Is Welfare Reform Working?

Impacts on working age tenants

A study for SW HAILO

Extended report – March 2015
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CASE report 90
Acknowledgements

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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 overview report is available at http://sticerd.lse.ac.uk/dps/case/cr/casereport90_overview.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. The data used in this report is based on household level statistics, and may differ from the figures in the overview report where the analysis was based more on individual level data.
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Summary of findings

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 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 their 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.
About the report

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 (also called 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.
Summary of findings 2013 interview round

LSE Housing and Communities and HAILO published an interim report1 in March 2014. This summarised our findings from the first round of 200 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 tenant’s perception of welfare reform and its consequences on their financial management. An overview of the baseline findings is reproduced below.

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. Furthermore, tenants 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 households with someone in work are also receiving benefits.

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”2. 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. Tenants generally disliked the idea of the housing cost element of Universal Credit being paid direct to them.

2. Also called the “Spare Room Subsidy” but referred to throughout this report as “bedroom tax”
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.

Some 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.

Some tenants report they are starting to lose confidence in their ability to manage their finances. They report falling incomes at the same time as increased cost of living. Tenants say they are making do with less and feel under pressure.

Most households are describing their current situation as a struggle. They 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 reported ill-health are high. More than half of the tenants we spoke to said they were suffering from physical or mental ill-health.

At a glance: What has changed between rounds?

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 organize 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.

Overview of changes between rounds

Interviews were conducted June-October 2013, then again June-August 2014. During the first round of interviews, the overwhelming majority of residents expressed high anxiety about the impact of benefit changes, and their direct impact on their 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.

In round two, while the majority of tenants continue to be unemployed, one in six households have either gained jobs or increased the hours they work. 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.

All tenants continue to juggle their finances and enlist a variety of coping strategies to make ends meet, including cutting back on basic household purchases. 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 initial disruptions caused by early welfare reform. Nevertheless many continue to feel vulnerable, are unable to save, and feel insecure about the future.
Aims and objectives

This research has been commissioned by the Housing Association Influence and Leadership Organisation (HAILO), a group of nine housing associations in the South West of England. HAILO’s members build homes and provide services across the region. Collectively they have a turnover of £900m, with 201,000 homes in management and 13,200 new homes in development to 2015. As their first major research project, HAILO have commissioned LSE Housing and Communities to investigate the effects of the government’s welfare reforms by looking at the attitudes and economic situations of 200 of their tenants at two points in time.

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

- To cut government spending;
- To give unemployed people greater incentives to move into work;
- To protect vulnerable citizens in need of support.

This project looks in particular at:

- Whether and how welfare reforms encourage people into work or to work more;
- What the main barriers to work are;
- Why some people are not working.

Method

This report sets out the finding of two waves of interviews with 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 spread of urban and rural population. Our methods aimed to capture this diversity.

The population

There are five broad types of area in the South West – urban, suburban, coastal, rural town and rural village. For each broad area type we selected two sites in which to conduct the interviews. Selected sites had to have a significant amount of social housing (at least 150 properties) covering a variety of housing stock such as purpose-built, mixed-development and ex-council, and include residents from all nine participating housing associations. By analysing the make-up of the region and the distribution of population, we identified Bristol and Bath as good choices to represent urban and suburban areas; Plymouth and Torbay to represent coastal areas; Yeovil (South Somerset) and Gillingham (North Dorset) to represent rural towns; and Purton and Pewsey in Wiltshire to represent rural villages (Figure 1). We were conscious of the rural-urban dimension of being able to find jobs and have a good quality of life. We made sure residents interviewed for this research were evenly distributed across the five area types.

Data collection and analysis

We aimed to interview a sample that was broadly representative of housing association tenants, both in the South West and in the wider country, but that covered the experiences of smaller groups (such as coastal residents) as well as larger.

We developed a stratified sample of tenants to reflect the wider demographic make-up of the region. Participating housing associations provided names of over 2500 randomly selected tenants in the chosen areas. The interview sample was drawn from these names, through calling them at varying times in the day to ask them to participate. Our final 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.

We developed and piloted a questionnaire to gather similar information in each round. The first-round questionnaire was designed to address the study’s key interests around work and welfare reform. The second-round questionnaire was designed to get
Figure 1: Map of areas selected for interviews

Similar baseline information, but also to get residents to talk in greater detail about themes of work and benefit receipts that emerged in the first round. In addition, several questions were repeated to follow any changes in residents’ circumstances and attitudes.

For the first round, trained LSE researchers interviewed 200 tenants by telephone between June and October 2013. Interviews lasted between 20 and 45 minutes and were conducted throughout the day and early evenings during the week, and on Saturdays to help ensure we got a sample of tenants with different employment statuses. The second round was similar and took place between June and August 2014.

Not everyone interviewed in the first round was interviewed in the second: the 200 interviews in the second round included repeat interviews with 123 people, and 77 with new interviewees from different households. There was a variety of reasons for people not conducting repeat interviews in the second round, including not wishing to take part, contact numbers no longer working, and others. This is common in repeat interview surveys of this kind and the success level in obtaining repeat interviews is similar to what would be expected in this type of survey. The new interviewees had a similar demographic profile to the people who declined to take part in the second round.

The survey findings were coded and entered into an Excel database. Answers to open questions were analysed thematically. Two hundred tenant vignettes were written up for each round 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 in this report. In all cases names and some identifying details have been changed to preserve anonymity.

The emphasis of this research is on social housing tenants’ lived experiences of welfare reforms and work, aiming to give an accurate picture of how tenants feel about work and welfare.
2. Who we spoke to – residents interviewed

Our sample was in line with the demographic profile of tenants provided by the nine participating housing associations. This section also compares the make-up of our sample to social housing tenants in the national population, using data from the English Housing Survey (EHS). Our sample was similar to the EHS in household composition, binary gender distribution and age. The ages of people interviewed in rounds one and two broadly match the national age ranges of social housing tenants, with a slightly higher proportion of 45–65 year-olds in our sample (Figure 2). More social housing tenants are female than male (roughly 55%), in round one, round two and in the EHS. Many social housing tenants live alone, including in the South West (Figure 3).

The proportion of households in each round receiving housing benefit – two thirds to three quarters – was in line with the EHS national estimates.

In this report we have divided the analysis into two aspects of work status. Sometimes it is important to look at whether there is any wage earner in the household, which means the person interviewed is part of a “working household”, even if they personally are not in work (and may or may not be looking for work). This is important in terms of their overall income, benefits, financial strategies for coping with a low income, and transport costs amongst other things. Ninety-eight households had someone in work – 49% - which is in line with English Housing Survey figure of 51%. On the other hand we sometimes interviewed an adult household member who was not in work although someone else in the household was. In this case we would ask them questions about what was preventing them from working, what they had done to find work, and similar issues, seeking to understand their individual point of view. In this case these specific areas of the interview would be analysed part of the analysis of barriers to work for people seeking work, or drivers of economic inactivity. In round 2 we interviewed 77 people in work (out of the 98 working households), 22 people who were not in work but seeking work, and 101 people who were economically inactive. We have made these distinctions between “working households” and the experience of individual interviewees clear throughout.
Figure 2: Age distribution of interviewees in round one, round two and EHS 2012–2013

Figure 3: Household composition of interviewees in round one, round two and English Housing Survey 2012–2013
3. Working household

My working tax credits makes 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.

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

This chapter presents findings from working interviewees and those living in households where someone is in work.

Overview and Summary

Overview

Working tenants are universally 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 fifth 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.
More specifically:

- 49% of all households interviewed have someone in work.
- Forty-five of the working tenants interviewed in round 2 are working part-time. Twenty-seven per cent would like to increase these hours, although for others the barriers include how they would manage child care costs if they were to work full time, and fear over loss of housing benefit and working tax credit.
- Over eighty per cent of working households are receiving benefits. The most commonly claimed benefits among working residents are Housing Benefit, Council Tax Support, Child Tax Credit and Working Tax credit.
- Working residents say that receiving benefits makes the difference between struggling financially on low pay and making ends meet. Benefits pay for food, childcare, and transportation to and from work, rent and bills. Residents say that their benefits make work viable.
- Working tax credits are particularly important to working residents. Working tax credit tops up people’s low incomes and covers running expenses. Self-employed residents value their working tax credit because it helps smooth out their income.
- Residents who are working usually have long work histories and are skilled or semi-skilled in particular fields. The majority of working residents are administrators, work in education, health, social care and cleaning or in a customer service field.
- Working household spend large proportions of their income on transportation. The majority of households spend more than £20 a week on getting to and from work.
- Childcare in working households is mostly arranged informally with family members or friends.
- A third of working households had problems claiming their benefits in the last year due to administrative error or delays in the claims process. This often leads to increased debt or arrears that low paid working households struggle to pay back.
- The majority of working households are managing financially, but residents emphasize how vulnerable they feel. Most residents cover all their main expenses but struggle to cover non-essential items and often have to cut back on food in order to make ends meet.

Only about one in five working households have savings or are actively saving at the moment, while just under half have borrowed money in the last year, most commonly from family members or friends.

- Residents in three in ten working households have used the CAB in the last year for help with benefit or debt advice. The majority felt the CAB had managed to resolve their problem. Other helpful services for working residents included legal aid, adult social services, and mental health charities, counselling services, the library, debt advice services and food banks.

