

THE IMPACT OF WELFARE REFORM ON SOCIAL LANDLORDS AND TENANTS

Anne Power, Bert Provan, Eileen Herden and Nicola Serle

This report is about the impact of welfare reform on the poorest residents in the most deprived areas in the country, mostly living in social housing.

The harsh consequences for vulnerable people of the current welfare reforms affects all social landlords and all disadvantaged communities in ways that were not foreseen by the government. This report details the experiences of both social landlords and tenants as these reforms are implemented.

It includes findings from:

- a survey of 16 housing associations, interviewing all English regions;
- a survey of 200 social housing tenants in the South West region of England;
- two tenant think tanks on welfare reform involving 135 tenants;
- LSE Housing and Communities wider work in London's low-income communities.

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EXECUTIVE SUMMARY

Welfare reform was one of the early targets of harsh public spending cuts in 2010. The logic behind the cuts is that costs have escalated fast, particularly Housing Benefit, Disability Benefit and Working Tax Credits; the system was fragmented, complex and needed simplifying; recipients were too dependent on state hand-outs and work was not attractive enough by comparison; and unemployment was rising too steeply because of the Great Recession. As welfare reform gradually takes effect, low-income tenants and social landlords, two of the groups more directly affected, struggle with its impacts. The ripple effect in communities is far greater than government figures suggest. Social landlords, housing around one in five of the population, operate in the most disadvantaged areas, housing the most disadvantaged people, and therefore are hard hit by the reforms

This report presents the findings from a national survey of 16 regionally representative housing associations with nearly half a million rented properties, a survey of 200 social housing tenants across the West of England, two residential think tanks with 135 tenant representatives, and longitudinal research in London's low-income communities.

Headline findings

- Social housing tenants **rely heavily on benefits**, so they are hard hit by cuts in welfare support. More working-age tenants are out of work than in work. The harshest impacts of cuts are on working-age tenants with 'spare' bedrooms, tenants with health problems, large families (three or more children) and lone parents.
- The benefit system is becoming much **tougher and tighter** with more sanctions against unemployed people for failing to comply with sometimes arbitrary or unfair work conditions, reclassification of people with disabilities, exclusion from entitlements and suspensions of payments of rent or other supplementary support.
- In order to make ends meet and pay essential bills, tenants are cutting back on **food and energy use**. Food banks are becoming a lifeline for many households. Fuel poverty and rising energy bills are making energy saving advice and investment a high priority.
- Tenants face **rising costs and often falling incomes** whether in work or not – energy bills sometimes tip the balance of tight budgets into debt. But people show resilience and skill in managing on small amounts of money, with often very little margin.
- Tenants and landlords report a widespread **increase in poverty**, anxiety, insecurity and fear of more evictions. People mostly rely on family and friends for help, but they resort frequently to borrowing and debt problems are mounting. Both tenants and landlords expect **evictions to rise** and the lowest-income households to be excluded in future.
- **Tenants and social landlords are** becoming more interdependent, so there is more tenant training, more active advice on finances, more interaction. Both housing associations and government have developed a much **stronger focus on work**, training and skills to help tenants meet their housing, fuel and food costs.
- In order to retain the viability of social landlords and help tenants to manage, housing associations are intensifying housing management resources on the **front line** and community support. The idea of Housing Plus, doing more in low-income communities than collecting the rent and managing the tenancy, has taken hold.

Summary

Social landlords and welfare reform

Supporting tenants

Housing associations offer higher levels of personal contact support to tenants. Those who had previously been 'unseen' as their rents were paid directly to social landlords now urgently need support. There are serious concerns about poverty among tenants, with both tenants and landlords expecting arrears to rise, leading to evictions. There is a clearer division between arrears enforcement and tenant support to ensure that rent arrears policies are being more rigidly enforced.

Social landlords are providing advice on jobs and benefits, tackling fuel poverty and meeting financial crises through hardship funds and support for food banks. They increasingly advise tenants about managing rent payments, Council Tax, food and energy bills. Both government and housing associations have developed a strong focus on work, training and skills. Housing Plus is growing as associations realise the importance of wider community investment.

Scrutiny of new tenants

Housing associations are intensifying scrutiny of new applicants for new 'affordable' tenancies to ensure they can pay higher rents and service charges. Some of the poorest applicants (whether in work or not) are being rejected and screened out and advised to apply for cheaper homes.

Energy efficiency

Rising fuel bills are causing rising debt. Welfare reform and cuts in income have intensified this problem. Energy-saving advice and investment in energy saving are growing priorities for social landlords.

Uncertain future

Housing associations fear that the long-delayed introduction of Universal Credit will cause even more debt. They also worry that the Housing Benefit size criteria,¹ alongside Council Tax Benefit reductions and other cuts, undermine the advantages of Universal Credit. The time-limited nature of Discretionary Housing Payments, are meant to help tenants affected by the Housing Benefit size criteria and other unexpected costs. However, they are time-limited and , do not provide a longer-term solution for under-occupying tenants who are forced to **pay extra rents, many of whom cannot find anywhere smaller and cheaper to move to.**

The financial pressures on social landlords arising from welfare reform are raising doubts over their future development plans. Social landlords are trying to reconcile not only their financial viability with their commitment to house low-income tenants, but also their landlord responsibility towards existing tenants with their aim to provide more housing for those in need, particularly vulnerable groups and individuals. Housing associations have made far-reaching changes to prepare for welfare reform, but the challenges are immense and it is unclear what lies ahead.

Social housing tenants and welfare reform

Employment

Household unemployment was high among the tenants interviewed. But many tenants were actively looking for work and most had spent most of their life in work. Those working tended to be in low-paid service jobs with short and varied hours and many were worried about cuts, job changes and falling incomes.

Health

Ill-health was the most common barrier to work, followed by lack of vacancies, low confidence, poor childcare options and other caring responsibilities. Over half of the social tenants interviewed were in ill-health or had a disability. Tenants and housing workers were concerned by the 'heat or eat' choices facing many households.

Benefits

Whether in work or not, the vast majority of tenants received some kind of income support, including Housing Benefit, Child Tax Credit and Working Tax Credit. Almost all tenants were therefore affected by changes to benefits, most often Council Tax payments or the Housing Benefit size criteria. Around half had heard of Universal Credit, and many were worried about its introduction of budgeting for monthly and variable payments. Low-income tenants can no longer count on guaranteed Housing Benefit for social housing or private tenancies.

Tenants generally accept the need for budget cuts but are critical of how cuts are being implemented. **Loss of face-to-face** contact in Jobcentres, benefit and council offices is making the system harder to navigate. **Private contractors** running eligibility assessments are unpopular and mistrusted; they have a profit incentive to reassign people as fit for work. The **'digital by default'** approach to accessing benefits is causing anxiety among tenants; one in five reported that they never use the internet.

Coping strategies

Tenants are struggling financially and are worse off now than they were two years ago. Coping strategies include cutting back on food, heat and electricity, falling into debt, depleting savings and selling belongings. Many tenants borrow money from family and friends. Food banks are playing an increasing role in meeting emergency needs.

Hundreds of small-scale community initiatives are arising from the pressures of change. Tenants praise local organisations and charities for stepping into the breach and have constructive suggestions for what more could be done. Community representatives want their experiences of welfare reform to be heard.

Tenants also report that social landlords are deploying more frontline staff, with portable technology to help resolve problems on the doorstep. Tenants show resilience and skill in managing tiny amounts of money but recognise the need for financial advice, debt counselling and access to banking and credit unions.

Conclusion

Welfare reform is hitting social landlords and their tenants extremely hard. There are three main conclusions.

- Welfare reform may end up making tenants more, not less, dependent, and certainly more vulnerable. Cut-backs in support make people on low incomes, in-work and out, more vulnerable to debt, risk of eviction and being short of core necessities, driving them to rely on food banks and other emergency support.
- The focus on existing property and current tenants limits the capacity of housing associations to build more. They increasingly exclude the poorest applicants from new lettings and so exacerbate the risk of rising homelessness. They have to intensify support to ensure tenants can pay their rents on which their viability depends.
- It is possible that welfare reform will cost the government more as the reliance on private renting grows, the rent caps and Housing Benefit size criteria add costs to housing associations, councils and tenants, and extreme need creates wider social costs, particularly health and education.

The pace of reform and its wide ranging impacts have weakened the safety net. It is not too late to modify the reforms and changes under way in the light of experience. **Safety nets can prevent costly outcomes.**

1 INTRODUCTION

Welfare reform was one of the early targets of drastic public spending cuts by the coalition government in 2010, along with local authority budgets, housing funding and many valued public services. The logic behind welfare reform was that costs were escalating fast, particularly Housing Benefit, disability benefits and Working Tax Credits; the system was fragmented and complex and needed simplifying; recipients were too dependent on hand-outs; and work was not attractive enough by comparison.

The proposals were to be piloted then rolled out over time. The earliest impacts would be felt in April 2014 but the run up, starting in 2013, would bring in a stricter, tougher testing system for qualifying.

As welfare reform gradually takes effect, so low-income tenants and social landlords, two of the groups most directly affected, become a barometer of its impacts. The ripple effect in communities is huge.

LSE Housing and Communities, in response to the problems, launched a knowledge-exchange programme called Housing Plus to uncover the links between policy and practice in social housing, relating to the wider ramifications of welfare reform, low incomes and funding cuts on social landlords and their tenants.

Five think tanks at Trafford Hall and four senior roundtable briefings at LSE pulled together an unusual cross-section of senior and junior staff, tenants, government and academics. The core aim was to learn from the ground up what was really happening.

This report pulls together our findings from four sources: Housing Plus events; a national survey of large and small housing associations; a survey of 200 tenants covering the South West of England for the South West housing association group, HAILO; two unique consultation think tanks with 135 tenants from 60 social landlords across the country on welfare reform at Trafford Hall – and sets these in the context of our wider ‘below the radar’ research in communities including work in East and West London.

The report is in five chapters:

- Chapter 1 introduces the report
- Chapter 2 presents findings from 16 regionally representative housing associations covering the whole country, large and small;
- Chapter 3 presents the main findings from a survey of 200 South West tenants, covering nine different housing associations, five distinct types of area in the region from intensely urban to intensely rural and coastal, and interviewing a representative sample of tenants in 10 different areas;
- Chapter 4 presents the direct evidence over 120 tenants gave in two residential think tanks at Trafford Hall, backed by 56 leading housing associations anxious for tenants to have a stronger voice in the realities of welfare reform.
- Chapter 5 gives the conclusions and headline findings.

2 SURVEY OF 16 HOUSING ASSOCIATIONS: INTERVIEWING ALL ENGLISH REGIONS

This section presents the findings from a survey of regionally representative housing associations, reflecting a wide distribution of sizes and type. The findings are based on face to face interviews with staff directly working on welfare reform. They reveal the deep impact of welfare reform on housing associations and their tenants. The associations were keen to co-operate in the study and share their evidence and experience. They provided supporting documents, and we are confident of the validity of our findings.

Headline findings

Welfare reform is changing the way housing associations relate to tenants and how tenants manage. Associations have increased personal contact with tenants, to better understand and help them. They report that:

- Tenants' incomes are shrinking and costs are rising. Food, energy and rents are the biggest pressure points in financial survival.

- There are serious worries over growing poverty and increased reliance on food banks.
- Associations are targeting tenants in difficulty and aiming to secure their own financial viability with increased advice, more front-line contact, more enforcement of arrears and tougher lettings scrutiny.
- Strong enforcement is keeping arrears down in spite of cuts.
- Budgeting and financial advice, IT access, basic bank accounts and similar measures help tenants manage limited resources better.
- There is a growing focus on work, training and apprenticeships.
- There are strong doubts about whether Universal Credit will be implemented properly or will have a positive impact.
- Housing Plus activity is growing and gaining status as associations realise community support and engagement are vital to future viability.

Housing associations are introducing far-reaching changes beyond welfare reform:

- Assessment of new applicants' ability to pay is becoming much stricter.
- Contingency plans for the financial impact of Universal Credit are in train.
- Efficiency savings are driving many decisions.
- Energy saving programmes are being developed due to high energy bills and the urgency of helping tenants pay their way.
- There is a big drive to transfer management resources to the frontline and a greater use of portable IT for frontline staff and tenants to allow more immediate action.
- Advice and support services play a much bigger role.
- Associations are rethinking relationships with tenants, government, local authorities and voluntary partners with a greater role for the frontline.

The biggest challenge is to reconcile the 'business drivers' of associations, the social commitment to house low-income tenants in need, and direct landlord responsibility towards existing tenants, particularly vulnerable groups and individuals. Associations are playing a bigger role in communities as viable landlord businesses, builders of low-cost homes, and vital community support, but the challenges are immense and it is unclear how they will cope with the changes ahead.

Introduction

LSE Housing and Communities surveyed 16 regionally representative housing associations on welfare reform between October–December 2013 – two associations per region. This section presents findings from 16 face-to-face interviews with seven larger (over 10,000 units) and nine smaller (under 10,000 units) housing associations, spread evenly across the English regions and London (see Appendix 1). In each case a key manager was interviewed in person (or in four cases by phone) and interviews were recorded and transcribed. Findings were analysed using a framework of ten

key issues (see Appendix 2). Our questions focus on the impacts on tenants of welfare reform and the changes associations are making to address the challenges. We show the numbers of associations reacting or being affected in particular ways. This information is backed by evidence we collected from over 300 tenants presented in Chapters 3 and 4 (see references for other reports).

How housing associations are experiencing welfare reform

Housing Benefit size criteria² has had the most urgent and immediate impact on associations, with preparations for Universal Credit the most important future issue.

- Changes to **Council Tax Benefit**³ vary depending on the local authority area where associations work. Extra charges to tenants, in areas where they have to pay, put pressure on their budgets. Housing associations are not monitoring Council Tax arrears or enforcing payments, but nine associations say that local authorities issuing court summonses requires additional benefits advice and affects rent arrears. Three say tenants are likely to pay Council Tax before rent, due to council court summonses.
- The **overall benefits cap** affects only a small minority of tenants, except in the South East and London. Seven associations report fewer cases than expected, with some tenants finding work to escape paying this penalty. One association is proactively limiting its rent levels to avoid hitting the cap.
- The **Social Fund**, handed over to local authorities and due for abolition, is no longer a uniform support. A key function is 'tiding people over' while they wait for delayed benefit awards. Local authorities are sometimes under-spending due to lack of preparation; and others are giving goods rather than money. Two associations are involved in planning replacement schemes and two are using their own hardship funds as a partial replacement.
- **Disability benefit changes** affect some associations. Their specialist teams are working with affected tenants, helping with appeals and transition problems.
- **Suspensions and sanctions** by Jobcentres are growing, reflecting an increasingly tough approach to benefit claimants. Five associations mention the harsh consequences for tenants.

'The worst I heard was of someone who took up a job and it wasn't going to start for four weeks but the Jobcentre decided they would lose all their benefit as they were no longer 'available for work' since they had accepted the job offer.'

- **Housing Benefit size criteria** affects all housing associations, in part because tenants often struggle to meet the extra rent, as well as other rising costs; partly because there is a chronic shortage of smaller properties into which tenants can downsize.

Table 1 summarises the main changes and the number of associations affected. Appendix 3 shows the impact of the overall benefit cap.

Table 1: Main welfare reforms

Reform	Number of associations affected
Housing Benefit size criteria	All
Council Tax charges	All, but varies by local authority. Often Council Tax debts are prioritised because of court action
Benefit cap	All, but direct impact is more in London/South East
Social Fund	Indirect and varies by local authority
Disability benefits	Indirect. Sometimes benefits teams become involved in appeals
Sanctions	All, though not always apparent until arrears build and it emerges sanctions are a factor

In summary

- All associations see direct implications for them and their tenants of the Housing Benefit size criteria and wider welfare reforms.
- Council Tax Benefit cuts vary depending on different local authorities. Around one third are charging tenants. Council Tax arrears are often key factors in increasing rent arrears.
- All associations are responding case-by-case to protect their rental income, fulfil their core purpose as social landlords, and help tenants sustain their tenancy.
- Jobcentre sanctions and the suspension of benefits, changes to disability benefits, and difficulties finding work are all contributing factors to the overall impoverishment of tenants.

'The starting point might have been welfare reform, but poverty, child poverty and in work poverty are seen as the bigger context ... The biggest increases in poverty we have seen are people in work ... The overarching concern is poverty, the economy and the polarisation of our tenants, and this is driving what we do.'

'The cumulative financial impact means there's an issue of people giving up hope. Staff find it hard when advising people on one issue as they are then hit by another and another.'

Housing Benefit size criteria

Many changes affecting tenants have far-reaching consequences for associations. The additional Housing Benefit size criteria was introduced in April 2013 and affects all associations. Up to 22 per cent of tenants are having to pay the extra charge out of their remaining benefits. Appendix 4 shows the number of tenants affected and the impact on arrears.

a. Impact on arrears

All associations have rising arrears, although in many cases they are more limited than feared, thanks to extensive preparatory work with tenants. Most tenants pay something towards this charge. Almost all associations say the impact of Housing Benefit size criteria on arrears will not be clear until March 2014. Only two evictions since April 2013 have resulted directly from the

Housing Benefit size criteria; both were tenants who already had serious arrears and “were well on their way to eviction already”.

