do it for a fraction of the money you got before.”

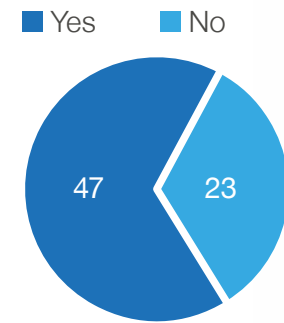
“There are ups and down – you're never sure if you're going to get paid this month or if there will be cuts to your hours.”

“If things keep going up and getting more expensive I'm going to have to look for another job. I haven't had a raise in 2½ years. I get just over minimum wage around £6/hour.”

We also asked people about the availability of local training opportunities. The main message here is that people would like enrol in training courses, but worry that they will lose

**Fig. 14 | Do you worry your job will be affected by cuts?**

70 responses



“

**The problem with training programmes and courses is how you survive in the mean time!**

”

their benefits or be reassessed if they are discovered by the Jobcentre. There is also general consensus that training is too expensive and mostly designed for young people.

“We have a college here, but there's so much red tape with the Jobcentre. And people get worried that they'll be reassessed if they go into training. I think the system is messed up. People have to go without money to train for jobs. The opportunity is there but people are worried about losing their benefits.”

“There are colleges but they are all for younger people. My grandson did this but there are still no jobs for him and he gets crucified by the Jobcentre for not finding work when all the jobs they're creating are zero-hour.”

“I would like to go to college to increase my confidence but I'm on employment support allowance and don't want to be reassessed so I don't do any training.”

“The problem with training programmes and courses is how you survive in the mean time! It's too expensive, or you get sanctioned for not applying to enough jobs. I've been on the work programme and I think it's appalling. They get paid £400/person referred to them. They spend £100 on you and then you're parked.”

“When I was unemployed I wanted to get qualifications for electrical skills, but the Jobcentre was not willing to help.”

“This is the big problem - I applied for college but the Jobcentre made it very hard for me to attend. I had to be actively seeking work over 16 hours a week or they'd cut my benefits. So it's a struggle. I fear that the Jobcentre will find out that I'm going to start studying.”

## Summary

The emerging findings suggest a changing experience of work for many interviewees. Three quarters said previous jobs had been on long term contracts and most of those currently in work are enthusiastic about their job. For those currently



**College has been really good for me ... It's helped my confidence and self-esteem**



seeking work, however, a recurring theme is job insecurity, part-time or zero-hours contracts, and pay which is insufficient to make the risk of moving off benefits worthwhile. There are many other barriers such as disability, mental health problems, and childcare costs. Current incentives to move off benefits into work or to take up training are not always clear to tenants.

#### 4. Tenant portrait | Coastal area

Mr Newman moved to the South West from Manchester several years ago with mental health issues. He got help from MIND and is enrolled in technical courses at a local college and can't praise the training enough. He says it's helped him through very tough times, built up his confidence and has made him feel ready for work.

"I'm studying brick laying and plastering and painting and decorating. I think my courses are brilliant! It's a charity based college that helps people that are vulnerable and helps them boost their confidence ... I haven't been in work for a few years because of my depression. I'm nervous about starting work again. This college has been really good for me, especially because in the past I didn't qualify for normal college courses because of my age ... If they had more courses like this it would make such a big different to be honest with you. It's helped my confidence and self-esteem."

Mr Newman thinks that it is wrong for people to be making changes to benefits if they have never lived a day on the poverty line.

"It's hard on benefits! Of course it's better than having nothing. But the cost of living has gone up, there's Council Tax now, you can't get anything decent at the shop anymore. Of course it peeves me off people who take advantage of the system, but by lowering benefits the government is hurting everyone. I can't even buy a curtain pole with the money I have left at the end of the month. And they just keep taking benefits away, like with the Social Fund. Prices go up, DWP lowers people income – how do you survive? How do you make a living with the crap pay out there? People who make decisions haven't spent one



**Taking things away from poor people ... it's just not what we need**



day in my position! You have to have lived on the poverty line to understand this. When you're working you make so little money and you have to pay full rent but by the time that's paid and you've covered food you're practically worse off than on benefits."

He spoke clearly about how his college, MIND, legal aid and the Social Fund have supported him over the past year and is angry about cuts to their funding.

"MIND is closed because of cuts in funding – they really helped me. And then legal aid has been cut, and the Social Fund. It makes me mad – people who make decisions like that have no idea. But they're telling us how to live our lives and then people suffer from their stupidity ... Taking things away from poor people is just such a downer – it's just not what we need."

He said welfare reform is only good if it frees up administration time in order to allow staff to be more supportive of the claimant.

"I think benefits might be better to get all at once, then I can pay my bills all in one go. I'll manage that. I think it might increase the pressure on other people though. If this next system frees up admin work so that people at DWP can help us more and be friendlier than I think it's good. People need support!"

# 5

## Claiming benefits

### What tenants report

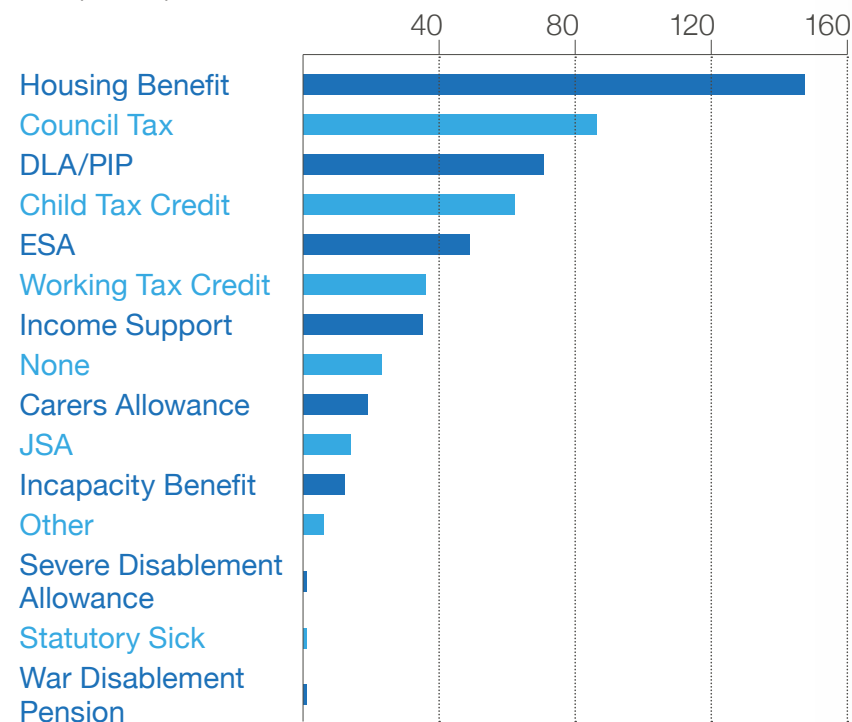
We asked tenants about what benefits their household receives. Tenants are keenly aware of certain benefits – such as Disability Living Allowance (DLA), and Tax Credits – but are often less clear about others. In particular Council Tax Benefit is often not understood by tenants.

### Benefit receipt – in and out of work

Out of 200 tenants interviewed, 23 people said their household was claiming no benefits at all, compared to 177 people who said they were claiming at least one benefit (fig 15). The most common benefits were Housing Benefit and Council Tax Benefit, with 74% of those interviewed claiming Housing Benefit in some form. Receipt of Council Tax Benefit was underreported, with many people unclear as to whether they are receiving this benefit.

