



Is Welfare Reform Working?

Impacts on working age tenants

A study for SW HAILO

Overview report – March 2015

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We owe special thanks to the 277 tenants who gave their time to describe 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 having to adapt to new situations. We fully acknowledge the limitations of our work and accept full responsibility for any mistakes and incomplete information. We hope that this longitudinal research presents useful evidence on how policy is playing out in people's lives.

SW HAILO

The Housing Associations Influence and Leadership Organisation (HAILO) is a group of chief executives of the largest South West-focused housing associations. The member organisations own and build homes across the region and collectively have a turnover of £700m, with 188,000 homes in management and 11,000 new homes in development to 2015. Members are committed to working with other housing associations, other organisations and partnerships in the South West. They collaborate on shared agendas, contributing their knowledge, expertise and resources to make the case for investment, research, innovation and the sharing of best practice in housing. Members work to make a significant impact on outcomes for residents and their communities, and the effectiveness and resilience of their respective organisations, through the development of a culture of trust, sharing and collaboration.



LSE Housing & 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 and examines the impact of public policy. We aim to understand the social dynamics of disadvantaged neighbourhoods; explore models of housing and neighbourhood management; understand ways to support community and resident self-help action; and inform government policy.



This report provides an overview to LSE Housing and Communities' research for the South West consortium, HAILO. A summary report is available at http://sticerd.lse.ac.uk/dps/case/cr/casereport90_summary.pdf and a fuller extended report is available at http://sticerd.lse.ac.uk/dps/case/cr/casereport90_extended.pdf. Life stories, vignettes and quotes are used throughout the report to show how the main themes play out in people's individual lives. These examples could be multiplied across many cases. In all cases names and some identifying details have been changed to preserve anonymity.

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1. About the project

Context

The Coalition Government of 2010 introduced a plan for radical overhaul of the welfare system with four aims:

- to cut back on government spending;
- to give unemployed people greater incentives to move into work;
- to protect vulnerable citizens in need of support; and
- to simplify the system.

This report presents evidence on whether the aim of moving people who are dependent on benefits into work has been achieved, and considers three important questions:

- Are welfare reforms encouraging tenants into work or to work more?
- What are the main barriers to work for out of work tenants or tenants who want to work more?
- Why are many social housing tenants not working?

Background

Between 2013 and 2014 the London School of Economics conducted two rounds of interviews of 200 representative, working age, social housing tenants from nine housing associations in the South West of England who rent homes to over 200,000 households. The purpose was to find out how

welfare reforms are affecting the work status and day-to-day lives of social housing tenants.

The first round of interviews was conducted with 200 tenants in the spring of 2013 after a major wave of welfare reforms was introduced. The reforms included the introduction of a Council Tax charge for people on benefits, the benefits cap and the Spare Room Subsidy (colloquially referred to as “the bedroom tax”), as well as Social Fund localisation.

In 2013 we asked residents about their employment status, their work history, their experience of claiming benefits, their reasons for working or not working, their health, the services they use and rely on, and their communities. We also asked how they were managing as Housing Benefit and other supports shrank; how work was changing; how the area they lived in and the services they used affected their lives; and what helped or hindered their families’ progress.

These interviews were repeated one year later in 2014. We contacted the same 200 residents and managed to follow up with 123 residents (62%) from the original sample. 77 new residents were interviewed in order to maintain a sample size of 200. Securing two thirds of the repeat interviews after a year is typical for this type of research.

The tenants we interviewed live in five different types of areas across the South West region, representing a cross-section of the region’s geography. Urban, suburban, coastal, market towns and rural villages reflect the different patterns of settlement, revealing the significance of different geographic contexts for residents. The interviews spanned Plymouth, a naval port; Torbay, a Devonshire holiday resort; Bristol, a large urban centre; Bath, the historic Georgian city; small Wiltshire and Dorset villages, and scattered settlements.

This report brings together evidence from both rounds of interviews in order to find out how welfare reforms are affecting tenants’ lives and, in particular, how far the reforms are changing the way tenants view work, benefits, opportunities for training and progression into work.

2. Headlines

In 2010 the Coalition Government introduced a plan for radical overhaul of the welfare system. This research examines the aim of moving people who are dependent on benefits into work and how it is being achieved.

- Two years after the introduction of major welfare reforms many tenants are coping with the transition to new payments and reduced budgets. A majority – 126 out of 200, or 63% – said they were managing financially by reducing expenditure, in some cases on food, getting into debt to pay large bills, or borrowing from family and friends. Some ways of coping, such as cutting back on spending, are more viable than others, such as borrowing. One third were struggling financially. The vast majority of tenants are strongly opposed to resorting to payday loans, and only five percent have done so.
- Between 2013 and 2014, one in six tenants have either found work or increased their hours. Tenants who found work most commonly worked for family members or became self-employed. The majority of new jobs are part-time and flexible hours.
- Tenants face many persistent barriers to work. These include ill health or disability, caring responsibilities for family members, high childcare costs, poor skill levels, low confidence, inconsistent work histories, lack of suitable jobs and unaffordable transport costs.
- While the majority of tenants find their links with the Jobcentre unhelpful, they are generally positive about free training opportunities, particularly those provided through Learn Direct. Job-seeking tenants are eager to increase their qualifications and improve their employment prospects. Jobseekers value this kind of constructive support and wish there was more “handholding” and face-to-face support.

- Sanctions and reassessments of tenants' benefits have the potential to destabilise households and have negative consequences not just for the jobseeker, but for all members of the household. Tenants told us how sanctions, the immediate suspension of benefit payments, shift the jobseekers' focus away from work, and redirect their attention to finding alternative ways to cover basic living costs. Sanctions cause debt and arrears that increase household vulnerability and decrease jobseekers' capacity to go out into the job market. They also affect other low-income family members who "help out". Often, sanctions arise from administrative mistakes, wrong judgements and decisions that are subsequently deemed unfair.
- The majority of tenants commonly go for advice to Citizens Advice and other support agencies. These service providers are highly valued by tenants, and have helped resolve problems with benefits and arrears – including restoring benefits where mistakes, wrong assessments or unfair sanctions have been imposed.
- Three quarters of the 101 tenants who were economically inactive in 2014 had a disability (slightly above the average for social housing tenants UK-wide). Despite this, 74% of economically inactive tenants contribute actively to their community and society in other ways. They care for disabled family members, volunteer in their communities or take care of young children.
- Housing association landlords have a direct interest in helping tenants manage and have already taken many steps to ensure they remain viable as businesses by not only enforcing rent payments, but increasing front-line staff, offering more training, providing more advice and participating in pilots to test the real impact of the reforms.

3. Recommendations

Recommendations to Government and social landlords

The following recommendations to the Government and to social landlords arose directly from 400 interviews with 277 tenants in 2013-14.

Government

- Make Jobcentres more people-centred so staff hear the truth about tenants' problems and can help practically. Use the documented evidence from claimants to amend policy implementation, e.g. more job support, less job punishment.
- Avoid benefit suspension and sanctioning without notice, except in cases of proven and extreme abuse.
- Reform the withdrawal of the Spare Room Subsidy to be more flexible. Support housing mobility support schemes to make it easier for under-occupiers to down-size.

Government and social landlords

- Support local services that have a proven track record in helping low-income, low-skill tenants to cope with changes and uncertainties, e.g. Citizens Advice, public libraries, free internet access, credit unions.
- Find transport solutions for isolated tenants in rural and semi-rural areas:
 - o Cash subsidies for work-related travel (taxis where bus service is too infrequent)
 - o Car share schemes
 - o Employer-led transport for staff
 - o Moped/electric bike interest-free loans
- Provide low-interest, slow payback emergency loans for crisis situations.

Social landlords

- Train front-line staff in handling difficult and sensitive issues and train tenant representatives in welfare reform, finances, work and benefit advice – so that both become a valuable resource for communities.

4. Main findings

a. Overview of findings from 2013

I appreciate and am very grateful for my benefits. My benefits are my total budget, that's what I live on, but I live within my means. I don't complain because my benefits are my lifeline, I don't cheat the system. I have no TV, no internet, just food, gas and electric. I make do.

[Tenant living in an urban area]

LSE Housing and Communities and HAILO published an interim report¹ in March 2014. This summarised our findings from the first round of interviews in 2013 and provided a snapshot of tenants' circumstances at the beginning of welfare reform. The main findings focused on barriers to work tenants faced as well as tenants' perceptions of welfare reform and its consequences for their financial management.

Barriers to work

The findings of the interim report highlighted many of the barriers tenants face in finding work. Just over half of all households interviewed currently had no member in work, and the majority of these households cited disability, ill health, caring responsibilities or some combination of the three as major barriers.

1: <http://sticerd.lse.ac.uk/dps/case/cr/casereport81.pdf>

Four fifths of tenants claimed it was very difficult to find work in their area. These tenants acknowledged that lack of relevant work experience, lack of qualifications, and low confidence made finding work particularly difficult for them. Tenants said that low skill levels and poor work histories limited work options. Competition for jobs that are mostly part-time, low-wage and oversubscribed was strong.