What has changed since 2013?

The periods covered by the two rounds of interviews – mid 2013 and mid 2014 – were times where the continuing recovery from the recession was underway, including in the South West as we set out below. It was also the period where the new Welfare Reform programme was slowly rolling out, although the expected rapid roll out of the major change, Universal Credit, had not yet occurred. This is the context for our review of the impact of welfare benefit reforms on helping people move into work, and what more can be done.
to overcome barriers to working. Just under half of round two households have someone in work, showing a small increase from round one. Looking at the household characteristics of households in work, round 2 figures (which are similar to round 1 figures) show that higher proportions of children with couples, single parents, and single people living with other adults tend to be in work:

In terms of areas, the rural and very rural areas showed the highest rates of household employment in round 2; but the levels of suburban and very rural employment had increased most between the area types:

<table>
<thead>
<tr>
<th>Area type</th>
<th>Number working</th>
<th>% of total round 2 households</th>
<th>Round 1 comparison (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>18</td>
<td>45%</td>
<td>37%</td>
</tr>
<tr>
<td>Suburban</td>
<td>19</td>
<td>51%</td>
<td>39%</td>
</tr>
<tr>
<td>Coastal</td>
<td>12</td>
<td>32%</td>
<td>34%</td>
</tr>
<tr>
<td>Rural</td>
<td>23</td>
<td>55%</td>
<td>53%</td>
</tr>
<tr>
<td>Very rural</td>
<td>26</td>
<td>60%</td>
<td>47%</td>
</tr>
</tbody>
</table>

**Figure 4:** Households with children are more likely to be in work (round 2)

<table>
<thead>
<tr>
<th>Households with someone in work (98 total)</th>
<th>Living alone</th>
<th>Couple no children</th>
<th>Couple with children</th>
<th>Single parent</th>
<th>Living with other adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number working</td>
<td>20</td>
<td>9</td>
<td>31</td>
<td>30</td>
<td>8</td>
</tr>
<tr>
<td>% of all households of this type</td>
<td>27%</td>
<td>27%</td>
<td>78%</td>
<td>71%</td>
<td>67%</td>
</tr>
</tbody>
</table>

**Figure 5:** More households have working members, especially in suburban and very rural areas (shaded)

**Can we generalise?**

These figures are indicative and the small sample size means that we cannot draw statistically significant conclusions from them. Nevertheless we can cautiously note that they compare favourably with the Labour Force Survey (LFS) headline regional figures for the South West, at June 2014, which show a 2.3% increase in employment for the quarter February to April 2014, and a 3.3% increase over the year to April – which could indicate that our sample of tenants is at least as likely to be getting into work. Note also that this is a sample of social housing tenants, whereas the LFS figures cover all tenures, and the overall employment rate of the household sample as a whole (49%) is considerably lower than the regional average, which was 60.2% as at April 2014.

The following section examines our findings for working households in more detail through a number of key themes. It will consider: types of employment; working hours; attitudes towards work; childcare; in-work benefits; digital literacy; financial management; health; and transport.
Types of jobs

The majority of residents in work are employed in semi-skilled or skilled work, such as admin and clerical jobs, and education, although a substantial number do cleaning jobs:

Working hours

Of those interviewed in both rounds, around one in five were working part time (although amongst the “working household” group around two thirds had someone in full time work).

Some interviewees explained that part-time work can be helpful because it allows for time dedicated to caring for family members, and is useful if the resident suffers from health problems that would make a full time job too demanding. Other residents worry about the loss of benefits if they were to work full time.

If I worked more than 20 hours I’d lose my housing benefit and I wouldn’t be able to cover my rent, it would affect my working tax credits. I’m better off working less than more at my pay.

I work three days a week which helps me health wise. My arthritis would flare up if I worked more.

In contrast, some residents would like to work more hours in order to increase their salary or help them qualify for working tax credits. The main barrier for many is how they would manage child care costs if they were to work full time.

I only work 16 hours a week and I would love to increase my hours. But I work shift work and it’s difficult to find people to care for children at night time. I can’t ask my parents because it’s too early and they already come in the afternoons to watch the children.

Many residents claim that the majority of jobs advertised locally are part time, or zero-hour jobs.

I can’t remember the last time I saw full time work advertised in area. It’s all part-time and mostly in retail.

It’s lots of part-time work or zero hours. Lots of the work is geared towards students who like those hours.
Attitudes towards jobs

The majority of working interviewees (67%) have consistently worked since they left school.

Work is seen as a valuable activity, and their jobs gave many residents a sense of self-worth.

Working in a school is great – you get a lot out of it. And I earn enough to get by.

I’ve always loved my work. I need work to feel satisfied in life. My friends are my work colleagues. It doesn’t pay much but I get by with my benefits.

I have always liked my work as a bin man. I like working for the council and the work is secure – I’ve worked there close to 20 years!

Despite two thirds having held their job for more than a year, a third of working interviewees say the job is not secure over the long term, due to short term contracts or unreliable funding. Almost half of residents feel their pay is in inadequate to live on.

My pay is terrible. It’s not enough but that’s what care work is. I now walk to my jobs because I can’t afford a car, which means I’ve had to cut back on my clients. Without working tax credits I’d be stuffed.

I’ve worked in that kitchen for over 25 years and I never earned more than minimum wage.

Interviewees are mixed about whether they feel they have progressed in their work over time. Residents who feel they have progressed have taken on more responsibility over time or have seen increases in their income.

I started at the bottom. Now I have more responsibility.

Residents who feel they have not progressed over time either feel that they have gone backwards in terms of level of responsibility, or acknowledge that their line of work is not one that offers progression.

I did feel I was progressing when I was younger, but then I got demoted. And now I just work at a checkout.

I’ve just been making money. What I do is not a profession; it’s just a means to an end.

A quarter of working interviewees would like to work more hours, and are looking for new jobs to accommodate this.

I Tried looking online and in newspaper and phone, actively for things like café jobs, part time jobs, small business sales jobs, reception jobs, to do in addition to my current job.

It’s OK but in a year or two, if my working son moves out and I have to pay everything, it won’t be enough work. I’d need 40 hours, I calculated it. It’s challenging looking for work.

Childcare

Sixty per cent of working households have dependent children, and arranging and paying for childcare can be a major expense:

My son goes to a child care centre – £400 per month! It’s a lot of money. We need my wife to work.

My wife’s income goes to childcare with exception of £20 which we use for electricity... At the end of the day we either break even or are overdrawn. Child care costs leave us with nothing! The overdraft keeps us going.

Everybody is trying to become Teaching Assistants. A lot of women have been forced into this because they can pick children up from school. People aren’t able to get the childcare. After school and breakfast clubs are so important.
The importance of in work benefits

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.

Working residents frequently describe how their benefits supplement low incomes, and are often the difference between struggling financially and just getting by. 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. The table shows that Housing Benefit and Council Tax Reduction are more common than in the first round.

Three working residents were immigrants who had not lived in the UK long enough to qualify for benefits.

I get no benefits because we’re migrants so we don’t get any. I might qualify in the next three to four years. We have indefinite leave to remain in the UK. I think it’s frustrating. I work, I pay taxes, and then I’m told I don’t have access to any benefits even though I contribute towards it, it doesn’t seem fair. So it’s really important for us both to work. I see all these families who don’t work at my work, and they get all these benefits.

At a glance: How employers can help

The following tenant’s example illustrates how flexibility on the part of an employer made work possible for a mother with young children.

Mrs Selkirk has gone back to work after several years of looking after her three children. She works 16 hours a week flexibly as an administrator at a local charity. The charity have gone to lengths to accommodate her schedule as a mother and to make sure her salary pays her more than she would get purely on benefits.

Mrs Selkirk now receives £20 more a week than she would on benefits which she says makes a big difference. She says she can understand why a lot of mothers don’t return to work because it just doesn’t make sense if your employer is not willing to accommodate you.

Figure 7: Main benefits received by working households

<table>
<thead>
<tr>
<th></th>
<th>Round 2</th>
<th>Round 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing benefit</td>
<td>52%</td>
<td>46%</td>
</tr>
<tr>
<td>Council Tax reduction</td>
<td>38%</td>
<td>24%</td>
</tr>
<tr>
<td>Child Tax Credit</td>
<td>38%</td>
<td>36%</td>
</tr>
<tr>
<td>Working Tax Credit</td>
<td>31%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Base: 87 responses. Multiple benefit receipt for different households

Several residents have made the decision to opt out of the welfare system to avoid the administrative work that is required to claim and retain benefits.

I don’t want to bother with all the hassle at the moment. I don’t want to look into Working Tax Credit and Disability Tax Credit at the moment as it takes so much time to claim them. And with my job my circumstance are always changing and you have to report it. I’d rather be working than filling out forms. I’m lucky I have my parents to help out.

Working Tax Credit is particularly important for some residents, including self-employed workers because it helps smooth out their income.
My working tax credit makes a huge difference because it evens out the boom and bust of being self-employed.

It makes a hell of a difference. If I didn’t get it I wouldn’t be able to work. It boosts my salary. I wouldn’t be able to work without it. Tax credits make work possible.

There are often issues around benefit claims, and one in three had problems in last year. These are mostly problems with administrative delays or miscommunication, and changes in circumstances leading to lowering of tax credits, including children coming of age.