**Fig. 15 | What benefits and tax credits do you receive?**

multiple responses



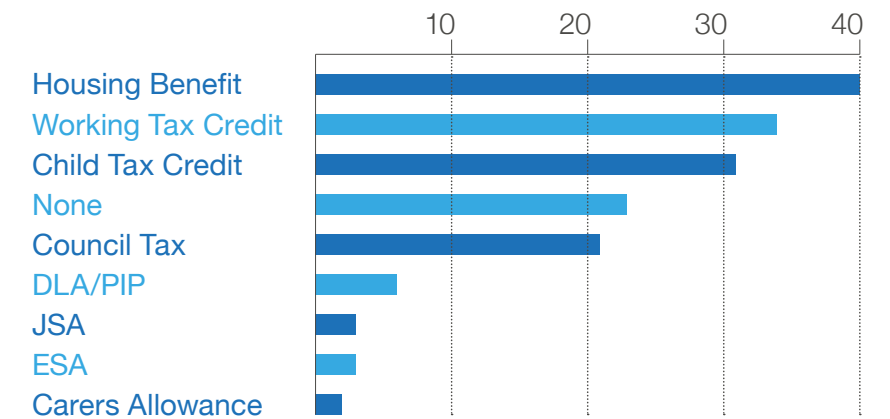
**Assessments are clearly a source of stress for people with ill-health**



Out of the 177 tenants receiving benefits, 64 are in work and receiving benefits. The most commonly reported benefits claimed by in-work households were housing benefit, child tax credit, or working tax credit (Fig. 16).

**Fig. 16 | What benefits and tax credits do you receive?**

multiple responses



### Assessments

Disability Living Allowance (DLA) and Employment Support Allowance (ESA) payments are being made to 44% of the tenants interviewed. Tenants who claim DLA and ESA were vocal about the anxiety that is induced by regular reassessment. Assessments are clearly a source of stress for people with ill-health and their family members. This is being compounded by the gradual switch from DLA to Personal Independence Payments (PIP) and the level of information people have received on this change.

“My husband was originally signed off for life. We worried a lot when [he was] switched from Incapacity to ESA but submitted all the paper work. All the stress of the new assessments take their toll on him. His heart problems worsen being put in that siltation time and time again. It’s not fair to have to feel anxious about this every few years. For the ones who are genuinely ill the government has caused a lot of problems.”

“I know about PIP from the life style magazine I get with the mobility car. I’m worried to death I have no idea where I will fit



**I'm worried that real disabled people will be penalised**



in. Some people I know have lost their DLA and I can't believe it because it will be serious like Parkinson's. It's very worrying, but I don't think I'll be affected until 2015."

"I know about changes to PIP – the CAB has come to visit to tell me about it. I'm worried that real disabled people will be penalised. Some of the tests are so strange, walking for 20 yards just depends on the day if I can do it."

"I had an assessment recently and I was well treated by ATOS, it wasn't as bad as people make out to be."

"The ESA assessment was ridiculous – they call everyone in for the same appointment time. I had to sit for 4½ hours even though it's very uncomfortable for me to sit. It was very painful and then they asked the same questions as on the form and I've heard nothing from them since."

"I filled out my form for DLA in July, but haven't heard back at all; no clue if I will continue getting payments. When I get assessed they come to my home. It's difficult because I have some mobility issues – I've had several operations on my leg. I appreciate them coming, but it's still very unpleasant and stressful."

"A lot of people have had their DLA dropped recently. My son's assessment is in May. I think the form is a nightmare, it's very long and he is assessed by what I write and they then make decisions on the piece of paper I fill out. I would like to report an improvement, but there are lots of things he can't do and I don't want his benefits dropped."

## Summary

Nine out of ten of those interviewed receive some form of benefit, and a third of these are receiving in-work benefits, reflecting a high incidence of part-time and low-paid work amongst those in work. Action to review DLA and ESA claims is a major area of anxiety and uncertainty, indicating that welfare reform changes are making tenants work out whether they still fit the eligibility criteria. Some tenants are making efforts to appeal against assessment decisions.



**We wanted to pay the bedroom tax but it left no money for food**



## 5. Tenant portrait | Suburban area

Mrs Michel used to be an occupational therapist until her illness became so severe that she had to resign. Her husband was an electrician until he too had to stop working to be his wife's full-time carer. They live in a house that has been converted to specially suit her disability and they are now faced with having to pay for two spare rooms – one of which serves as a space for her medical equipment and the other as an extension of their wet room.

"They say we have two spare rooms. I was distraught when I first found out. We had to start using food vouchers – we wanted to pay the bedroom tax but it left no money for food. One of the rooms is filled with medical stuff, the other is an extension of my bathroom which is a wet room. So technically we have no spare room but a bed could fit in those spaces. It's been really really difficult. The CAB is trying to help us keep our debt down."

Mrs Michel has heard about the switch to PIP and is very worried about the assessment. She has a friend with heart disease who recently had her DLA lowered and she thinks this doesn't bode well for her. The couple is struggling financially and have to use food vouchers to get by.

"We have had to find money that we just don't have to cover this new expense. We have a disabled property that has been specially adapted for me. There is nowhere else I can go. The council did a calculation of our finances and said we could afford it, but we really can't unless we keep food costs unbelievably low. The CAB said that the council hasn't allowed enough for food."



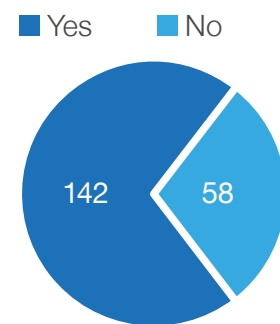
# 6

## Welfare reform

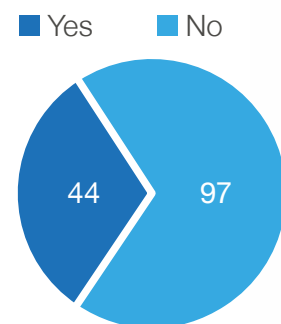
### Knowledge of welfare reform

Seventy-one per cent of interviewees said that they knew about or had heard of changes to benefits, although 67% of those responding said that they do not feel well informed about changes to benefits and 70% said they had not had specific advice on how to deal with the changes (figs 17 and 18). Of the 60 who had received advice, 26 said it was from their housing association in the form of a letter, eight had received help from council services, and seven received advice from a support worker.

**Fig. 17 | Do you know about welfare reform?**  
200 responses



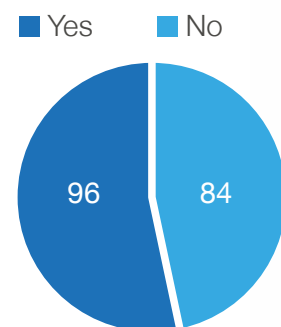
**Fig. 18 | Do you feel well informed?**  
141 responses



### Tenants affected by welfare reform

Ninety-six residents said they had already been affected by changes to their benefits caused by new Council and bedroom tax payments (fig. 19).

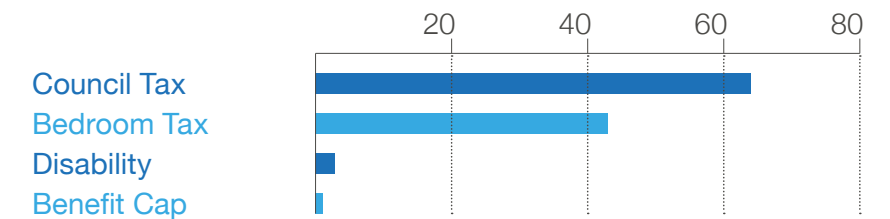
**Fig. 19 | Have you been affected by changes to benefits?**  
180 responses



“  
The bedroom tax comes together with existing hardships experienced by households  
”

The most commonly cited change to benefits was new Council Tax payments, followed by the bedroom tax. One third of the sample claim to now pay council tax, and 22% pay the new bedroom tax. Other changes that affected interviewees include the move from Incapacity Benefit to Employment Support Allowance, and the change from Disability Living Allowance to Personal Independence Payments (fig. 20).