Working tenants valued their jobs and were happy to be employed, but worried about their job security and the stability of their income. Low-paid working tenants spoke about juggling work with childcare arrangements, and transport costs. They also struggled to organise their budgets on fluctuating incomes, changing benefits and tax credits. Four fifths of working tenants relied partly on benefits.

Nine out of ten households – both working and not – were claiming benefits.

Welfare reform and financial management

In 2013 close to half of all tenants had been affected by changes to benefits – most commonly by the introduction of a Council Tax charge for those on benefits and the Spare Room Subsidy (sometimes referred to as the “bedroom tax”). However, 67% of

tenants did not feel well informed about changes to their benefits.

The reduction in tenants' income brought about by benefit changes led the majority of tenants to cut back on food, utilities and other household essentials. Tenants drew on savings and on other family members, they sold (pawned) their belongings and borrowed money. Family members of those affected were often needed not just for cash but also food and other in-kind help. Tenants were overwhelmingly negative about payday loans with 80% saying they would never contemplate using them, and only 5% actually doing so.

Out of the 200 tenants, 190 said that they were struggling or just managing financially and 79% of tenants described their current situation as difficult.

b. At a glance: Has anything changed?

I really like and appreciate my new job. It's given me a confidence boost to know that I can get a job with this kind of responsibility. It's taken me time to organise my tax credits and I was in arrears for several months, but I'm getting myself out of that now. The CAB has been brilliant in supporting my move to work.

[Tenant in a market town]

Summary

During the first round of interviews, the overwhelming majority of residents expressed high anxiety about benefit changes, and their direct impact on tenants' ability to manage. Many were struggling to adjust to reduced benefits and higher costs due to changes in their benefit receipts, rent payments, Council Tax, fuel bills and other essential costs.

All tenants continue to juggle their finances and enlist a

variety of coping strategies, including cutting back on basic household purchases, "to make ends meet". However, tenants now say they are more able to manage on less income compared to a year ago, and are finding it less of a struggle to cope. Many tenants have grown more accustomed to a new status quo after the disruptions caused by early welfare reform. Nevertheless many continue to feel vulnerable, are unable to save, and feel insecure about the future.

While the majority of tenants continue to be unemployed, one in six households have either gained jobs or increased the hours they work – this is comparable with the wider regional picture.

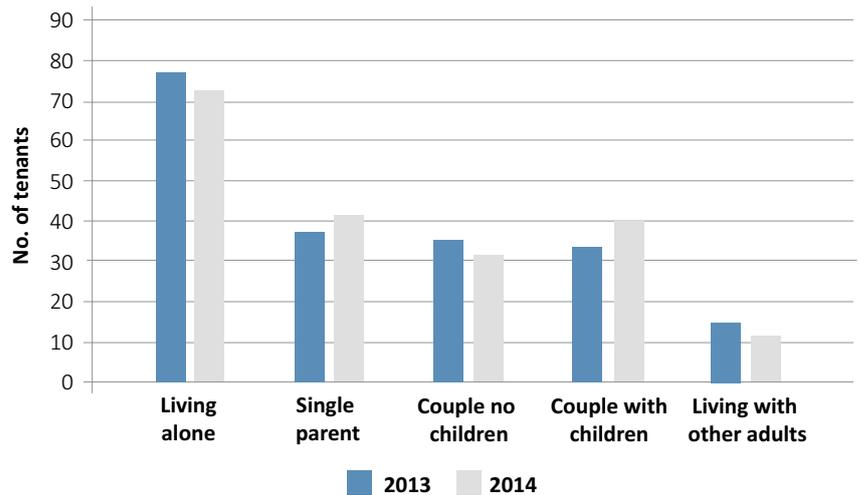
In contrast, about one in twenty households have seen reductions in income from earnings either because a working household member (adult child or partner) left, due to poorer health, or because fewer hours are available.



Household composition

Household composition has stayed relatively constant over the two interview periods (Figure 1). Tenants living alone make up the largest household group, followed by single parents and couples with and without children. These figures are consistent with the make-up of social housing tenants nationally.

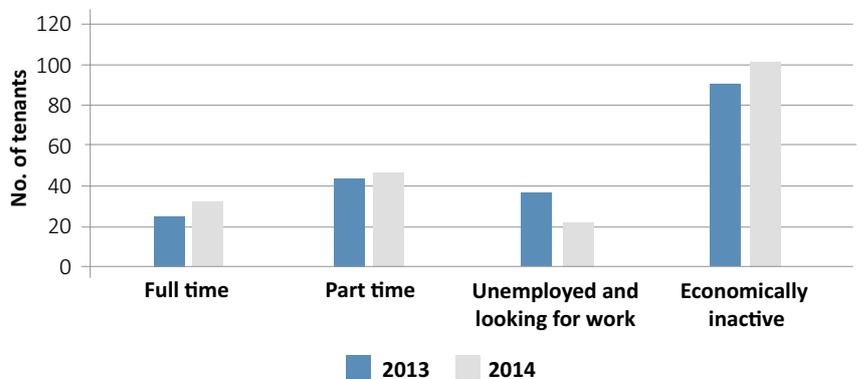
Figure 1: Household composition – 2013 and 2014 (200 responses)



Work status

More of the tenants we interviewed were in work in 2014 than in 2013. Out of the 123 tenants interviewed a second time, twelve tenants moved into work and eight tenants took on more hours (Figure 2). More tenants were in part-time work. Overall the number of tenants looking for work dropped by 14 tenants, while the number of economically inactive tenants grew slightly. We discuss work transitions later in the report, looking at these movements in greater depth.

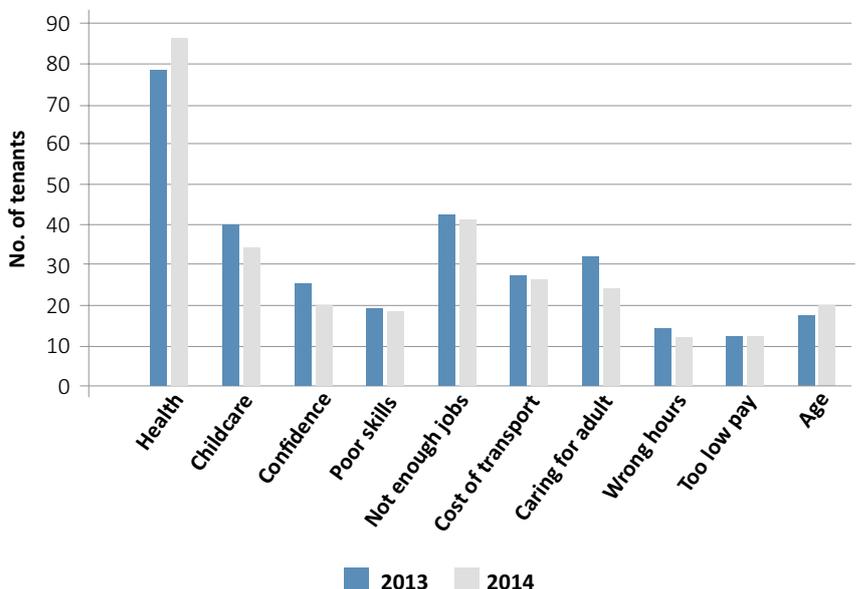
Figure 2: Work status – 2013 and 2014 (200 responses)



Barriers to work

The barriers to work tenants faced in 2013 have remained. Poor health and lack of suitable work are the most frequently named obstacles to employment for tenants. This is followed by the high cost of childcare, the demands of unpaid care work, and the high cost of transport. Tenants also cite low levels of confidence, poor skills and being middle-aged as barriers to employment (Figure 3).

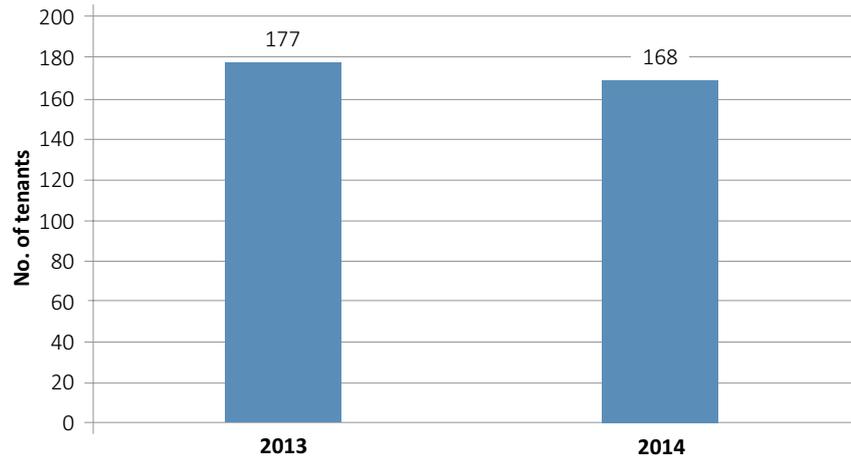
Figure 3: Barriers to work – 2013 and 2014 (200 responses)



Benefits

The vast majority of tenants, whether they work or not, are receiving some form of benefits or tax credit. 89% of all households claimed benefits in 2013 compared to 84% in 2014, in spite of the increase in the number in work (Figure 4).