‘My own suspicion is that evictions will rise but also other forms of movement e.g. abandonment will rise. If people owe us money and they owe other people money and those people are much nastier, tenants will move to avoid them.’

b. Staying put

Staff were surprised that many tenants are managing to pay but worry how long this will last. Six associations think winter fuel bills will create additional financial pressure. Some cite specific examples: “They are maybe using up savings. One lady had a car and jewellery which she sold as she wants to stay, but actually this is not sustainable for her.”

c. Non-dependent deductions

Two associations mentioned the impact of non-declaration of non-dependants deductions, where resident adult children should contribute to the rent. Some tenants realise that it is cheaper to pay than to hide undeclared non-dependants, thereby officially registering a spare bedroom. The Housing Benefit size criteria can cost more than the non-dependant charge.

‘People understand things like non-dependent deductions and deductions for rent arrears and so on but just don’t understand why they are being penalised for living in a three-bedroom flat with two fifteen-year-old boys, quite possibly next door to a single elderly lady in a three-bedroom house who is not being penalised at all. Some of the impacts we have had are an increase in the number of people ringing us up and threatening suicide, for example. Turning the anger on themselves, in some cases.’

d. Discretionary Housing Payments

A looming problem is the expiry of Discretionary Housing Payments, usually after six months. This discretionary payment helps tenants transition to the new rent charges and Housing Benefit cuts, but associations are worried that it is time-limited.

e. Actions to help tenants

All associations are taking action to address the challenge of extra rent charges through Housing Benefit cuts for spare bedrooms; and as part of wider preparations for Universal Credit, affordable rents and other welfare reforms.

Most associations have developed ways to identify, target and monitor Housing Benefit size criteria cases. Rent adjustments, intense customer links and changes in IT are placing many extra demands on associations. As one interviewee explained, “One of the biggest bedroom tax impacts so far on the business has been the data collection required to track the impact on affected households.”

f. Face-to-face

Housing management practice is changing noticeably in favour of visiting all affected tenants to discuss their situation face-to-face and explore options.

Four associations are rethinking their approach to tenants who they had previously ignored because their rent was paid direct to the landlord. One association now collects tenants' mobile numbers to send special text messages. This has a much higher response rate than standard letters. Knowing about tenants who are affected by the Housing Benefit size criteria and who may struggle with Universal Credit is now a priority. In two associations their longstanding practice of collecting water rates gives them the direct link to tenants that they need.

Personal visits often lead to help with claims for Discretionary Housing Payments, which usually produce results, although they know these payments are only temporary and will soon end. The expiry of Discretionary Housing Payments is expected to undermine efforts to help, and tenants' ability to meet extra costs. At least four associations offer some rent-free weeks⁴ to help limit arrears. This happens more in transfer associations, possibly because councils had used this method to reduce arrears. Such schemes will cause complications for tenants when Universal Credit comes in.

g. Partnerships for moves

Helping under-occupying tenants to downsize is a priority for 12 of the 16 associations. Ten associations have a specific downsizing programme. All the associations are involved in setting up wider mutual exchanges and choice-based lettings partnerships with councils and other associations. Four active associations have officers who are full or part-time dedicated to helping Housing Benefit size criteria tenants move. Three offer direct help with moving and resettlement costs, and two associations offer cash incentives to move, deductible from outstanding arrears. In contrast, one association recently removed their incentive to move since the Housing Benefit size criteria already offers a cash incentive to move.

h. Arrears and moving

No association offers any form of write-off of arrears through Housing Benefit size criteria. Seven are relaxing restrictions on moving for arrears cases, as long as the tenant is 'actively engaged' in a repayment plan. No association plans to 're-designate' the bedroom size of affected properties. Table 2 summarises the actions taken by associations to help tenants overcome Housing Benefit size criteria problems.

Table 2: Actions to address Housing Benefit size criteria

Action	Large associations	Small associations	Total
Specific identification and tracking of cases	5	8	11
Active support to claim DHP*	4	8	11
Downsizing programme	5	7	11
Tenant information, events and visits	4	8	10
Restrict new lets in line with Housing Benefit size criteria	1	2	3

*Discretionary Housing Payment

i. Impact on wider welfare reforms

Associations worry that the Housing Benefit size criteria, alongside the Council Tax Benefit reductions and other changes, undermine the overall advantages of Universal Credit (see next section). For example many more tenants may end up in arrears triggering 'alternative payment', meaning tenants' rent is paid directly to the landlord rather than to the tenant through Universal Credit. Landlords can ask DWP to pay housing rent subsidy, that is, Housing Benefit, direct to landlords rather than via the tenant through Universal Credit, where there are arrears.

'We are trying to develop the argument that Universal Credit is the Government's crown jewel but they are in danger of undermining it due to the bedroom tax. Rather than building financial skills for Universal Credit we are spending all our time helping support tenants affected by the bedroom tax.'

'Overall we are planning in the dark. Generally we are sympathetic to changes, e.g. some customers did not know they paid rent and we were as a sector quite paternalistic, so changes would help tenants, but actually they are trying to do it too quickly, and the department is not geared up to do all this, and is almost set up to fail. Also they make assumptions about the extent to which people are truly benefit reliant which is unhelpful.'

'We've already got masses of people using food banks so they are going to choose to feed themselves and heat their home before they pay the rent ... So the risk is really high for us getting the money in. We are concerned that the trigger for switching back to rent direct to landlords will not work smoothly ... we hear from the pilot (pathfinders) areas that we cannot get in touch with someone from the DWP to get it paid back to us. Then you get nervous again. There could be a knock on cost of voids at £6,000 per property.'

In summary

- Associations have been very proactive and adopted targeted tenant-focused strategies aimed at identifying problems, helping tenants secure Discretionary Housing Payments, transfers to smaller properties, more information etc. Welfare advice and assistance with exchanges and other moves are helping many struggling tenants.
- Most associations are adopting more pro-active transfer and mutual exchange policies to help tenants affected.
- The impact on arrears is significant, but more limited than many 'worst case' projections. The withdrawal of Discretionary Housing Payments, higher fuel bills and the cumulative longer-term impact of many different cuts in individual cases worries all staff.

Universal Credit

All associations are preparing for Universal Credit with its many ramifications for their tenants. Associations are changing due to its expected impact.

a. Complex new system

Three associations highlight the problem of the long timescales envisaged by Universal Credit. Monthly payments mean that landlords should wait a further month before the next payment is due to clarify whether the tenant will pay or not. There will be further delays to arrange 'alternative payments'. This can lead to several months delay before eviction. Landlords risk losing several months' rent in each case and may therefore proceed to evict immediately rather than waiting.

Associations are also worried that tenants will need to inform DWP of their rents prior to the annual uprating date. Without excellent communication between DWP, tenants and associations, there are considerable risks of mistakes. If tenants fail to inform DWP or provide inaccurate information on their rent payments, unexpected cuts in Universal Credit may follow. Where tenants are given rent-free weeks, to help overcome arrears, their Universal Credit will be cut by the value of the rent free allowance, averaged over 12 months, leaving tenants short every month.⁵ The structure of Universal Credit does not allow for flexible variations to cope with these types of problems.

b. Communication with tenants and frontline staff

All associations communicate with tenants through general newsletters; however the moving timetable for implementation of Universal Credit makes it hard to communicate clearly to staff and tenants. Housing associations use more targeted visits to collect information from tenants and to explain how changes affect them. They are training up all their front-line staff to provide vital information on major changes, such as Universal Credit. Twelve associations mention this, as one interviewee recounts: "Repairs staff in one association were requested to ask questions like 'Have you seen our leaflet telling you that you will soon have to pay rent directly to the association because of changes to your benefits?'"

Direct communication forces associations to modify their approach. One association believes that people only pay attention to information directly relating to their own situation. The association now does even more visits. Four say tenants respond to immediate issues, affecting them directly, ignoring more general information. One association now runs a three-phase information programme:

- First, 'awareness' – general messaging to all tenants including visits;
- Second, 'personalisation' – selecting tenants who are at risk or in difficulty;
- Third, 'transition' – the tenant engages with the new system, and applies for Discretionary Housing Payments.

c. Managing the risks of direct payments

All associations see large risks in tenants being paid Housing Benefit directly as part of Universal Credit. Reducing those risks demands excellent communication between tenants, housing associations and DWP. Communication between associations and DWP is highly restricted in the limited areas where roll-out has occurred despite the sector's major role in

making the scheme work effectively, in the small range of areas where rollout or pilots have occurred.

Associations are preparing to explain to tenants how the new system will affect them and help them manage the transition. Associations have a major revenue stake in ensuring that the process goes smoothly so tenants maintain regular payments independently, as the new system requires. Failure to protect rent payments in Universal Credit will lead to enforcement action.

‘There is a lot of ‘it’s all confidential’ at this point. But in fact not only is it in our interest, but also we have better contact with our customers who often will not open the DWP letters. We know if they might have problems dealing with all this and can help the process as a whole.’

d. Department for Work and Pensions Pilots

Seven associations – five large, two small – have been involved in DWP pilots or demonstration projects trialling the new system. DWP simultaneously tested different aspects of Universal Credit. One association is in a DWP pilot area; another is part of a Direct Payment Demonstration Project in anticipation of Universal Credit. Others are involved in consultations or testing activity run by DWP. These pilots help identify risks and problems, though how to resolve them remains unclear. All associations highlight the chronic uncertainty of how Universal Credit will actually work, including getting the basics right.

One association participating in an ‘early implementation’ pilot, provided detailed case study and other written material, but received no feedback from government on how the problems raised would be tackled. The same association has experienced considerable problems in getting responses to individual queries, letters or emails.

The general shift to an all-digital system is causing many headaches for associations:

‘Electronic transfer of information is a joke. It’s not ‘digital by default’ but ‘paper by default’. We send paper, they lose. We send it again, they lose again. Now we have started to send it by recorded delivery and do not yet know if they will keep their side of the bargain by losing it.’

Taking part in pilots has intensified concern about the ability of DWP to respond adequately to problems pilots raise. There are also problems due to the changing timetable for the roll out, which makes advance planning more difficult, including and particularly engaging with tenants to prepare for the change. Identifying problems for DWP is invaluable, but silence on possible solutions is very worrying.

e. Alternative payments

Associations may need ‘alternative payments’ for tenants who cannot manage their rents through Universal Credit. This is a fall-back mechanism for getting the rent subsidy part of Universal Credit paid directly to the landlord. It is not yet clear how this will work. The final details of how ‘vulnerable’ tenants will be dealt with and the information exchange necessary are not yet in place. ‘Alternative payments’ may not be flexible enough to cope with all the variations in individual lives. Tenants may be in and out of work and on and off benefits because of flexible working contracts, low wages, sickness, self-employment, and so on.

‘We have big, big concerns about DWP and Jobcentre Plus. It is out of our control ... those structures could fundamentally affect our income streams, whatever we do and however smoothly we respond to this. That is a big risk. If you look at our risk priorities, welfare reform has gone right up there.’

Table 3 shows the anticipated impact of Universal Credit as it is introduced and the actions taken by associations to help lay the ground for its introduction.

Table 3: Actions to help tenants address Universal Credit

	Large associations	Small associations	Total
Organisation-wide reviews			
Participating in DWP Pilots and working groups	5	2	7
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

In summary

- The delays in implementing Universal Credit is upsetting housing associations’ plans.
- The DWP is not engendering confidence, and housing associations have little confidence.
- Associations are taking preventative and preparatory steps to help tenants but there remain many uncertainties about implementation.

Actions in response to welfare reform

Associations are responding directly to the new pressures of welfare reform. Some are deploying savings from wider restructuring to fund intensified activities with tenants.

a. Strengthened benefits and advice teams

Over half of the associations have strengthened their benefits and advice teams.

- Five associations are providing handheld IT devices to frontline staff in order to make visits much more useful as information is immediately available and can be checked. Action can then be taken during the visits.
- All but one association provides direct benefits advice using their own in-house staff.

- Seven associations describe strong relations with external partners like Citizens Advice.
- The most significant new development is an internal division between arrears monitoring staff (the ‘bad cops’) and the benefits advice staff (the ‘good cops’). Nine associations have intensified this dual function, increasing the focus on income maximisation. Existing rent arrears recovery policies are being more rigidly enforced, ‘bringing all recovery teams up to the standard of the best’.
- Two associations have plans to ring, visit, or text tenants on the day their Universal Credit is paid, to remind them to pass the rent on: “We are much more adept at keeping an eye on when payments due, maybe reminding people the day before, trying to get round there before Wonga do – on the day after.”

b. Changes in payment methods

Many associations will no longer receive one monthly transfer of funds from their local authority benefit sections to cover rents. Instead they will receive multiple tenant payments. The changes to Universal Credit and extra bank and collection charges mean many tenants are incurring bank charges for their running accounts or for problems like bounced direct debits.

- Twelve associations are actively working with banks and credit unions on how to help tenants manage their money and multiple new payments.
- Two associations aim to use new forms of money management which the financial sector is devising, along the lines of ‘jam jar’ accounts, often promoted by credit unions. Barclay’s Bank is actively working with associations, and in some cases local credit unions, to help with new financial services, although some credit unions are more expensive than a standard bank.
- Four associations propose setting up a dedicated tenant’s account so tenants can make payments directly to the housing association or council, before they can access funds for day-to-day spending.
- Five associations brought up problems with direct debits. Unless budgeting is very exact extra charges are levied for defaulting on direct debits.
- Five associations are planning to subsidise bank charges at least on a temporary basis, to help meet the cost of opening and maintaining an active account.
- Six associations are assisting tenants to build up credit in their rent account, in order to prepare for the monthly payments under Universal Credit.
- Two associations are worried about predatory charges by loan sharks, payday lenders, etc. All associations are actively devising budgeting support, advice and software to help tenants manage. DWP had originally stated it would provide a ‘budgeting portal’⁶ but so far this has not materialised.

c. Employment training and job search

Help with employment training and Jobsearch has become much more prominent, driven by the need to get people off benefits which are no longer sufficient to pay the rent.

- Most associations have apprentice schemes offering some priority to tenants' family members. Twelve associations have been involved in this work for some time, but have recently become more active.
- Smaller associations have dedicated projects with local partners and businesses, which appear to be very successful.

'Tenants made up six per cent of staff three years ago, but now it is 13 per cent ... and we have halved the number of NEETS in one of the most deprived areas where we work ... our aim is to get 450 tenants into jobs in the next three years.'

'We also have a strong focus on helping people into work and supporting and encouraging new social enterprises. Catering in this office is done by a social enterprise for example. And, through our into work and community empowerment programmes we are encouraging people to build skills that will enable them to move into work or set up their own small business or a social enterprise. We will be an official provider of careers guidance from next year.'

'We work with the Foundation of Light – the charitable arm of Sunderland FC where we can refer people for employability programmes (advice on interviews, CVs, literacy and numeracy classes etc.). We part fund it.'

d. Digital inclusion

Digital inclusion is now central, not just to cope with a 'digital by default' benefits system but also to increase tenants' employability.

- Eight associations have projects to improve tenants' IT capacity. Associations increasingly expect tenants to communicate via IT to help keep costs down and increase interaction.
- Two associations recruit and train 'digital champions' among their tenants to pass on this knowledge in their local community. They get ongoing support from the association.
- One association has set up a sponsored local broadband network, free for tenants, funding two full time local jobs for a year to set it up and train tenants.
- Two associations work with UK online.
- One association uses tenants' existing hobbies and interests, for example keen cooks learning to look for new recipes online, before broaching wider digital training.

e. Hardship funds

Nine associations operate a dedicated hardship fund.

- Some associations refer tenants to food banks and other partners, such as councils.

- One association contributes to a council-sponsored hardship fund, to which they refer tenants. Two associations, however, reject one-off crisis payments to individual tenants as unfair.
- Three associations collect money and supplies for food banks, and two encourage staff to become personally involved.
- No association writes off arrears, in spite of hardship. The single payment through Universal Credit must cover rent as a priority in spite of many other urgent costs.

f. Actions in response to welfare reform

Associations are enhancing the level of contact with, and support for tenants including:

- better customer information;
- more differentiation between roles and types of problem;
- increasing use of IT to support front-line contact;
- a drive for greater efficiency to fund more direct support;
- support for digitally excluded tenants;
- help with financial management;
- more focus on Jobsearch and local job opportunities;
- crisis responses such as food banks

Table 4 summarises associations' actions in response to welfare reform.

Table 4: Housing association actions in response to welfare reform

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

UC = Universal Credit

g. Energy efficiency

All associations are clear that rising fuel costs are an important aspect of increasing poverty – this is not a new problem, but its impact has greatly intensified since benefit cuts began.

- Thirteen associations have programmes offering energy advice, investments to improve thermal insulation, and reduce other energy costs.
- Six associations have set up energy-saving teams (sometimes called 'energy doctors').