**Fig. 20 | How have you been affected by the changes?**  
multiple responses



The stated aim of the bedroom tax is to more efficiently allocate social housing stock by encouraging tenants who are under occupying their homes to move to a more suitably sized properties. In many cases, however, smaller properties are not available and only three out of 43 people affected by the bedroom tax have moved or are scheduled to move to smaller properties. The bedroom tax also has a big impact on households financially – of 43 tenants affected, 32 said they were struggling financially, and 30 said they were worse off than two years ago as a result of the new payments. Tenants in their 40s and 50s were the group most affected by the bedroom tax, often due to children moving out of the home and leaving behind empty rooms.

In all cases, the bedroom tax comes together with existing hardships experienced by households such as ill health or disability, unemployment, caring responsibilities or financial difficulties that make the new payment particularly difficult to manage. Twelve people said they were opting not to pay their new contributions to bedroom and/or council tax, and were falling into arrears as a result. All tenants affected by the bedroom tax felt the new payment was unfair, either because no smaller properties are currently available to them, because they feel their spare rooms are in use, or because they are



“

**I'm digging into savings ... If I didn't have resources it would cripple me**

”

unwilling to move out of their communities. Three of the tenants affected by the bedroom tax stated that it is unjust to force people to work or work longer hours through the new under occupation charge, and a further eleven tenants stated that it was unfair to exempt pensioners from the bedroom tax.

We asked tenants how they were coping with these changes. Most people mentioned a variety of coping strategies like going without food items or new clothes, asking family members for help, falling into debt with rent or bills, depleting savings or selling belongings. As mentioned earlier, only three people had moved as a consequence of the bedroom tax and six people said they would like to move, but were told no properties were available. The following quotes give an idea of how tenants are coping.

“I just haven't been able to pay bedroom tax, because I was on a very tight budget before. If I paid an extra £20/week my money definitely wouldn't last. I'm just falling into arrears. Everything has had to be shaved back for the bedroom tax. My savings have disappeared. Moving to a two bedroom flat with same landlord is just too expensive.”

“I'm digging into savings and selling my tools to make money. If I didn't have resources it would cripple me.”

“My teenage daughter who works part-time and makes about £100/week has to now pay £15/week to cover the spare room. We need the spare room for the grandchildren and it's full of my wife's stuff.”

“My father has been helping me, because if I pay the tax I can't pay for my own food. I just can't continue paying it though. My family only has so much money to spare.”

“We're just not coping with it and we're in debt to the landlord now. Money is tight. I believe I should be able to receive Working Tax Credit, but I haven't heard back from DWP in weeks. It's such a stupid system, you have to phone, wait for 40 minutes to ask for a form, then wait for two weeks and nothing happens.”

“

**I can't sleep ... I'm worried ... We're just going without things**

”

“It's been difficult. We've had to rely on my 20-year-old son's income to cover this, which doesn't seem fair. We are struggling. We had to get a debt agency to sort everything out for us recently.”

“It so difficult, but I have to pay it. I can only pay as much as I can afford at the moment – It's just in dribs and drabs but I'm hoping it keeps me out of court.”

“We struggle because our benefits are already quite low – It's a chunk of our money which we really need. Bedroom tax wouldn't be so bad if more one bedroom properties were available. It's horrible to tax people who have no choice.”

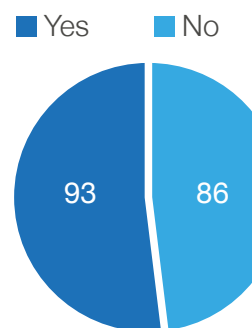
“We're in debt. I'm not paying it because I can't afford it – apparently people are being taken to court. I can't sleep because I'm worried someone will be knocking on the door. We're just going without things.”

“My depression really kicked in over this – my parents had to help me with food. I had to go to a food bank. I couldn't afford my medication for my arthritis. It's so wrong. If it hadn't been for my parents I don't know what I would have done. I wouldn't have thought I'd still be relying on my parents in my 50s.”

## Attitudes to universal credit

We also asked people about Universal Credit and direct payment of Housing Benefit to tenants. Both policies were also briefly explained by the interviewer to prompt recognition, and interviewees were asked to give their opinion. Fifty-two per cent said they had heard about Universal Credit and 42% had heard of the direct payment of the housing element of Universal Credit to tenants rather than landlords (fig. 21).

**Fig. 21 | Have you heard about universal credit?**  
179 responses





**More than half of the people we interviewed thought that monthly payments would be very difficult to handle**



More than half of the people we interviewed thought that monthly payments would be very difficult to handle. Households with an individual in work used their regular weekly benefits to supplement their monthly salary. Others thought it would be extremely difficult to budget over a longer period, and many worried about unexpected events that would cause disruptions to monthly budgeting. Many mentioned that the process of using direct debits had been difficult to sort out for existing commitments and would be stressful to change. Others worried that the switch would cause arrears in the time it would take to get used to the new system. People with health problems, especially mental health issues, worried about the levels of stress and anxiety this would initiate. Interviewees were nervous about re-budgeting to a monthly pattern and thought it would be difficult to spread their limited income over four weeks. Many worried that unexpected events would cause expenses that would send them into arrears.

A handful of people were also deeply concerned about the complexity of the new system, including new forms and the focus on IT. These interviewees said they either did not have access to the internet or were not proficient in filling out forms online and did not look forward to this administrative change. Only 15% residents interviewed thought the move to universal credit was a good idea.

“Being paid monthly will be difficult – I would need plenty of warning that this was happening to change all of my arrangements. I feel like I’m being penalised! I understand that some people are lying but the genuine people like myself who are disabled really suffer from incentivising work.”

“I don’t agree with the monthly payments. They should be fortnightly – monthly could be optional. Fortnightly works for me and a lot of others – you can juggle your bills a bit. Bundling benefits together might be more efficient from an administrative point I suppose, but if we all go into arrears it’s just creating bureaucracy for someone else.”

“Putting the payments together is a good idea. But you need to be clear about what people are getting – they need to know the breakdown of the benefits they are receiving so they don’t



**People can’t budget so little over such a long period of time**



spend money on something they shouldn’t.”

“My work is paid monthly and I depend on the weekly money I get. I pay the bills using my salary and we live on the weekly benefits. It’s going to put me out having benefits paid monthly. And I’m not good with computers, which makes things even more difficult.”

“I get my bursary monthly and my Child Tax Credit monthly already. But the weekly payments are my safety net and I can budget easier. The danger is that unexpected things happen, especially with the kids which makes it hard to budget. I don’t know if I would cope so well if it came all at once.”

“I’m struggling at the moment with budgeting what I get now and that’s fortnightly payments ... People like me can’t budget such small amount of money over long periods of time. We won’t have anything to live on.”

“I think a lot of people will go into crisis. Many won’t be able to manage once the money is gone – they’ll have to go for three weeks without money. I just figured out my payments and organised my direct debits. I wish they wouldn’t change it.”

“A lot of people and myself are stressed and worried about this. It’s going to be hard to start a new routine again. I have OCD. On payday I get my bills paid right away. I’m settled and this will upset my wellbeing. I’m not looking forward to it.”

“It worries me, all the paperwork online. I don’t have a computer so I don’t know how I’ll do it. They don’t understand that poor people don’t have these things. I’m also worried that the new system will make errors in calculating the benefit.”

“I think it will drive most people into poverty. People can’t budget so little over such a long period of time. I think it will cause a lot of distress.”

Tenants generally disliked the proposed change to pay the housing element of Universal Credit to tenants rather than landlords, with 89% of tenants saying that this was a bad idea (Fig. 22).