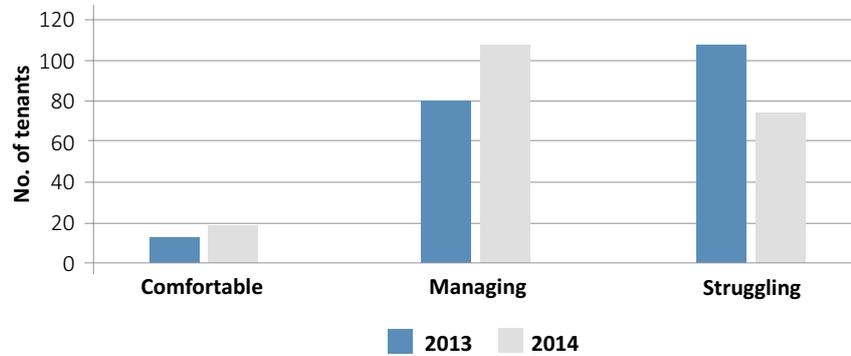
Figure 4: All households receiving benefits – 2013 and 2014 (200 responses)



Finances

Tenants had changed their view of whether they were managing financially, generally reporting that they were coping better in 2014. Previously more than half of all tenants said they were struggling financially, while in 2014 more than half claimed they were just managing financially (Figure 5).

Figure 5: Financial management – 2013 and 2014 (200 responses)

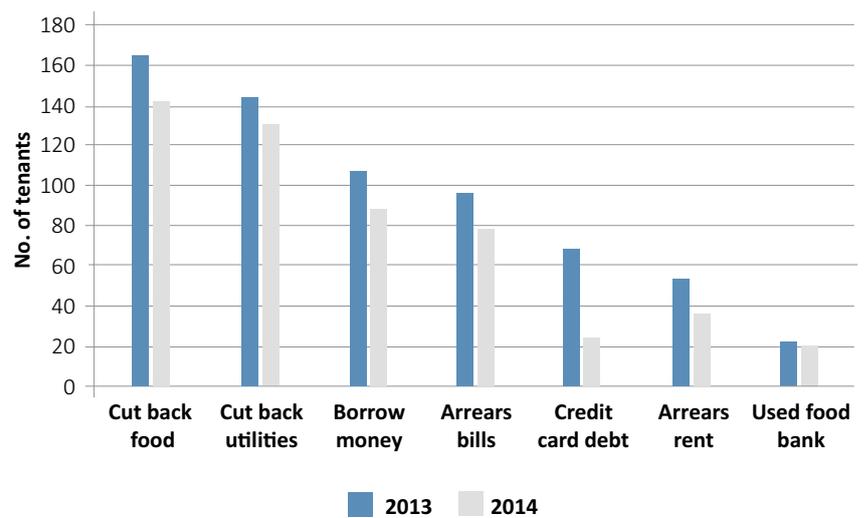


Many tenants said that they learned to adapt to changes in income brought on by benefit changes and made changes to their budgets. They adopted a variety of challenging strategies including falling into arrears for a period, taking on debt, borrowing from family, cutting back on food and household necessities, selling belongings and accessing food banks. A large majority of tenants in 2014 were against the idea of using payday loans with very few actually using them (5%).

How tenants are coping in response to welfare reform

Compared to a year ago more people are managing to cope financially and fewer feel that things are out of control. Nearly two-thirds of all tenants interviewed significantly cut back on their food purchases and on their utility bills in the past year, although overall the numbers of tenants having to take some remedial action had fallen between 2013 and 2014. More than half of all residents had to borrow money from formal or informal sources between 2013 and 2014. Thirty-five per cent of tenants fell into arrears with their essential bills in the past year in order to cover basic household costs and one in ten tenants went to a food bank in both 2013 and 2014 (Figure 6). Two of the vignettes later in the report show how people are responding, or managing to cope, albeit at a tenuous level (Mrs Smith, pg 17 and Ms Achebe, pg 28).

Figure 6: Adjustments to budgets and spending by tenants to cope with loss of income – 2013 and 2014 (200 responses)



5. Working tenants

Summary

Working tenants are generally proud to be in a job and value their work. However, one third of working tenants feel concerned about their job security and 42% feel their pay is too low to live adequately.

Over four fifths of working tenants rely on in-work benefits to get by and balance the household budget; and a third have consulted advice agencies in the last year to help them cope. A third of all working tenants reported problems with the administration of their benefits, including mistakes, delays and unexpected changes.

Only a third of working tenants manage to save, and half have borrowed money in the last year, mainly from family or friends. The majority of working tenants say they are just managing financially, but worry that emergency expenses could push them into arrears.

Working tenants are generally coping with reduced income and more insecure work but the struggle to cope affects their overall capacity.

Who works?

My benefits are so important! Every little helps. I go to work and even with benefits there's usually nothing left for myself. It all goes on the essentials.

[Tenant living in a suburban area]

By 2014, almost two in five tenants interviewed were in work and just under half of all households had at least one family member working.

Couples with children and lone parent households are most likely to have someone in work. Men are more likely to be working than women and those working were split between those aged 26-44 (47%) and those aged 45-65 (42%).

Working tenants for the most part have solid work histories – three quarters have been employed for most of their lives and the same proportion have held their current job for over a year.

The majority of tenants in work are employed in semi-skilled or skilled work, such as administration, education and hospitality.

Over four in five working households are receiving in-work benefits. Compared to year one of the survey, there are more tenants in work and at the same time more on benefits. Many new jobs are part time with unpredictable hours. This leaves tenants dependant on in-work benefits, coping on too low an income.

People's experience of working

My family and friends mostly look after my son when I go to work.

Because I had been working at my job for several years before I got pregnant my employer lets me be flexible with my time. But to find a job like that now would be difficult I think. I don't know how people with a family and without a flexible employer do it.

[Tenant living in a market town]

Sixty per cent of tenants value their jobs and take pride in working. Many residents say their jobs give them a sense of self-worth.

However, over a third of working residents are in insecure jobs due to short-term contracts or unreliable business. 42% of working residents feel their pay is too low to live adequately.

Working residents interviewed are more likely to be working part-time (58%) than full-time (42%), although 54% of all household members are working full time. Tenants explained that part-time work is often necessary because it allows time to care for family members, or is less demanding if the tenant suffers from health problems. Other tenants say that the extra cost of childcare associated with increased working hours prevents them from working full-time.

The follow vignettes illustrate the difficult balance between work and responsibilities at home, as well as the complicated interplay between low incomes and benefit receipt.

Working tax credits

Miss Roberts works as a dinner lady at a local private school. She works part-time which suits her because it allows her to take care of her son who is often poorly. She constantly feels she struggles financially. With the cost of living going up, fuel becoming more expensive, more Council Tax to pay and a recent reduction in Housing Benefit, as well as high fuel

costs, she suspects she will really struggle in the winter.

Miss Roberts says that her tax credits are very important to her because they make working worthwhile financially. Miss Roberts states that she will not mind Universal Credit with the exception of having Housing Benefit paid to her, instead of the landlord. She thinks this will be problematic. She says

that the local credit union has encouraged her to start saving money for emergencies, which she tries to do a few pounds a month. She says she cannot afford to eat healthily at the moment. She also says that claiming benefits online will be difficult for her because she finds the process very stressful and needs support filling out the forms.

Money problems

Mrs Smith lives with her 17 year-old son, who goes to college and attends a hairdressing course which he is really enjoying. Mrs Smith has started a full-time administrative job at the care centre where she worked before as a part-time carer. She is proud that she was offered the job and feels that she is progressing well through the company.

Mrs Smith says that she is working a lot, but that her pay just covers her expenses. Mrs Smith had problems with her benefits when she moved into full-time work. They were stopped for a period while she got proof of her income and she fell behind with her rent as a consequence. She has now caught up, but she says it made things difficult.

Mrs Smith is only just managing, and feels that the cost of living has gone up a lot recently – especially food and utilities. She says she has no idea where she would get money from if there was an emergency because none of her friends or family members are in a position to help her out. Mrs Smith is still paying off a loan she took on to buy a computer after two years of repayments.

Struggling to make ends meet

Mrs Norris works at a call centre 37 hours a week. She does not enjoy her work, but it gives her an income of £900/month. She worked for an insurance company for over 25 years until they went out of business. Mrs Norris says that she finds it difficult to market herself and her experience to new employers. She also thinks her age works against her.