- One association is ‘helping tenants with energy costs by training up energy champions amongst tenants’.
- Three associations actively engage external agencies to help with this type of work.
- Two have active programmes to fit PV panels to reduce energy costs.
- One association proposes that the National Housing Federation get all housing associations to sign up for supply collectively, considerably reducing costs by buying energy wholesale on behalf of social housing tenants.

Table 5 shows the actions housing associations are taking to improve energy efficiency and combat fuel poverty.

Table 5: 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

Wider changes in associations’ policies and practices

Welfare reform has a major impact on new lettings, demand, and overall financial viability, leading to wider changes in associations.

a. Staffing and operational structures

Half the associations have reviewed operational structures to reduce costs and manage more effectively, driven both by welfare reform and wider changes to social housing finance. Localising housing management coupled with support for tenants now dominate thinking.

- Five associations are restructuring teams to provide more personalised services through frontline staff.
- There is a big increase in Housing Plus activities which help tenants with employment, training and community activity. Housing Plus responds to the need for more support for tenants experiencing severe poverty and related problems as a result of welfare reform. One association specifically directs savings to improve frontline support and increase local services.
- Housing associations are providing more hands-on financial support for rent and other bills, budgeting, and gaining work.

‘Previously, the tendency was for there to be central dictats or oracles from on high. Now neighbourhood managers are seen as in the driving seat.’

'We have also got much more mobile with our technology – all our frontline staff have got tablets. They are out on the road all of the time.'

'We have a training course for new young first-time tenants called 'Moving on/Moving in' and it has got some money management elements. It looks at how much a home costs to run. It is provided when people register for a home and thus prior to anyone moving in.'

b. Financial viability

Financial viability is driving hard choices over development. All 16 associations remain financially stable, but the potential impact on development or rehabilitation programmes is under scrutiny. Given the uncertainties, there is cautious contingency planning.

- Two thirds of associations have estimated worse case scenarios and are making increased provisions for bad debts in response to Universal Credit.
- Four have estimated the cost implications of new build, but none currently plans to change their immediate development programme.
- A bigger worry is the impact of a more unstable income stream on borrowing costs to fund a continuing development programme.
- The shift towards 'affordable' rents for new lettings also has major implications for who future tenants might be.

c. Demand for social housing is changing.

- Six associations find certain types of flat – three-bed properties in all cases and sometimes upper floor two-bedroom flats – are now in lower demand.
- At least four associations, all in the North, are actively using lettings websites and open market advertising to get properties to let.
- One association is working with local employers to encourage new employees to apply for a housing association home.

d. New lettings

New lettings policies are evolving – including assessing new tenants for their ability to pay higher rent.

- Five associations now refuse some applicants on the basis of credit checks.
- Three prevent lettings to under-occupying households.
- Six associations involve their financial advice teams in helping with financial assessment of applicants and preparing tenants for the responsibilities of holding a tenancy. This is both to safeguard the association's income and also 'not to set up the tenant to fail'.
- Nine others say they do more exhaustive financial checks, and they discuss affordability problems with tenants. These assessments include

ability to meet costs such as utilities, transport, Council Tax, food, phone and other bills.

‘We are looking at the possibility of introducing an affordability assessment process – and rejection could be an option. All options are on the table, for example we might do credit checks for all tenants as this could help identify who to focus support on ... Our association is already checking people who are applying for Affordable Rent properties – doing full credit and reference checks. It currently has a small programme of building affordable rent properties. It has taken a policy decision not to let these to benefit dependent households.’

- Some associations worry about these exclusionary approaches, however; one interviewee summed up these concerns: “We are social housing providers and if people are in housing need and need housing ... it is difficult for us to say ‘You cannot afford social housing ... we’re not having you.’ Where do they go after us?”

Table 6 shows how associations are changing lettings policies.

Table 6: Approach to new lettings

	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

Table 7 summarises the wider changes affecting associations, their responses and numbers involved.

Table 7: Wider changes and pressures

Wider change	Housing association response	Number of HAs
Need to reduce costs	Review operational and staffing structures	8
Need to know more about tenants	Move to more personalised services	5
Managing demand and new lettings	Lower demand for some property types	6
	Open lettings processes (web advertising)	4
Social housing no longer fully covered by benefits	More robust financial assessment of new tenants	9
	Restrict letting to Housing Benefit size criteria	3

In summary

The key wider changes affecting associations are:

- being forced to rethink how they run their social businesses.
- increasing their community focus to help meet need.
- worries about their future viability but want to continue to develop.
- witnessing changing demand and reviewing lettings policies.
- screening out the lowest income tenants, excluding them from some offers.
- providing more financial guidance on the costs of tenancies.

Key findings from survey of 16 housing associations

- 1 In spite of many variations by size and region, a consistent pattern of findings emerge from what associations say:
 - Tenants' incomes are shrinking and costs are rising. The impact on poverty and hardship is plain. Food, energy and rents are the biggest pressure points in financial survival.
 - Associations are taking special steps to help tenants in difficulty and secure their own financial viability: increased advice; more front-line contact; more enforcement of arrears; tougher lettings scrutiny, etc.
 - Associations have instigated increasing personal contact with tenants, to understand their problems better and help them more
 - Strong enforcement is keeping arrears down so far in spite of cuts.
 - Helping tenants with budgeting, financial advice, IT access, bank accounts and other support means tenants manage limited resources better.
 - There is a growing focus on access to work, training and apprenticeships – housing associations themselves are offering apprenticeships.
 - There are strong doubts about whether Universal Credit will be implemented properly or will have a positive impact.
 - Housing Plus activity is growing and gaining status as associations realise community support and engagement are vital to future viability. Tenants in that sense have become more central to social landlords' survival as low-cost providers.

Welfare reform, through the Housing Benefit size criteria, Council Tax charges, benefit cuts, Jobcentre sanctions, rent and benefit caps, are all changing the way associations relate to tenants and how tenants manage. Many new forms of help are evolving and stronger links with tenants being forged.

Wider changes going beyond welfare reform are emerging:

- Associations are applying much stricter financial assessment of lettings to ensure ability to pay, for example, service charges, affordable rents, Council Tax.
- Priorities are shifting on who is housed in favour of ability to pay.
- Contingency plans are being laid for the financial impact of Universal Credit.
- There is a knock-on effect of welfare reform on development programmes due to the expected higher debt.
- Associations are making big efforts at efficiency savings.
- There are serious worries over growing poverty and increased reliance on food banks.
- Most are embarking on energy saving programmes because of high energy bills and the urgency of helping tenants pay their way.
- There is a big drive towards greater use of portable IT for frontline staff and for tenants. This is coupled with a transfer of management resources towards frontline management. Advice and support services play a dominant role.

Associations are rethinking their relationship with tenants, government, local authorities and voluntary partners with a greater role for the frontline. They have much higher concern about poverty and its wider implications.

- The biggest challenge is to reconcile the 'business drivers' of associations, the social commitment to house low-income tenants in need, and direct landlord responsibility for existing tenants. Vulnerable communities and vulnerable tenants make up the large body of housing association property and are the main focus of activity.
- Government action is driving a hard bargain – associations are expected to play a far bigger role in communities as viable landlord businesses, builders of low cost homes, and vital community support. Our evidence shows that associations are rising to the challenge, although it is unclear how they will cope with the bigger changes ahead.

3 SURVEY OF 200 TENANTS IN SOUTH WEST REGION OF ENGLAND

The South West region of England contains a cross section of areas (including industrial, agricultural, fishing and national parks), housing and people – from large cities like Bristol and Plymouth, to historic tourist cities like Bath and Torquay. Its population is diverse and the 11 social landlords in the region house generally the lowest income people. These housing associations formed the consortium HALLO, to share their common experiences of welfare reform and financial pressures and to raise the profile of their work, and asked LSE Housing and Communities to find out how welfare reform was affecting their tenants.⁷

Headline findings

Employment, barriers and attitudes to work

- Fifty-seven per cent of households interviewed said they currently have no-one in work. The majority of tenants cited disability or ill health and caring responsibilities as the main barriers to work. Half of the tenants interviewed said they had spent most of their lives in work. Of the rest,

38 per cent said they had worked intermittently and 12 per cent 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 per cent 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 Housing Benefit size criteria. 52 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.
- The Housing Benefit size criteria 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 Housing Benefit size criteria, 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.

Introduction

This report sets out the early findings from our longitudinal study of 200 working-age social housing tenants in the South West of England on the topic of welfare reform, financial and work incentives. The study covers all counties, cities and major towns in the region, with a cross section of stock, landlords and areas etc. The South West provides an interesting context for this research due to its varied local economies, geography and urban to rural spread. Our methods capture this diversity.

We identified five types of area with clusters of social housing– urban, suburban, coastal, small town and rural village – that reflect the geography of the South West and had significant amount of social housing stock from all participating housing associations. Bristol and Bath and North East Somerset represent urban and suburban areas; Plymouth and Torbay cover coastal areas, South Somerset and North Dorset represent rural towns, and Wiltshire rural villages.

Within the five broad area types we focus on two sites per area with 150–200 properties each. The ten sites cover a variety of stock characteristics including purpose built, mixed development, ex-council and traditional terraces etc. Landlords secured support for our survey from all working-age tenants in the ten sites (around 1800 households). We randomly contacted up to 20 tenants per site by phone, totalling 200 interviews over four months, June to October 2013.

We developed and piloted a questionnaire to find out how tenants themselves were coping with welfare reform, pressures on their incomes and incentives to work. Participants were telephoned during the daytime, evenings and on Saturdays to ensure a cross-section of households. Interviews lasted on average half an hour and covered topics including work history and current work, community conditions, sources of support, benefit receipt, experience of welfare reform and financial management. People were willing to share their views and experiences which we wrote up and drew on for our findings.

About the tenants

The tenants we interviewed ranged from their twenties to their early sixties, broadly similar to the social housing tenants in the South West as a whole. The average age in the region is 43 years, close to our survey average. Younger people are more difficult to reach because of children. Most tenants over 60 are already retired. Table 8 shows the age distribution of interviewees.

Table 8: Age of interviewees

Age	20s	30s	40s	50s	60-65	Total
Number	26	30	73	57	14	200
Percentage (%)	13	15	37	29	7	100

More women than men (115 out of 200) participated, as women were more often at home, carrying family and caring responsibilities. The biggest single household grouping is people living alone (77) followed by families with dependent children (71). Table 9 shows the breakdown of households.

Table 9: Household composition

Household makeup	Number	Percentage %
Living alone	77	39
Families with children:	71	36
<i>Two parent</i>	34	17
<i>Lone parent</i>	37	19
Living with parents or other	25	13
Couple – no children	23	12
Unclassified	4	2
Total	200	100

Just over half of the 200 tenants interviewed are disabled or in poor health, far higher than the regional average of 20 per cent. We may have picked up a somewhat higher proportion due to more disabled and ill tenants spending more time at home. Social housing tenants however are generally very disproportionately in poor health and suffer disabilities (Hills, 2007). Tenants described their health problems and two thirds said the problems were physical. Out of 200 tenants, one fifth said that mental health was the main problem. During the interviews it became clear that mental stress and anxiety were big problems.

Overall the sample is broadly representative of social housing tenants across the South West. Social housing tenants differ from the regional population with more people living alone, more lone parents and more disability.

Welfare benefits and reforms

Only 23 tenants were in benefit-free households, whereas 177 received at least one benefit. 74 per cent of those interviewed were claiming partial or full Housing Benefit, and most also received some Council Tax Benefit, although many more tenants now have to pay some rent and Council Tax.

Two-thirds of in-work tenants receive some benefit due to low pay, most often Housing Benefit, Child Tax Credit, or Working Tax Credit. Over a quarter of interviewees receive Disability Living Allowance (DLA). Table 10 shows the number of tenants receiving different benefits and whether they are working or not.

Seventy-one per cent of interviewees know about changes to benefits and over half are affected directly. Council Tax changes affect over one third of the tenants, while the Housing Benefit size criteria hit one in five. Suburban areas have higher under-occupation because almost all suburban council and housing association housing was built for families.

- Many tenants are also now paying non-dependent charges.
- The Housing Benefit size criteria is having a big financial impact on the 43 tenants affected.

Three-quarters are now struggling financially and are worse off than two years ago as a result.

Table 10: Which benefits interviewees receive

Benefit	Numbers in work	Numbers out of work	All
Housing Benefit	40	107	147
Council Tax Benefit	21	65	86
DLA / PIP	6	74	80
Child Benefit	35	31	66
Child Tax Credit	31	31	62
ESA	4	46	49
Working Tax Credit	36	0	36
Income Support	0	35	35
Carers Allowance	2	17	19
JSA	0	14	14
Incapacity Benefit	0	12	12
Other	0	6	6
War Disablement Pension	0	1	1
Statutory Sick	0	1	1
Severe Disablement Allowance	0	1	1
Total recipients	48	129	177
No benefit	23	0	200

- Tenants in their forties and fifties are hardest hit, as children move out, leaving behind empty bedrooms.
- Stricter enforcement of disability criteria has pushed some tenants onto the less generous Employment Support Allowance (ESA).

Table 11, Table 12 and Table 13 show the numbers affected by different changes, the age distribution and the type of area of tenants most affected.

Table 11: Benefit changes affecting interviewees

Benefit change	Numbers
Council Tax	64
Housing Benefit size criteria	43
Disability Reassessment	3
Benefit cap	1
Other	12
Total affected by changes	123

Table 12: Tenants affected by Housing Benefit size criteria, by age

Age	Numbers
20s	0
30s	6
40s	17
50s	16
60-65	4
Total	43

Table 13: Tenants affected by Housing Benefit size criteria, by type of area

Area type	Numbers
Urban	9
Suburban	14
Rural	9
Coastal	5
Rural village	6
Total	43

In summary

- Benefit changes affect most tenants, many negatively
- Council Tax and the Housing Benefit size criteria have by far the most impact.

Responses to welfare reform

Most tenants are adjusting their finances and seeking support – buying less food and clothes, asking family members for help, falling behind with rent or bills, using savings and selling possessions. Only three tenants moved as a result of the Housing Benefit size criteria and six want to move but there are no properties available. Twelve tenants simply won't pay the extra charge.

Just over half of tenants have heard of Universal Credit but nearly 70 per cent do not feel clear about the changes. Over 100 tenants received no advice on how to deal with the changes. The remaining tenants got some advice from their landlord, the council or a support worker. Half do not know about the direct monthly payment of Housing Benefit to tenants. When we explained it, two thirds thought it was a bad idea.

More than half the tenants think monthly payments will be difficult to handle. People in work use weekly benefits to supplement and eke out low wages. Most think it will be difficult to budget over a longer period and worry that a month allows more unexpected calls on funds. Most tenants do not want the payment intervals to change. Some of the main problems people foresee are:

- difficulties in setting up direct debits when resources are tight, and difficult to change;
- arrears caused by the period of adjusting;
- the levels of stress and anxiety changes will create for people with health problems, especially mental health issues;

People see the new system as very complicated, and many worry about having to complete forms online. Some interviewees do not have access to the internet or are not used to filling in forms that way.

Tenants generally dislike the proposed change to direct payment of Housing Benefit with 89 per cent of tenants interviewed saying that this is a bad idea. They worry it will cause increased arrears and evictions because people will use monthly payments to cover more immediate costs than rent. They told us many people can't manage their money well. Only one in eight tenants think that Universal Credit is a good idea. The word 'temptation' was mentioned frequently, and some tenants think it will create great difficulties

for landlords and increase homelessness when people fail to pay or manage properly.

In summary

- Tenants are extremely worried about welfare reform, feel worse off as a result, even when working.
- They have very little confidence in Universal Credit.
- Most do not have access to advice

Financial management

110 of 200 interviewees say they are struggling, compared to 80 who are just coping and only 10 who are OK. Compared to two years ago, 12 think they are worse off. The commonest reason for this is the increased cost of living, followed by cuts to benefits or additional charges, particularly the Council Tax change or Housing Benefit size criteria. Some mention losing their jobs, or stagnating or falling wages making budgeting increasingly difficult. People are using lifetime savings to make ends meet. Depleted savings are a constant worry. Table 14 shows tenants under considerable financial pressure.

Table 14: Financial pressures

	Comfortable	Just managing	Struggling	Total
How well would you say you are managing financially?	10	80	110	200
	5%	40%	55%	100
	Better off	Same	Worse off	Total
Compared with two years ago, are you:	28	52	120	200
	14%	26%	60%	100

Interviewees describe many ways of making their money go further:

- Cutting back on food bills is the most common, buying cheap and frozen goods, reducing meal sizes, and in some cases skipping meals all together.
- Reducing utility bills, particularly heating and electricity.
- Reducing water bills, by installing water meters, taking fewer showers, flushing the toilet less often and washing clothes by hand instead of in the washing machine.
- Sacrificing items such as broadband, phone lines, TV licenses.
- Opting to buy goods second hand when they can, including clothes.
- Selling personal possessions on eBay or at car boot sales. Belongings most commonly sold are jewellery and furniture.
- Selling machinery and tools normally used for work. Builders and maintenance workers mention this.