Had problems with tax credits being overpaid. It all tires you out. You have to call and beg. Battling day to day and then this comes on top of it.

The child tax credit office is a complete nightmare. They change the entitlements all the time and are always miscalculating what I’m eligible for. I’ve had to pay back money on several occasions which is so hard. You end up going into debt with other things. It’s not really fair because it’s not your fault they miscalculate.

The repercussions of the withdrawal of the spare room subsidy (often called Bedroom Tax) are far wider than the individual or household, often drawing whole extended families into helping with the extra rent. More generally, this change now affects one quarter of tenants, up from one fifth in round one. The charge (on average £16 a week) is difficult to meet unless Discretionary Housing Payments are made to alleviate the financial pressure or tenants are able and willing to move to a smaller property. Some tenants have used their savings to meet it, and in other cases tenants say they have had to let rent arrears increase where they can’t move because of lack of available property and can’t pay the extra rent. In many cases tenants report that it is causing them severe anxiety.

Many South West associations have revised the way they allocate properties, and have actively encouraged mutual exchanges to create more flexibility and help people to move. But moving is often difficult because of the shortage in some areas of one-bed properties, and in the case of tenants with adapted homes due to disabilities the costs of re-installing adaptations in a new home of a smaller size may present very significant difficulties.

At a glance: Escaping the bedroom tax?
The following example illustrates how some tenants continue to suffer from the effects of the bedroom tax long after they have moved into a smaller property.

Mrs Rogers is a 58 year old single woman who was really struggling with the spare room subsidy (bedroom tax) when we first spoke to her. Since this first conversation, Mrs Rogers moved away from the neighbourhood in which she spent the past 30 years of her life, and into a bungalow in a village nearby.

Mrs Rogers says she was very fortunate to have received financial support from her parents when she had to pay bedroom tax. However, Mrs Rogers did fall into significant arrears with her utility bills, which she continues to finding difficult to manage. She used the remainder of her savings to support herself during the period of bedroom tax payments. Mrs Rogers she says she currently spends £15–20 weekly on food, in order to put money aside to pay off her utility arrears in “drips and drabs”. She says the effects of the bedroom tax will haunt her for some time to come.
Digital by default

A further element of benefit changes which increasingly will affect working and non-working tenants, and particularly once they are moved to Universal Credit, is the presumption that everyone will use ICT to make and update their benefit claims.

A majority of tenants (78%) regularly use online facilities at home, on their mobiles, at work or in libraries. Nevertheless tenants raised some concerns about the complexity of making applications on line and the need to keep them up to date regularly. Some of these concerns came from people who were otherwise happy to shop or bank online, but who see interacting with the benefits system as much more complex and with more important financial implications if mistakes are made. There are also concerns about the security of personal data transmitted in this way, and concerns that a perceived lack of human intervention to check claims might mean that obvious mistakes and miscalculations might not be spotted quickly. Finally there was a general concern that some of the least skilled, most vulnerable tenants are most often in difficulty using on-line access. Generally, the switch to online services has removed face-to-face contact.

The transitions into work and the introduction of Universal Credit increase the risk of financial difficulty if errors or delays occur. With these complex and sometimes confusing changes, families can offer personal as well as financial support, but the practical advisory role of housing association landlords also becomes extremely important.

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.

Managing financially

For the most part working residents just manage financially, but they stress that they are unable to save or afford non-essential items. Mrs Smith’s story illustrates this.

At a glance: A difficult transition into full-time work

The following example illustrates how changes in working hours lead to an adjustment in benefits, which some people find difficult to manage.

Mrs Smith lives with her 17 year-old son, who goes to college. 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.
We asked all households two questions about how they were managing financially. First we asked whether they would describe their situation as struggling, managing, or comfortable, and second whether they felt they were managing better, worse, or the same as a year ago. The overall replies should be treated with caution since these are fairly subjective categories and it is in the detail of the “lived experience” we set out that we can really see how people are coping. Nevertheless the results are useful indicators of the overall picture.

These charts suggest that jobseeking households are struggling most, with over half of them saying they are struggling, and almost half that things have got worse than last year. In contrast over two thirds of working and economically inactive households say things are either better or the same, with around seven in ten working households saying they are either comfortable or managing. This is an important indicator in support of our more general conclusion that the households interviewed are finding ways to cope with the current economic situation and with welfare reforms. Nevertheless around a third of working households say they are struggling financially and a fifth say things have become more difficult than a year ago.

Figure 8: How different types of household are coping financially, 2014

![Graph showing how different types of household are coping financially, 2014](image)

Base: 198 households replying

Figure 9: How households are coping compared to a year ago

![Graph showing how households are coping compared to a year ago](image)

Base 191 households replying

Four interviewees whose households had incomes just above the benefit threshold and spoke about the difficulties they faced in having to pay full rent and over bills on their low incomes.

I earn just too much. I’m just over the threshold to get working tax and qualify for housing benefit. It’s a catch 22. I have to pay full everything but it’s very hard for me to make ends meet.
I was receiving benefits for a while when I was working part-time. I received HB and working tax credit. I’m doing OK now because I have more work and more money. But I miss my working tax credits. It wasn’t much but it helped me.

Although one in five working families felt worse off in round 2, this compares favourably with round one where half felt worse off. In this second round, two thirds say they manage their money well, and 17% that they have savings.

Putting money into a credit union. Emergency fund. A few pounds a week. I don’t think about it. BUT last month the TV died and I used it.

While I have no savings I also have no debts, which is better than most I think. All salary goes to rent and bills. Stable but vulnerable.

Nevertheless around a third have arrears of rent or other bills, and two thirds have had to cut down on utilities expenditure in the last year, and a similar number cut back on food.

I’ve fallen behind on my utility bills and on my rent from time to time but I catch up with that by borrowing money from my friends and family. I watch my utility bills but I don’t think I can cut them down anymore. I haven’t used heating since May.

I cook from scratch because of my large family. I grew bits in the garden.

Figure 10: Weekly estimated food spend, working and jobseeking households

Base: 121 replies

Health

Of the 87 interviewees who were working in round 2, 31 reported long-term health problems or disabilities. Most (26) were physical problems, primarily arthritis and muscular problems, while six were mental health problems including depression and past substance abuse.

Residents describe that their disabilities affect their work in a variety of ways. Some residents struggle with employers who do not understand their limitation or are unwilling to be flexible.

I’ve had to reduce my working hours because of my fatigue. My boss has been very unhappy with
me. I get bouts of depression and will go without eating at times, which just makes me more poorly. For years I would lose my job because my employer didn’t understand my issues with depression. It was a stressful time until I decided to become self-employed. It was a risk but I find that it’s easier to be working for myself. It causes me less anxiety.

Residents also emphasise that their disability limits the amount or the kind of work they are able to do, and some have reduced their hours or changed their occupation in order to accommodate this.

My mental health issues make it difficult for me to get a steady job. I can’t focus and employers don’t understand that. I get anxiety sometimes.

I have back pain which is very painful. I’m very limited at work – I can’t do construction anymore, only light work. Decorating and painting. Try to work but can’t lift things anymore.

Transport issues
Most working interviewees in rural and suburban areas said transport was a problem. Across all areas, private cars and walking were the main means of getting to work, and more than half of working residents spend over £20 a week on the transport costs of getting to work.

Not having a car has caused difficulties because I’ve lost job interviews in the past because I haven’t had a car.

We have three cars. Public transport is just getting worse and worse around here. The local bus run by the council is under threat. It only runs twice a day. You can’t rely on it. It’s not good at all. But we can spend up to £80 a week on petrol alone.

Public transport is expensive and time consuming. So most of the time I cycle.

Helpful services and interventions
In common with other tenants, working households sometimes need advice from independent agencies. Twenty-three households have used the Citizens Advice Bureau (CAB) in the last year, of whom 15 reported a positive experience of help through a difficult situation. Others said that the local CAB had either been closed or was in too high demand.

The CAB is gone! It’s gone! They say the CAB is consolidating to regional centres.

In the past the CAB has been brilliant and they help a lot of people who can’t help themselves especially through the legal and health systems. But the government seems to want to destroy them, by cutting funding everywhere. The CAB is a lifeline for many people I know. It needs to be protected!

Other services were also used, and amongst those mentioned were:
- Legal aid (especially for women to help with divorce)
- Adult social services
- Learn Direct
- RETHINK / MIND and other mental health charities
- Library for computers and IT drop in sessions (if held)
- Carers support network
- Step change – debt advice services
- Credit union drop in centre
- Christians Against Poverty

I used legal aid for my divorce a little over a year ago. I’m concerned that they’ve taken that away from the poor. I don’t think that’s right. It’s discrimination against poor people, and against single mothers who can’t afford lawyers to protect them.

Discussion and implications for housing associations
An enthusiasm for work.
It is noticeable that more residents were working in round 2
than in round 1 – greater than the wider regional rise in employment rates, although the employment rate in coastal towns is noticeably lower. Most working tenants enjoy their jobs and many want to work more hours.

Recognising this desire to work and improve their hours and status provides a clear opportunity for housing associations to offer encouragement, support and information to residents who are ready and willing to engage. Increasing levels of employment indicate that these households are willing to grasp new opportunities, and any support given can only be good for them, their communities, and the associations.