Mrs Norris lives with her young adult son who recently started an apprenticeship. Once he started working, Mrs Norris' Child Tax Credit and Working Tax Credit fell from £400/month to just £8/month. She says this change has been horrible for her because the tax credits allowed her in the past to cover her £500 rent and use the rest of her income for bills and other extras.

Since she has lost the tax credits she has really been struggling and has to borrow money from her family to cover bills, especially the new Council Tax payment. She said she spent hours on the phone at her own cost trying to get help but no one at DWP was able to give her a straight answer.



What helps working households?

My working tax credits make a hell of a difference. If I didn't get it I wouldn't be able to work. It boosts my salary. I use it to pay food and bills and my salary to cover rent. Tax credits make work possible.

[Tenant living in a rural village]

For over four fifths of households, their wages do not meet their needs and they have to rely on benefits to top up their income. The most common benefits received by working households are Housing Benefit, Council Tax Reduction, Child Tax Credit and Working Tax Credit. Working Tax Credit is particularly important because it not only tops up people's low incomes, but also helps cover the extra expenses of working, such as transport and childcare. Self-employed residents value their working tax credits because it helps smooth out their income.

Working residents say that receiving in-work benefits makes the difference between struggling to pay their way on low pay and not being able to make ends meet. Benefits help low-paid tenants pay for basic necessities. Residents say that their benefits make work viable.

One third of working tenants have used Citizens Advice (CAB) in the last year for help with benefit or

debt advice. The majority find the CAB helps them resolve problems they are unable to solve alone.

Other helpful services for working residents include legal aid, the library, debt advice services, food banks, adult social services, mental health charities and counselling services.

What do working households find challenging?

Over Christmas I had my hours reduced a lot and it took six weeks to get my benefits because there was no one there to process the documents over the holidays. Imagine going six weeks without money over Christmas time. It was awful.

[Tenant living a rural village]

Sixty per cent of working households have dependent children. Many of these households struggle with work hours that do not correspond with school or nursery hours, or report that their salary barely covers childcare costs. Parents worry that going back to work is not in the best interest of their child, and many say that employers are not willing to allow flexible work around children's schedules. More than half of all working households with dependent children rely on family members and friends to care for their children at least once a month.

Two thirds of working households own a car and rely on it as their primary means of getting to work. Transport costs to and from work take up a large share of people's incomes, especially in rural and more suburban areas. Two thirds of working households spend more than £20 a week on getting to and from work, and say that transport costs cause problems. Residents who rely on public transport also complain about high costs and infrequent bus service. In rural and suburban areas bus timetables often do not fit with typical working schedules, even less shift work.

Thirty-two per cent of working households have had problems claiming their benefits over the last year due to administrative error or delays in the claims process. This often leads to debt or arrears that low-paid working households struggle to pay back.

Three in five working tenants say they are managing financially, more than in 2013, but emphasise how vulnerable they feel. A majority manage to meet all their main expenses but often have to cut back on food in order to make ends meet. Only a fifth of working households have savings or are able to actively save at the moment, while nearly half of working households have borrowed money in the last year to get by, most commonly from family members or friends.

6. Looking for work

Summary

One in eight of the tenants we interviewed is actively looking for work, two-thirds of these are over 45, and the majority have been unemployed for over a year. All tenants looking for work are receiving benefits.

The main barriers tenants have in finding work are poor health; being over 45 years old; facing competition from younger people; the high cost of local transport; low qualifications; low pay; and low confidence. An unstable work history and limited work experience are also factors.

Tenants value the training offered through the Jobcentre, particularly Learn Direct, an online basic work readiness training programme. Well over half work as volunteers to increase their job readiness. Many described difficulties with the administration of their benefits. Those who were “sanctioned”, i.e. had their benefit payment suspended, experienced real hardship, which reduced their ability to find work.

Two thirds of tenants had consulted CAB or other agencies to obtain advice and assistance.

Who is looking for work?

I was born and bred in this country. I've worked all my life, my parents have worked all their lives. From 1971-2010 I worked and paid taxes. I spent six years in the armed forces. Why am I being penalised? The pension age goes up and up. It's all well if you are fit and able! We've all done hard jobs all our lives. It's a struggle when you're older and cannot do physical work anymore. No one wants to hire me and I understand why.

[Tenant living in a suburban area]

In 2014, 11% of tenants were actively looking for work. Of tenants looking for work, close to two thirds were over 45 years old and were most likely to be living alone or be a single parent.

The majority of tenants looking for work have been unemployed for more than a year; two thirds have patchy work histories and their experience is mainly in unskilled, low-paid work. Previous work experience is most likely to include factory work, warehouses, care work, retail and cleaning.

Over half of tenants looking for work live in a household where someone has a disability. This affects residents' ability to work as their health problems limit what they can do, and caring responsibilities for a disabled family member make working all but impossible.

All tenants looking for work receive benefits. Tenants looking for work are split between managing and struggling financially. The ones that manage just cover their essential bills and would struggle with unexpected expenses.

Over half of tenants looking for work are in significant arrears and two in five have borrowed money in the past year.

Five residents looking for work have used a food bank in the past year, while three quarters have cut their weekly spending on food. Most tenants looking for work spend less than £40 a week on food.

Why are tenants out of work?

I cleaned in a hospital until my husband left me in 2010 and I had my nervous breakdown. I've been struggling with anxiety and paying off our debts since. It's been difficult, but I feel like I'm almost over it now. I would like to work again.

[Tenant living in a rural village]

Tenants in this category face many barriers to jobs. Health and age are most frequently

mentioned as obstacles to work. Several residents have caring responsibilities for other family members, or have physical or mental health problems themselves. Older tenants approaching pension age feel they are near the end of their working lives and are being overlooked by employers who are favouring younger people because they are happy to take flexible contracts. Some also question their ability to take on physical work.

The following three vignettes illustrate the types of barriers tenants face in accessing work. They also highlight how unemployment can catalyse a range of negative outcomes, from arrears to low confidence and depression.

Struggling with disability and debt

Ms Frith lives with her teenage son who has health problems including difficulties walking and anxiety. She has started to look for work in schools so that she can match her son's timetable but has not had any success so far. She says she sometimes applies for five jobs a week but never hears back. She has to stay in the local area due to her son's needs and is reliant on expensive public transport. She has taken

several courses through Learn Direct in the hope that her qualifications would help with her job search.

Ms Frith really struggles financially; her cooker broke last month and she had to get a loan to cover the costs of a new one. She has had bad experiences with high interest loans in the past and never wants to resort to one again. She says she is always in her overdraft and that her son's Disability Living Allowance was lowered when he

turned 16, which made things more difficult.

When her daughter left home last year she was expecting to pay the extra cost of the Spare Room Subsidy, but didn't get a notice until right before Christmas, when she was asked to make up for six months missed payments all at once. She ultimately used the Christmas money she was given as a present to pay off the arrears.

The impact of sanctions

Mr Leary lives with his two children and is currently searching for work. He had a car crash three years ago, which left him physically and mentally disabled. He now walks with a stick and admits to feeling quite frail mentally.

Mr Leary's benefits have been stopped for the third time because the Jobcentre claims that he is not looking actively enough for work. Mr Leary says that it is not fair for the

Jobcentre to force you into a job that you are physically not suited for and then punish you by withholding your money.

Mr Leary would really like to work but he has to consider what he can legitimately do, as well as his 12-year-old son's timetable, which only allows for part-time work.

Mr Leary goes to the library every day to look for jobs on the computer there. He says he has never heard back from an employer. He has attended

courses at Learn Direct and has six qualifications that he is proud of. This has been a good resource for him.

He really struggles through periods where his benefits are cut and has to ask family and friends for money and go without food in order to feed his sons. He thinks the government should be more lenient with poor people especially because their decisions affect children.

Transport, ill health and a family loss

Mrs Spencer is the mother of a large family. Most of her children have grown up and moved out, but one son remains. He works as a builder and contributes substantially to the household income. Mrs Spencer's daughter died of cancer two months ago. She had been suffering with cancer for the last six years and it has been difficult for the

whole family. Bills and transport costs all added up and the funeral had to be paid for out of the remainder of their savings.

Mrs Spencer was unemployed for seven years while she took care of her daughter, and has recently begun suffering from her own health problems. Her husband was made redundant after 27 years of employment and has not found work since.

He is 59 now and only has one eye, which limits what he is able to do. He has signed on to all kinds of agencies, but work has been sparse. He is now in the process of signing onto Job Seekers Allowance (JSA).

Transport is a big issue for the family. They live in a very rural area and a round trip to the nearest town is £4.20. The buses run very infrequently.

Tenants' experiences of job-seeking

At the moment I travel to the Jobcentre and my volunteer work twice a week at nearly £8 return. That is £19 in transport a week or £70 a month, which is the total amount of money I get for one week. A quarter of my benefits goes on traveling to the Jobcentre and to my volunteering.

[Tenant living in a coastal area]

When tenants were asked about their experience of looking for work, all spoke about their job search in relation to the Jobcentre. All had been to the Jobcentre in the previous month.