Interviewees were asked about actions and events that they took to cope over the last year relating to finance, including debt and borrowing, rises and falls in income and others. Out of 200 respondents:

- 164 cut back on food bills in the last year.
- 144 saved on utilities.
- 108 had borrowed money.
- 107 out of 108 borrowed primarily from friends and family members, but 37 also used a bank, credit union or loan company.
- 10 per cent did not have a bank account.
- Only 26 would ever consider using a payday loan. Nine of these were positive about loan companies saying they were friendly, and allowed for manageable repayments, in spite of the interest charges.

Table 15 shows the main financial measures affecting tenants. Table 16 shows how overwhelmingly low-income tenants rely on family and close friends. This is in spite of over four fifths having a bank account.

Table 15: Financial measures affecting tenants in previous 12 months

	Numbers	Percentage (%)
Cut back on food	164	82
Cut utilities	144	72
Drop income	112	56
Borrow money	108	54
Arrears – bills	96	48
Greater debt	69	35
Arrears – rent	54	27
Used a food bank / consider using	22	11
Lost job	20	10
Relationship breakdown	17	9
Under threat of eviction	3	2
Lost home	3	2
Under threat of redundancy	1	1

Note: many tenants are adopting several measures at once

Table 16: Sources of borrowing

	Numbers	Percentage (%)
Family & friends	107	67
Bank	16	10
Wouldn't borrow	10	6
Loan company	9	6
Credit card	6	4
Social Fund	6	4
Credit union	6	4
Overdraft	2	1
Don't know	8	5

The pressures of change

Social housing tenants are clearly under pressure. Four fifths of tenants are struggling, in difficulty and showing clear signs of anxiety and stress. Many different problems overlap. For example, tenants with health problems also face benefit changes that cut their income, increase their costs and add to the risk of debt.

Tenants themselves mention more than one source of stress: financial difficulties and rising debt are the most commonly cited, matched by health problems. The benefit system and welfare reform come next, followed by no or low-paid work. At the same time life events like a death or divorce overtake some households. Table 17 shows this breakdown.

Table 17: Sources of stress and anxiety

	Numbers	Percentage (%)
Finances / debt	91	46
Physical health	91	46
Benefit system	63	32
Low-paid / insecure / no work	63	32
Life event	31	16
Mental health	18	9

Note: There are often several named causes of anxiety

In summary

- The benefit changes, rising costs and falls in income are forcing tenants to
 - change their spending
 - tighten their belts
 - rely on family more
- Tenants are experiencing far more anxiety, pressure, debt, and health problems as a result

Employment, barriers and attitudes to work

The 200 tenants talked about their work histories, the barriers to work and their experience of working. We also collected work evidence on other household members. 57 per cent of tenants currently had no one in work in their household, 33 per cent had one person in work and 10 per cent two or more in work.

Among the interviewees, 71 tenants were working full or part-time. 40 were actively and regularly looking for work. 69 tenants were not seeking work and long-term unemployed, of whom 46 had severe disabilities, and the remaining 23 had caring responsibilities for elderly family members or children. Table 18 summarises the employment status of tenants we interviewed.

Health and disability clearly play a big and often limiting role in these tenant's lives. The most frequently mentioned barrier to finding work is health affecting older tenants more. Nearly double the number say poor health has stopped them from working, compared with those citing job vacancies. Health, loss of confidence and job shortages are the most common barriers but interviewees with young children also mention confidence, affordable child care and qualifications as hurdles. Table 19 shows these barriers to work.

Table 18: Employment status of tenants interviewed

Employment status	Number	Percentage (%)
Working:	71	35
Full-time	27	13
Part-time	44	22
Actively seeking work	40	20
Not working:	89	45
Of whom severely disabled	68	34
Acting as carer	21	11
Totals	200	100

Table 19: Barriers to work

	Age					Total
	20s	30s	40s	50s	60-65	
Health	3	6	29	35	5	78
Lack of confidence	3	5	4	12	1	25
Lack of vacancies	6	9	16	9	2	42
Affordable childcare	7	7	7	0	0	21
Good childcare	7	5	7	0	0	19
Qualifications	3	4	5	5	2	19
Low work experience	1	4	4	4	2	15
Wrong hours	4	2	4	4	0	14
Too low pay	2	2	3	5	0	12
Caring	1	3	7	1	0	12
Lack of transport	1	2	2	5	1	11
Cost of travel	0	2	1	3	1	7
Age	0	1	3	2	1	7
Bad work incentives	3	0	2	0	0	5

Barriers to work vary with age – tenants in their twenties and thirties stress lack of affordable child care, people in their thirties and forties talk about lack of job vacancies, and people in their forties through to their sixties overwhelmingly highlight poor health and loss of confidence as the main difficulty. Low pay is more of a barrier for older tenants, along with age itself, whereas caring, both for children and the elderly, affects younger households more.

Interviewees told us about their work histories. A majority (103) had worked most of their lives. Seventy-seven had experienced periods in and out of work due to child care or ill-health. Only 22 people had never worked. Nearly half (91) had long-term contracts, with another 15 on medium-term contracts, and a quarter (50) had short-term contracts, including hourly or zero hours. Table 20 shows the tenants work experience.

Table 20: Work experience

	Numbers	Percentage (%)
Mainly worked	102	51
Mixed in & out of work	76	38
Never worked	22	11

Tenants generally want to work. A large majority of tenants out of work would rather work (87 out of 115). Thirty-two said however that they would not go for jobs that they couldn't make work due to disability or caring responsibilities.

Most working tenants like their job. Even though many are working part-time, in low-paid jobs, they find work rewarding and are glad to work. That said, 67 per cent of working tenants worry that their job may be affected by cuts, particularly cleaners, carers and builders. Many say their salaries have gone down significantly. Most work in low-paid service jobs as carers, cleaners, school helpers, or in catering, repair, office and retail.

Fifty-eight per cent of people in work say most people they know are working, as opposed to only 31 per cent of those out of work. It is common experience that being in work generates job opportunities, which this finding supports (Hills, 2007; Power *et al.*, 2011; LSE Housing and Communities, 2014)

In summary

- A minority of tenants (35 per cent) are actually working, a majority part-time
- One fifth are actively trying to get work
- 45 per cent are not looking for work, mostly due to ill-health and caring responsibilities
- Jobs are almost exclusively low-paid
- Most tenants want to work and those that do enjoy their jobs despite of insecurity and low pay

Transport and connectivity

Transport and digital inclusion are two very significant ways of tenants being connected with work, support, training and other services. Tenants with health problems understandably can find it difficult to move around. Tenants in rural areas with limited transport services and families with children also struggle. Over 60 per cent find it hard to afford local journeys. As a result, walking is as common as car use and two in five take a bus regularly. Table 21 shows a breakdown of the common means of transport.

Table 21: Travel methods

	Numbers using	Percentage (%)
Walk	81	41
Car	82	41
Bus	77	39
Train	14	7
Taxi	8	4
Bicycle	4	2
Lift	3	2

Note: People often use more than one method

A majority of tenants (110) use the internet every day. Only one in six (33) never use the internet. Sometimes they just don't want to, but sometimes there is limited access. Eighty-one out of 200 will not use online banking, but

79 already use it. The most common reason for not banking online is distrust over online safety. The internet is most used for online banking, emails, social networking, research, shopping and jobs searches. Table 22 shows the breakdown.

Table 22: Common uses of internet

	Numbers	Percentage (%)
Online banking	79	40
Email	64	32
Social networking	52	26
Research	35	18
Shopping	33	17
Job search / work	25	13
News	17	9
Entertainment	17	9
Communication	7	4
Children's homework	4	2

Note: Tenants often have more than 1 use

Area differences

There are some differences between types of area in how tenants are affected by problems. The following are the most prominent:

- Tenants in urban areas are much better informed about the reforms than in other types of area.
- Transport is a bigger problem in rural areas but is also difficult in suburban areas.
- Disability is most concentrated in coastal areas where there are older people (including pre-retirement).
- There are many more families with children in rural and suburban areas.
- One factor dominates all areas: tenants are struggling financially – although the difficulties seem greatest in villages.

Key findings from survey of 200 tenants in South West region of England

Who are social housing tenants?

- Single parents and people living alone are concentrated in social housing in the region.
- Over half of the tenants we interviewed are in ill-health or have a disability.
- Fifty-seven per cent of households currently had no-one in work. Health problems and caring responsibilities are the main reasons for high levels of long-term household unemployment.
- Ill-health is the most common barrier to work, followed by lack of vacancies, low confidence, poor childcare options and other caring responsibilities.

Low-paid work

- The majority of interviewees had spent most of their life in work. The majority of unemployed tenants say they prefer to work.
- Most residents who work like their jobs, but worry that their work or salary might be affected by cuts or job changes. In-work incomes are falling.
- The most common jobs are low-paid service jobs including: care work, health-related support work, cleaning, working at local schools and catering.

Benefits and welfare reform

- Ninety per cent of interviewees receive some kind of income support, including those in work. Housing Benefit, Child Tax Credit and Working Tax Credit are the most common.
- Almost half of tenants (96 out of 200) are affected by changes to benefits, most often Council Tax payments or Housing Benefit size criteria.
- Fifty-two per cent of tenants have heard of Universal Credit. One in eight tenants favour a single monthly payment, but the great majority worry a lot about monthly payments and its impact on their budgeting.

Managing the cuts

- Tenants' coping strategies include cutting back on food, asking family members for help, falling into debt, depleting their saving, selling belongings.
- Over half the tenants are struggling financially and 121 say they are worse off now than they were two years ago.
- The majority of tenants say they are going without things like fresh food, new clothes, heat or electricity and giving up items like broadband or TV licenses.
- Over three-quarters have cut back on food bills in the last year.

Financial pressures

- 107 tenants (over half) borrowed money from family in the last year.
- Four fifths find their situation difficult and a struggle. Most anxiety comes from juggling bills, benefit changes, low pay and lack of work.
- 72 per cent of those interviewed find transport too expensive.

'Digital by default'

- Over half the interviewees use the internet every day, but one in six never access the internet at all and 81 tenants would not use online banking.

In summary

The 200 tenants spoke openly about their struggle to manage and showed both real resilience and real efforts to manage the very harsh new challenge of welfare reform

4 TENANT THINK TANKS ON WELFARE REFORM

LSE Housing and Communities held two 24-hour think tanks with over 110 tenants and support workers from a range of social landlords in November 2013 and March 2014. All tenants at the events were encouraged and directly supported by their landlords to come. Landlords want tenants to understand welfare reform and its implications for both tenants and landlords.

Headline findings

- There was strong support from housing associations and local authorities for tenants to come, learn and share experiences.
- Tenants showed real commitment in participating and getting their voices heard.
- Many tenants displayed angst and anger over the negative image of tenants and benefits.
- Many disabled people feel very vulnerable.
- There was significant suspicion of why LSE Housing and Communities were running this consultation event, and people worried that we would dilute what they said.

- There were several very harsh and sad stories. People coming from very difficult backgrounds are now often facing really severe problems with:
 - Housing Benefit size criteria
 - disability reassessments
 - sanctioning and suspension of benefits
 - new unmanageable costs, for example food, energy
- Tenants came from many different local organisations and shared impressive, innovative social and community experiments, for example, 'speed-dating' mutual exchanges, 'an extra plate', cooking an extra meal to help people who are struggling to feed themselves.

Participants asked for the chance to explain their situation and experiences directly to government ministers, church leaders, landlord chief executives. They feel cut out of the decisions about their lives.
- Participants contributed written accounts of their experience of welfare reform and how it is affecting their communities. We will include these in the think tank reports.

People drew and wrote posters about their own communities and what people were doing to help in their situation. These will also be included in the think tank reports.
- Pros and cons to old system were discussed; for example, it encouraged cheating; the system was humiliating, but fairer. Worries about the new system including arrears, Housing Benefit size criteria, work requirements, IT, remoteness, uncertainty and confusion about consequences.

A big barrier for many is making new benefit claims and having to do so online. There was a sense of terror about making mistakes, the pace of having to do things, the loss of familiar face contact. People were particularly worried about job centre penalties and sudden loss of income. The other big worry was disability reassessment.

Tenants were worried about paying for helplines – most government advice lines charge people to hold on.
- Many tenants are struggling with bills – particularly food, which was mentioned a lot.
- There was lots of positive local support and community action – participants prepared posters which captured this (copies are available). This theme also came out strongly when brainstorming ideas.

Many participants wanted to campaign or organise protests.

Tenants see social landlords being badly affected by welfare reform, for example, higher arrears. They are keen for landlords to help but understand they depend on rent income to do this.
- Tenants are not against change per se, but they worry that the most needy and least able are hardest hit by reforms, and least able to cope.
- Many (most) tenants reported positive actions to support communities in their areas – lots of help from informal get-togethers to IT access and advice, food and other immediate help.

Tenants said many elderly parents were helping their grown-up children and grand-children, leaving themselves worse off.

Several mentioned mental health problems – suicide and threats of it. In the direct experiences (of which we collected about 50) stress, anxiety and mental pressure loomed large.
- Tenants want to do more to help. There is a really strong need for training in 'how to'. At the second think tank, several participants were staying on

for a Trafford Hall course on 'Food Co-ops'. Others wanted to come on the 'Wider World' course. People need to feel much more part of what is going on in the wider world, and not just that they are recipients or losers in the welfare system.

Introduction

The National Communities Resource Centre at Trafford Hall exists to help residents and frontline staff in disadvantaged communities all over the country develop self-help skills and community action to tackle harsh social problems. Social landlords want tenants to understand and share experiences of welfare reform, to develop practical ideas to support communities. In November 2013 and March 2014, housing associations and local authorities supported two special think tanks for tenants on welfare reform and its impacts in order to gain their perspective on the challenges of cuts in benefits and welfare support, rising costs of essentials such as food, energy and housing.

The think tanks brought new understanding of the reforms and gathered unique insights tenants want to share widely. Tenants need to be heard and their experiences shared. Tenants who are actively involved understand who is vulnerable and worst affected, what more can be done, how landlords can best communicate with and help tenants, and whether welfare reform helps connect tenants to job opportunities. For tenants and landlords alike, welfare reform brings communities together and makes it urgent to help young people, families and older working adults, hard hit by changes such as the Housing Benefit size criteria. This section captures some of the messages and experiences, drawn mainly from the first, and supplemented by the second think tank.

Summary of tenant think tanks

The following information is from the first think tank in November 2013.

a. Who participated

Sixty-four tenants attended the two-day residential think tank, supported mainly by their landlords. The event was heavily oversubscribed, crowded and noisy. Over 40 more wanted to attend but as there was no room a second think tank was organised for March 2014. All eight regions of the country and 44 social landlords (or regional bases of national associations) were represented. See Appendix 5.

Almost all tenant participants were of working age. One-third of participants had disabilities relating to mobility (10), blindness (3), heart, lung and other chronic conditions (9). Two used wheelchairs; one had a guide dog; at least ten others could not tackle stairs and required mobility aids. Tenants from ethnic minority communities participated and there was a good gender mix. All participants were involved directly in their communities and were anxious to give their views, do something about the problems, and make sure their experiences were properly represented.

b. How the think tanks were organised

Participants were seated around tables in groups of seven or eight and other rooms were available for breakout sessions to facilitate discussion. Each table had a helper who had been briefed to facilitate and keep records. The event comprised of five main sessions:

- What is most affecting our communities today?
- What is welfare reform about and what does it do to us?

-
- What problems most affect social landlords and what can they do?
 - How can communities help the most vulnerable?
 - What can we learn from tenants' experiences?

We collected evidence, ideas, experiences and tenants' views as follows:

- Note-taking at each table by helpers
- Post-it stickers filled in individually to answer questions before and during discussions
- 'Direct experience forms' completed by participants to give everyone the chance to record and explain personal experiences of welfare reform and to record community actions to help tenants (a total of 50)
- Flip charts, both at individual tables and in the centre of the room, to pool ideas, themes and practical actions
- Posters, drawn at tables by participants, to show how different community supports contributed to people's ability to survive (about 60)

This pattern was repeated in think tank 2.

In addition, we received feedback both from tenant participants and from social landlords who supported the tenants' involvement. Appendix 6 gives a full programme and the questions used in each session.

Findings

a. What is most affecting our communities?

Tenants raised 213 issues which they felt affected their communities in a negative way, undermining residents' confidence and resilience, and wrote these on post-its. The three dominant anxieties were the Housing Benefit size criteria, financial pressures and welfare reform. Together they accounted for over 130 post-its. These three mutually reinforce each other. The next biggest concern was the need for more community-level advice and support, together with stronger preventive action in communities to make good the harm being done, particularly to young people. Fuel poverty and the need to access work also figure significantly. Table 23 shows the main issues grouped into eight main themes presented in order of times mentioned.

Four recurring themes seem particularly stark: financial pressures; energy costs and fuel poverty; IT/computer literacy; and mental stress. The boxes below reflect the tenants own words in describing community experiences of these problems. Tenants saw financial problems pressing down on their communities in many different ways, as Box 1 shows.