**Reliance on benefits.**

Associations have a big role to play in helping tenants cope with welfare benefit changes already in place, and the impending moves to Universal Credit. Although virtually no-one has yet been migrated to Universal Credit, many are concerned about its implications and may need assistance to cope with the change and exploit new opportunities offered by the new arrangements. Equally it will be increasingly important to ensure that there is good communication between tenants, the DWP, local authorities (for Council Tax Reduction) and the housing association. The new Universal Credit regime of regular submission of information about income details and changes in benefits paid in line with changing earnings will introduce increasing risks of disruption to the regular flow of benefits to working households, with a possible knock-on for rental income. Good communications between DWP, associations, and tenants will be essential so that the associations can be alerted to possible benefit interruptions or changes and be ready to step in to assist and support tenants where appropriate, and minimise consequential arrears. Associations across the country are already ahead of the game in planning to manage these issues, and the importance of good planning and communication here is reinforced by our findings.

**Transport, health, and other barriers to work**

Just under half of households spent over £80 a month on transport costs. The limited availability of buses at suitable times, and limited network of routes and exchanges, forces some people to have cars to go to work, sometimes at considerable expense including in fuel. There is a limited amount that housing associations could do about this, although ideas of ways to help might include car-pooling, the use of some of the widely available Apps to encourage ride-sharing of various kinds (which could be of benefit to all association tenants), or motor mechanic and repair skills-sharing networks to keep down the cost of car repair and maintenance. There could also be community networking with other local rural communities to bring pressure on bus companies to provide better services, not least by building a better overview of demand and peak routes and times.

**Other barriers to working additional hours**

The two other principal barriers to increased working hours and progression are health and childcare. Around a third of working residents report a long-term health problem – particularly arthritis, muscular pains or depression – which they cope with while holding down a job. The expense of childcare also presents a continuing challenge to parents, limiting the hours they can be available to work. Childcare issues are necessarily local, and if associations could be part of a grouping of people seeking to improve the local networks of childcare sharing and contact between parents, this might be of assistance. Health issues are less geographically focused, but again anything which the association could do to build up virtual or real networks of tenants who can share support and advice around coping with disabilities would be of help to both working and non-working tenants.
Overall resilience

Despite the problems and issues set out above, the research suggests that working tenants have a basic and growing resilience, particularly around managing money and taking advantage of opportunities, and overall seem to be improving their quality of life. Their attitude to their financial position seems to have been improving since a year ago, and they have strategies to cope with emergencies. It may be that can use this resilience and resourcefulness to support other tenants – for example by training tenants in welfare reform, finances and work and benefits advice.

Front line staff

Most of the options above would be best supported by an increased role for front line staff in dealing face-to-face with the difficult and sensitive problems tenants are experiencing, as well as training and equipping tenants to be community resources in their own neighbourhoods.

Mrs Andrews’ story illustrates some of the points in this chapter.

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 1. 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 Job Seekers Allowance. Ms Andrews had never been on JSA before and found the process of singing-on and her experience at the Job Centre 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 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’ 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 for a 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 gain 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 (2014 rate). 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.
4. Barriers to finding work

Lived experiences

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.

Overview and summary

Overview

Of the 22 unemployed tenants we interviewed who are actively looking for work, two-thirds are over 45, and the majority have been unemployed for over a year. All are receiving benefits.

The main barriers tenants have in finding work are ill health, lack of jobs, and childcare or caring for other family members. Other barriers include low qualifications, low pay, age and low confidence. An unstable work history and limited work experience are also factors.

These jobseekers frequently seek training to increase their opportunities. They value the training offered through the Jobcentre, particularly Learn Direct, and online basic work readiness training programmes. 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.

More specifically:

- 22 out of 200 residents interviewed are actively looking for work, although two live in households where someone else is working. The majority of residents looking for work are over 45 years old and live alone or are single parents.

- Thirteen residents looking for work report they have a long terms health problem or disability. Seven have a caring role for a disabled family member.

- Three quarters have been unemployed for over a year and all but two had previously been in work for long periods. Jobs in the past are most likely to have been jobs in factories, warehouses, care work, administration, health care, construction, retail and cleaning.

- Half of residents looking for work are actively volunteering their time for an organisation. Residents feel positive about their voluntary activity because it builds their confidence, allows them control over their schedule and is seen as a first step back to work.

- Half have taken up some form of training in the past year. Nine residents have participated in free Learn Direct courses offered through the Job Centre,
which all nine reviewed favourably.

- Older jobseekers cite their age as a barrier to finding work, competing against younger or newly trained candidates. Low skills and qualifications combined with low confidence also play a part, and many actively try to address these barriers.

- Residents most often use buses or walk to get to appointments. Public transport is often seen as costly and unreliable.

- All of these residents looking for work are claiming benefits, although one is currently not receiving benefits due to being sanctioned. The most common benefits for job seeking residents are Housing Benefit, Council Tax Support, Child Tax Credit, Job Seekers Allowance and ESA. Residents repeatedly said that they were grateful for their benefits because these helped them “survive”.

- Two thirds of job seeking residents have experience problems with their benefits in the past year. Thirteen residents have experienced administrative delays and errors due to changes in circumstances requiring changes in benefits. In all seven had been affected by some form of sanction recently, although four had seen the decision revised on appeal.

- All 22 have been to the Job Centre in the past year and over two thirds report their experience to have been a negative one. Job seeking residents say they dislike the attitude of the Jobcentre staff, question the suitability of the jobs available to them and fear sanctioning. The majority of residents say they feel the Jobcentre has been bad for their confidence and feeling of self-worth. Getting to the Jobcentre can be very costly for residents living in rural areas.

- Residents looking for work are split between managing and struggling financially. Residents managing financially emphasize that they just manage to cover their bills and that they would struggle with an unexpected expense.

- Three fifths of residents looking for work are in arrears and two fifths have borrowed money in the past year.

- Five residents looking for work have used a food bank in the past year, while 15 have cut back their weekly spending on food. The majority spend less than £40 a week on food.

- Two thirds of residents looking for work have used the CAB in the past year and most said the CAB had helped them solve a problem. Other services used by residents looking for work are crisis loans, food banks, libraries and charitable groups such as churches.

The next section discusses the key themes for those looking for work. These are: the characteristics of jobseekers; barriers to work; benefit receipt; experience of the Jobcentre; ill health and disability; transport; financial coping; and helpful services.

**Characteristics of jobseekers**

Twenty-two interviewees who were not working indicated that they were actively looking for work, as is required to claim Jobseeker’s Allowance. In this section where appropriate we also include some of the views of people who are already in work but looking to move to new jobs or gain more hours. These jobseekers are evenly distributed across urban types, although slightly more in suburban areas (14%) and fewer in coastal areas (8%). In terms of age, it was noticeable that almost four in five were aged over 45 and only three in their thirties. Thirteen were male, and nine female; and as noted above there were fewer households with children than among the working household group (seven jobseekers were single parents, three couples with children, and ten lived
alone). Three in five of this group reported they have a long term health or disability problem, including seven reporting depression.

*My mother has cancer and I take care of her. She needs me at unpredictable times and holding down a job while caring for her has really not been easy.*

I have chronic lower back pains after working [in construction] for 28 years. I have days when I find it difficult to walk or feel very restricted in my mobility. Who wants a construction worker who can’t move about?

*My CLPD leaves me short of breath. I take lots of tablets and some days I’m good and some days I’m bad. Employers don’t like inconsistent employees...*

**What are the main barriers to work: residents looking for work**

For most of these people, jobseeking has been a long process. Five have been out of work for less than a year – including two only a few months. The others have been looking for over a year.

*I’ve been unemployed since the end of November last year. I was labouring on a farm for a friend in Cornwall until then.*

*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.*

All respondents bar two had previously been in work for long periods, continuously or from time to time. Among the types of jobs they held in the past, the largest was factory and warehouse work, but as with working households, healthcare, construction and administration are also common (Figure 11).

Two thirds feel that they did not make much progress while in their previous jobs.

*I definitely haven’t progressed recently. I need to get myself out of this isolation. I just don’t feel confident at the moment.*

*I haven’t progressed. There’s not a lot of opportunity if you have no qualifications.*
At a glance: Barriers to work

The following case shows how a combination of advanced age, poor health, and poor transportation options can limit a person’s work opportunities.

Mr Rees is 63 and not far away from receiving his pension credit. He’s been on and off Employment and Support Allowance and Job Seekers Allowance for four years now and has not been able to find work in this time. He has Chronic Obstructive Pulmonary Disease which leaves him out of breath and he also suffers from depression. He receives £120 in benefits every fortnight (£60 a week) and spends about £20 per week on food and £15 on electricity. He says some weeks he has money left over and other weeks he has to go without electricity to get by.

Mr Rees spent most of his life working as a lorry driver, taxi driver and maintenance man. He says he’s very practical and likes to do things with his hands. He likes working and is upset he can’t get a job. He thinks his age works against him in his search for jobs. He travels to the Jobcentre every fortnight to log into the computer and apply for jobs, but he has only heard back once from an employer who turned him down.

Mr Rees lives in a rural area and transport is a big issue for him. It costs £4 per round trip to get to Swindon on a bus that runs every 90 minutes. £4 is a lot of money for him because it could buy a loaf of bread and some peanut butter. Mr Reilly doesn’t know what he’ll do if he has to sign on every day to the Jobcentre. Transport would be minimum of £20 a week or 1/3 of his total income.