Nine tenants were enrolled in free Learn Direct training as a result of contact with the Jobcentre. This training was highly valued and reviewed favourably. Tenants were proud of their training and the certificates they received, and hoped that it would contribute positively to their job search.

The majority of tenants looking for work found it difficult to access the internet on a regular basis. Fourteen out of 26 tenants had cancelled or went without internet at home in order to save money. Tenants often spoke about time spent queuing for oversubscribed library or Jobcentre computers.

For the most part, tenants' opinions of the Jobcentre are poor. Three quarters feel they were badly treated at the Jobcentre. There are many problems including unhelpful treatment by Jobcentre staff, the unsuitability of the jobs they are encouraged to apply for and accept, and the fear of sanctioning. Three quarters of tenants say they feel the Jobcentre has been bad for their confidence and feeling of self-worth.

What makes looking for work easier?

I've had difficulties finding a job, but I do lots of volunteer work. I organise community projects like sewing projects to repair old clothes, I've helped with community art installation, fundraised for the local boxing club and organised amateur theatre. I like to be involved in my own way. I have problems with anxiety but when I control my level of activity I'm fine. Hopefully all my volunteer work might turn into a job someday.

[Tenant living in an urban area]

In 2014, all jobseekers were claiming benefits, although one had been sanctioned and was not receiving benefits when we spoke. The most common benefits for job-seeking tenants are Housing Benefit, Council Tax Reduction, Child Tax Credit, Job Seekers Allowance and Employment Support Allowance. Tenants

repeatedly said that they were grateful for their benefits because these help them "survive". Half of residents looking for work are active volunteers for an organisation. Residents feel positive about their voluntary activity because it builds their confidence allows them to control and their timetable. Many recommend volunteering as a positive first step back to work.

Training was held in high regard by all jobseekers. Nine had completed Jobcentre Learn Direct courses, which they valued.

Nearly two-thirds of residents looking for work had used the CAB in the past year and all residents said the CAB had helped them solve a problem. Other services used by residents looking for work include: crisis loans, food banks, libraries and charitable groups including churches.

What makes looking for work a challenge?

The bus is £4.20 return to go just 5 miles. If we got that every day that would be £25 a week! We spend about £10 a week just to get the bus to the Jobcentre who are putting their foot down and telling us we need sign on weekly. All we do there is CV training. We've never claimed benefits before so we don't know what to

do about the transport costs. Its all new to us. My husband was in a job for 27 years, he's now 59.

[Tenant from rural area]

Most jobseekers use the bus or walk to get to appointments and look for work. Public transport is costly and unreliable.

Two thirds of job-seeking tenants have experienced problems with their benefits in the past year. Half have experienced administrative delays and errors due to changes in circumstances requiring changes in benefits. Delays in benefit receipt leads to arrears, and the inability to purchase essentials such as food, or pay for utilities or contribute towards housing costs.

Seven tenants looking for work were sanctioned by the Jobcentre in the past year. The most common reasons for the sanctions were missed appointment or incomplete paper work. Four tenants successfully appealed their sanction and received their benefits in arrears at a later date.

Tenants emphasised that sanctions shifted their focus away from their job search and toward survival. Evidence from a recent study by Oxford University supports this finding². Tenants needed to find alternative ways to

pay for food, shelter and utilities and in some cases they had to find money to provide for children.

Sanctions introduced a level of hardship and struggle that made looking for work unfeasible.

A sanction stops your ability to eat, to pay your rent. You end up relying on friends and really go through the mill. This went on for three months in the middle of the winter. They apologised to me formally and I got paid in arrears afterwards, but the damage had been done. Getting benefits requires a huge amount of personal administration. People at DWP don't seem to understand the implications of their administrative errors.

[Tenant living in a rural village]

2: <http://www.theguardian.com/society/2015/jan/20/jobs-revival-benefits-work-jobseekers-allowance> (accessed 5th February 2015)

7. Economically inactive

Summary

Four out of five economically inactive tenants – not in work and not looking for work – say they have a disability, and the remaining fifth are looking after young children. Half of all economically inactive tenants say they have spent the majority of their working lives in employment.

Despite being economically inactive, many are active in other ways as carers, volunteers in their communities, or looking after young children.

Ninety-six percent of economically inactive tenants

receive benefits, which for the most part constitute their only source of income. Disabled tenants are especially grateful for their disability benefits, which help them pay for carers and mobility vehicles.

Nevertheless more than half report difficulties with the administration or management of their benefits, including a third who have been reassessed and had to appeal the decision in order to secure their entitlement. Half report they are managing financially, though with little room for manoeuvre. Around four in ten have used advice agencies like CAB.

More than half of economically inactive tenants have spent the majority of their lives in work, often in physically demanding jobs, until ill health or injury forced them to resign.

Many economically inactive residents contribute to society in ways that are not recognized in the economy. Three quarters are either full or part-time carers, take care of young children or volunteer on a weekly basis in a local organisation.

Half of all households with full-time carers have been affected by the Spare Room Subsidy reduction. They often have an extra bedroom as their disability makes it difficult for their partner to sleep in the same bedroom. Several residents said they felt they were being punished for their poor health. Households with carers are more likely to be struggling financially.

Nearly all (96 out of 101) economically inactive residents receive benefits. The most common benefits are Housing Benefit, Council Tax Reduction, Employment Support Allowance, Child Tax Credit and Income Support. Benefits are the only source of income for many tenants and essential to them. Residents with disabilities say disability benefits help them pay for carers and stay mobile.

Who is economically inactive?

My disability benefits are my lifeline but I think it's still a hard life on benefits. I can't afford a lot of things. It's really difficult to pay for the things my son needs, especially over the holidays when he's always home. I'd rather work and earn proper money, but it's just not possible at the moment.

[Tenant living in a coastal area]

In 2014, 101 out of 200 residents were not working and not looking for work. Two-thirds of these tenants were over the age of 45

and 43% were living on their own. Over three quarters of economically inactive tenants say they have a disability. In 2007 Hills indicated that around 43% of social housing households had a serious medical problem or a disability, and that this had been rising steadily since the 38% reported in 1994-5. Since then disability levels have increased due to increased aging and selection on the basis of need in all allocations. Disability leads to isolation and anxiety for many residents. Others are dependent on a family member who is their carer.

ve tenants

What prevents tenants from working?

My partner has cancer and other issues. I'm his full-time carer and had to give up my career several years ago because we couldn't afford the carers. Our benefits are a necessity to us. I can't go to work. It's the only way we can pay our rent. The gas and electric, the water and telephone bill. It's such a struggle to pay them all. But I just can't go back to nursing at the moment because it doesn't make sense financially with the carers we'd have to hire. We really struggle.

[Tenant living a coastal area]

The main obstacle to working for economically inactive tenants is disability. Out of the 101 economically inactive tenants, 73 stated that they have a disability and 25 tenants live in a household with a disabled family member.

Most economically inactive residents say they have both physical and mental health problems. Residents often say that their physical problems and limitations cause their mental health to deteriorate – for example provoking anxiety.

20 out of 101 economically inactive residents are full-time unpaid carers, while a further 12 care part-time for family members. Many carers gave up jobs in order to provide free

care to family members and to avoid high care costs. Carers are often quick to point out that they are hard workers, and that this regularly goes unacknowledged.

38 out of 101 of economically inactive households have dependent children. Of these, half are taking care of young children under the age of five. Many mothers of young children have decided to stay at home until their child reaches nursery age. Many parents also cite high childcare costs as a major obstacle to work.

What is it like to be economically inactive?

My best friend committed suicide in March – she went through period of relentless reassessments, and found the forms very confusing. She was disabled but they were questioning her over and over again. She needed lots of support and she just didn't get it. DWP hounded her for information, it was horrible. It's a horrible feeling, knowing that your friend was pushed over the edge like that. It's not over exaggerating to say that people are dying because of this kind of treatment. Go after scroungers, not genuine people in need. It's so upsetting to lose my friend. I'm pretty certain that if these welfare reform changes weren't going on, I'd still have her with me.

[Tenant living in an urban area]

Half of all economically inactive tenants are managing financially, but finances are precarious and they just manage to cover costs with what they receive.

Over a third of economically inactive tenants are in arrears, 43% have borrowed money in the last year and three quarters have cut back on food spending. Only 18 out of 101 economically inactive tenants, less than one in five, currently have savings.

Forty-nine residents have had problems with their benefits in the past year. For many the transition from Income Support to Employment Support Allowance was fraught with problems, causing delays. Others experienced administrative errors due to changes in circumstances not being recorded properly or processed in time. Residents also experienced difficulties understanding the benefits claims process and struggled with the forms.

Some residents experiencing periodic ill health have been reassessed and placed into working groups. This causes great stress to economically inactive tenants who feel unwell and are not yet ready for the labour market. Many go through appeals processes prior to a return to work and many are successful.

