

Welfare Reform: the impact on housing associations, tenants and communities

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How this work arose:

- Welfare reform research
- Housing Plus programme
- Joseph Rowntree Foundation's worries

Background

- Welfare reform justified by:
 - Escalating costs
 - Complex system
 - High dependency
 - Rising unemployment
- Social landlords and tenants most affected
 - ∴ poorest areas, communities and people
 - ∴ direct target for reform
 - Hit by many changes to Housing Benefit

Headlines

- Tenants heavily welfare dependent, whether in work or not
- Benefit system > much tighter and tougher
- Tenants cut food and energy to pay way
- Rising costs (rents, energy) hit falling incomes
- Increased poverty and expected arrears
- Tenants and landlords interdependent
- Housing management re-oriented to front line
- Social landlords forced to enforce and to help
- Housing Plus is growing
- Stronger focus on work, self-reliance, self help

Three sources of evidence

- National survey of housing associations
- Regional survey of tenants
- Two tenant workshops at Trafford Hall

National survey of 16 housing associations

Bert Provan

What did we do?

- 16 Housing Associations (HAs) in England (2 per region)
- November/December 2013
- General impact on associations and tenants

Overview

- *“Social landlords have been playing a vital role in welfare reform and supporting tenants.....There is great work happening in the sector”* Parliamentary Undersecretary at DWP (Lord Freud) 13 November 2014
- HAs ahead of the game, and leading
- First families claim Universal Credit this week – a year later. So no actual evidence

Opportunities of Welfare Reform

More personalised services

- Getting to know full Housing Benefit cases
- Re-focus “housing plus” eg jobsearch/skills
- Money advice and budgeting
- Fuel poverty

	Large associations (8)	Small associations (8)	Total (16)
Tenant focussed actions			
Communications programmes	7	6	13
New benefit advice teams	4	6	10
Jobs and training teams	4	7	11
Information about banks, payments and budgeting	5	6	11
Practical and crisis help for hardship	3	5	8
Digital inclusion activities	3	5	8

Table 1: Energy efficiency and fuel poverty

Action	Number of associations
Homes already at statutory insulation levels	15
Provide general energy advice	13
Additional work to take insulation and energy efficiency measures above statutory levels	9
“Energy doctors” to identify savings	6
External contract to provide energy saving advice	3
Installing solar panels (PV)	2
Trained tenant energy champions	1

Opportunities of Welfare Reform (2)

Restructuring

- Focused arrears teams – with success
- Frontline use of I pads
- Working with partners e.g. CAB

Strengths

- Shared “tenant empowerment” agenda with welfare reform?
 - And a “housing plus” infrastructure to support this
- Rapid, consultative, comprehensive planning
- Patient engagement with DWP pilots with some success

Threats

- Undermining safety net
 - Who will house the poor? - or where?
 - Tenants cope – but at what cost?
 - *Big Society* in reverse (Voluntary sector /LA closures)
- Communications DWP/tenants/HA
 - Basic documentation – annual rent changes
 - Delays/errors/system
 - Sanctions/appeals
 - Must serve court papers before payments to HA restored
 - Building trust, and tenant capacity
- Impact of arrears on loans and capital investment

Change	Number
Separate rent enforcement from benefits advice	9
Special hardship fund	9
Strengthen links to Citizens Advice, etc	7
Increased use of frontline ICT	5
Help tenants to build rent credits in advance of UC	6
Plan to visit tenants on UC benefit payment day	2
Work with suppliers on “benefit portal” options	2

	Large association	Small association	Total
Provide strong advice on affordability	4	5	9
Vet tenants using credit checks	3	2	5
Includes restricting under-occupation	1	2	3

Weaknesses

- Unresponsive blanket policies
 - E.g. few small homes available for bedroom tax/ disability and DV
- Continuing delay and uncertainty

Social Landlord Support Pack

Getting social tenants ready for direct
payment of housing costs



DWP
November
2014

Conclusion

- HAs have profound experience of tenant support
- They are in the lead, innovative, and alongside policy
- Risks can be mitigated, if there is a will to do so