**Tenants had little detailed knowledge of how welfare reforms would affect them personally**

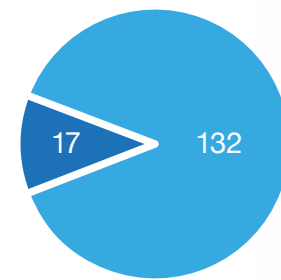


They were worried that it would cause increased arrears and evictions due to people drawing on the monthly payments to cover more immediate expenditures. Others said that many people cannot manage their money efficiently and that this would be an additional burden. The word ‘temptation’ was mentioned frequently, and some tenants said it would create great difficulties for landlords and increase evictions and homelessness.

**Fig. 22 | What do you think about direct payments?**

149 responses

■ Good ■ Bad



## Summary

Interviews made clear that tenants had little detailed knowledge of how welfare reform would affect them personally, with the exception of those who had already been affected by bedroom tax. We found lots of evidence to confirm the widely reported concerns and opposition to the bedroom tax. Tenants we interviewed had no sympathy with the policy direction or practical implications of this change. Universal Credit was viewed sceptically and tenants worry that the move to single monthly payments will disrupt their ability to manage financially. Reaction to the imminent move to monthly payments, including direct payment for rent, was also marked by opposition to the idea in principle. Certainly a change of this type is causing anxiety, but there was no evidence of effective communication from DWP or elsewhere to show the possible benefits of the change. Very few tenants identify any such benefits.

## 6. Tenant portrait | Coastal area

Mr Brock took time off of his lunch break to speak. He is a single parent, working full-time in a restaurant. He receives Working Tax and Child Tax Credit, but hasn't received his Child Tax Credit in two months because DWP sent a letter requesting new information which he never received.



**I really worry about benefits affecting my ability to work ... I just can't afford childcare**



“I've been going into my overdraft and accumulating debts over the last two years. The cost of living has gone up, my tax credits have been inconsistent, I don't have any savings at all anymore ... I really worry about benefits affecting my ability to work. With my working tax credit and child tax credit stopped i just can't afford childcare. And all of this because I didn't receive a letter.”

He has since clarified this and submitted the information, but has not heard back from DWP or received any tax credit. He is now £1000 in arrears with his childcare provider and he worries that he will have to quit his job soon to take care of his children.

He finds communicating with DWP awkward and resents having to pay extra for the phone calls. He called DWP to enquire about the benefit cap and if it would affect him, but he was left waiting until the call was dropped. Mr Brock is in quite a lot of debt and uses the loan company Provident from time to time.

“I use Provident – the interest is high but regardless the experience is very easy, the repayments are so small and constant every month that it's easy. Banks have very high monthly repayments.”

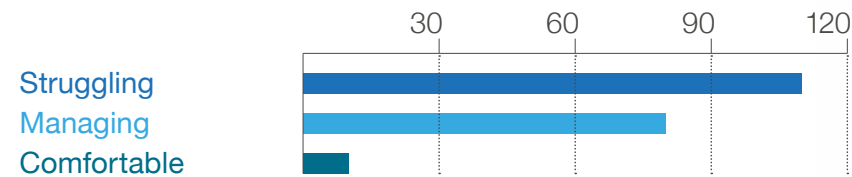
He says transportation is difficult and that he avoids taking buses because they are too expensive.

# 7 Financial management

## Struggling, managing or comfortable?

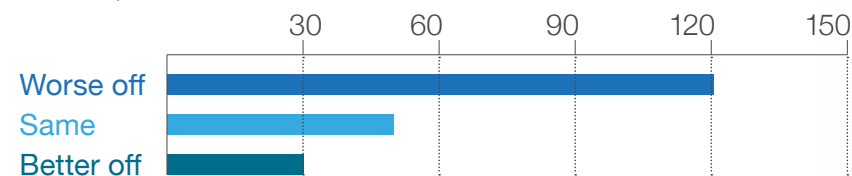
We wanted to know how tenants thought they were faring financially. Out of 200 respondents 110 said they were struggling, compared to 80 who said they were just managing financially and ten who said they were comfortable (fig. 23).

**Fig. 23 | How well are you managing financially?**  
200 responses



We also asked how they were doing financially compared to two years ago. 121 out of 200 respondents said they were worse off than they were two years ago (fig. 24). The most frequently cited reason for this was the increased cost of living, followed by changes to benefits in the form of reductions or new contributions – like Council Tax or the bedroom tax. Others mentioned losing their jobs or experiencing stagnating or falling incomes making budgeting increasingly difficult. Some people were drawing on savings accumulated over their lifetime to make ends meet, and as a result mentioned depleted savings regularly.

**Fig. 24 | How well are you managing financially? (compared with two years ago)**  
200 responses

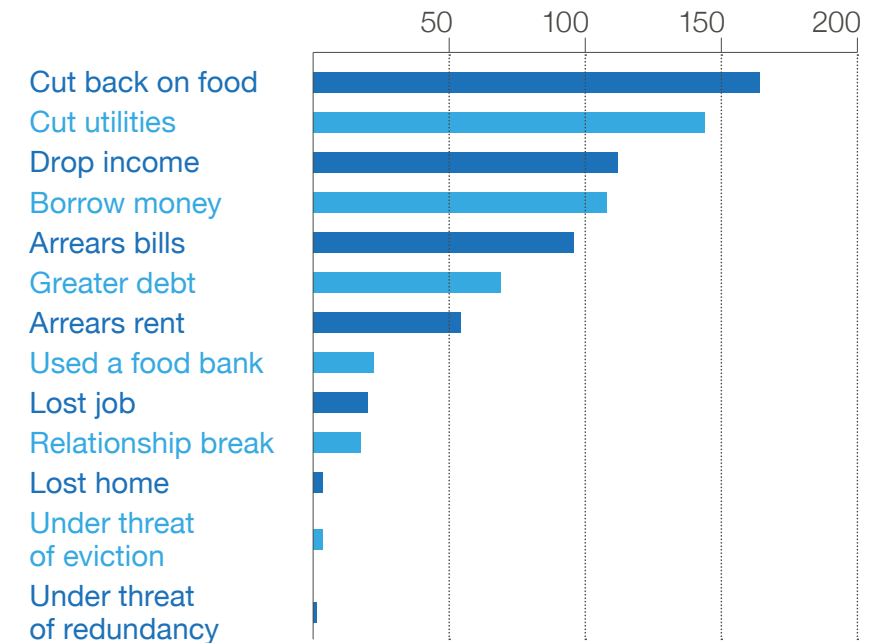


“**Most are proactive in managing their money and do the best they can with limited resources**”

## Financial pressures

We listed items and actions that may have happened to tenants in the last year related to finance. Out of 200 respondents 164 said that they had cut back on food bills in the last year, 144 said they had reduced their utility use, and 112 said they had experienced a drop in income – in either salary or in benefit received (fig. 25).

**Fig. 25 | What happened to you last year?**  
200 responses



Feedback from interviewees on their financial situation show that most people clearly are proactive in managing their money and do the best they can with limited resources. However, there is great anxiety that unexpected events may lead to expenses that they will be unable to cover. Interviewees repeat how hard it is to get out of arrears when on a low income.

“If there was any error on my part we would be in trouble. The margin for error in our finances is so small. Paying everything weekly helps. The cost of living has gone up. Especially food, clothing and electricity. You’re not getting as much food for your money as you used to. You just have to get cheaper brands.”





## Everything I had saved has gone ... I just live week-to-week on my benefits



“I get my money fortnightly – on a Wednesday. By Friday I’m already broke because I pay my bills and need to wait two weeks to get money. I think the cost of living has gone up, everything you buy is more expensive. I really struggle with food.”

“We sit down every weekend and workout what we’ve got and what we have to do. But everything has gone up in price, and our income has stayed the same. There are weeks when we are really struggling.”