One of the factors that created most additional pressures was the steep rise in energy prices, summarised in Box 2. Another big worry for tenants is the reliance on computers, summarised in Box 3. All these different pressures created sometime intolerable insecurity and stress in people's daily lives (see Box 4).

b. What is welfare reform doing to communities?

Participants found very little to praise in the new system, based on experiences to date. The main gain seemed to be that it would be less open to abuse – a big positive. Tenants really noticed and valued the strong response from local charities, agencies and councils, however, and in general they found them helpful and responsive to the problems facing communities.

Table 23: Issues facing social tenants: community experiences of welfare reform and other problems

Issue	No. of times mentioned
Housing Benefit size criteria	54
Financial pressures	44
Welfare reform & dictatorial implementation	37
Insufficient advice and support – inadequate computer skills or access	21
Community impact – rise in anti-social behaviour & youth problems	21
Mental stress	13
Energy costs / fuel poverty	11
Work and jobs – language barriers & immigration	12
Total	213

Note: Tenants named more than 1 issue

The problems in many ways coincided with problems identified by participants in their communities, suggesting that the community impacts of welfare reform go far deeper than the immediate effect on individual's lives. Box 5 highlights the different and new aspects of problems.

Many of the problems highlighted by tenants reflect a lack of familiarity with the changes, but also the much harsher approach being applied to claimants of all kinds, and the 'lack of personal, direct contact' through the new benefits system. The shock treatment of cutting people's limited income and thereby threatening their ability to manage, causes great anxiety and in some cases real hardship. As full implementation rolls forward, it is hard to escape the view that there will be many casualties. Appendix 7 sets out tenants' views on the 'old' system of welfare, which they generally compare favourably with the new.

c. What problems are affecting social landlords? What can they do to help?

Tenant participants were acutely aware of the problems facing their landlords, juggling rent collection and helping tenants to survive and manage while balancing the books. Several tenants spoke positively about the efforts their landlords and frontline staff were making. Box 6 captures the main problems and pressures on landlords that tenants were aware of, and Box 7 shows what landlords are doing to help.

One of the participants was a Hull Council tenant who talked about the special support the council landlord was able to muster (see Box 8).

'I don't know about elsewhere in the country but in Hull the council landlord couldn't do more for people if they tried – they really are pulling out all the stops and doing everything possible because they think it is the right thing to do. In the centre of Hull, we have a large council building; this has huge windows which are used to promote information, advice and signpost people to appropriate help stations. The rationale for this is that all the information is then available 24/7.'

Box 1: Financial pressures cause problems at many different levels

1. Poverty

- Cost of living is not matched by benefit payments/minimum wage causing financial/emotional problems
- Debt leads to loan-sharks, e.g. "Wonga", leading to multiple rising debts
- Shop-lifting is increasing – for example for food, nappies
- Poverty is getting worse. Poor wages and low-paid jobs are part of this pattern
- People really rely on food banks as changes in benefits are causing delays in payment
- Housing associations are cutting down on staff which is affecting services to tenants
- Social landlords' viability is threatened by, for example, rising arrears
- The rising cost of living and the economy generally are undermining people's finances

2. Services

- Lack of money for advice workers offering emotional /financial support
- Rent arrears, leading to less money for landlords to organise repairs and other housing services
- Pressure on councils to collect rent
- Councils hitting the poor already affected with Housing Benefit size criteria and Council Tax
- Councils lacking money to do basic things anymore
- Government cuts affecting schools, transport and support more generally

3. Debt

- Arrears action now becoming tougher
- Increasing use of BrightHouse, Perfect Homes, Greenwoods, Provident and similar hire purchase loan companies. They cause more debt and more pressure
- Money management problems for long-term benefit claimants
- Rents increase in private sector

4. Unfair

- Moving families
- Penalising people who have paid their dues

5. Uncertainty

- When will direct payments come in?
- Budgeting monthly under Universal Credit

6. Initiative

- Subletting properties to raise income

Box 2: Energy costs and effects of fuel poverty

1. Insulation

- Most homes urgently need more insulation
- Urgent need for more insulation particularly in disabled properties

2. Energy costs

- Fuel poverty is hitting many communities
- Rise in fuel prices – systems for helping aren't working
- Heating systems are too expensive and too hard to control

3. Heat or eat

- 'Heat or eat' choices when cash is short – tenants talk about paying rent or keeping warm or feeding the kids properly, juggling the impossible.

Box 3: IT and computer literacy

1. Poor IT skills

- Worry about the need to be computer literate to claim benefits – it's too easy to get it wrong
- Most tenants can use the internet but are frightened of using it to 'run their lives'
- Many residents have inadequate knowledge of computers

2. Access

- Some communities and many homes still lack internet access

3. Barrier

- Many tenants don't like having to do everything online for example, repairs
- 'Digital by default' feels like a threat, particularly when some still lack access to computers

Box 4: Mental stress leading to illness

1. Health

- Health is a dominant problem, both mental and physical illness.

2. Depression

- Tenants report many cases of depression and some threats of suicide
- Mental wellbeing is undermined by the changes due to welfare reform; stress and anxiety are increasing
- Sheer poverty is creating emotional pressures and generating a sense of severe hopelessness

3. Family pressure

- Physical child abuse is a growing issue because of family pressures
- Family breakdown results in estranged parents
- There is nowhere for children that have experienced family breakdown to live
- Teenage children are sometimes becoming homeless.

4. Wider consequences

- There is also a rise in domestic violence and other crime

Tenants offered few criticisms of the way their landlords were responding. They showed considerable understanding of the pressures on them. They recognised the need to balance budgets, but they were worried about the diversion of housing resources away from core tasks into helping tenants overcome the pressures of welfare reform. It is clear from the personal testimonies (below) that there are many situations where things are not working as they should and where vulnerable individuals are caught up in a system that no longer functions as an actual safety net.

The tenants' perspective on how welfare reform is playing out from the landlord side shows involved tenants to be articulate, thoughtful and responsive to landlords' needs. The direct involvement of tenants helps build a shared responsibility for things. Tenants then discussed the changes landlords were introducing and what more they could do to help. Box 8 summarises these ideas.

Tenants recognise the limitations landlords face: "They have less rent money so they can do less repairs"; To be honest, given the financial restraints, don't know what more they could do."

They also recognise that funding cuts are hitting other bodies such as Citizen's Advice: "Citizens Advice Bureaus have had their funding cut, so it is difficult for them to provide the service they used to."

The same applies to councils: "Our council has cut staff so it is hard for them to take on an advisory role, I don't know about other organisations."

d. How can communities respond?

Participants felt upset that only bad images of 'social tenants' ever appeared in the media, either as 'poor, helpless victims', or 'scroungers, layabouts and cheats'. They wanted more direct ways to communicate what was really happening, without their experiences being diluted or distorted through the media.

Tenants pooled many ideas on how to tell the truth about what was happening in their communities (Box 9). Tenants then went on to share some practical ideas, using examples of things they had seen in action (Box 10).

Box 5: Disadvantages of the new welfare system

1. Benefit capping

- The overall cap on benefits will leave some people unable to pay rent
- The rent cap on Housing Benefit will cause problems in expensive areas

2. Housing Benefit size criteria

- The Housing Benefit size criteria is stopping people being able to pay for food
- The Housing Benefit size criteria is causing hardship for many unable to move due to lack of stock

3. Lack of support from agency staff

- Staff are not knowledgeable
- Staff in DWP have a negative attitude towards claimants
- Workers hardly know what it's all about so they can't answer questions or explain what's what

4. Stigma

- Means-tested benefits makes people feel 'got at'
- Labelling people as scroungers if they're on benefit makes the system divisive
- People are forced into dead-end jobs
- Being means-tested for school uniform, bus fares to school, school dinners and so on labels people
- Having to go to the Jobcentre each day is demeaning
- Demonising certain groups encourages prejudice – the disabled, migrants and women are particularly targeted
- Moralising to people about the undeserving poor makes the system biased

5. Lack of support for vulnerable

- Child poverty will increase
 - The Social Fund is going
 - Working tax credits are shrinking
 - People cannot afford to eat
 - Homelessness – evictions are going up
 - Housing Benefit is being cut for those under 25
 - Private companies are paid to assess disability so they're profiteering without being accountable for systems that don't work
 - Benefit delays and suspensions cause real hardship
 - There are not enough food banks
 - Some people can no longer manage
 - Little or no support is on offer
-
- The government do not care about people with disabilities and are creating a sub-culture of excluded groups within society
 - Elderly and infirm people are not treated well
 - Many jobs are slave labour
 - Benefit levels are being cut
 - Council Tax charges are causing real difficulty
 - The weakest go to the wall under the new system
 - Benefits are cut too quickly when someone is beginning work
 - There is not enough in-work support or incentive

Box 6: Problems and pressures facing social landlords

1. Rents

- Rent arrears are leading to the extra cost of eviction and to more void property.
- Collecting rent has to be a priority in order to pay for repairs.
- Landlords are finding it harder to get the rent because people's incomes are shrinking.

2. Size of property

- Landlords don't have enough appropriate housing to accommodate the people that are now in so-called inappropriate property.
- Empty property caused by the Housing Benefit size criteria is leading to squatting and the extra cost of dealing with squatters

3. Staff

- Landlords are having to divert staff away from their day-to-day jobs, for example, neighbourhood management and enforcement, to deal with rent arrears caused by the Housing Benefit size criteria.
- Staff are having to be trained up for welfare reform, taking time away from other things they should be doing.
- They need extra support staff in order to offer rent advice.

4. Funds

- Revenue flows are affected and loan repayments for work becomes more difficult.
- There's less money for development.

Box 7: What landlords are doing to help

1. Tenant links

- Identifying those affected before the changes come in
- Creating peer support networks – tenants helping tenants, for example 'welfare champions'

2. Moving

- Trying to help people move – face-to-face interviews to find out whether tenants affected would like to downsize
- Offering more advice on moving, for example, Home Swap, a form of mutual exchange

3. Income

- Asking people to consider having a lodger to help pay the rent, although this can result in benefits being cut
- Providing budgeting advice including financial and debt advice, as well as checking whether tenants need energy saving advice

4. Control

- Planning ahead so landlords can respond to tenants and external changes
- Becoming more discriminatory over who they give tenancies to, with more pre-tenancy checks

Box 8: How landlords are changing their approach and what more they can do

1. Changing their approach

Landlords are changing their approach in the following ways:

- helping people by talking to them directly
- helping tenants to apply for Discretionary Housing Payments
- prioritising tenants who are affected by the Housing Benefit size criteria, putting them higher up the list for smaller properties
- organising swap shops – promoting mutual exchange. Many are moving people most affected by welfare reform to cheaper, smaller property
- helping to promote basic bank accounts and promote credit unions
- helping people open accounts
- creating dedicated teams in banks to help people affected by welfare reform
- trying to ensure value for money so there's more help available
- training tenants in money management, for example, fuel bills and energy saving
- referring tenants to advice centres that help save money, for example, Fiscus, CAB, Gentoo Green.

2. What more can landlords do?

Landlords could:

- keep those affected up to date with the changes in welfare reform and what help is available
- provide all Neighbourhood Officers and Income Teams with mobile technology so they can help tenants who are not good at IT to fill in benefit forms etc.
- develop more partnership working
- do more energy saving to reduce bills
- involve tenants and work together to tackle problems
- adapt more property for disabled people so they don't have to move
- knock some three-beds into two-beds if there is a shortage of smaller property.

3. Other organisations are doing a lot.

For example:

- Churches, magistrates, Fiscus, CAB, Gentoo Green, Mind, food banks, Samaritans, community cafes
- Some housing associations are offering apprenticeships and employment training
- There are some big mergers forming bigger groups to save resources.

Box 9: Tenants' ideas on communicating their experiences

1. Campaigns

- Media campaigns could counter current media stories by explaining what the real issues are, for example,
 - Bolton v Bedroom Tax Campaign
 - Riverside's online petition
 - Yorkshire Coastal Housing's tweet campaign – 'tweet-a-thon': #housingday – 13 November
 - War on Welfare (WOW) petition – wanting 100K signatures to trigger debate in parliament
- Organise a human chain – like 'Hands across Britain' but across cities
- Persuade councils to take a vote of no confidence in Atos as part of media campaign
- Use singing and catchy songs to get people together and lift spirits when lobbying/meeting
- Use the model of the Olympic flame travelling around cities communicating what's going on

2. Communicate

- Push for tenants to lobby MPs since they get paid to represent us
- Write letters to persuade politicians to live on low wages/benefits for a week
- Use deeper communication skills, rather than just lobbying
- Make sure there's a National Tenants Voice with a seat at the top table, including representative tenants at the top table or on the platform

3. Consult

- Hold proper consultations – don't remove their duty to consult

4. Help

- Volunteer to be a 'litigation friend', using lay persons' rights to push local processes, to judicial review – courts could get clogged up

5. Control

- Promote housing co-ops as part of giving tenants more control

Box 10: Practical suggestions

1. Co-operatives

- Develop co-ops and community land trusts, for example, Islington, Tower Hamlets, Liverpool

2. Information and advice

- Hold one-to-one sessions to explain reforms simply and to motivate others
- Take information back into the community, beyond just tenants, for example, community council
- Use objective language – don't use clichés or loaded words, for example, 'unfair'

3. Networking

- Develop networks between residents' groups, using a central information point such as the Tenant Participation Advisory Service (TPAS)
- Motivate other tenants to help
- Reach out to the private rented sector – there is a growing overlap with social renting as more and more tenants come from social housing or homeless accommodation and have to rent privately

4. Training

- Train welfare champions who go out into the community – for example, Coast and Country, Yorkshire, and Golden Gates Warrington

5. Practical action

- Encourage people to vote so their voice makes a difference
- Support food banks – but don't forget household materials like washing liquid or bathroom essentials

6. Food

- Follow 'A Girl Called Jack' – the famous blog that helps people survive and eat healthily at very low cost, for example, how to cook eight burgers for £1
- Teach people how to cook with basic, cheap, healthy ingredients, for example, pearl barley
- Run 'cooking on a budget' courses at Trafford Hall and locally
- Cook together and share food – street by street, house by house
- Allow parents to go into schools after hours and cook communal meals for families

Finally tenants discussed what they thought councils and government should do (Box 11).

Box 11: What messages tenants would like to send to local councils and government

1. Local authorities should:

- Listen to tenants and support tenants with advice in their campaigning
- Make sure people get their entitlements
- Run benefits take-up campaigns
- Offer free access to laptops and inform people where there is access through WiFi maps
- Protect staff jobs and wages and make all new contracts pay a living wage
- Provide specialised training for frontline staff
- Stop digitising everything – communicate directly
- Provide information in the right languages and clear formats

Several tenants had a special message: 'Thanks to all local authorities/housing associations who are trying hard to help.'

2. Tell the government

- This country is not a dictatorship so they should listen to people who they're deciding for
- Human beings are not a statistic on a balance sheet
- There should be a National Tenants Charter to stop 'divide and rule' and give tenants equal status

Personal testimonies

Individual stories

Throughout the discussions which were both intense and sometimes heated, we asked tenants to write down individual experiences they wanted to share. Participants were anxious for their own words to be heard, so we present a selection of testimonies from tenants that set out clearly the way welfare reform is affecting their lives and the lives of people they know. These stories should make us pause and worry about the impact of some changes underway. We have not diluted tenants' accounts, only clarified things where necessary and left tenants words to speak for themselves.

- **Starving**

'A young man (26) who was helping out at Community Radio collapsed. I discovered that he had been sanctioned by Seetec, who run Job Club in my area, because he was late due to having no money for the bus fare and had to walk four miles to the Job Club premises. He had not eaten properly for two weeks. He was taken to a food centre but of course had no money – no cooking facilities, no heating or lighting for six weeks.'

Outer Manchester housing association

- **Widowed father**

'A one-parent father (25) with two children was sent to a Job Club Assessment Centre by Jobcentre Plus. His child-minder was unable to have the children during a particular week so he took the child into the Jobcentre and was told to leave. The Job Club then had him sanctioned 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 (who died) that they will also lose their father.'

Outer Manchester housing association'

- **Fear**

'I am a tenant and this new reform is quite confusing to understand for a lot of people, myself included. I live with my 18-year-old son who is in full time education. Next year he wants to go to University, then I will have to pay the bedroom tax. This is making me feel very anxious and scared of the implications of finding that extra money. Also I am in receipt of ESA which requires medical questionnaires from Atos which is very scary and depressing. I am constantly worrying that they will reduce my benefit. Then to find a job that will give me security. Also

the thought that I will get in arrears when the switch over to Universal Credit takes place, that it will make me get in debt with rent and my other bills.’

Outer Manchester housing association]

- **Benefit cap**

‘I helped a young traveller family (two adults and four children under ten years) housed by the local authority. The father of the family suffers with mental health problems. The benefit cap applied to their circumstances and £62 per week was being deducted from their Housing Benefit entitlement. The benefit cap applied for the previous six months and they were in rent arrears and feeling severe hardship. We requested a review of his ESA entitlement. He provided a letter from his GP explaining his condition and he was placed in the Support Group of ESA claimants. This made him exempt from the benefit cap.’