Finding jobs

The vast majority of respondents say it is hard to get a job in their area, similar to in round one (12% in round 2, 17% in round one). Many residents seeking jobs are taking specific active steps to find them. Half are keen on doing further training, and nine have been on Learn Direct courses offered through the Jobcentre. These seem to be popular.

Learn Direct is good for maths, English courses and IT and customer services. I also did hospitality and first aid.

I’ve done a free Learn Direct course on how to fill in forms.

That’s the best course I’ve done so far.

I’ve had a really good experience with Learn Direct, it doesn’t cost anything because I’m on income support.

Half of the group are currently volunteering for an organisation or a person in need. Residents for the most part feel positive about their voluntary activity because it builds their confidence and makes them feel wanted. For many it helps that they have more control over their volunteering schedule.

I do lots of volunteer work. I organise community projects, sewing projects to repair old clothes, I’ve helped with community art installations, and a fund-raiser for a local boxing club and organized 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.

I used to work in a hospital until my accident. I’ll never go back to my old job, but I still like hospitals so I volunteer there two days a week talking to the patients. I think it helps me just as much as it helps them.

I work in a charity shop every other week and I think it’s a really good first step for me. It’s getting
There’s lots of young people out there because of the university and there is lots of competition. Students are happy to take zero hour contracts, and employers will always prefer them over someone my age who wants full time work. Students are happy to go for hourly rates.

I have no money – that’s my big problem. I’m dreading starting work because of the two-week gap between benefit and first monthly salary. That’s two weeks of food, gas, electricity. On top of that I dread the idea of being paid monthly and having to wait for my money. That really makes me pause when I’m looking for work

Ms Achebe illustrates how volunteering, which figured in the chapter on jobseekers, can in some cases be a route to employment.
After my daughter moved out in August nobody got in touch with me, but I was wondering whether I would have to start paying bedroom tax. I even called them to find out. But no one got back to me until just before Christmas when they wanted all the money I’d owed for the past six months! It took them so long to get back to me and tell me how much I owed. And right before Christmas is a big shock. I ended up paying it all off in one go with the Christmas money I got from my family. Would have been nice to spend that on something else! That money was meant to have been for me. The council tax is not difficult – I just need to budget well.

Both children under 10, six years away from separate rooms. I can’t afford to move, I can’t even think about it! Too much hassle to move. Got a letter from council, was assigned a three bedroom house and one month later the bedroom tax came in.

Experience of the Jobcentre

Many people interviewed had strong views about the Jobcentre, and this was one of the main areas where people became vocal. All residents looking for work had been to the Jobcentre in the past.

Benefit receipt

All jobseekers are claiming benefits, although one was not getting any at the time of interview as they had been sanctioned for not attending a Jobcentre meeting. The most common (and overlapping) were Housing Benefit (19 people) Council Tax Reduction (14), Job Seekers Allowance (6) Employment and Support Allowance (6), Disability Living Allowance/Personal Independence Payment (6) and Income Support (3).

When asked to describe what difference receiving benefits makes, the main focus was on survival – on being able to afford food, and have a home.

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. I don’t complain.

I wouldn’t survive without benefits. I know there are people who scam the system. But I’ll go to work again someday and pay back into the system.

Five jobseekers are currently paying the spare room subsidy.

At a glance: Moving from volunteering into work

The following example illustrates how regular volunteering can, in some cases, be a successful route to employment.

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 hopes to progress on to be an advisor, and would like 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. However, she said it was good to be volunteering at the CAB, because it helped her understand the benefit system and gave her tips on how to get by on a low income.

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. I don’t complain.

I wouldn’t survive without benefits. I know there are people who scam the system. But I’ll go to work again someday and pay back into the system.

Five jobseekers are currently paying the spare room subsidy.
year. Six of them had a positive experience, while 16 out of 22 residents say they have had a negative experience.

The majority of residents looking for work had experienced problems claiming their benefits in the past year, with delays and administrative confusion being most common.

The last big problem was a few months ago. I was on ESA and went to assessment and was deemed fit to work. ESA stopped and it was six weeks before JSA kicked in. No electricity, no hot drinks. It was very difficult! I had to go without everything. I’ve got a dog and I’ve got to make sure he’s OK. If need be I’ll eat his biscuits. I considered going to a food bank, but I have no idea where to go! It’s a long way to walk to Swindon. I live off toast and Marmite.

It seems to me like the communication between the different benefit offices is extraordinarily poor. DWP sent me a letter on the 11th, and that letter didn’t arrive until the 22nd saying I needed to submit information by the 17th. Of course the date had past! So then my benefits were suspended and I had to make a dozen calls to figure out what had gone wrong. I had a spot on a work placement scheme, which I was denied because my benefits were stopped.

Sanctions had also affected seven people at some point. In four cases the decision had been wholly or partly amended on appeal:

The Jobcentre sanctioned me because I forgot to fill out some forms at an appointment I went to. Just getting to that place is so bloody expensive it’s almost not worth it. Anyway, that [the sanction] put me into rent arrears and I got evicted from my property. I’m sleeping on my sister’s couch and I’m going to my family’s church for food parcels. It makes me feel like a bum and I hate it. I thought the work programme was really helpful, but I got kicked out of that when I got sanctioned.

I am on the job search all the time but the Job Centre say I’m not trying hard enough. I find looking for work difficult to manage because my children need attention. I received a one month sanction last Wednesday. It’s the third time they’ve done this to me and I’m seriously in debt. I have had bailiffs threatening me. I tried to appeal but it’s up to the people in the Jobcentre. Now I have to make cutbacks and I go without food so that the kids can eat. I don’t sleep. I wish they would help you there rather than threatening people all the time.

Negative comments included some interviewees’ perceptions that some of the activities they were obliged to undertake were inappropriate or unhelpful:

I’ve only had negative experiences. They force you into a job that is not suitable for you and if you don’t like it, they block you and take your money and force you into even greater poverty. A person in my mums flat threw himself off a balcony. The government is messing people’s lives up. I’m 55 and I’d give anything for an apprenticeship, but there is nothing for me.

All the online stuff is a waste of time. Direct.gov lists vacancies for cleaners and then I find out it’s too far to travel to or the job doesn’t even exist. Lots of jobs aren’t even real! What a terrible waste of time.

I’ve been claiming JSA for 4–5 weeks. They are not interested in you there. Not helpful. They treat you like a criminal. Would make you travel 50 miles for a job and not interested in your family. I’ve worked all my life and only ever claimed two years when ill. You’re treated as a number and as if you’re worthless. It looks like I have a job now so hopefully I’ll never have to use the Jobcentre again. I was made to feel awful.
I used the Jobcentre in the past. I didn’t meet a single person working at the Jobcentre that I would offer a job to in any capacity. It’s an institution with a rule book and no compassion. I don’t want to talk in front of an open room about health issues and other personal matters.

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 where their decisions affect children.

There were also positive comments on some of the support and services received:

I’m going to be an advisor at CAB next month. Took a course at Learn Direct. I now have six qualifications (customer service, retail, employability, interview skills). These courses have been free. Referred from the Jobcentre. I signed up to it and my job coach helps me. So the Jobcentre has been a good experience for me.

My experience at the Jobcentre is fine, it’s reasonable. I have a good relationship with advisor. I do what I’m supposed to do. I sign in every day at Jobcentre and do voluntary work. The only issue I have is that they’ve taken all the phones out of the Jobcentre and only want you to contact employers by email now. I don’t understand that. It’s much more proactive to call a prospective employer I think.
Ill health and disability

Long-term health problems or disability, including depression, are common. An additional seven in this group live with a family member who has a disability. In round one, two thirds of jobseekers reported having a health problem or disability.

My mother has cancer and I take care of her. She needs me at unpredictable times and holding down a job while caring for her has really not been easy.

My COPD leaves me short of breath. I take lots of tablets and some days I’m good and some days I’m bad. Employers don’t like inconsistent employees...

At a glance: Struggling with Disability and Debt

The following example illustrates how a single mother attempts to care for her disabled son, while at the same time looking for work

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 bridging 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.
Transport

Most jobseekers walk or take the bus to appointments. Fares can be a drain on limited resources, with about a third spending over £10 a week on travel costs.

The bus only runs every 90 minutes to Swindon. The first bus in the morning isn’t until 7:45am, which is no good if you need to be at work by 8 or 8:30. On top of that it is £4 return. That is the same price as a couple of loaves of bread and milk.

My volunteering is 2 ½ miles away and I walk. To take the bus I would have to pay upfront and wait three weeks to get money back from the Job Centre. So I just walk everywhere.

One particular concern was potential increases in the number of visits to the Jobcentre that might be required if unemployment continued for a long period:

I’ve heard about going to the Jobcentre every day – it’s impossible for me! It would cost me £20 per week which would be one third of my entire income just spent going to the Job Centre! It would be impossible for me unless I was given a refund.

At a glance: Family loss, redundancy and poor transport

The following example shows how death and ill health in a family can be both emotionally and financially draining for a household. The case also shows how families are often faced with multiple challenges to their income.