“Before I was made redundant I had savings. If my partner wasn’t working I’d be in trouble. I used to have a stable well-paying job and now my income has gone down but the cost of living has gone up. And utilities are so high! I pay £100/month for water alone!”

“My past employer didn’t pay me, which meant I fell very behind on my bills and I’m always playing catch up. That combined with the cost of living going up has meant hard times for me.”

“I think we’re managing because we’re really budgeting but our benefits have been changing and the cost of living has gone up which makes our situation worse.”

“I’m doing so much worse. Everything I had saved has gone to bills. I have no savings anymore. I just live week-to-week on my benefits. And that all happened in just one year.”

“Bills go up, food and clothes are more expensive. My eldest daughter was told by DWP that she had to contribute to the rent. Of course she can’t because she’s only doing an apprenticeship, so I’m just contributing more.”

### Making money go further

Interviewees found many ways of making their money go further. The most popular method was to cut back on food bills by buying cheap and frozen goods, reducing meal sizes, or in some cases skipping meals all together. Interviewees



## Car boot sales ... I’m running out of things to sell!



also said they tried to reduce their utility bills, particularly heat and electricity. People especially mentioned high water bills and attempts to reduce these by installing water meters, taking fewer showers, flushing the toilet less often and washing clothes by hand instead of in the washing machine. Tenants are also going without household and personal items such as broadband, telephones, TV licenses, and clothes, and some tenants said they were selling personal items on eBay or in car boot sales. Some tenants are also selling tools they use or have previously used for their work, such as machinery used by builders and maintenance people.

“I have sold my jewellery, stopped renting a computer, cut back on food and made many other sacrifices. It’ll be interesting to see where I’m at in a year.”

“I buy cheap and mostly ASDA products – It’s got too much sugar and additives which makes my children hyper, but I can’t afford anything else.”

“Car boot sales – I get rid of clothes and furniture. I’m running out of things to sell!”

“Energy is ridiculously high, communication like phones and internet is also expensive but you have to keep it for job searching so you go without food.”

“The kids are the ones who suffer the most. Everything I can I put on a meter so we don’t go onto debt. We can’t afford fruit. We really need budgeting advice we can’t go on as we are – It’s causing tension with my partner.”

“Free school meals have saved us. I go without things so my daughter can have what she needs. I haven’t bought myself something in years.”

“We shop at Poundland, I can’t get anything for my grandsons. Even buying things like a new iron is too expensive.”

“I’m living in only one room because I can’t afford to heat the rest of the flat. I don’t eat sometimes. My overdraft has been maxed out and I’m in arrears with my electricity and water.”



“  
The cost of living has gone up ... we’re constantly checking the gas and electric  
”

“We have car boot sales to make more money. We shop at Iceland – we only buy what’s necessary. The cost of living has gone up. We are really worried about winter – we’re constantly checking the gas and electric.”

“Don’t buy anything, I have to be aware of every drop of water at the moment – I only shower every other day. I go to a food bank every other week. And I don’t put the heating on. I haven’t paid my water bill in quite a while.”

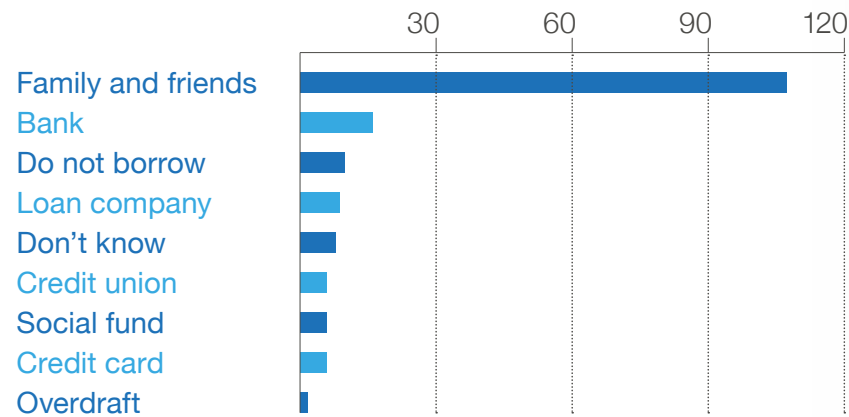
“We have everything switched off, we don’t take baths, we eat sandwiches, and we only flush the toilet when we have to.”

### Borrowing money

One-hundred and eight respondents said they had borrowed money in the last year. When asked where they had borrowed money from, 107 out of 108 said primarily from friends and family members (fig. 26).

**Fig. 26 | Where do you borrow money from?**

159 responses



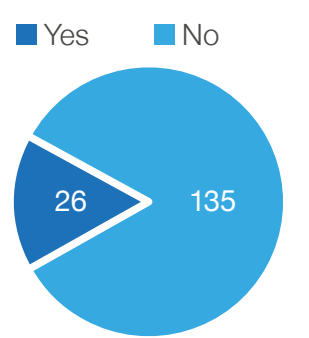
The general consensus among tenants is that payday loans are a bad financial decision due to the high interest rates, with 135 out of 161 people saying they would never resort to a payday loan (fig. 27). The majority of tenants responded very negatively to the idea of payday loans and often mentioned their impact on the community.

“  
Tenants are struggling ... [but] they are demonstrating resilience and inventiveness in coping  
”

A minority of tenants, 26 out of 200, said that they would consider using a pay day loan. Others commented that loan companies more generally (including payday loan companies) had helped them out of difficult situations where no other financial assistance was available. The attraction of payday loans to these tenants was the low level of monthly repayments (as opposed to the overall interest rate) offered by loan companies.

**Fig. 27 | Would you consider using a payday loan?**

161 responses



“I think it’s really terrible. People should be put in prison for offering these [loans]. They are sucking the very little surplus cash existing in community out. It’s so corrupt and in the end banks benefit.”

“The payback is just so much lower than the bank. The bank just drives you into higher debt because repayment is so large.”

“I had a payday loan, but I paid it off. I think they’re all right because the repayment is manageable - just £5 a week.”

“I’ve taken a loan three times. It works for me because the money comes straight away. It’s high interest but the repayments are low.”

### Summary

Although many tenants are struggling financially, they are demonstrating resilience and inventiveness in coping. Many set out how they carefully crafted strategies to use staggered pay and benefit payments to address current cash flow needs. Tenants have found ways to shave expenditure on essentials like food and heating (although not without difficulty), and many have turned to family and friends for support – only a handful of tenants have resorted to payday loans. There is strong awareness that welfare reform pressures are leading to slowly increasing debts in terms of arrears, late or occasionally missed payments, borrowing and depleting savings, which will



**I can't survive on minimum wage – I went to work for a while and was worse off**



inevitably attract high charges and increasingly difficult choices for tenants.

### 7. Tenant portrait | Rural town

Miss Crow is a single mother of three children. Her son lives in full-time residential care due to his disability. He returns every weekend, but Miss Crow now has to pay bedroom tax as he's not a full-time resident.

"I have one spare room that is used by my son often. He has a disability and lives in supported accommodation during the week. But he needs that room on the weekend. My housing association said I should apply for a Discretionary Housing Payment, they said I didn't have enough money to survive, but the council denied it because I supposedly spend too much money on electric ... I think the government are discriminating against poor people. If you'd come to my house you'd have a shock. You need to see real poor people's houses to understand."

Miss Crow is getting by on food vouchers and says she has been accruing serious debt. She says she would like to work, but that she has experience with working 40 hours/week at minimum wage and still being broke after she pays her rent.

"I can't survive on minimum wage – I went to work for a while and was worse off and constantly in the red. Especially because rent keeps increasing. I worked out at one point that if I worked 40 hours per week at minimum wage and paid all my bills I'd have £30 left over for food and everything else. I have three children! It's not enough."