Citizen’s Advice worker

- **Lone parents**

‘I have witnessed the negative impact of the welfare reforms on single parents through my neighbour. She is having to alternate between what she uses her benefit money for so that an survive as follows:

‘Week 1: she buys food and doesn’t use her heating or hot water to reduce the heating bill

‘Week 2: she tops up her gas and electric meters and is left with no money to buy food

‘The impact is that her three-year old is always looking poorly (he has a cough and cold all the time). Now people are talking about bad parenting and she is at risk of social services being told and the possibility of her losing her child as if she doesn’t love or care about the child.’

Housing association, Wolverhampton

- **Disabled needs**

‘The impact on the disabled has not been considered by landlords or social services or government. For example, care needs or home adaptations must happen before moving to smaller homes, let alone health going down due to stress.’

Housing association, Surrey

- **Trying to get work**

'A man in his forties, unemployed, has been off due to illness and marriage breakdown. He has £23.15 per week bedroom tax but is unable to downsize due to the rural location and lack of stock. He has had to take a workforce job but is unpaid for four months. He is struggling to cover his rent so is at risk of eviction. He has no guarantee of a job after the work trial.'

Housing association, Manchester]

- **Bedroom tax**

'A man's wife had just died of lung cancer. He gave up working for the last three months of her life to care for her so their children could continue working. She received no care during her dying days from any outside agency. This man had worked 12–16 hour days all his working life. When the bedroom tax was imposed he was on an income of £71 per week in a three-bed property, the difference is paid at the moment by his children. This has an impact on three other households with fuel cost increases. Now, after nine months, this is having an effect on his mental health, as he does not like to rely on his children to support him. Currently his property is rented at £78.87 per week. If he left his property and rented a private sector one-bed where he lives, the council will pay £80.77 which makes no sense at all. This will not save any money.'

Housing association, Cheshire

- **Double blow**

'My son was 21 at the time of this event. On his way home with friends one evening he was in an unprovoked attack, knocked unconscious and had concussion for over a week after the incident. Due to the concussion he missed one appointment with a back-to-work scheme and one with the Jobcentre. He managed to email the work scheme, who accepted his reason as valid. The Jobcentre would not accept it and sanctioned him for 13 weeks. It meant I had to find the money to feed him etc. He had police and medical evidence. When it went to tribunal he won, as having a valid reason. This has not saved any government money, but has cost them. My son was vulnerable and to me it was a second attack on him.'

Housing association in Lincoln

- **Assessments**

'As a long-term oxygen user with a deteriorating condition I feel penalised. Twice this year I have been admitted to hospital and there has been a reluctance to discharge me because I am single, in a one-bed flat without facilities to accommodate a carer. This has caused a financial implication to the NHS and a great deal of frustration. On a good day I can live a relatively 'normal' existence; on a bad day/spell I am housebound, totally debilitated and dependent on others. To be assessed by anyone on a good day would disadvantage myself on the benefit scale. To have to cancel an appointment on a bad spell would disqualify or suspend benefit for a period of time. This is constantly worrying, depressing, stressful etc. Hopefully I will be accepted on to the transplant list in early 2014. If not, time is limited. Do officials understand the desperation of people and real situations?'

Housing association, Derby

- **Former mining communities**

'At present there are 21 empty properties which are mainly two or three-bed houses. Before the bedroom tax was introduced single people would be signed up to two-bed properties, and smaller families would be signed up to three-bed properties. 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 who are willing to move so that they don't pay bedroom tax have found it difficult as there are no one-bed properties available. And a lot of one-bed properties were demolished a few years ago as they were very unpopular. Some of the popular estates are no longer popular and have no waiting lists anymore, and no bids come in from choice based lettings with the council so the bedroom tax is not working and wanted here.'

Housing association, County Durham

- **Work training**

'Moat is trying to help me back to work. A more sensible way to do this is for government to make a law to state all businesses/ companies operating in the UK have to employ and train. And these companies get training grants and tax breaks as an incentive to do too. Instead the courses they offer have no or little value to companies on the skills of the work force.'

Housing association, Kent

Community responses

The other kind of testimony we asked for was on the actions underway in communities to help residents cope with the changes. These offered many insights into how people were actually getting by, given the pressures.

- **German experience**

'Having lived in Germany for 30 years I am thoroughly used to social housing being allocated on need and financial situation. I lived in a social flat comprising one and a half bedrooms (one small for me, one large for my 2 sons). When my last son went into the army, I was immediately told I was no longer entitled to two bedrooms OR I could stay but would no longer be able to pay social rent. It would be increased to market rent. The lesson here being that the culture of the British must change and understand only social cases get social rents. The size of the accommodation to meet the need not the wishes of the tenant.'

Local Government Housing, Yorkshire

- **Church helps**

'Our local church is part of a food bank but is also looking at how they can help families or single people, i.e. financial help, support from other agencies.'

Housing association, Surrey

- **Bolton at Home**

'Campaign group in Bolton called 'Bolton Against Bedroom Tax' lobbied Bolton at Home housing association to agree a 'no homelessness policy'. They agreed 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, Cheshire

- **Youth worker without home**

'In our community hall we have youth sports activities twice a week. Two young men are employed to run them. I support them as volunteer. This has been running for two years. We have had to look for funding to continue because the council turned down a funding request. We got funding from the local church charity. Hopefully, but not certainly this will continue. The young men have really grown in the job. However, they are not earning enough to be independent and still live at home, even though one of them has a girlfriend and a baby (she also still lives with her

parents). Young people should have proper, full time, permanent jobs so they can plan their lives.'

Housing association, London

- **Suicide**

'As a tenant of a small housing association we held interviews with tenants who were subject to the bedroom tax. We found that the tenants feel isolated and desperate. Trying to make ends meet because of the bedroom tax, some of the tenants were driven to a point of committing suicide. Can the government be made aware of the plight of these tenants and realise the chaos they have made for housing associations and tenants to be able to cope.'

Housing association, Liverpool

- **Council priorities**

'Local authority housing officers have rearranged their working culture to enable them to help and advise more people affected by welfare reforms; this does mean that other aspects of their remit do not get their full attention but it is a question of priorities.'

Council, North East England

- **Protest**

'Liverpool tenants camped out on the platform of St George's Hall to highlight what will happen when the bedroom tax takes effect.'

Housing association, Liverpool

- **More help**

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

Housing association, Warrington

- **Council support**

'My experience working with families in London is the complete lack of knowledge on the welfare reform. Often many families don't even know that they will be affected until they find

themselves in arrears. My council took a very helpful and realistic approach to the welfare reforms. They put in place a budget to assist people who may fall into hardship whilst waiting for their benefit. Training was rolled out across the borough for the voluntary and community sector organisations who help people daily on the ground. Special arrangements were also put in place to assist most community hubs with providing budgets and IT resources so tenants can get access to IT and training.'

Council, London

- **Apprentice Schemes**

'Benefits advisors - they have employed more staff. Loans schemes set up with other agencies with much longer interest rates help our tenants to be in a 'Wonga-free' zone.'

Housing association, North East England

- **Youth forum**

'Youth forum - they want a sense of belonging. Happy to help anybody with discounts on food, petrol, advice on fuel. Won funding to pay for crèche support so other members can meet and help each other to improve their homes, plus training. Helped to open closed shops to customers with training and support. Support with groups with medical issues, for example epilepsy.'

Housing association, Cheshire

- **Voice and best staff**

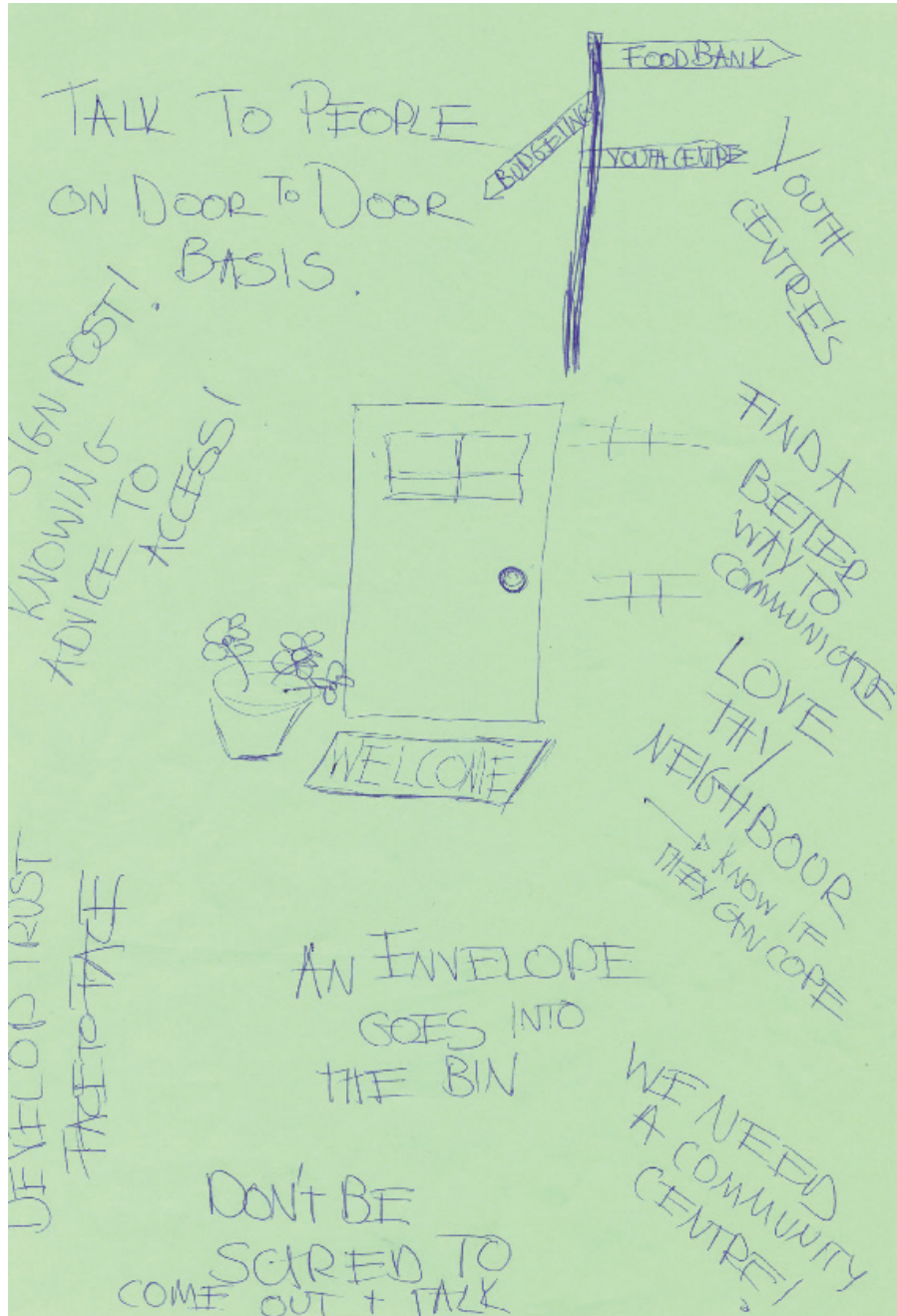
'I think the people that do the feedback should be the tenants themselves - I often feel by having this done for us we lose something in translation; this may well be 'our passion', I don't know but whatever, our full 'feeling' does not get across. Our officers, councillors and tenants work in true partnership. 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 a necessity.'

Council, North East England

Community posters

During an ideas session we asked participants to design posters that communicated what could or should be done, or what was already on offer. The following are a selection.

Community Poster 1: Signposting community action



TEENANT CHAMPION or
Please take the step. Rep

Don't be shy -

Give it a try.

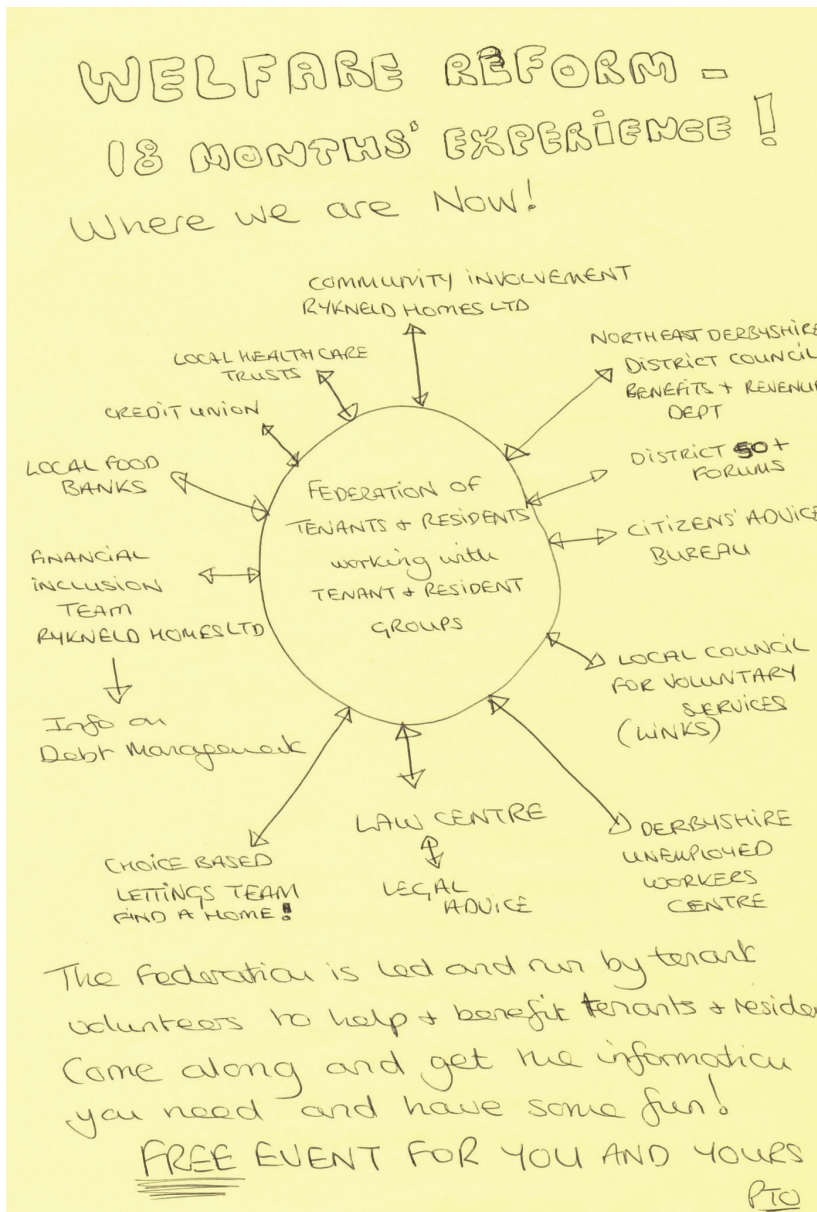
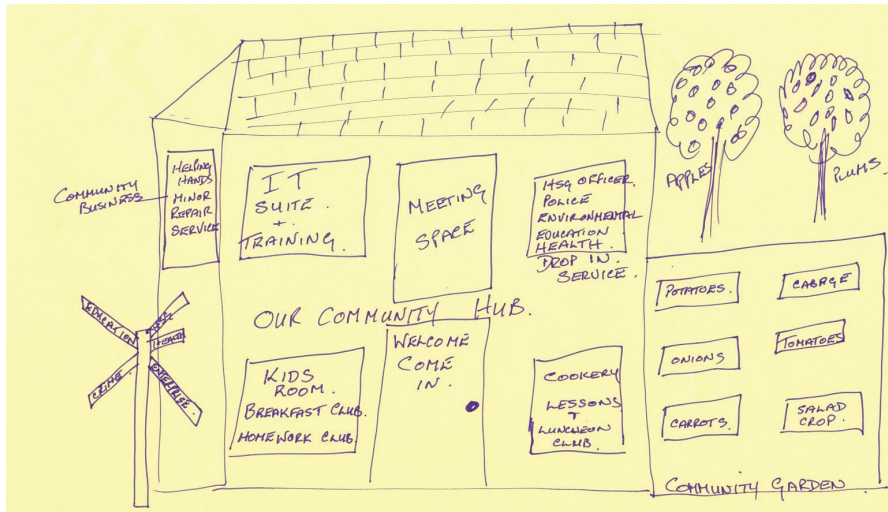


Could you be a point of
contact or a rep for others
in your block or area.

Could you give important advice
to HELP others.