The impacts of welfare reform on social housing tenants

Eileen Herden

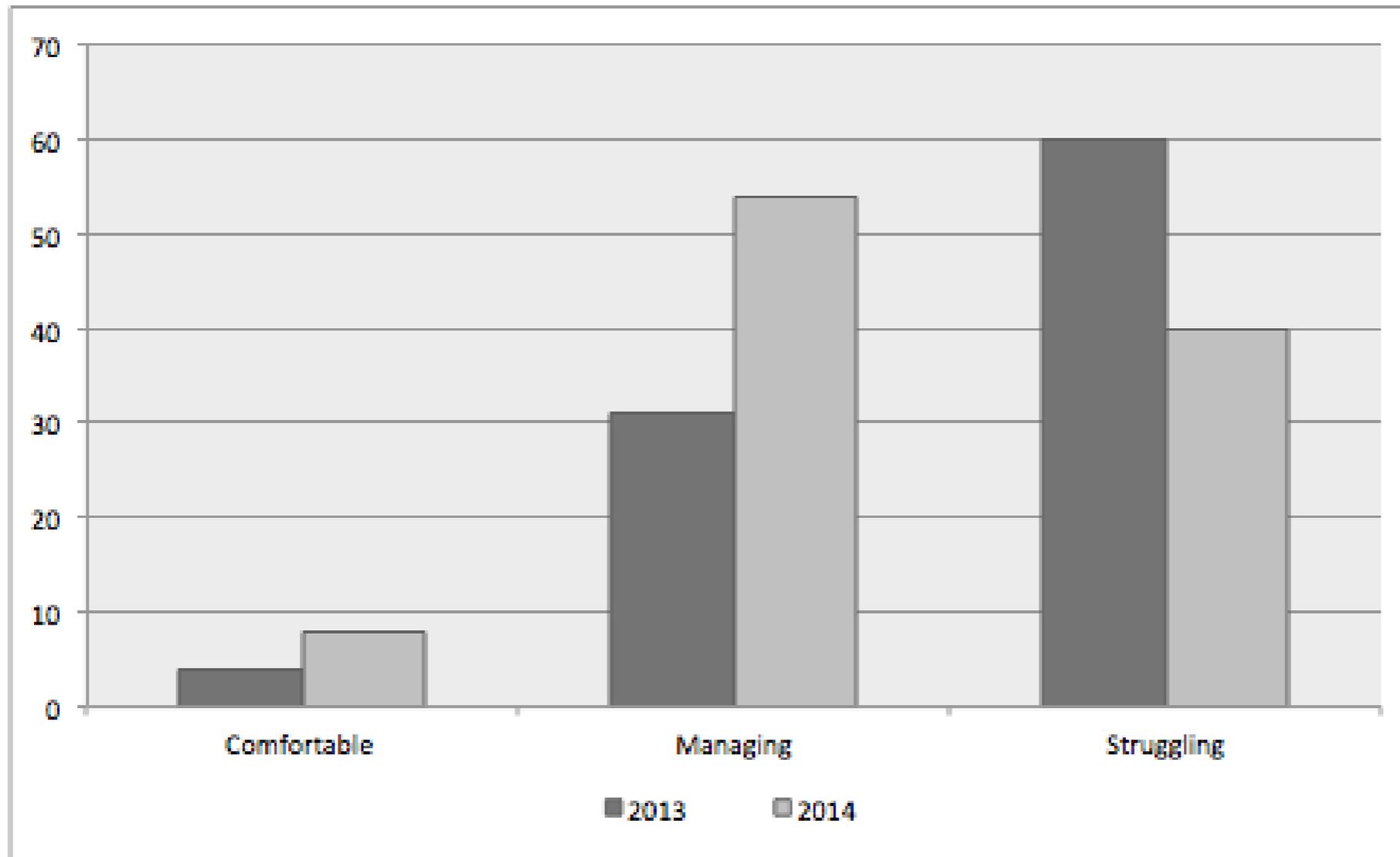
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**61% of our sample
affected by changes to
their benefits in 2014.**

- Bedroom tax
- Council Tax contributions
- Reassessments
- Sanctions

How are people
managing?

Financial management



Why did more tenants say they were managing financially in 2014?

Cutting back: Food

Two thirds of all tenants affected by benefit changes described significantly cutting back on their food purchases in the last year.

Cutting back: Food

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.

We do a monthly shop and I just buy all frozen food - no fresh food. We buy things that will last me. Packs of instant re-heat noodles. I go without food so that the kids can eat. Sometimes I don't sleep because I feel so hungry.

Cutting back: Utilities and household goods

Two thirds of all tenants affected by benefit changes cut back on utilities and other household goods in the past year.

Cutting back: Utilities and household goods

The bedroom tax comes together with my lower summer wage. Last month I had 25p in my bank account. I had a water meter fitted, I don't flush the toilet, but catch water from the shower and use it to flush, I don't use central heating, don't eat very much ...

I've fallen into arrears with water... I've cut back on utility bills, especially electric. Last winter I used no heating at all, I just couldn't afford it.