She worries that the changes to welfare will create a system where mistakes and miscalculations will become more common and there will be no human face with which to communicate.

"It worries me, having all this bureaucracy online. I don't have a computer so I don't know how I'll do it. They don't understand that poor people don't have these things. I'm also worried that the new system will make errors in calculating the benefits."

## 8

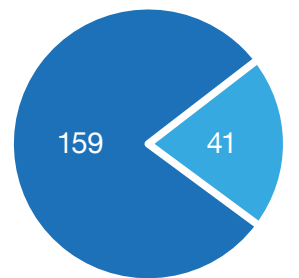
## Hardship

Social housing tenants feel they are under pressure. 79% of all the residents interviewed found their current situation difficult or a struggle (fig. 28). There were often multiple causes of this household stress and problems often overlapped with each other. For instance many people with health problems are facing changes to benefits, which are affecting them financially and increasing levels of debt. Health, benefit cuts, additional changes, and the risk of debt all interact.

**Fig. 28 | Is the household experiencing hardship?**

200 responses

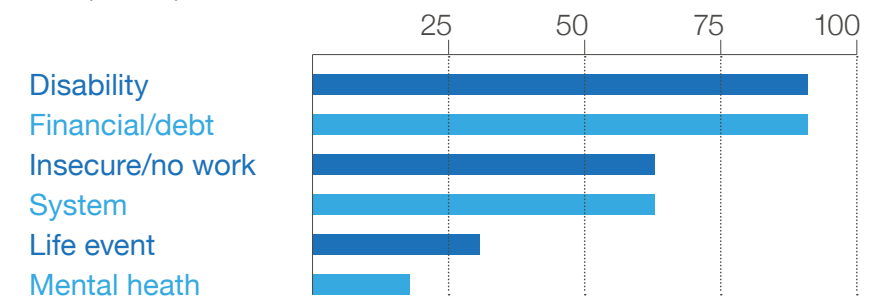
■ Yes ■ No



The main sources of stress are health, financial difficulties and rising debt. Stress brought on by the benefit system and welfare reform come next, followed by no or low-paid work. Finally, major life events like divorce increase hardship in households (fig. 28).

**Fig. 29 | What kinds of hardship?**

multiple responses



### 8. Tenant portrait | Rural village

Mr Adam left the army after 15 years of service in 2013 and has been unable to find a job since. He lives with his wife and two children and they currently receive child benefit, child tax credit and housing benefit – this amounts to their total income. Mr Adam is not currently on JSA because he gets agency work from time to time and has been taken off it. He had been going to a security guard training course through the Jobcentre, but

“  
**With JSA you haven't even started a job and they stop your payment”**  
 ”

had to stop this when his JSA was revoked. He would very much like to continue the course but says he cannot afford it.

“When I was on JSA they wanted to help me get a SIA licence for a security job. But then I got an agency job for a week and they took me off JSA and the training course. I can't afford that course on my own! They should just keep training you. I was dropped from that agency job straight away. With JSA you haven't even started a job and they stop your payment. I have no savings, I'm maxed out on my credit card and I have £100 overdraft left. I stopped JSA because of all this. I'm thinking of moving to London just for work.”

Mr Adam is desperate for a job and would like to be a security guard but has not received an answer to any of his job applications.

“There seem to be just no jobs around here. No-one gets in touch. Only agency work and that's not guaranteed ... It's really not easy. I've gone everywhere. All employers, all agencies. Everyone has their own criteria. There are no jobs locally so you have to go far. We're in a rural area. I've applied to lots of security companies, but they don't get back. I don't know why.”

The family officially have a spare room because the children – a boy and a girl – are under the age of ten. Mr Adam wants to stay in the property and pay the bedroom tax until the two children are old enough to qualify for their own rooms. In response the family have had to reduce their costs.

“We've cancelled the phone, TV subscription, insurance payments. We don't have broadband for internet. We turn everything off. We only pay for electric, gas and food now. I don't know where a food bank is around here but I would like to visit one.”

# 9

## Staying connected

We wanted to know how easy it is for people to reach jobs, services, their families and friends. To find out how connected they are we asked questions around transport and digital inclusion.

### Transport

Interviewees were evenly split between whether they found it easy or difficult to travel around their area (fig. 30). Those who found it difficult were most likely to have health problems, live in rural areas with limited transport services or have children.

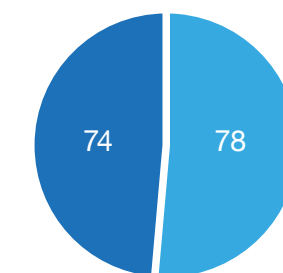
Sevety-two per cent of interviewees said transportation was unaffordable in their area (fig. 31). People mentioned increases in bus and train fares, as well as the rising cost of fuel and the costs of running and maintaining a vehicle.

Walking, traveling by car and taking the bus are the most frequently used modes of transportation (fig. 32).

**Fig. 30 | Is it easy to travel around your area?**

152 responses

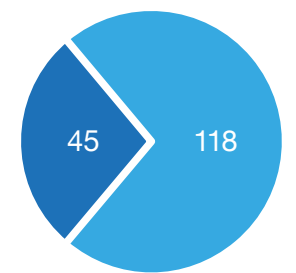
■ Yes ■ No



**Fig. 31 | Is transportation affordable?**

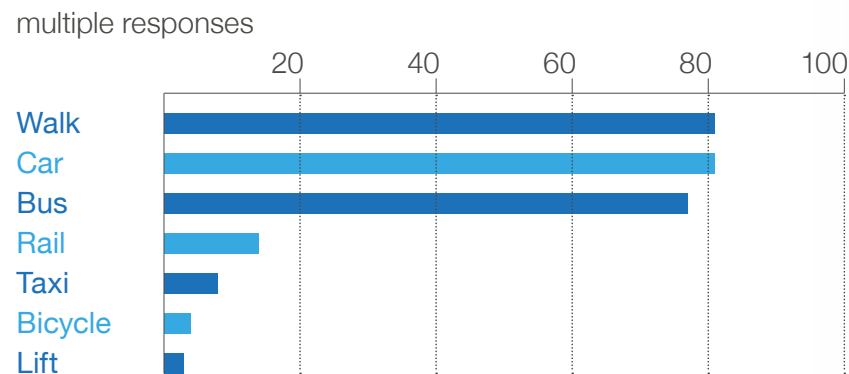
163 responses

■ Yes ■ No



“  
Some residents have opted to stop their internet connection in order to save money  
”

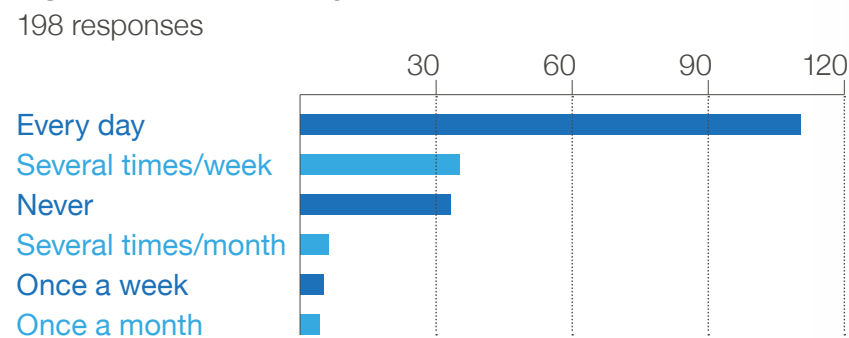
**Fig. 32 | How do you travel around your area?**



### Digital inclusion

The majority of the residents we interviewed used the internet every day (110). However, 17% of all the tenants interviewed never use the internet either because they have opted not to or because of limited access (fig. 33). As previously mentioned, some residents have opted to stop their internet connection in order to save money. Having no internet access makes it increasingly difficult for these tenants to search for jobs, and access online information and services. Accessing the internet is more difficult for residents living in rural areas with poor transportation options to reach public internet facilities.