Contact ~~xxxx~~

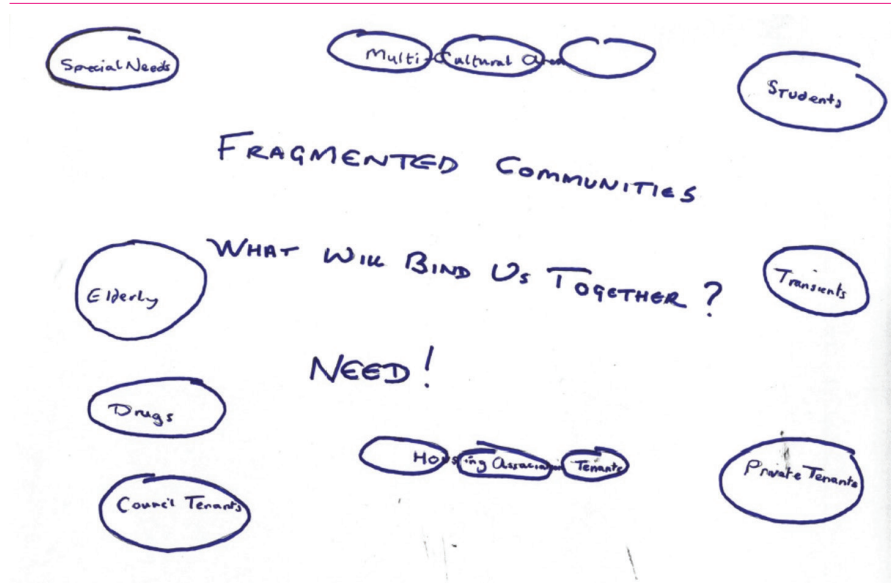
Full support for every question.



OUR HOUSING ESTATE

- * We have a tenants' & residents' association that includes tenants of all the four landlords on our estate of 400 homes — so we try to be united, not divided.
- * Everybody on the estate is invited to every meeting.
- * We try to make people feel welcome + supported.
- * If people have a problem, we try to bring it up with the council/landlords.
- * We volunteer to open the ^{community} hall for youth sports activities, and ^{for} meetings and support sessions for the local private tenants' organization so they don't have to pay for hire of the premises. (Private tenants have a very rough time too!)





Key findings from tenant think tanks

- 1 Both housing associations and local authorities are keen for their tenant representatives and community activists to be **better informed about welfare reform** and more able to address its many challenges at community level.
- 2 Community representatives and activists want to **share their ideas**, make themselves heard and represent fairly the people in their communities who they see as being unfairly treated. Welfare reform is already **hitting low-income tenants extremely hard**, particularly the changes to housing benefit, the Housing Benefit size criteria and Jobcentre sanctions.
- 3 Tenants are very worried about **disabled people**, some of whom are doubly punished though the Housing Benefit size criteria and disability payments. The **private contractors** running eligibility assessments such as Atos are deeply unpopular, mistrusted and considered unskilled in their role as assessors.
- 4 The **loss of face to face contact in job centres**, benefit offices, and council offices, is making the system much harder for many tenants to navigate.
- 5 The **'digital by default'** policy is causing great alarm and anxiety. While many tenants have some access to the internet (maybe half), most are extremely worried about completing forms, claims etc. online without back-up advice.
- 6 There is **widespread evidence of financial hardship, increasing stress and anxiety, resulting from money shortages and difficulties. Financial advice**, debt counselling, access to banking and credit unions all loom large and housing associations and some local authorities earned praise for their pro-active efforts on this front.

-
- 7 **Food banks** play a powerful role in responding to emergency needs. Many **other local organisations and charities** are stepping into the breach – churches, Citizen’s Advice, local authorities, housing associations all received praise. None were accused of standing by and doing nothing.
 - 8 Tenants were well versed in the **need for budget cuts** and austerity measures but were deeply critical of **how they were being applied**. They felt that to be poor and a social tenant carried a deep stigma.
 - 9 In contrast tenants were vocal and generally **positive about steps being taken in their communities** to help, support and improve conditions.
 - 10 **Fuel bills and energy saving** have shot up the agenda – people are very worried by the ‘heat or eat’ choices facing families. They reported lots of activity by landlords around energy saving measures and advice.
 - 11 Tenants want a **stronger voice**, more access to the ‘top table’ and ways of communicating real experiences. Most participants contributed direct accounts of their experience of welfare reform, and designed hugely varied posters to communicate what was happening in their communities.
 - 12 The think tanks, in spite of overcrowding and many mobility issues at the first event, was extremely **lively, constructive** and reinforcing **of tenants’ confidence**.
 - 13 Landlords, local authorities, charities and advice organisations are all trying to help tenants through current difficulties and adjustments. **New ideas are being tried out**, for ple, more front-line staff, but with mobile technology so they can help solve tenant’s problems on the door step.
 - 14 Tenants are aware of the **financial pressures on their landlords** and feel responsible for helping other tenants to cope with the new regime. **Literally hundreds of small-scale community initiatives** are arising from the pressures of change and tenants had many constructive suggestions for what more could be done. In spite of the stigma tenants felt the reforms had provoked, they were determined to help and seemed proud to be able to – even when suffering from severe disabilities.
 - 15 Literally hundreds of small-scale community initiatives are arising from the pressures of change and tenants had many constructive suggestions for what more could be done. In spite of the stigma tenants felt the reforms had provoked, they were determined to help and seemed proud to be able to – even when suffering from severe disabilities

5 CONCLUSIONS

Welfare reform carries immense financial and social consequences for social landlords and their tenants. This report brings together findings from a national survey of housing associations covering all regions, a tenant survey covering the whole South West region with 200 interviews, and two tenant think tanks at Trafford Hall with 135 participating tenants from 60 associations.

Headline findings

- Housing associations and government have developed a much **stronger focus on work**, training, and skills.
- Social housing tenants **rely heavily on benefits**, so they are hard hit by cuts. More are out of work than in work.
- Tenants face **rising costs and cuts in income** whether in work or not – energy bills sometimes tip the balance. People show resilience and skill, however, in managing tiny amounts of money.
- The benefit **system is becoming much tougher and tighter** with more sanctions, reclassifications, exclusions and suspensions of payments.
- Tenants and landlords expect **evictions to rise** and the lowest-income households to be excluded in future.
- **Food and energy** are the major items tenants are cutting back on. Food banks are becoming essential.
- Tenants and landlords report big **increases in poverty**, mental anxiety, insecurity and fear. People rely on family and friends for help.
- **Fuel poverty**, rising energy bills and debt are making energy saving advice and investment a higher priority.
- Housing associations are refocussing management on the **frontline, face-to-face** contact and community support.

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- **Tenants and social landlords are** becoming more interdependent, so there is need for more tenant training, more active advice on finances, more interaction.

Our headline conclusions are summarised under seven main headings:

1. Increase in front-line contact with tenants

Housing associations report moving resources to the frontline and working more with tenants individually. In spite of this, the majority of the tenants we interviewed continued to say that they felt inadequately informed about welfare reform and Universal Credit more specifically.

2. Disproportionate impact of Housing Benefit size criteria

Housing Benefit size criteria is currently the most urgent issue for landlords, tenants and affected communities. Housing Benefit size criteria is creating intense financial pressures and increasing household debt, and destabilising households with widespread negative impacts on communities and social relations. Housing associations are now more active in promoting mutual exchanges to help people downsize, but 40 out of 43 households affected by the Housing Benefit size criteria either could not find smaller homes to move to or had decided to stay, usually for social reasons, and pay the additional cost. At this stage the majority of tenants are opting not to move.

3. Slippage of Universal Credit

The slipping timeline of the introduction of Universal Credit is creating great uncertainty for housing associations trying to plan for its financial and organisational impacts. It also increases tenants' anxiety around financial management and possible future arrears. Tenants overwhelmingly say that monthly payments will cause many problems. Universal Credit pilots do not seem to have engendered confidence in participating housing associations. Queries from housing associations to DWP have often gone unanswered.

4. Poverty among tenants

Many social housing tenants are already affected by welfare reform as a majority receive some kind of state benefit. Social housing tenants are more likely than the population as a whole to be single parents or living alone, have someone in the household with ill health or a disability and be experiencing worklessness. Many tenants live in fear of sudden changes, such as sanctions imposed by job centres, over-payments that then become debts, cuts in Housing Benefit, sudden increases in costs. Changes in payment may tip carefully balanced budgets into arrears. A majority of tenants are on such low incomes that the rising cost of rents, food and fuel are big pressures on slender budgets. In spite of this, most tenants generally manage their personal finances carefully and have developed ways of 'juggling' bills to cover their costs.

5. Coping with cuts

In order to cover rising costs on falling incomes, tenants are cutting back on food, energy use and household goods. They are also selling belongings, depleting savings, borrowing money, cancelling internet, phone and TV licence contracts, and resorting to family for financial and in-kind support. Many landlords and community organisations are introducing energy saving measures, community gardens, food banks and communal eating projects to help families in need.

6. Work

Barriers to work include low skills, lack of confidence, childcare responsibilities and costs, low pay and unstable employment. Social landlords are providing training and apprenticeship schemes, and job-readiness advice. Low wages, uncertain hours, short-term and zero-hours contracts pose much bigger problems, however, and young people entering the work force face even greater difficulty. Social landlords are keen to help tackle these problems but are limited in what they can achieve.

7. Remote welfare system

In sharp contrast to the increase in face-to-face contact of housing staff with tenants who are struggling to cope, the wider welfare system, the job centres and most other parts of the welfare system have adopted remote, IT and telephone-based communication. Most tenants find this way of operating alienating, unsupportive, confusing and worrying. It also often causes bureaucratic error, lost records and miscalculations that can cause tenants acute hardship.

Landlords are more keenly aware now than before of the problems their tenants are facing, but the scale of need is sometimes overwhelming. Tenants are also much more aware of both the pressures on their landlords' budgets and the limits of what they can do.

There are three main areas of welfare reform that urgently need to refocus, in order to create more positive outcomes.

- 1** Welfare reform may end up **making tenants more not less dependent**, and certainly more vulnerable. Cut-backs in support make people on low incomes, in-work and out, more likely to fall into debt, risk eviction and run short on core necessities, driving them to rely on food banks and other emergency support. A more positive alternative must be possible.
- 2** The focus on existing property and current tenants **limits housing associations' capacity to build** more as they have to intensify tenant support to secure rent payments on which their viability depends. Landlords increasingly exclude the poorest applicants from new lettings and so exacerbate the risk of rising homelessness. Yet social landlords have experience, management expertise and potential to create more homes for vulnerable low income groups. The government should tap this.
- 3** It is possible that the wider social and economic **costs of welfare reform will mount** as the reliance on private renting grows due to shortages of social housing, and the rent caps and Housing Benefit size criteria adding costs to housing associations, councils and tenants. Extreme need creates wider impacts, particularly on health, education and work conditions. We need to count the wider and longer term costs rather than focus on short-term goals, thereby preventing unnecessary social casualties.

The pace of reform and its wide ranging impacts have weakened the safety net. It is not too late to modify the reforms and changes under way in the light of experience. **Safety nets can prevent costly outcomes.**

NOTES

- 1 Housing Benefit size criteria is also known as the Spare Room Subsidy or more commonly as the 'bedroom tax'.
- 2 See note 1.
- 3 Council Tax Benefit as such has not existed since April 2013, so it is more accurate to refer to replacement schemes as 'localised Council Tax Reduction (Council Tax Support) schemes', though for ease of use we have stuck with 'Council Tax Benefit' in this report.
- 4 Historically these were linked to door to door rent collection around bank holidays
- 5 Guidance [see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275875/universal-credit-rented-housing.pdf] states
If rent is charged over less than 52 weeks, the monthly payment will be worked out based on the number of weeks rent is charged for. For example, if rent is payable 48 weeks of the year, Universal Credit will be calculated as weekly rent multiplied by 48 and divided by 12. (p7)
- 6 See Social Market Foundation 2012, *Sink or Swim*, which describes the principles of a portal:
Once individuals had made the active decision to opt in, the portal would allow them to make changes to the way their benefit money was transferred before it hit their bank account. The portal would not hold money, but individuals can make a series of structured decisions on how they receive their Universal Credit payment to help them budget anplan effectively. (p14)
- 7 For the full baseline report see <http://www.curo-group.co.uk/hailo>

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EXPLANATION OF TERMS

- **Alternative Payments** – rent payments directly to the landlord as part of Universal Credit where the tenant fails to make or is not capable of making regular rent payments
- **Citizens Advice Bureaus** – voluntary advice centres in local areas, supported by local authorities
- **Council Tax charges** – the element of Council Tax which is not eligible for Council Tax Subsidy or Benefit and therefore is paid by the benefit claimant
- **Housing Benefit size criteria** (also known as the ‘spare room subsidy’, ‘under-occupancy charge’ and ‘bedroom tax’) – the deduction of part of the rent subsidy from social housing tenants’ Housing Benefit for extra bedrooms above the allowed number. This report uses the term Housing Benefit size criteria because of its neutrality. It is sometimes shortened to ‘size criteria’, although some sources in this report refer to it as ‘the bedroom tax’.
- **Department of Work and Pensions (DWP)** – central government department responsible for all income support
- **Direct Payments** – payment of the part of Universal Credit relating to rent directly to the tenant, not the landlord
- **Disability Living Allowance (DLA)** – to be changed to **Personal Independence Payments (PIP)** – the higher-level benefit paid to people with disabilities
- **Discretionary Housing Payment (DHP)** – supplement paid by a local authority to a tenant affected by the Housing Benefit size criteria or other unexpected housing costs
- **Employment Support Allowance (ESA)** – paid to people with less severe disabilities who are assessed as able to work
- **Housing Association Influencing Leadership Organisation (HAILO)** – (South West) a consortium of 11 housing associations in the South West of England
- **Housing Plus** – activity to help tenants beyond narrow housing services, supported by social landlords in communities
- **Jam Jar Accounts** – dedicated accounts set up to pay rent or utility bills, and similar.

-
- **Jobcentre Plus (JCP)** – the official local office of DWP where people claiming Job Seekers Allowance (JSA) report weekly
 - **Pilot areas** – areas which are trialling with DWP aspects of the new welfare reform programme
 - **Rent caps** – limits on the amount of rent eligible for Housing Benefit payments
 - **Sanctioning/Suspension** – suspension of benefits to claimants for non-compliance with Jobcentre Plus instructions, for example, missing appointments
 - **Universal Credit (UC)** – combines many different benefits, previously administered separately, into a single monthly payment, both for eligible applicants in work and those out of work

For more information about our survey of housing associations please contact LSE Housing and Communities at lsehousingandcommunities@lse.ac.uk. For further details of our research in the South West of England with 200 tenants please contact HALLO via Curo Group at <http://www.curo-group.co.uk/hailo>, and for information on tenant training and Housing Plus please contact Trafford Hall at www.traffordhall.com.

APPENDIX 1: HOUSING ASSOCIATIONS INTERVIEWED IN CHAPTER 2

Housing association	Region	Size	Type of HA	Geographical Spread	HQ
Home Group	North East	50,000 (34,000 general needs)	Mixed	National, active primarily in NW and NE, some concentrations in SE	Newcastle
Circle	London	15,603	Mixed	London and 47 LA areas	London
Curo	South West	12,000	Stock Transfer	Bath	Bath
Riverside Group Ltd	North West	53,000 (35,000 general needs)	Mixed	National, active in every region, primarily northwest	Liverpool
Wakefield and District Housing Ltd	Yorkshire and Humberside	32,000	Stock Transfer	Wakefield and District	Wakefield
Orbit Group Ltd	West Mids & East Mids	40,000 (group total)	Mixed	Primarily Midlands, SE, and East	Coventry
Southern Housing Group limited	South East	23,775 (18,632 general needs)	Traditional	London, SE, SW, East	London
Cross Keys	East of England	10,000	Transfer	Peterborough	Peterborough
Octavia Housing	London	4,000	Traditional	West London	West London
Sentinel HA Ltd	South East	8,605	Stock Transfer	South East	Basingstoke
Watford Community housing	East of England	4,177	Mainly stock transfer	Watford, Three Rivers	Watford

Housing association	Region	Size	Type of HA	Geographical Spread	HQ
Knightstone HA Ltd	South West	8,160	Traditional	9 authorities in Bristol/Bath	Weston-Super-Mare
Cestria Community Housing	North East	4,500	Stock Transfer	Durham and district, including some small ex-mining towns	Chester-le-Street
Golden Gates Housing Trust Ltd	North West	8700	Stock Transfer	Warrington	Warrington
South Yorkshire HA	Yorkshire & Humberside	3,800	Traditional	Sheffield city regions, Rotherham, Doncaster, Barnsley, Chesterfield, few in West Yorkshire	Sheffield
Aspire Group Ltd	West Mids & East Mids	8,670	Stock Transfer	Newcastle-Under-Lyme	Newcastle-Under-Lyme

APPENDIX 2: FRAMEWORK OF 10 KEY ISSUES IN HOUSING ASSOCIATION SURVEY FINDINGS (CHAPTER 2)

1. Overall impact of welfare reform

- Housing Benefit size criteria
- Council Tax
- Benefit cap
- Social Fund
- Disability
- Jobcentre + suspensions
- Other
- Affordable rents etc.
- Private rents
- Tax credits
- Additional/Quotes

2. Specific impact of Housing Benefit size criteria:

- How affected
- Comment on changes in arrears
- Additional detail

3. Helping tenants with Housing Benefit size criteria

- Support with moving
- Redesignation/write-offs
- General help
- DHP

4. Impact of Universal Credit

- General
- Payments
- Arrears In pilot
- General help

5. *Helping tenants with Universal Credit*

- General
- Communications
- Money advice
- Help for finding work
- Banks/ payment
- Practical/ Crisis support
- Digital inclusion
- Write offs or hardship payments