Rising arrears

The number of tenants affected by changes to their benefits and in arrears with utilities bills and/or rent increased from 55% to 64% in the last year.

Rising arrears

I often fall into arrears with bills and have to catch up. Utility bills, phone, council tax. I can't pay one month so I'm always rearranging my payments. Insurance on the car I'm always behind on. I have to borrow money from mum and friends.

I've decided to consistently be in arrears with my water bill and try to focus on paying the rest of the bills. That way I only have one person hassling me.

Borrowing from family and friends

65% of tenants affected by benefit changes said they had borrowed money from friends or family in the past year

Borrowing from family and friends

I pool all my resources with my mum. We couldn't get by without each other...If you had told me in my 30s that I'd still be relying on my mum at 58, I wouldn't have believed it. I don't like to think about it too much.

My family has helped so much it's humiliating to ask again. I have no way of paying any of it back. I almost feel embarrassed to talk to them now.

Ripple effects

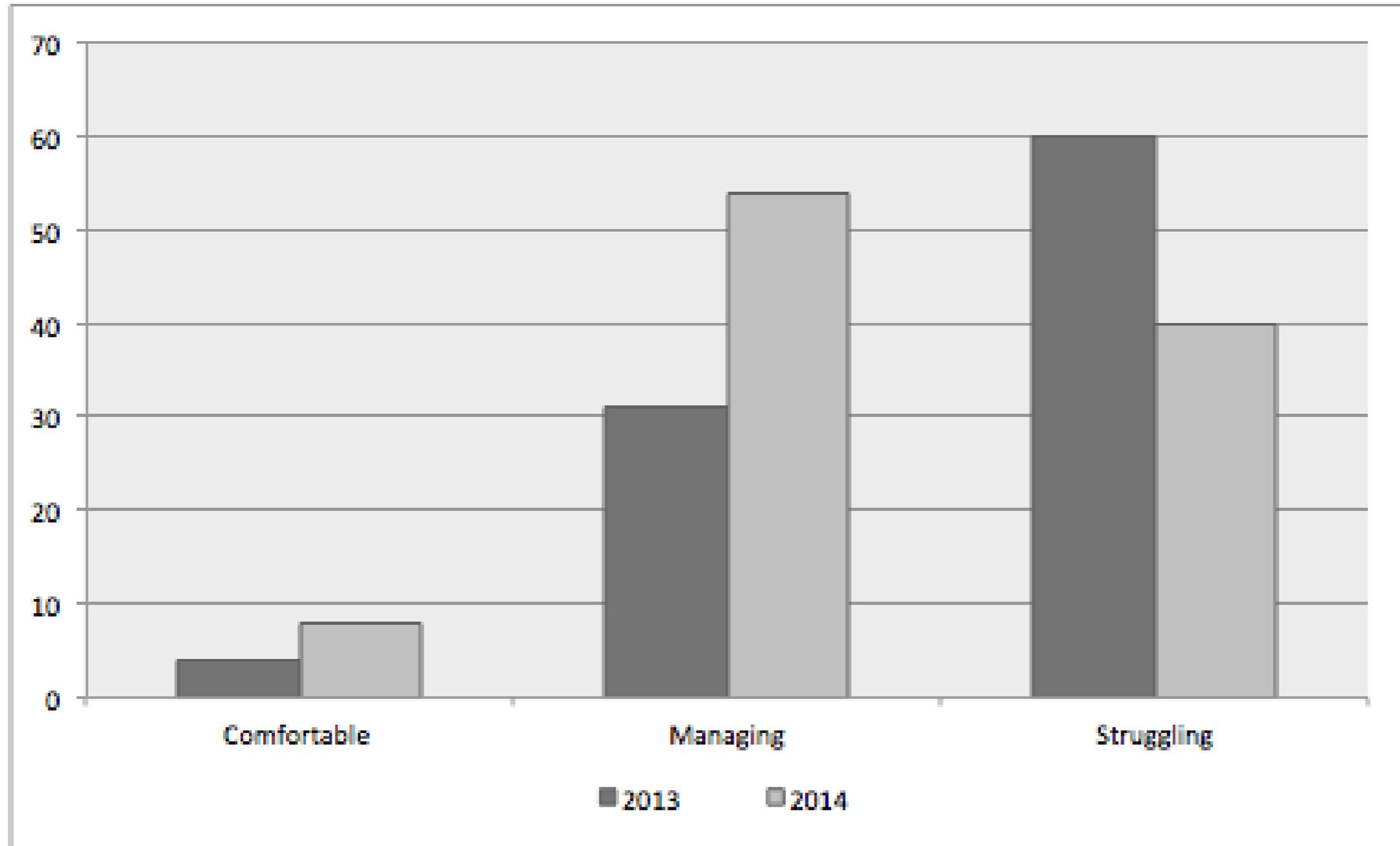
Children, parents, siblings, and grandparents are often inadvertently affected by changes to someone else's benefits.