Citizens Advice had been used by a third of tenants in the last year and most of these said that the CAB had helped them solve a problem. Economically inactive tenants regularly use services such as legal aid, crisis loans, food banks, mental health services, counselling, debt advice and libraries.

The following three vignettes illustrate how disability is a major obstacle to employment for many tenants. They show how economic inactivity and complete reliance on benefits can cause a variety of hardships in people's lives.

Reassessment and sanctions

Mr Moore has had three strokes in the last year. He is currently on Employment and Support Allowance but was deemed fit to work by ATOS several months ago. His benefit was stopped when he appealed the decision. He is now waiting for his tribunal in September, which will decide his future status.

Mr Moore is at a loss to explain why ATOS would say he is fit for work as he continues to show medical signs of neurological damage. His background is in mechanical work and lorry driving and he says that he is too much of a health liability to go back to this type of work. He thinks he would have to completely retrain and at 51 he

says he will find it hard, but it may be the only option.

Mr Moore says the family are really struggling financially and have had to take food parcels and short-term loans recently in order to get by. He says the family spend £50 per fortnight on food. Mr Moore is very worried and stressed about the upcoming tribunal.

A successful appeal

Mr Smith has extreme respiratory problems and very restricted lung function. He is waiting for a lung transplant. He is on Employment and Support Allowance and Disability Living Allowance but after his Employment and Support Allowance assessment, he was put into a working group and his benefit payment dropped by £30. He says the seven months

it took to make his appeal were very stressful because £30 made the difference between surviving and paying the rent bill or not.

Mr Smith is so poorly that he is unable to wash himself. During the seven months with no benefits a neighbour helped him to go to a food bank once a week to get groceries that he stretched over five days. He

eventually won his appeal and has now received the highest level of carers and mobility support.

He can't emphasise enough how helpful his reinstatement of benefits has been for him. "It's a HUGE, HUGE help, I'm so grateful". He now has carers stay three days a week and says he is managing comfortably compared to before.

Rent arrears

Miss Casper is in her early twenties and unemployed. Her son is 18 months old and Miss Casper has been struggling with post-natal depression for some time now. The birth of her son coincided with her husband discovering that he has a degenerative bone disease, which makes it very difficult for him to lift anything. His illness makes it difficult for him to look

after their son and Miss Casper feels like she needs to stay at home to look after both of them.

She is currently on ESA as a joint claim with her partner and they receive child benefit and child tax credit. Both parents – who are on benefits for the first time – have to go to the Jobcentre for occasional interviews. She says that the atmosphere at the

Jobcentre is very negative and that the staff try to push her into work without consideration for her circumstances.

Miss Casper says they are struggling financially as a family and have significant rent arrears from when their storage heater broke last winter. She and her husband go without food at times in order to pay for bills.



Progressing into work

Ms Achebe accepted a fixed term part-time contract with the CAB last week, after volunteering at the office for over a year. She now sees herself progressing on to be an advisor, and is hoping to get a grant to pay for advisor training in the future. Ms Achebe credits her volunteering at the CAB as the main reason she got the job. Ms Achebe used to be a cleaner, before she developed back problems. She has no formal qualifications and feels she has to prove herself to employers in order to get a foot in.

The period of unemployment, during which she was volunteering, was very difficult for her financially. She said it was good to be volunteering at the CAB, however, because it helped her understand the benefit system and how to get by on a low income.

Moving out of work

It's been difficult since I lost my job. We've had to rely on my 20-year-old son's income to make ends meet, which doesn't seem fair. We are struggling. We had to get a debt agency to sort everything out for us recently.
[Tenant living in a suburban area]

Seven people moved out of work between 2013 and 2014. This was mainly due to deteriorating health and redundancy.

Several households experienced a drop in income due to household changes. This was often due to working children moving from the family home, or working couples splitting up.

The following vignette is an example of a tenant moving out of work due to ill health. The example also shows the risks associated with self-employed work.

Self-employed risks

Mrs Reed was a self-employed cleaner until she was forced to stop work due to an acute bowel problem. Mrs Reed currently receives Housing Benefit and ESA while she waits to have surgery. Mrs Reed would very much like to go back to work, and worries that she will lose her customers if she is off sick for a long time. However, she finds it very difficult to stand for long periods, which makes cleaning impossible.

Before Mrs Reed received her ESA she received a lot of help from a local budgeting charity to manage the transition from work to benefits. The charity managed to freeze repayment of several loans, and negotiated utility reductions with British Gas. Without the support from the budgeting charity, Mrs Reed is sure she would have fallen into greater debt.

8. Work transitions

Summary

Out of 123 tenants who participated in both rounds of interviews, 20 tenants increased their working hours in 2014, including 12 who moved out of unemployment into jobs and eight who

increased their hours. Consequently, one in six tenants improved their work status in the period of one year. Seven households had less work in 2014 than in 2013. 96 tenants, over three quarters, did not change their work status at all.

Households whose work position improved

It was a big change to move off of tax credit after I got my full-time job. I also used to get dental treatment and glasses as part of my benefit. But it's so nice not to have to fill out forms anymore. Getting out from under that system feels so good and I hope I never have to go the Jobcentre again. I'm less stressed and less worried now.

[Tenant living in a market town]

One in six tenants improved their work status over the period between 2013 and 2014. Strikingly, half of these tenants got their jobs from family members or became self-employed. Three tenants' health improved allowing them to return to work again.

The majority of newly acquired jobs are part-time with flexible hours in social care, clerical and administration, or skilled manual jobs.

Tenants who moved into work or took on more hours are more likely to have family and friends who are working (55%), compared to their unemployed counterparts (35%).

Tenants who moved into work, for the most part, did not face major barriers to work such as ill health or disability, high childcare and transport costs or advanced age. They also often had work-related connections.

9. Tenants' views of w

Summary

None of the tenants interviewed had been moved onto Universal Credit, although a majority had heard of it. The transition to this new benefit was worrying tenants as was direct payment of rent to tenants rather than the landlord. Two thirds think direct payment is a bad idea.

The main change already affecting tenants was the withdrawal of the Spare Room Subsidy, which was affecting the “empty nesters” and people with disabilities most.

Although nearly nine out of ten tenants use the internet, some worry about the security of administering benefits on the web, and about whether it will work for the most vulnerable tenants.

which keeps my wife up at night. She needs her strength to care for me during the day. I also need a special mattress. We don't have a spare room and yet we're paying this money. It's been very difficult.

[Tenant living in an urban area]

The Spare Room Subsidy withdrawal, a reduction in Housing Benefit for tenants occupying a social rented home with a spare bedroom, affected a quarter of the tenants in 2014. The number of tenants affected by the cut in Housing Benefit increased between 2013 and 2014 from 40 to 48 tenants.

The majority of tenants affected by the Spare Room Subsidy withdrawal are over the age of 45. In the majority of cases an adult child moved out of the household leaving a spare room. In some cases a household member's disability makes a spare room a necessity. In other instances tenants have been unable to identify or secure a smaller property to move to.

The Spare Room Subsidy has necessarily caused tenants to cope with reduced income, except where Discretionary Housing Payment (DHP) was paid. Twenty-eight out of 48 tenants affected by the cut in 2014 said they were struggling financially.

Universal Credit

In theory Universal Credit sounds ok, but all the changes scare us rotten. There is no guarantee that the system will work, and I think the transition to monthly payments and paying Housing Benefit will put us into arrears at first.

[Tenant living in a coastal area]

None of the tenants we interviewed had been moved onto Universal Credit by the summer of 2014. Nevertheless almost two thirds of Round 2 interviewees had heard about Universal Credit. Tenants mainly worried about changes to their benefits that could disturb carefully planned budgets and lead to arrears.

More specifically, half of tenants worry that the change from fortnightly to monthly benefit

payments will cause hardship to them and others in similar positions. Tenants fear that monthly payment of benefits could make it difficult to budget for emergencies, or will tempt some struggling households to spend their money too quickly.

Only a fifth of tenants (up from 11% in Round 1) think paying Housing Benefit to the tenants rather than the landlords is a good idea. Tenants worry that receiving this money directly will increase rent arrears and lead to evictions.

Withdrawal of the Spare Room Subsidy

We've got to have two bedrooms because of my disability. The way I see it is that we're paying a tax on my disability. We can't sleep in the same room. I need oxygen,

welfare reform

Digital by default

Dave my neighbour doesn't even know how to use a computer! I'm OK, but I'm sure I'd find it difficult and I'd worry that I'd get sanctioned if I didn't understand. You go to the library and all the computers are full. You have to wait an hour and then they're so slow that it takes ten minutes to log onto your email. We didn't have computers when we grew up, we just had a pencil!

[Tenant living in a coastal area]

Almost nine in ten residents use the internet. Out of those who use the internet regularly, 17% do not have access to the internet at home and either go to the library or ask friends and family for access. Many of those who use the internet are not confident about filling in forms for benefits claims online.