**Fig. 33 | How often do you use the internet?**



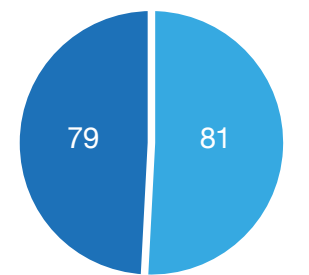
“  
I would like to have Working Tax Credit but can't work 30 hours because of my health  
”

Eighty-one interviewees said they did not use online banking, but 79 did. The most common reason for not banking online was concern about online security (fig. 34).

**Fig. 34 | Do you use online banking?**

160 responses

■ Yes ■ No



The most popular uses for the internet were online banking (79), emails (64), social networking (52), research (35), shopping (33) and searching for jobs (25).

### Summary

The problems of transport and access to services are common in many areas across the South West. Cuts in local authority services including transport make it more difficult for tenants to stay connected. The need to be 'digital by default' for the new welfare reform system, presents additional problems both in terms of the costs of broadband and the easy availability of alternative public facilities. For rural tenants the reluctance to use online banking could make managing monthly payment considerably more difficult and costly.

## 9. Tenant portrait | Rural village

Miss Cooper is in her early 20's and lives with her partner and their new born child. She was recently made redundant during her maternity leave and her partner was also made redundant from a logistics job last week. She is going to the benefit office tomorrow to sign on to JSA and Housing Benefit. She is very concerned about having no income as she is already in arrears with her rent.

“We've lost our jobs. Everything was going up apart from our wages. There's Council Tax now, fuel, food. When we moved into this flat in February we had no heating – then the baby was born and we spent lots of money on having a space heater. I had to stop paying rent to cover the heating and so we've fallen into arrears now.”

“  
**Access to  
 a car is very  
 important here**  
 ”

Miss Cooper’s plan is to find a job and ask her partner to stay with their child. She has worked in care in the past, but finds it very difficult to work on zero-hour contracts because she never knows how much she’ll make a month.

“I’d say it’s impossible to find jobs – there’s no jobs because it’s a small town. Travelling to work takes about an hour for most people with a car. The local bus only comes every hour. Access to a car is very important here ... The work I find will be part-time care in the community jobs, but you need your own car and then you’re putting more money into fuel than you get paid. So that on top of zero-hour contracts makes life difficult. You never know how much money is coming in.”

Miss Cooper uses payday loans because her parents can’t afford to help her out. She is still paying off a £3,000 loan that she took out five years ago.

# 10

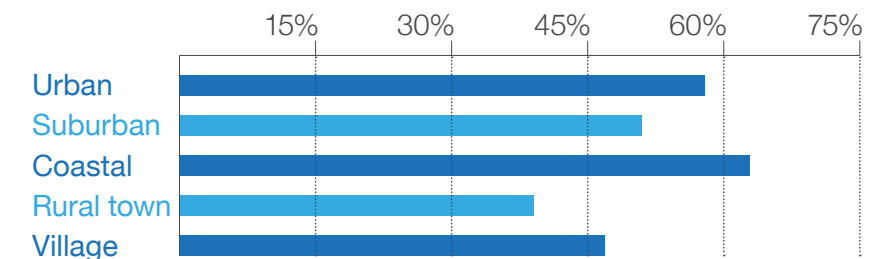
## Area comparisons

We interviewed residents in urban, suburban, coastal areas and in rural towns and villages to cover the diverse population and geography of the South West and to identify if tenants living in different areas have different experiences of work and benefit changes.

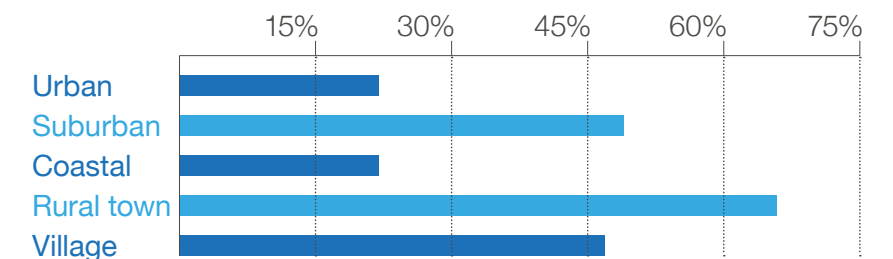
### Demographics

The main demographic difference between the areas is that disability is most concentrated in coastal areas where there are older people (fig. 35). In contrast, there are more families with children in rural and suburban areas (fig. 36).

**Fig. 35 | Disability or ill-health**



**Fig. 36 | Households with children**



### Transportation and access to services

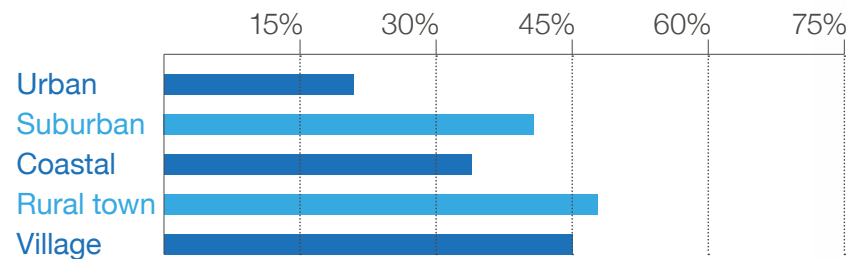
Lack of affordable transportation is a big issue in rural areas, however, suburban residents also say it is difficult and expensive for them to travel (fig. 37). Residents in these areas



“  
**Households in rural areas clearly prioritise maintaining a car and buying petrol**  
 ”

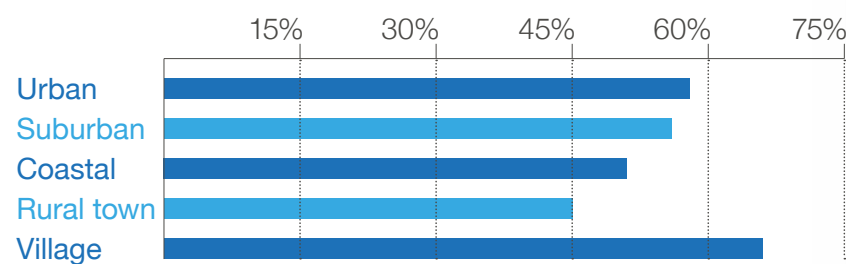
say that transport is infrequent, unreliable or too expensive. This has negative implications for accessing local services such as getting to Jobcentre appointments on time, and daily travel to and from work. Parents in rural areas prioritise paying for their children’s transport, and often feel isolated as a result.

**Fig. 37 | Difficult to travel around area**



Many households in rural areas clearly prioritise maintaining a car and buying petrol, which adds an additional expense onto already strained budgets. This might account for the finding that more people in rural villages report struggling financially than in other areas (fig. 38).

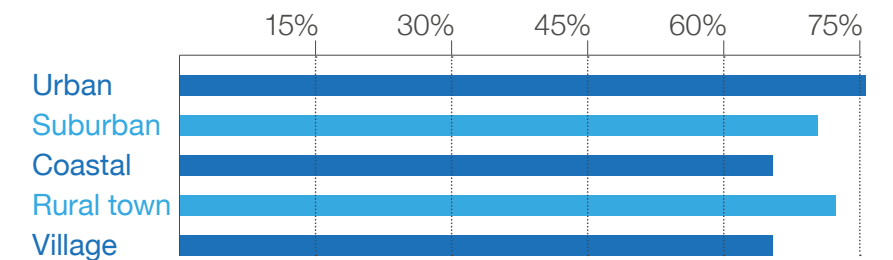
**Fig. 38 | Struggling financially**



Tenants in urban areas seem to have better access to information. When asked about their knowledge of welfare reform 76% of households in urban areas said they knew about changes to benefits compared to 66% of households in rural villages.