Ripple effects

*It's been difficult with all the changes. We've had to rely on my 20-year-old **son's** income to cover this, which doesn't seem fair. We are struggling, and I wish my son could save his money for college.*

*My **grandparents** had to help me with food, because I'm paying the [bedroom] tax. I couldn't afford my medication for my arthritis. It's so wrong. If it hadn't been for my grandparents I don't know what I would have done. They really struggled to support me, they only have so much money to spare.*

Financial management



Final thoughts

- Tenants affected by benefit changes are finding ways to save on what most people would consider essential (fruit and veg, showering, heat, internet access etc.)
- Tenants have come to accept a new standard of living and revised their expectations.
- Definition of “managing” has changed
 - No reserves for emergencies
- Very precarious existence.

**Tenant Think Tanks,
November 2013 and March
2014 with 130 participants**

At Trafford Hall

Anne Power

How is welfare reform affecting communities?

- Very directly
- Uniform sense of anxiety

What are landlords and others doing?

- Trying to help, but must collect rent
- Tenants aware of limits

How are communities responding?

- With generosity
- Desperate for help
- Pleased when anyone does help

3 big problems

- Financial pressures – managing budgets, meeting rent bills, rising energy costs, unexpected cuts
- Welfare reform – very uncertain, scary, hard to control, a lot of fear for the future
- Lack of advice and support – loss of front line contact
- Mental anxiety

Mainly negative impacts

- Stigma
 - Tenants feel looked down on
 - Benefits not seen as entitlement
- Computer-based
 - Fear of form filling on line
- Mental anxiety
 - Uncertainty and inability to pay their way
- Wider community impact
 - Stories travel, disasters very undermining
- Many problems with new system
 - Old system looks fairer but too easy to cheat

Some positive responses

- Social landlords trying to help
- Also charities “stepping up to plate”
- Communities responding impressively
 - 93 posters show this
 - 103 stories bear testimony
- DWP modifying some approaches

Personal testimonies

Impact on people

Sanctioning - widowed father

A widowed father (25) with two children was sent to a Job Club Assessment Centre by Jobcentre Plus. His child-minder couldn't have the children one week so he took them into the Jobcentre and was told to leave. The Job Club then sanctioned him leaving him with no money for six weeks. He almost lost his children because of this but neighbourhood services came to his aid. He is now terrified this will happen again and is on medication. The children are also terrified having lost their mother that they will also lose their father.

Outer Manchester housing association

Impact on place – Bedroom Tax consequences in former mining communities

At present there are 21 empty properties mainly two or three-bed houses. Before the bedroom tax, single people were signed up to two-bed properties, and smaller families to three-bed properties. Now people like myself are being forced out of their family homes which in some cases have been their homes all of their life. Some people have found it difficult as there are no one-bed properties available. A lot of one-bed properties were demolished a few years ago as they were very unpopular. Some estates now have no waiting list and empty homes. So the bedroom tax is not working and not wanted here.

Housing association, County Durham

Impact on landlords – Landlords “step up to plate” - Bolton at Home

The campaign group in Bolton called ‘Bolton Against bedroom tax’ lobbied Bolton at Home housing association to agree a ‘no homelessness policy’ for Bedroom Tax arrears. Any tenant who is in arrears due to bedroom tax will be given a one-time only offer of a property that meets their needs.

Housing association, Lancashire

Landlords help – over the odds

My housing association are doing: a) tenant training in budgeting etc; b) taking housing officers out of offices onto the estates so tenants and staff know who are vulnerable / disabled etc; c) taking more staff on for debt and welfare reform advice.

Housing association, Warrington

Northern Council:

Our officers, councillors and tenants work in true partnership. Our staff could not do more – the work they do is over and above what their job description states because they believe in what they are doing and recognise what they do is necessary.