Despite this high level of use, two thirds disagree with the proposal to move the benefit claim process online. Residents argue that internet access is not universal, and that digital literacy cannot be taken for granted – especially among older claimants. They worry that the system is complex to understand and use, and that errors will affect their regular benefits. Tenants feel that the most vulnerable benefit claimants will suffer from this change and be deprived of one-on-one support.

Payday loans

Nine tenants out of 200 by the second interview used payday loans. There is an awareness that such loans are a trap. But a small minority of people do resort to them when desperate (5%).



10. What will help ten

Everyone's position when it comes to benefits and looking for work is different. It's very complex. Everyone, when they get unemployed needs a helping hand. Especially the very vulnerable people need their hand held at different points in their lives! There needs to be more customer service, more thinking about the big picture. If you sanction someone they won't be able to look for work, because they need to figure out how to survive. I think DWP is losing sight of why they are there.

[Tenant living in a suburban area]

When the interviews began in 2013, 200 tenants from nine housing associations were all experiencing serious problems with benefit changes, the introduction of the cut in Spare Room Subsidy, and increasing financial pressures due to changes to in-work benefits and rising costs of living, particularly housing costs, energy bills and food.

Tenants were struggling to cover the bare essentials of survival and their housing associations were rethinking their role to include more personal contact and support. At the same time landlords were under increasing financial pressure, due to reduced grants, cuts in Housing Benefit, greater financial pressure on tenants and therefore greater difficulty in collecting rents, which made arrears reduction crucial.

By summer 2014 the picture was changing. Our survey tells us that tenants had begun to manage the transition to reduced budgets and major changes. Although two thirds said they were managing, they often had to make reductions to their core expenditure including food, and also steadily accrue arrears for major bills, or borrow from family and friends. Fully one third were struggling financially.

The tenants' responses in both rounds of the survey highlight that they need:

- supportive frontline staff and more access to help services, such as Citizens Advice;
- capacity-building amongst tenants so they are better informed, more confident and more able to deal with unexpected difficulties and hurdles, particularly around benefits;
- more accessible links into work and training.

There are particular problems for tenants and landlords with dispersed stock, poor transport links and disabled and isolated tenants. Costs mount for associations with these challenges. Some employers, councils and local work schemes have introduced cheap loans for mopeds; promote bike-to-work schemes and lobby for safer cycle routes; some employers pay for taxis for late shifts. Car sharing is another common approach.

It would be possible for South West landlords to explore some of these forms of transport support.

Some associations are increasing their advisory and support services in parallel with stronger enforcement of rent payments. Some associations are developing apprenticeship schemes and employment links, particularly in the building and maintenance fields.

There are other life-line services for tenants, including libraries, credit unions, internet access, carers and mental health support groups, among others. These could be better recognised and supported by councils, government and voters.

Tenants rely on their landlords for their home and sense of security. This spills over into the areas where they live creating a perfect climate for Housing Plus. This means that it is worthwhile for landlords to promote those areas of landlord activity, beyond the direct housing service, that help communities work better, be more cohesive and resilient, and therefore easier to manage.

ants manage?

I got some free counselling sessions, which has been really helpful to have someone listening to you. Everything builds up and I was feeling like I was going to explode. When someone is listening to you and seems to care, it helps. It helps me think things through.

I had a support worker at the CAB who helped me figure out my repayment to the utility company. I needed help, and I felt that the people at the utility company weren't listening to me... I don't know what I'd have done without that woman from the CAB.

I'm not so good with reading and I don't have a TV, so I get all my news from the community centre. That's how I know about welfare reform and how the changes are going to affect me. Without them, I'd be clueless and pretty much on my own.



11. What can social landlords and the government do to help?

I don't expect to be well off. I don't expect to have no financial worries but I think there is an argument to have a basic income paid to everyone in society. Cutting benefits and sanctions makes people ill and unable to participate, it's counterproductive. If people could rely on a very basic sum I think that would be good. And that money would be spent in the local community. Poor people spend their money locally. It's the wealthy that don't circulate their money.

[Tenant living in a market town]

There are three main communication gaps in the current welfare reform agenda:

- Jobcentres are key to out-of-work tenants finding work and coming off benefits. Building confidence is an essential part of helping many people to return to work. Building relations of trust between jobseekers and Jobcentres would support transitions to work. Some of the Jobcentres are doing this, but the frequency of reports of mistrust and even anger amongst tenants about how they are treated underlines the need for better communication and better services.
- There are real barriers to tenants accessing work, training and advice, especially in rural areas, semi-rural towns and villages as well as suburban areas where tenants feel more cut off. Innovative new ways of bridging these gaps need to be found, such as mobile multi-service vans, car sharing, projects to bridge the digital divide, and greater use of small grants or starter grants to ease the transition to work.
- There is a gap between many non-working tenants' skills and work experience, and the available jobs. It requires patient, face-to-face support to break down this barrier. Many government pilots show that it can be done. Drawing on successful experiments in offering greater support for people transitioning into work would, in the long-run, save money.

Overall there are urgent needs among tenants and there are many possible avenues to helping:

- Supporting Citizens Advice and keeping their doors open – many are being threatened with further cuts due to reductions in local authority grants.
- Extending the supportive and job-related services provided by housing associations including to help tenants pay their way. This could include:

- o Focusing on ways to resource frontline services giving tenants direct access to tailored face-to-face advice;
- o supporting local childcare projects;
- o working with employers in urban areas to support job placements, apprenticeships and other training;
- o specialist and targeted support for more vulnerable tenants;
- o working with local partners on bridging the digital divide, including sharing mobile IT access with tenants during visits or proving community-access IT in offices.

These are just a few of the ideas that emerged from the survey of 200 tenants and meetings with staff from nine South West associations over two years of investigating welfare reform. Much has been learnt and will not be wasted since the process of research has already generated action.

The following recommendations to the Government and to social landlords arose directly from the 400 interviews with tenants in 2013-14.

Landlords and p?

Recommendations to Government and social landlords

Government

- Make Jobcentres more people-centred so staff hear the truth about tenants' problems and can help practically. Use the documented evidence from claimants to amend policy implementation, e.g. more job support, less job punishment.
- Avoid benefit suspension and sanctioning without notice, except in cases of proven and extreme abuse.
- Reform the withdrawal of the Spare Room Subsidy to be more flexible. Support housing mobility support schemes to make it easier for under-occupiers to down-size.

Government and social landlords

- Support local services that have a proven track record in helping low-income, low-skill tenants to cope with changes and uncertainties, e.g. Citizens Advice, public libraries, free internet access, credit unions.
- Find transport solutions for isolated tenants in rural and semi-rural areas:
 - o Cash subsidies for work-related travel (taxis where bus service is too infrequent)
 - o Car share schemes
 - o Employer-led transport for staff
 - o Moped/electric bike interest-free loans
- Provide low-interest, slow payback emergency loans for crisis situations.

Social landlords

- Train front-line staff in handling difficult and sensitive issues and train tenant representatives in welfare reform, finances, work and benefit advice – so that both become a valuable resource for communities.

Appendix:

Life stories

Ms Andrews' story

In work and just making ends meet

Ms Andrews is a mother of three children. She had her first child at the age of 19 and the other children soon after. Her partner left her when her youngest child was one. Since then she has consistently worked part-time in catering. Ms Andrews has no catering qualifications, but says that her past employers valued her experience.

I had my children too young. I had no time to go to college or anything. Then my partner left and I was really stuck. I should have been cleverer about things. I tell my children to be clever and to get an education. Of course they think they know better, but I hope I've made my point.

When her youngest child turned 15 she decided to move into full-time work. She worked in the same restaurant for two years until it closed down and Ms Andrews was forced to sign-on to Jobseekers Allowance. Ms Andrews had never been on JSA before and found the process of signing-on and her experience at the Jobcentre very difficult and humiliating.

I hated it. It was confusing, no one wanted to help you. I've

worked all my life, and all of my family works. I've done the right thing and got unlucky with my job. But people treat you like a criminal at the Jobcentre. It doesn't help you find a job, because it makes you feel really insecure.

Ms Andrews was desperate to find employment as soon as possible, and decided to take a job with the same catering company in which her 17-year-old son works. Her new job pays minimum wage, which is far less than she received previously and her hours vary significantly from week to week. As a consequence, Ms Andrews regularly falls into arrears with her rent and her utility bills.

The job is fine, it doesn't pay as much as I've had previously. And it's very seasonal. In summer it's busy. And then winter hours drop down and it's a little difficult to survive. I don't know from week to week what my hours will be. I get the minimum wage and tax credits on top of that, but I'm finding it really hard. Whatever you earn is going out in bills! I can't even treat my kids anymore. I have to ask them for money.

Ms Andrews frequently borrows money from her father who offers to cover additional expenses like new school uniforms. In return she helps her father, who has muscular dystrophy, run errands and prepares meals for him four nights a week.