Mrs Spencer is the mother of a large family. 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. High transport costs to and from the hospital in the rural area in which they live have all added up over the years. The cost of the funeral arrangements consumed the remainder of the family’s accumulated 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. She says she feels isolated from local services because they live in a very rural area and a round trip to the nearest town is £4.20. The buses run very infrequently.

Her husband was made redundant recently after 27 years of employment and has not found work since. He is 59 now and only has one eye, which limits his sight. He has signed on to all kinds of agencies, but work has been sparse. He is now in the process of signing onto Job Seeker’s Allowance.
Financial coping

As noted above in Figures 8 and 9, no jobseeker in a work-less household describing themselves as “comfortable” only one feels better off than last year. The others are evenly split between “struggling” and “managing”.

It is a constant struggle. What I get is just not enough to allow me to eat let alone got to interviews and travel. And you just get no privileges or “luxuries” – I can’t remember the last time I just a few beers with some friends or a dinner out.

Amongst comments from those managing:

I’m just about managing because I’m budgeting well. I sit down every Saturday, work out exactly what we need for the coming week. Some weeks with higher bills I am left with just £20 in the pot.

In terms of the impact of financial pressures affecting jobseekers who were interviewed, 13 have arrears of major bills, nine have taken out loans, and 18 have cut back on utilities spending. Fifteen have cut back on food, five have used a food bank and 13 rely on family or friends to get by.

I’ve fallen into arrears with water. And have had a few hiccups with rent when I changed from ESA to JSA. I have no-one to borrow money from. I am very careful with my food bills and learning to spread out money for food. Only buy the bare minimum, essentials and in multi-packs. Cut back on utility bills, especially electric. Last quarter I used no heating at all, I couldn’t afford it.

I have three friends and we “leap frog” over each other, I get paid one week and they get paid the next week, When the one person runs out of money the other normally has some. So it’s an informal arrangement with friends but it works.

Family helped so much it is now humiliating to ask. I have no way of paying any of it back. I feel embarrassed to talk to them.

In terms of the lower weekly food bill described in Figure 10 above, most jobseekers have thought of food banks, and five have used one.

I have definitely cut back on food. My weight has dropped a lot and so now all of my clothes are too big which is really embarrassing when I go to interviews I’ll get cheap sausages, cheap chicken, dirt cheap mince, some pasta and a lot of rice and that’s it. I cook lots of rice and sometimes freeze it. I have to save for things like buying toothpaste.

We use food parcels quite often because of our kids. We’re only allowed four parcels and it’s difficult because of my health and I need special foods. Our cooker is broken so I am going to a charity – St John’s Hospital and got a loan of £129.50 through a support worker.

Helpful services and interventions

Fourteen jobseeking tenants had used the Citizens Advice Bureau recently, and 10 had found the assistance there helpful.

CAB were very useful in helping me with my debt to the gas company.

The CAB are phenomenal! The pull a lot of weight around here. Really gets thing done for me.

Any problems with the CAB have to do with short opening hours.

I’ve tried to go there but they’re only open on Mondays and always too busy to see me.

Other helpful services this group reported using included:

- Community care grant/crisis loan/budgeting loan/social fund
- Food bank
- Library
- Church

I used the social fund because my cooker broke. I now have to pay it
Benefits
These tenants rely on benefits for their main income. Similarly to the section above on employed tenants, it is already important that tenants, the DWP, local authorities, and the housing associations should have good and timely exchanges of information around problems with benefits being awarded, delayed, cancelled or sanctioned. Management of tenants’ rent accounts requires timely awareness of problems so that tenants can be quickly contacted and support or warnings given. For associations this will involve gaining the trust of tenants and other householders so that they have the confidence and motivation to keep the association up to date – which could be difficult in the light of the mistrust of the Jobcentre outlined above, which is a mistrust that could easily affect attitudes to other “official” agencies like housing associations.

Discussion and implications for housing associations

Job search and motivation
The evidence of both rounds of interviews suggests that most of the interviewees in this group have long previous work histories, and are engaged in both volunteering and seeking further training to help get back into employment. However, three quarters have been out of work for over a year, in both rounds. This is reflected in the main identified barriers to getting back to work – confidence, having the right skills, and health issues including mental health. Absence from the job market for over a year is highly likely to negatively affect all these barriers. This suggests that for this group any support or activities aimed at putting them in touch with the current job market, and gaining new skills would be particularly useful. Similarly any networking or support activities to build their general confidence, perhaps building on the volunteering activities some of them undertake in relation to housing association community development, could be very helpful.

Jobcentre issues
It is striking that the majority of interviewees in this group seem to have a negative attitudes to the service provided to them by the Jobcentre. The comments often suggest that the outcome of contact with the Jobcentre is a lowering of the interviewee’s self-esteem, which they find particularly unhelpful. They also present a consistent view that the decisions made by the Jobcentre about what claimants should do, and think many decisions on sanctioning non-compliance are irrational or counter-productive. We do not have the Jobcentres’ views on these issues, so no balancing point of view can be reflected here, but in principle doing whatever is needed to build the job-readiness and confidence of jobseekers is in the Jobcentre’s interest, as is a transparently fair and just administration of benefits. On the other hand, some aspects of their contact seem positive – in particular Learn Direct.

I go to my local church for support. They’re very helpful with advice, or give me food if I need it. I feel like I get counselling there.

Library has been a big life saver. I can’t afford the internet. I can definitely not afford a PC! I just don’t have the additional £10–15 a month. I don’t have the privilege of the internet or a car anymore. The only access I have is the library.

back and a sum comes out of my income support on a fortnightly basis.
unexpected pressures is very limited, and arrears, loans, and unpaid bills are common. Travel costs to attend Jobcentres and jobseeking-related activities are a significant expenditure. Budgetary and financial management support, particularly in periods of crisis, would most likely be helpful services here for housing associations to provide. It is also noticeable that most report turning to family and friends as the main source of financial support in an emergency, and over half use CAB, so there is most likely an appetite for additional financial advice and advice on coping.

Mr Pastor illustrates some of the points in this chapter.

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 dehumanizing 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 want 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.
5. People not looking
Lived experiences

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]

Overview and Summary

Overview
We interviewed 101 economically inactive tenants - not in work and not looking for work. Four out of five of them have a disability, and the remaining fifth are looking after small children. Half of all economically inactive tenants say they have spent the majority of their working lives in employment. One in five lives in a household where someone else is working.

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

Almost all economically inactive tenants receive benefits, which in four fifth of case constitutes the household income. Some disabled tenants say they 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.

In summary:
- 101 out of 200 residents interviewed were economically inactive. 64% are over the age of 45 and 43% are living alone. Twenty of these people live in a household where someone else is working.
- 73% of economically inactive residents live in a household where someone has a disability. Disability leads to isolation and anxiety for many residents. Others are dependent on a family member who acts as their carer.
- Twenty out of 101 economically inactive residents are full time unpaid carers, while a further 12 care part time for family members. Carers are often quick to point out that they work just as much or more as people with paid jobs.
- Half of all households with full time carers have been affected by the spare room subsidy (“bedroom tax”). This is often due to the fact that a partner’s disability makes sleeping in the same bedroom difficult. Several residents said they felt they were being punished for their poor health. Households with carers are more likely to be struggling financially.
- More than half of economically inactive residents say they have spent...
most of their lives working. Many worked much of their lives, often in physically demanding jobs, until ill health or injury made them resign.

- Ninety-six out of 101 economically inactive residents receive benefits. The most common benefits are Housing Benefit, Council Tax Reduction, ESA, Child Tax Credit and Income Support. In four fifths of cases these benefits are the household’s main source of income and essential to them. Residents with disabilities describe how disability benefits help them pay for carers or help them stay mobile.

- Forty nine out of 96 residents had problems receiving their benefits in the past year. For many the transition from Income Support to ESA was fraught with problems and delays. Others suffered from administrative errors due to change in circumstance not being recorded or processed quickly. Residents also reported difficulties navigating and understanding the benefits claims process and said they struggled with the forms.

- As well as those who are carers, 16 residents volunteer for an organisation on a weekly basis. Many economically inactive residents are contributing in some way.

- Half of all residents are managing financially, but describe precarious situation in which their costs are just covered by their income. Most residents cannot afford to purchase non-essential items and do not save.

- A third of economically inactive residents are in arrears, 43 have borrowed money in the last year and 75 have cut back on food spending.

- A third have used the CAB in the last year and most said that the CAB had helped them solve a problem. Economically inactive residents regularly report using services such as legal aid, crisis loans, food banks, mental health services, counselling, debt advice and libraries.

The following section will discuss a number of key themes: the characteristics of economically inactive people; ill-health and disability; caring; transport; financial coping; problems with claiming benefits; and helpful services and interventions.

**Characteristics of economically inactive interviewees**

In our sample, more than half of economically inactive people interviewed lived in coastal or rural town; fewer live in rural villages. Almost half live alone, and two in five live in with children, including 20 single parents.

**Ill health and disability**

Seventy-three out of 101 economically inactive residents have ill health or a disability themselves; 26 live with family members who are in ill health or have a disability. Around one in five of these was a mental disability, three in five were mainly physical, and the remaining two in five involved elements of both mental and physical disability.