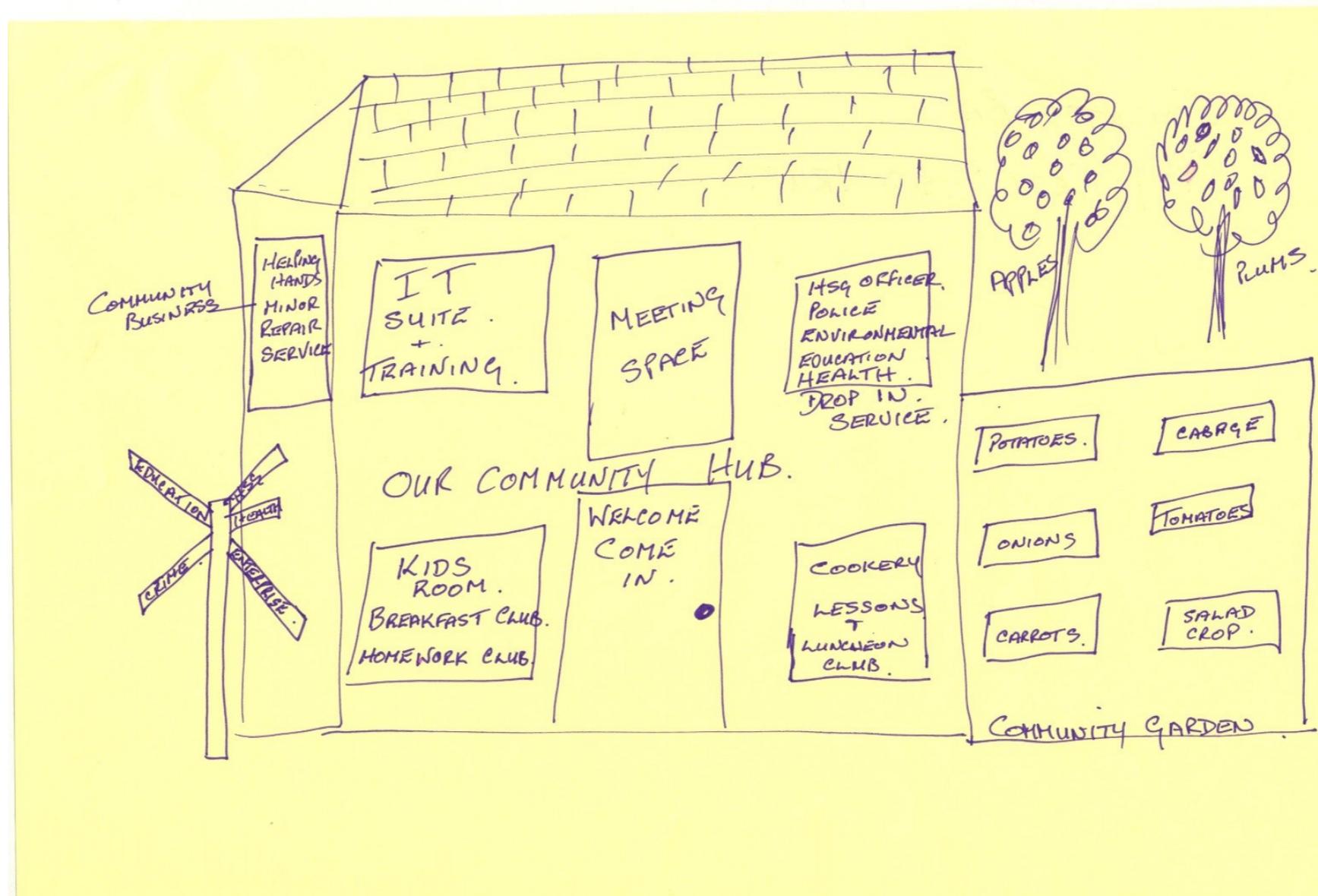
Council tenant, North East England

Tenants speak out

I think the people that do the feedback should be the tenants themselves – I often feel by having this done for us we lose something in translation; this is 'our passion'. Whatever, our full 'feeling' does not get across.

Personal testimonies

Community Poster: Community Hub



Community Poster: Tackling welfare reform



Community Poster: Rays of hope



Overall conclusion

- Mature, measured responses and some panic from tenants
- Big sense of responsibility among housing associations and fierce business pressures
- Tenants want to get their views across – strong sense of powerlessness
- Housing associations need front line staff
- Proposal for Housing Plus Academy
- Welfare reform making tenants more not less dependent and vulnerable
- Pressure on landlords means less housing for most needy
- Wider social costs and increasing direct costs through private rented sector, empties, evictions, etc
- “Safety nets can prevent costly outcomes”

Reports

- Report from the Tenant Think Tanks (October 2014)
- JRF report: The impact of welfare reform on social landlords and tenants (April 2014)
- Forthcoming HALO report: Work and Welfare Reform (February 2015)