Ms Andrews' children also contribute to the household's expenses. Her 20-year-old daughter, Julie, works full-time at a fast food restaurant. She has been solely responsible for paying the household's new Council Tax payments, as well as contributing towards food and rent. However, Julie has been told that her job may be reduced to part-time hours before Christmas, and the family worries how they will manage with a further reduction to their household income.

I'd say we're just about managing financially now, but the Council Tax bill has made a big, big difference. It's a big chunk that I can't pay. At the moment my daughter pays it, but with her job not being secure I don't know how long that will be possible. It'd be really bad to fall behind on another bill.

Ms Andrews' 17-year-old son Ben works alongside her at the catering company. However, because Ben is under 18 he receives a lower minimum wage of £3.79 an hour. Ms Andrews thinks it's terrible that her son should work just as hard as everyone else, but receive half the pay. Ms Andrews doesn't like to ask Ben to contribute too much to the household, because his ambition is to go to college to study catering and he's trying to save his money to make that possible. There have been times, however, when Ms Andrews has had to ask Ben for money from his savings. Ms Andrews became very emotional when she spoke about this.

My son works with me, but because he's 17 his pay is horrible. He does the same thing I do but gets paid half. I'm so proud of him and what he's able to do, I think he'll be a real chef if he can make it through college. I really hate how they take advantage of his age... I want Ben to save his money and go to college. I don't want to have to ask him to help me out.

What we learn from Ms Andrews' story

- Having children early in life stops many women gaining qualifications that may help them find employment later on.
- Work does not guarantee a stable income. Low wages, unstable hours and insecure employment all lead to fluctuating incomes that complicate paying bills and "making ends meet".
- Family members regularly help people fill financial gaps. Grandparents help with unexpected costs, and young adult children help their parents cover household expenses.
- The minimum wage at 17 is only £3.79. Young adults may be working hard, but receive very low returns, which make it difficult to contribute to the household or to save for college.

Mr Pastor's story

Looking for work and sanctioned

Mr Pastor is a single parent living with his 17-year-old son. Mr Pastor was a chef in a restaurant until his late thirties, when he injured his leg and was no longer able to stand for long periods of time. He spent his savings on re-training in IT and worked in the IT department of a local company for 10 years until it relocated to another part of the country.

Everything I had managed to save up until that point went on my wife's funeral and my re-training and paying for the IT courses I did. I took a big risk re-training at that age. It paid off for a short period, but now I'm stuck. I have no savings anymore and my skills are not in demand. I'm not physically fit. Who is going to hire me? I'm not feeling optimistic anymore.

Mr Pastor has now been unemployed for three years and is claiming Jobseekers Allowance. He applies to 5-10 jobs a week, but is rarely invited for an interview. He thinks his age and his poor physical health work against him.

Ideally, Mr Pastor would like to continue working in IT, but he recognises that there is not

much demand for his skills in the small coastal town he lives in. Nevertheless, he volunteers on a daily basis for a local social enterprise helping them with their IT and online presence. He thought that his volunteer work might turn into a job, but he's begun to give up hope as the social enterprise has been struggling recently.

I walk to my volunteering work every day – it's two and a half miles there and back – because I can't afford the public transport. I think it's good for me, because it keeps my skills up to date... I thought once that if I proved myself to them they would hire me on, but I'm not so hopeful anymore.

Mr Pastor has been going to meetings at the Jobcentre on a fortnightly basis for three years now. However, his experience has not been positive and he's struggled with several administrative problems along the way.

I think the Jobcentre is a dehumanising place. For £65 per week, for a system I have paid into my whole life, I've been made to beg regularly. For example, I missed an

appointment I didn't even know about. They cancelled my benefit without contacting me, then I appealed and eventually got the money back. They have lost letters and forms. And now I've been sanctioned for something that was out of my control – I had to go pick up my son! I appreciate that the people who work there are only doing what they have been told. It's not an easy job, I can see that. But when you're being treated as a "client", you're being processed through a system, and you see someone else every time you go there...people lose their sense of compassion.

When we spoke to Mr Pastor he had recently been sanctioned for missing an appointment. He explained that his son had been in a fight with a neighbourhood boy and that he missed his appointment in order to take care of his son. He called the Jobcentre two hours after the missed appointment to explain his absence, but the Jobcentre worker was not sympathetic. Mr Pastor has really been struggling through the period of his sanction, and he worries that the sanction is harming his son.

My single JSA payment was being used to support two people, until I was sanctioned for missing an appointment because my son was in a fight. That sanction has lasted two months and we're not able to feed ourselves properly, let alone pay Council Tax and the rest of it. It's been a very difficult position. I have to borrow to eat from my family on a daily basis. No wonder my son is acting out. I try not to let on how worried I am, but he knows...What worries me most is how the sanction affects my son. He wants to leave me because it's all been very stressful. He feels miserable because he thinks he's such a drain on my resources. It has been very hard on him... on us. We can't afford most things.

Mr Pastor spends £15-20 a week on food for him and his son and worries that the quality of the food is bad for their health. He admits that he frequently asks extended family members for help to pay a portion of the rent or his utility bills. Mr Pastor worries that he is asking too much of his family members and feels embarrassed to be such a burden.

My family helped so much it is humiliating to ask for more. I have no way of paying any of it back. I feel embarrassed to talk to them now. I try to pay them back. Usually it's not in money, but by helping out. But it's not a mutual exchange, it's not a fair exchange and I owe them a lot. It hangs over me.

What we learn from Mr Pastor's story

- An unexpected life event can seriously disrupt households and derail employment.
- Death and injury are expensive for people to absorb and can drain life savings.
- Re-training later in life is a big risk for many people, and requires confidence and additional resources.
- Some jobseekers feel frustrated with the Jobcentre's lack of a holistic approach. Jobseekers feel they are being "processed" through the system rather than genuinely supported.

- Sanctions affect children by placing their living situation at risk. Rent, utilities and food expenditures are drastically reduced during sanctions, exposing children to poor conditions.
- Extended family often step in to cover unpaid bills and expenses, or to provide food. However, receiving and giving frequent support can put significant strain on relationships.

Mr Hubbard's story

Full-time carer and hit by the bedroom tax

Mr Hubbard worked twenty years for a local landscaping business, until his wife was diagnosed with Parkinson's disease and he gave up his work to become her full-time carer. While the couple applied for and received DLA and carers allowance, Mr Hubbard initially fell into debt because he wasn't used to budgeting on such a low income.

It took me a while to learn how to live on so little. I had to cancel our internet and lower our monthly phone allowance. It took a lot of juggling to transition to living on less... And at the same time I was taking care of Ellen full-time and feeling very worried about her. It probably took me longer than it should have to figure out our budget. And then we were hit by the bedroom tax and it became really difficult.

Mr Hubbard and his wife live in the three bedroom house in which they've lived the last 20 years and where they raised their two sons. The youngest son has a learning disability and lives in residential care. He comes home every second weekend and the Hubbards like to have a spare room for him.

However, with two spare rooms the Hubbards were paying £30 a week in bedroom tax, which they could not afford.

I couldn't believe it when I found out. I thought at least they would allow us to have one spare room because of my son who lives with us on the weekends. He has a disability and I thought they would take that into consideration. To be honest, it was all too much for me then and I really fell into arrears. With the utilities, with the rent, the housing association was sending us letters saying we had to move out. I didn't handle it well.

As a result Mr Hubbard's eldest son moved into one of the spare rooms to help his father take care of his mother and contribute to the household's living expenses. Mr Hubbard's son, Jack, works in a laundry in the nearest town. He earns just over minimum wage and works long hours. Mr Hubbard knows that Jack doesn't really want to live with them and Mr Hubbard resents that he has to pay their bills.

Jack is a good son. He is 21 and supporting his parents. We rely on him, which doesn't seem fair. All of his money goes to our bills, to pay for our food. Before he lived with us, I only had one meal a day, our cupboards were always empty. But I don't think it's fair on him. I want him to keep his money for himself... I'm not sure how long he will stay and I'll find it very difficult when he goes.

Mr Hubbard is very worried about welfare reform and doesn't feel well informed about future changes to his wife's DLA and Universal Credit. He especially feels that monthly payments of benefits will be difficult to manage.

The changes and all that worries me stiff. I struggle financially and I already find fortnightly payments difficult to manage. I don't know how I would budget monthly. My wife needs things at unexpected times. What if we run out of money at the beginning of the month? How can I plan for that? We've no savings anymore. And no other family to support us.

What we learn from Mr Hubbard's story

- Many people find transitions difficult to manage. Whether it be moving from employment into a caring role, or moving from unemployment to employment – the change in income and in circumstance may take adjusting to. Some people need support in processing these kinds of changes.
- Full time care work for a loved one is mentally demanding and can lead to the caregiver neglecting other areas of the household.
- The bedroom tax adds additional pressure to many households already struggling to make ends meet. Carers and people with disabilities are often affected.
- Young adult children are often called on to help out with their parents' household expenses, leaving them with fewer resources to get ahead.
- People are worried about upcoming benefit changes and are unsure how they will handle the transition to different payments.

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