_Not being mobile makes you feel very isolated. I go days without speaking to people sometimes. It’s caused me to feel very low. I would say my biggest problem is mental, even though my physical limitations are probably the most obvious._

_I’m in remission from breast cancer and I do feel much better. I have made good progress physically, but I think there’s still some psychological fallout, almost like PTSD. I have received some helpful therapies; counselling, reflexology, relaxation retreat, native retreat. All through Penny Brown Cancer Centre, outside of Bristol._

Many of the interviewees explained how it affects their quality of life:
I’m a bag of nerves. My hips hurt and I’m in constant pain. Have to do my own shopping. And I have to go to the CAB to find out what all the jargon on the forms means.

My wife is badly physically impaired in the left leg. With limited mobility, she needs a walking stick. I take care of my wife. I help her in the bath. I have diabetes and get fatigues easily. Sometimes I get my balance wrong and it knocks me out which means there’s no one to care for my wife. But in general it’s not too bad.

A lot of residents who are in ill health now have a long work history:

Husband worked for 27 years and was made redundant last year. He is 59. He joined agencies hiring in the village.

I worked for 30 years. First in the building industry, then I retrained and managed an IT department. The right thing to do is to work! But that’s a contradiction nowadays. You get so little in return for your time and energy. And now retirement is at 68 – what a joke! Don’t they get enough out of people nowadays? So there is little hope for us people just before retirement age. We’re just counting the days until our pensions.

I did hotel work, construction, painter decorator. I did a lot of hard work which gave me my back problems.

At a glance: Poor health and re-assessment

The following example shows how re-assessment and appeals processes can place great strain on people already suffering from ill health.

Mr Smith has extreme respiratory problems and finds day to day activities exhausting. He is currently on the waiting list for a lung transplant.

He is on Employment and Support Allowance and Disability Living Allowance, but after his ESA assessment was put into a working group and his benefit payment was 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.

During the seven months with reduced benefits he was helped 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 this 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’s managing comfortably compared to before.

Caring work

Twenty out of 101 economically inactive residents are full-time carers for a family member in ill health. A further 12 out of 101 residents are involved in occasional/part time care work for family members or friends. In addition, one third of economically inactive residents are involved in either full time or regular part time unpaid care work for family and friends.

I work harder now as a carer than I have ever worked before. No holidays. No sick leave – and 100+ hours a week. The work is hard and strenuous.

I’m looking after her 24/7 so technically not working, but actually working. Get carers allowance and income support which is just enough to survive, have to jump through lots of hoops, and I don’t get a minimum wage.
Half of the households with full-time carers have been affected by the spare room subsidy. This is often because the couple need to sleep in separate rooms due to the disability.

They say we have two spare bedrooms which adds up to £120 per month. But I can’t sleep in the same room as my wife and we have carers staying up to five nights a week at times. Where are we all supposed to sleep? I spoke to HA and DWP, but because the carers only come in when I really can’t cope myself it doesn’t count.

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 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.

Financial coping

As noted in Figures 8 and 9 above, where there is no other wage earner in the household two in five economically inactive interviewees said they were struggling financially, and a third said they were worse off than a year ago, although one in five reported they felt better off. Only one in ten reports feeling comfortably off.

Before I started receiving DLA I was really struggling to the point where I thought about just giving up. That was the first time in my life where I felt so low. And it’s amazing how an extra £30 or £40 a week makes such a massive different.

Because I was a bookkeeper in the past, I do my accounts every week. I manage just. But it does get difficult sometimes. I keep myself above water. If I’m very careful I can make it work.

I would say I’m better financially because I was totally destitute the last time we spoke. All of my benefits had been totally stopped. I felt that I was close to committing a crime – stealing food just to get by. I felt that going to jail would be better than begging for food at the food bank.

Some manage to save small amounts of money:

I have a bottle with coins in. Sometimes I have a few pounds left over at the end of the week.

I have a small emergency fund at home (£500 in cash). I try to transfer £5 every month or just £2, just to put something in there.

Others have more difficulties – 37 out of 101 are in arrears with their bills, and 12 are in arrears with their rent.

I’m really struggling, don’t have enough money to pay all the bills, do weekly budget and keep a really close eye on things. Often I call utilities and promise to pay next week.

Our savings have gone. We had to pay for our daughter’s funeral out of our savings. We didn’t want to be in debt. We don’t borrow or scrounge.

Many have borrowed money in the last year.

I owe some friends some money I borrowed for my car. My friends are good enough not to ask for the money back right away.
Most report cutting back on food in the past year, though only eight have used a food bank.

I don’t eat meat unless it’s reduced. I think I’m able to eat healthily. But I basically live out of the freezer.

I did a cooking course which was very useful. I would like to go for more courses like that – they taught you how to cook healthy inexpensive food.

**Benefit receipt**

Almost all economically inactive residents receive some kind of benefits, the most common being Housing Benefit (83 interviewees), Council Tax Reduction (75), Disability Living Allowance (55) and Employment Support Allowance (50).

In discussing the importance of benefit income, these residents commented:

I want to get back to work but my husband had unexpected health issues – seven years of leg issues, he couldn’t walk, and had two operations. We couldn’t survive without the benefits, until we get back to work and getting a salary. It pays for heating, food, everything.

It made a big difference to me since DLA was awarded. It was really hard for me before that. The mobility allowance helps so much and I can pay for my support worker and having this makes a big difference. I’m not well off but I can’t complain. I don’t work so don’t have big expectations. I just can’t work at the moment.

**Problems claiming benefits**

Half of the economically inactive residents claiming benefits had problems claiming their benefits in the last year. The majority of these problems were said to have been caused by administrative errors or delays.

I’ve had issues with my ESA, especially around the assessment process. At beginning of December they sent me a letter that said I was up for reassessment. I received the letter on 15th December and they gave me less than a month to get all evidence in by 8th January because letter dated 8th December. So I had to organise all of this information over Christmas period! Very difficult, and they wouldn’t give extension. I had to set up appointment with doctors and all sorts. And it’s June now and I’m STILL WAITING ON DECISION. What was the rush about? It caused me a lot of stress over the holidays.

To be honest, money is really tight because found that I should go back to work. Then I appealed and got more money. But we had 3–4 weeks with no help. We sold our possessions, went through boxes and sold wristwatches to make ends meet and my stepdaughter had some problems. It’s got to the stage where we have to ask for food parcels. We have had food parcels twice since the last call.

Many residents also say they have great difficulties with the paperwork they are required to fill out:

My best friend committed suicide in March – she went through period of relentless reassessments, found forms 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.

Some report coping better with paperwork:

No, I didn’t have much trouble with my benefits in the past but the main reason is because I’m very good at filling out the paperwork. It’s really down to how good you are at admin rather than your circumstances. Our experience at ATOS as a result was brilliant – they phoned us especially at each stage.
Helpful services and interventions

Over a third of economically inactive residents have used the CAB in the last year. Almost all of these residents had a positive experience of the CAB – help with debt, filling out forms, benefit advice etc.

The CAB is absolutely fantastic. I can’t fill out forms because I can’t grip the pen well. The CAB assisted me with the forms and gave me advice on my DLA.

In the past the CAB has been brilliant and they help a lot of people who can’t help themselves especially through the legal and health systems. But the government seems to want to shut them down, by cutting funding everywhere. The CAB is a lifeline for many people I know. It needs to be protected!

Residents who had a negative experience of the CAB cited difficulties making appointment, short opening hours, and the waiting times.

Lots of people are not good with paperwork so they really need the CABs help. But the CAB don’t offer an appointment based system, so you have to queue for hours before the open at 10am. I had to wait in line for an hour once and then they turned me away. I haven’t been back since.

Most popular other useful services include:
- Legal aid
- Budgeting loans/social fund/crisis loan
- Church
- Food bank
- Samaritans
- Support workers
- Mental health charities – MIND, MENCAP and others
- Macmillan and other cancer support charities
- Counselling services
- Children’s groups/ day centres
- Debt advice
- Library

I have received support services from the Church. They gave me a grant to see my brother when he was sick. He died but I was there with him.

Support workers in the past have been very helpful. When I was ill they helped with shopping, washing dishes, and we become friendly. I still see some in town, but they don’t come anymore because the service was cut. I feel lucky that I at least had them for a short time when I felt low.

The Bristol Mind Rethink Service is very useful. It gives you a group identity. You’re not isolated, because you know there are other people out there like you. It’s also a community centre and just gives you a place to go.

The carers centre helps me. It offers counselling, courses, open days, coffee hours. It gets lonely when you’re not well! So it gets me out and I like talking to people when I’m not well. It makes me forget my problems.

I think the pubs closing is a big thing! That where people got together in the past to have a chat. It was the local meeting place and that’s not around anymore. It stopped people from networking.

Discussion and implications for housing associations

Characteristics

This is a group distinguished from the others above in being older, more disabled, and often acting as carers.

Benefits

Benefit income is of primary importance to this group, particularly as four in five have no other income than benefits. Getting the right benefits at the right level can make a major difference, as can receiving allowances for transport and travel particularly in inaccessible areas. Problems can arise with benefit changes, re-assessments, and errors, and this is a major
source of anxiety as these residents have few options in terms of other sources of regular income. Periodic examination of their situation and possible benefits entitlement could be of great help, either from third parties such as CABs, local experts, or with the support of the housing association.