“  
**A key difference is access to transportation and related access to local services**  
 ”

**Fig. 39 | Heard about welfare reform,**



### Labour markets

One of the main differences between areas is their varying labour markets. People interviewed in urban areas felt they were often competing with students (and in some specific cases ‘foreigners’) for jobs. Those living in coastal areas struggle with the prominence of seasonal work, and people living in rural areas have to travel considerable distances to get to jobs in surrounding market towns and cities.

### Summary

Our baseline data indicates that tenants in urban, suburban, coastal, and rural areas of the South West are reacting differently to changing patterns of work, access to work, and to welfare reforms. One key difference is tenants’ access to transportation and related access to local services, information and job opportunities. Tenants across the South West are also working or looking for work within the constraints of their local labour market and face different challenges as a result. Finally, varying household demographics between the areas plays a role in what benefit changes will have a particular impact.

## 10. Tenant portrait | Rural village

Mrs Kennedy is employed part-time for the council and works with people with dementia. She used to work full-time but had to reduce her hours to 15/week due to osteoarthritis in her hips.

“I’ve had to reduce my hours because of health issues. I’d



**I couldn't afford my medication for my arthritis. It's so wrong**



prefer to be full-time because of the money but can't handle it physically ... I make £7,000 year. I would like to have Working Tax Credit but I can't work 30 hours because of my health. I applied for DLA but the claim was refused.”

Mrs Kennedy has to pay the bedroom tax and said that if she was just above water before the bedroom tax has 'sunk' her. She's relied on her parents to lend her food and money, and recently had to go to a food bank because her parents were struggling to support her. Mrs Kennedy has been feeling depressed about this.

“I have one spare room and so I've been affected by bed[room] tax. My depression really kicked in over this. My parents had to help me with food. I had to go to a food bank. I couldn't afford my medication for my arthritis. It's so wrong. If it hadn't been for my parents I don't know what I would have done. I can understand why people commit suicide over this. Every penny is accounted for.”

Her car broke down recently and left her with more bills to pay. She only washes up when needed, turns off lights, showers less and only eats sandwiches to avoid using the oven. She has her hot water turned off and uses an electric shower. Mrs Kennedy recently found out that she will be moved to a one room bungalow in the village. She says it will be a relief to escape the bedroom tax and have a home more suited to her needs.

## 11

## Conclusion

This report sets out the baseline findings of our longitudinal survey of 200 working age social housing tenants in the South West over the period of the welfare reforms. The aim of the study is to track what consequences the welfare reforms are having on tenants' decisions around work and work incentives and to monitor their employment status over time.

Generally, the baseline findings show that tenants view the welfare reforms as a great uncertainty that has the potential to disturb carefully managed, but limited household budgets. Welfare reform is leading to cuts in income for almost half of the tenants interviewed and is resulting in the growth of debt and rent arrears.

Tenants are already struggling financially due to reduced income from work or benefits particularly those affected by the bedroom tax, and tenants are anxious about their ability to find and hold down work. Practical responses to financial pressures, include:

- Reducing food, utilities and other household costs
- Drawing on accumulated savings
- Selling personal belonging and useful goods such as tools
- Resorting to family members for financial and in-kind support.

Almost all tenants report high levels of anxiety around coping day to day due to reduced resources and uncertainty about their economic future and impending benefit changes.

The baseline findings indicate that four fifths of tenants interviewed are not feeling confident in their ability to find or hold down work. Tenants report many difficulties in finding work, including:

- Ill health or disability
- Lack of suitable vacancies
- Low skill levels
- Poor work incentives due to low paid, hourly or part-time jobs
- Unaffordable child care costs
- Worries around moving on and off benefits the resulting disruptions to income
- Unreliable and costly transportation.



**Future interviews will be critical in identifying changes in attitudes and behaviour**



These barriers to work are currently making employment an unsatisfactory option for many households.

The benefits of welfare reform are currently hard to identify due to the early stage of their implementation. Future waves of interviews will be critical in identifying changes in benefit recipients' attitudes and behaviour, as well as documenting their actual movement into and out of work and the types of job they take. We will also explore how tenants continue to use their various financial coping strategies and how long these can be sustained. This second round of follow-up interviews will begin in April 2014, a full year after the first wave of changes to the benefit system.

We conclude this baseline report with a general overview of the findings, and preliminary lessons for housing associations, government and society as a whole.

## Overview

1. Social housing in the South West houses people who are often vulnerable or in difficult situations. Households in social housing are more likely to include a family member in ill health or with a disability, be single parents or single occupant households, and have lower levels of employment than the population as a whole.
2. Fifty-seven per cent of households we interviewed currently have no one in work. The main barriers to work are ill health or disability, caring responsibilities for children and other family members, lack of vacancies, lack of confidence, inaccessible or unaffordable transport and the predominance of low paid, low hour jobs that result in poor work incentives.
3. Tenants who work enjoy and value their jobs. Working tenants do worry considerably about the stability of their jobs and maintaining their level of income. Eighty-three per cent of households with someone in work are also claiming benefits.
4. There is general uncertainty around welfare reform. Households worry considerably about any changes to their income and are anxious that they may fall into arrears as a result of changes to their benefits.
5. People already affected by benefit changes are struggling.



**There is a general sense that the bedroom tax is unfair, particularly if no smaller properties are available**



This is particularly the case for the bedroom tax as this new payment is often coming together with other hardships such as long-term unemployment, disability and other personal difficulties. The largest group affected in our sample were tenants in their 40s and 50s whose children have moved out of the family home, and were subject to the bedroom tax. There is a general sense that this penalty is unfair, particularly if no alternative smaller properties are available.

6. The vast majority of households say they are struggling or just managing financially and almost all tenants we spoke to had developed a variety of strategies to cover their costs with less resource. These included cutting back on food and utilities such as water and heat, and on household goods such as the internet, telephone or TV licences. Some households were selling their belonging to get by, dipping into their savings or borrowing money from family and other sources. Resort to family members for money or in-kind support like food was particularly common.

## Preliminary lessons

Our baseline findings provide some initial lessons for housing associations, government and society.

### Housing associations

- Focusing on the frontline and dedicating time to tenants is becoming increasingly important as a means of supporting tenants and securing income.
- Maintaining rent payments and supporting neighbourhoods involves budgeting support for tenants. Tenants need a lot of support, particularly if they have been affected by benefit cuts.
- Monitoring tenants and their responses to welfare reforms and changing circumstance is becoming essential to inform organisational strategy. This can also be used to help give tenants a collective voice.

### Government

- The roll out of welfare reform is creating high levels of anxiety among tenants who are benefit recipients. Tenants



## Social housing tenants overwhelmingly would like to be in work



are uncertain of when and how they will be affected, and unclear how the reforms could incentivise them to find work.

- Income and skills gaps are wide and many tenants work histories are patchy. Keeping in place the right support mechanisms, including training, could smooth the move from benefits to work for many people.
- Housing associations are key actors in rolling out the reforms due to their intimate knowledge of their tenants and the problems they experience. Listening closely to the experience of housing associations and their tenants has the potential to greatly inform policy development.

### Society

- Many social housing tenants are members of working households that claim benefits to supplement low paid work. In cases where households have no one in work, ill health or disability and caring obligations to children and other family members are the primary reasons for unemployment.
- Social housing tenants overwhelmingly would like to be in work, or to work increased hours. People in work (including low paid or flexible hours work) say they value being employed.
- The social housing sector provides affordable accommodation for many tenants who report problems with ill health or disability.

# HAILO