Financial management
Perhaps due to the general stability of their income except in periods of reassessment and change of benefits, this group seems to fall into two parts. Some are managing with their money, and indeed some manage to save small amounts regularly. Another sizeable section of this group report being worse off in the second round, with 37 in arrears with bills, 43 having borrowed money, and eight having used a food bank in the last year. Many of the quotes above indicate the extent to which uncertainty about benefits and changes in benefits cause both stress and real hardship for these residents; additional money advice and assistance in coping around these problems would be a good way to assist in improving their quality of life.

Transport
Many of these residents find it difficult to get out, and cannot be flexible and adapt to infrequent and complex public transport services. Some have specific grants or allowances for adapted transport like mobility scooters, but ensuring their maximum mobility and good options for increasing their ability to get out and about in the community is a key issue, not least in letting them get to advice and support agencies who can sort out their benefits and support services.

Carers
A specific group to flag here is full-time, unpaid carers, looking after partners or other family members. The problems of full time carers are well recognised but nevertheless significant and often unresolved. They are often on duty 24/7, with few days off or holidays. Caring work in support of close relatives is physically and emotionally demanding, and carers often suffer health problems as a consequence. They generally have to make the household work on very limited money. Housing associations in the South West, as elsewhere, will have significant numbers of carers amongst their tenants more widely, and there is clear scope to take steps to provide additional support to them thorough advice, networking, the involvement of specialist advisers to assist them, and steps to improve awareness of the problem in the local community.

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 Hubbard’s like to have a spare room for him. However, with two spare rooms the Hubbard’s 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 care giver 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.
6. Repeated interview comparisons

The 200 interviews in round two included 123 repeat interviews. The overall picture was of some small improvements in their circumstances:

Overview
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. Seven households saw reductions in their work over the same period. The large majority did not change their work status at all.

The overall indication from these interviews suggests what has been set out more generally above; that households are coping better financially by the time of the second round, with a fifth fewer of the repeat interview tenants saying they were “struggling” and 10% more saying they felt “better off” than before. Fewer were cutting back on food, and fewer said they had accrued rent arrears.

None of the tenants interviewed had been moved onto Universal Credit, although almost two thirds had now heard about it. The transition to this new benefit was worrying tenants, as was direct payment of rent to tenants rather than the landlord. 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.

Employment
Looking first at employment, we looked at the household as a whole and identified those where:

- Previously no-one was working but now at least one person had a job
- Where there was a move from part time to full time working (more work)
- There was now no-one in work, where previously at least one person had a job

![Figure 13: Recap of work changes for repeat interviews](image)

Work changes for households in both rounds (123 total)

<table>
<thead>
<tr>
<th>Now in work</th>
<th>Up from part to full time</th>
<th>Now workless household/less work</th>
<th>Same</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>8</td>
<td>7</td>
<td>96</td>
</tr>
</tbody>
</table>

As can be seen, 20 people had more work and seven had less. The specific circumstances varied a lot – in three cases the improvement was linked to an improvement in health; five moved either to part time work or joined a family business; in three cases the new earner was a household member (child or partner); five of the moves were to low hours part time work; and in one case the resident became so demotivated by the “humiliation” from the Jobcentre that he moved off benefits and supports himself through occasional part time small jobs he gets.
s – more detailed

The majority of newly acquired jobs are part-time with flexible hours in social care, clerical and administration, or skilled manual jobs. It is interesting to note that more detailed analysis of our interview evidence indicates that residents who moved into work, or took on more hours are more likely to have family and friends who are working (55%), compared to their jobseeking counterparts (35%), and so often had work-related connections. In addition residents who moved into work, for the most part, did not report major barriers to work such as ill health or disability, high childcare and transport costs or advanced age.

Financial management

As Figure 14 shows, people are generally managing more, with a 20% drop in those who describe themselves as “struggling”.

Furthermore 10% more people are feeling “better off” and almost 30% fewer are feeling “worse off” than in the recent past (which was set at two years for round one and six months for round two, to catch the round two changes) – as in Figure 15.

### At a glance: Self-employment and ill-health

The following example illustrates why a self-employed tenant was forced to stop working, and how a local charity stepped in to help better manage her period of unemployment.

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 a long period, which makes cleaning impossible.

Before Mrs Reed got 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.

### Figure 14: More people are managing financially

<table>
<thead>
<tr>
<th>How well would you say you are managing financially?</th>
<th>Comfortable</th>
<th>Managing</th>
<th>Struggling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round 1</td>
<td>8 (6%)</td>
<td>49 (39%)</td>
<td>68 (54%)</td>
</tr>
<tr>
<td>Round 2</td>
<td>10 (8%)</td>
<td>69 (57%)</td>
<td>42 (35%)</td>
</tr>
<tr>
<td>Difference</td>
<td>+2%</td>
<td>+18%</td>
<td>-20%</td>
</tr>
</tbody>
</table>

### Figure 15: More people in round 2 are feeling better off

<table>
<thead>
<tr>
<th>Compared to the recent past do you feel:</th>
<th>Better off</th>
<th>Worse off</th>
<th>Same</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round 1</td>
<td>17 (14%)</td>
<td>73 (59%)</td>
<td>33 (27%)</td>
</tr>
<tr>
<td>Round 2</td>
<td>28 (24%)</td>
<td>36 (31%)</td>
<td>54 (46%)</td>
</tr>
<tr>
<td>Difference</td>
<td>+10%</td>
<td>-29%</td>
<td>+19%</td>
</tr>
</tbody>
</table>
Interestingly (and perhaps curiously) only eight of the 20 people described above who were now in a better work position reported feeling better off than in the previous round; while five of them actually said they were worse off than two years ago. Similarly although six of this group felt they were managing better financially now, one said they found it more difficult. This indicates that the more general improvement described above could have been due to people whose situation had not changed finding ways to cope more effectively, and not simply being due to take-up of a job, or more hours of work for the household.

We also compared, for the 123 repeat interviews, ways in which people were challenged to deal with their finances and the coping strategies they adopted. Figure 16 summarises this, ordered by the greatest changes between the two rounds of interviews.

Fewer cut back on food or had rent arrears; losing their job affected 7 people; marginally fewer cut their utilities use, went to a food bank (or considered doing so), or borrowed money. Again these are small changes, but also suggest a better ability to cope amongst the repeat interview households.

<table>
<thead>
<tr>
<th>Numbers reporting:</th>
<th>Round 1</th>
<th>Round 2</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut back on food</td>
<td>98</td>
<td>79</td>
<td>-19</td>
</tr>
<tr>
<td>Arrears - rent</td>
<td>37</td>
<td>19</td>
<td>-18</td>
</tr>
<tr>
<td>Lost job</td>
<td>14</td>
<td>7</td>
<td>-7</td>
</tr>
<tr>
<td>Arrears - bills</td>
<td>55</td>
<td>50</td>
<td>-5</td>
</tr>
<tr>
<td>Cut utilities</td>
<td>85</td>
<td>80</td>
<td>-5</td>
</tr>
<tr>
<td>Borrow money</td>
<td>62</td>
<td>58</td>
<td>-4</td>
</tr>
<tr>
<td>Used, or considered using, a food bank</td>
<td>16</td>
<td>12</td>
<td>-4</td>
</tr>
<tr>
<td>Under threat of redundancy</td>
<td>1</td>
<td>0</td>
<td>-1</td>
</tr>
<tr>
<td>Under threat of eviction</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

Figure 16: What happened last year – rounds 1 and 2
What will help tenants manage the changes?

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, the nine housing associations were experiencing serious problems with benefit changes, the introduction of the spare room subsidy. The tenants faced greatly increased financial pressures through changes in work, benefits and real costs, particularly rents, fuel and foods. The bare essentials of survival were posing such serious challenges to the associations’ more vulnerable, working-age tenants – nearly half of our sample of 200 – that housing staff were rethinking their role. Yet their own organisations were under increasing financial pressure, making 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, this was often by making reductions to their core expenditure including food, and also steadily accruing arrears for major bills, or borrowing from family and friends. Fully one third were struggling financially.

Housing associations in the region had generally managed to contain arrears, and had come up with innovative ways to help some of the tenant affected by the spare room subsidy. The main change was in redirecting resources towards providing frontline advice staff.

The tenants’ responses in the survey highlight three important changes that could make a difference to their managing:

- Supportive frontline staff and more access to advice services, such as CAB.
- Capacity-building amongst tenants so they’re 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, disabled and isolated tenants. Costs mount for associations with these challenges. Some employers, councils and local work schemes, particularly in the North, offer 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.

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” initiatives to support the wider community and wider
tenants needs. 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.

What can social landlords and 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 is also a real need to ensure good and timely communications between tenants, associations, and DWP about changes to benefits that can have a major impact on their ability to cope financially.

• There are real barriers to tenants accessing work, training and advice, especially in rural towns and villages as well as suburban areas where tenants feel more cut off. Innovative 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 Bureaus financially and in other ways to help keep their doors open – many are being threatened with further cuts due to reductions in local authority grants.

• Advocating a “Housing Plus” approach to landlord services, extending the supportive and job-related services provided by housing associations including to help tenants pay their way. This could include:
  o diverting resources to the frontline so tenants have 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 providing 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.

**Recommendations to Government and social landlords**

**Government**
- Make Jobcentres more people-centred so staff are more open to understanding legitimate 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 repeated 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.

**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.

**Government and social landlords**

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