6. *Other impacts on Association and its policies*

- Demand
- Previous under-occupation policies
- Voids
- New lets
- Transfers
- Building new/rehab
- Wider neighbourhood services
- Other

7. *Changes to association structure*

- Overall restructuring
- Arrears teams
- IT infrastructure/kit
- De/Centralisation
- Rent weeks
- Reports commissioned
- Other

8. *Energy efficiency and fuel poverty*

- General
- Energy efficiency
- Tenant/Other issues

9. *Financial impacts*

- Overall financial viability issues
- Rent transaction costs
- Additional steps to improve

10. *Overview*

- New practices
- Comments on welfare reform generally

APPENDIX 3: ESTIMATED IMPACT OF OVERALL BENEFIT CAP ON HOUSING ASSOCIATIONS

	No. households with benefit cap
Larger associations	
Home Group	400
Circle	197
Curo	12
Riverside Group Ltd	Not estimated
Wakefield and District Housing Ltd	48
Orbit Group Ltd	175
Southern Housing Group limited	32
Cross Keys	12
Smaller associations	
Sentinel HA Ltd	17
Octavia Housing	6
Watford Community Housing	15
Knightstone HA Ltd	21
Cestria Community Housing	Zero
Golden Gates Housing Trust Ltd	12
South Yorkshire HA	16
Aspire Group Ltd	11

APPENDIX 4: IMPACT OF HOUSING BENEFIT SIZE CRITERIA ON HOUSING ASSOCIATIONS

Name	Percentage of tenants affected	Impact on affected tenants' arrears
Larger		
Home Group	13.2	up but not much
Circle	21.8	up
Curo	7.4	up but not much
Riverside Group Ltd	11.6	up
Wakefield and District Housing Ltd	14.4	up
Orbit Group Ltd	7.5	up
Southern Housing Group limited	8.1	up
Smaller		
Sentinel HA Ltd	8.1	down
Octavia Housing	3.1	up
Cross Keys	7.3	stable
Watford Community Housing	6.1	up, though general arrears down
Knightstone HA Ltd	10.4	up
Cestria Community Housing	11.2	up
Golden Gates Housing Trust	13.8	up
South Yorkshire HA	16.3	up
Aspire Group Ltd	9.2	up

APPENDIX 5: HOUSING ORGANISATIONS REPRESENTED AT TENANT THINK TANKS (CHAPTER 4)

Landlord/Organisation	Location	Region
Affinity Sutton	London	London
Affinity Sutton	Cheshire	North West
Aspire Housing	Staffordshire	West Midlands
Berneslai Homes	Barnsley	Yorkshire & Humberside
Bloomsbury EMB	Birmingham	West Midlands
Bournville Village Trust	Birmingham	West Midlands
Chevin Housing Association	Filey	North East
Chevin Housing Association	Castleford	Yorkshire & Humberside
City West	Walkden	North West
City West Housing Trust	Manchester	North West
Coast and Country	Redcar	North East
Coast and Country	Teesville	North East
Cobalt Housing	Liverpool	North West
Crosby Housing Association	Liverpool	North West
Curo	Bath	South West
Derby Homes	Derby	East Midlands
East Riding of Yorkshire Council TP Forum	North Yorks	North East
Europia	Manchester	North West
Federation of North East Derbyshire Tenants and Residents	Chesterfield	East Midlands
Gentoo, Sunderland	Sunderland	North East
Golden Gates Housing Trust	Warrington	North West
GreenSquare Group	Oxford	South East
Guinness	Derby	East Midlands
Helena Partnerships	Liverpool	North West
Home Group	Whitby	North East
Home Group	Newcastle	North East

Landlord/Organisation	Location	Region
Hull City Council	Hull	Yorkshire & Humberside
Incommunities	Shipley	Yorkshire & Humberside
Islington Council	Islington	London
Joseph Rowntree Housing Trust	York	Yorkshire & Humberside
L&Q Housing Trust	Kent	South East
L&Q	London	London
Liverpool Housing Trust	Liverpool	North West
Moat Homes	Dartford	South East
Neighbourhood Investor	Liverpool	North West
New Longsight Housing Group	Manchester	North West
New Progress Housing Association	Leyland	North West
Nottingham Community Housing Association	Nottingham	East Midlands
Octavia	London	London
Orbit	Kent	South East
Parkway Green Housing Trust	Manchester	North West
Peabody	London	London
Places for People	Manchester	North West

APPENDIX 6: TENANT THINK TANK PROGRAMME AND SESSION NOTES

Programme

Tuesday 5 November

15.30–16.00	Registration and refreshments
16.00–16.30	Session 1: Getting to know each other and Trafford Hall
16.30–18.00	Session 2: What are the big issues in our places?
18.00–18.30	Free time
18.30–19.30	Dinner
19.30–21.00	Bonfire night quiz

Wednesday 6 November

07.00–09.00	Breakfast
09.00–09.15	Assemble in the ballroom
09.15–10.30	Session 1: What is welfare reform about? What is it doing to us?
10.30–11.00	Break and refreshments
11.00–12.15	Session 2: What problems do social landlords need to tackle? How much can social landlords really do?
12.15–13.15	Lunch
13.15–14.15	Session 3: Which residents are most vulnerable? How can communities help?
14.15–14.45	Break and refreshments
14.45–15.30	Session 4: What are the lessons from tenants' experiences?
15.30	End

Session notes

Session 1: What is welfare reform about? What is it doing to us?

- Introduction, questions and answers
- Individual task: pros and cons of previous welfare system
- Small group discussion:

-
- 1 What was wrong with the benefit system before the changes?
 - 2 Was the previous system fair?
 - 3 Did help go to any of the wrong people?
 - 4 Did welfare benefits help reduce poverty?

- Small group discussion:

- 1 Why did the government want to reform welfare?
- 2 What do you think of:
 - Universal credit and monthly payments
 - Direct payments of Housing Benefit
 - Housing Benefit size criteria
 - Council Tax
 - Disability payments
 - The work programme

Session 2: What problems do social landlords need to tackle? How much can social landlords really do? Which tenants are most vulnerable?

- Introduction, questions and answers
 - Small group exercise (pairs or in threes)
 - Small group discussions
- 1 How are landlords helping tenants?
 - 2 What are they doing differently?
 - 3 What more can they do given their financial constraints?
 - 4 Are other organisations helping for example, councils, churches, Citizen's Advice?

Session 3: How can communities help?

- Introduction, questions and answers
- Small group discussions
 - Is there a role for community groups; local advisers?
 - Is there a need for training?
 - What is the role of food banks and food parcels? And credit unions? And debt advice?
 - Can energy saving help?
 - Benefits process – getting advice
 - Assessments and interviews – who is helping?
 - What do you think you can do back in your communities?

Session 4: What are the lessons from tenants' experiences?

- Large group discussion about issues we have discussed
- Individual task: Write down your top three lessons
- Round-up of top ideas

APPENDIX 7: ADVANTAGES AND DISADVANTAGES OF THE OLD WELFARE SYSTEM

Tenants had high level of insight with regard to how the previous system worked, its advantages and disadvantages. There was far more clarity about the old system than the new one, currently being rolled out.

Understandably, people looked back on the familiar system far more kindly than the changes. Box A lists the many advantages tenants identified in the 'old welfare system'.

It is striking how benignly tenants now view a welfare system that was under increasing strain, was hampered by disincentives, and 'burdened' with steeply rising Housing Benefit costs. It fulfilled one crucial function – providing a safety net that people at the bottom could rely on for their basic needs and in emergencies. In spite of this, tenants identified many problems with the old system. Very often the disadvantages tenants identified were exact mirror opposites of the advantages. Many tenants were acutely aware of abuse and fraud, greatly upset by it and distressed that so little was done to combat it effectively. They were also highly critical of the weak support for and incentives to work, and its universality, saying it led to a 'one size fits all' approach, but they also praised its inclusivity and lower means testing. The disadvantages did not emerge nearly as strongly as the advantages however, in spite of some criticisms being sharp and pervasive, such as fraud and abuse. Box B summarises the disadvantages.

Box A: Advantages of 'old' welfare system

1. Advice

- Locally based people were there to help signpost you to local services.
- Advice was clear and available – there was more support.
- Staff knew the processes – workers enforcing the system were well informed and knowledgeable.
- Face to face contact made the system more personal.
- You had a direct number to call and an address to go to, to speak to a person – one-to-one, face-to-face help was normal.
- If benefit was overdue you could call in the office and speak to a human being.
- Talking to tenants made a difference.

2. Less stigma

- The system was more inclusive, and carried less stigma.
- It was a more relaxed claiming regime.
- Positive support was the default position – Jobsearch and sanctioning were less harassing.
- All citizens have rights – people felt they had a right to some benefits.
- There used to be a consensus – everybody supported welfare.
- We felt as if we were valued.
- Everyone got child benefit and it was more generous. More benefits were universal, and there was less means testing.
- Social security was universal – for everyone.

3. Fairer/less punitive

- It was fairer than the new system with fewer sanctions.
- There was honest engagement with disabled people.
- Tenants felt more secure and under less pressure because landlords weren't being capped. There was no cap on Housing Benefit and Council Tax.
- There was no Housing Benefit size criteria, so no discrimination against bedrooms.
- There was less pressure to take on low-pay, dead-end jobs.
- Doctors could access discretionary help.
- Indefinite awards could be made.
- If mistakes were made on any benefits you didn't lose all your money till it was sorted out.
- Housing Benefit paid rent without penalising tenants when circumstances changed.

4. Better understood /more accessible

- People had become used to Disability Living Allowance (DLA) and Employment Support Allowance (ESA).
- You didn't need a bank account or internet access.
- You could go to the Jobcentre when it was convenient.
- You received a letter to tell you what was happening with claim.
- The old system was more straightforward to understand what was possible.
- The old system worked for most people and they understood it – it was more flexible.

5. Support for work and training

- People were helped to find suitable work.
- Employers could not refuse disabled allowance based purely on physical disability.
- More schemes were available for young people, with qualifications at the end of it.

- There was more help to return to work.
- There was a top-up in benefit for lone mums when they started a new job.
- Students received Educational Maintenance Allowance (EMA) to help towards bus fares and costs at college.
- Retirement allowed the youngsters to get into work.
- People worked for a decent wage – these were reasonable wages.
- The system helped you into work without fear of being without money.
- It offered the opportunity to return to ‘normal work’ following trial periods.
- Jobs were easier to get in the past.
- There was less worry about how to pay for your children to go into further education.
- Your rent was paid direct to the landlord in full so you didn’t worry about Housing Benefit.

6. More generous system/supported vulnerable people

- Housing Benefit was more generous – paid on all property sizes.
- People managed to live on benefits – it provided a safety net.
- There was a grant for setting up house.
- You got sick and maternity pay, free school meals and milk; also a school clothing allowance.
- Child tax credits helped parents.
- The system recognised that benefits should allow more than basic survival – the law said people needed a certain amount of money to live on ‘their applicable amount’ to cover basic needs.
- Young people/adults in crisis had alternative support available.
- You only had to wait three days if you were out of work to claim.
- You could claim help for the things you needed and this was acceptable.
- Human rights were adhered to, and a sense of solidarity offered strong support for the weak and vulnerable.
- DSS would cover costs for residential and nursing home care.
- People could still eat and stay warm, and afford to live – you could feed yourself and family buying real, decent food.
- Long term sick people could get by with a more or less decent standard of living.
- Younger people could find help to get independence from abusive families.
- It supported lone parents and recognised their difficulties.
- You had the right to choose a home for your family.
- You had peace of mind that you could get help if you needed it for example, Disability Living Allowance, or other benefits.
- People could heat their homes – heating allowance was brought in for old age pensioners.
- Working tax credits and Council Tax Benefit helped.
- It was very anti-poverty focused and had benefits for most situations.
- It helped.

7. Legal advice

- There was funding for legal support and advice.
- We had legal aid to help us with claims and tribunals.

8. Crisis loans and Social Fund

- Social Fund loans were a back up for the needy – you could receive emergency help whereas now many are forced to use payday loans.
- Crisis loans were available wherever you lived, providing support.

- Social Funds helped with furniture and so on – it was implemented more fairly.
- There was also community help in the form of grants.

9. Weekly payments

- It is much harder to budget now because of uncertainties and longer gaps in knowing your position.
- Weekly budgeting is easier than monthly – this will raise big problems.

10. General

- The voluntary sector and other groups helped as they were involved.
- Health care was free.
- Getting a dole cheque direct was better than a bank transfer.
- The system allowed you to recover from sudden work changes.
- Housing subsidy went mainly to keeping rents lower so fewer people needed their rents subsidising.
- People could feel at home and call their houses home.
- The old system wasn't brilliant but at least it worked.

Box B: Disadvantages of 'old' welfare system

1. Open to abuse

- It was too easy to sign on and not look for work.
- Fraud was too easy and there's lots of it.
- There was too little control over who really needed help.
- Some benefits went to people who didn't need them.
- It was easier to claim social welfare than work for a living.
- Some – a minority – took advantage of the system and put in fake claims – though things had tightened up since the 1990s.
- The system could be abused easily.
- Doctors were not doing their jobs – they gave patients what they needed to claim disability.
- It was easy for people to exploit claims, for example, DLA, JSA.
- There were no strategies for managing people that were taking advantage of the system.
- Some people claimed benefit and went out to add jobs on the side

2. Not enough support for work

- There was less support for working claimants and the help was not proactive enough as regards helping people back to work.
- It did not encourage people to look for work.
- There was little incentive to move to low-paid work.
- It also didn't encourage the disabled into work

3. Dependence culture

- Risk of over-reliance on benefits.
- Lifelong benefits should only be given on confirmation of there being no chance of change.

4. Inaccessible

- Sometimes there were no local offices and claimants had to phone or go online.
- The system became too complex to understand, and too cumbersome and inflexible.
- There was too much paperwork to fill in and it didn't offer letters in helpful formats – for example, Braille.

5. Not generous enough

- Allowances were not generous enough.
- More and more benefits became more and more complicated.
- More help was becoming means tested.
- Giro's sometimes went 'missing' in post.
- Disability Living Allowance wasn't straightforward – some had to fight for it.

6. Disjointed delivery

- Different benefit claims were still dealt with by different departments.
- Many departments don't talk to one another – the system was far too disjointed.
- You had to wait for monies to reach you by post.
- You had to wait to be seen before you could make fresh claims or sort out problems.
- Sick pay could lead to over-claiming and then having to pay back.

7. Expensive for government

- There were no caps on amounts paid so it was very expensive for government.
- Child benefit was paid to everyone, no matter what their income.
- The welfare bill increased to an unmanageable scale.
- There were too many benefits.
- There was often a shortage of social rented housing.
- People still had to pay higher rents for private rented housing.

8. General

- Benefits could go to children who live abroad.
- No common sense – there was a one size fits all approach.
- Some people still needed their rents subsidising.
- Too many still fell through the safety net.

ACKNOWLEDGEMENTS

We want to thank all who have shared their knowledge and experience through LSE's Housing Plus programme to make this report possible, including the tenant participants in two special think tanks at Trafford Hall. We also thank HAILO and their member South West housing associations, the 16 regional housing associations. We thank the Joseph Rowntree Foundation, Higher Education Innovation Fund 5, and the Economic and Social Research Council for funding the work, and Trafford Hall for hosting the think tanks. Emma Glassey, Ben Grubb and Laura Lane were invaluable in their assistance with the preparation of the report, and we owe a debt of gratitude to Helen Williams who carried out some of the research for the survey of housing associations. We take full responsibility for any omission, mistakes or misunderstandings.

ABOUT THE AUTHORS

Anne Power is Professor of Social Policy at London School of Economics and Political Science (LSE) and head of LSE Housing and Communities. She has researched and written on low-income communities for over 30 years. She also advises the government on housing policy, neighbourhood renewal, urban regeneration and energy saving through reinvestment in existing homes and communities.

Bert Provan is a former senior researcher for the Department of Communities and Local Government where he was responsible for social exclusion, neighbourhood renewal and the Big Society. Bert is a senior researcher with LSE Housing and Communities and has been involved in many recent projects, including Bigger than Business with Orbit Group, Work and Welfare Reform with HAILO and the European study of cities for Fabrique. He was the lead author for a European Union collaboration project on the impact of housing investments supported by the European Regional Development Fund. Bert is a PhD graduate of LSE.

Eileen Herden graduated from the MSc in social policy at LSE in 2011, having specialised in social research methods and achieving a distinction for her dissertation on the private rented sector. Previously she worked for the German government in public policy, and studied for her undergraduate degree at the University of Wisconsin. Eileen conducts on-the-ground fieldwork and research for LSE Housing and Communities. She has worked with community groups in London and Milwaukee as a volunteer.

Nicola Serle is the project co-ordinator for LSE Housing and Communities with 15 years' experience of research project management, events organisation, report production and statistical analysis of data. Nicola was responsible for the documentation of the unique 10-year longitudinal study of families in low-income areas and assists in the analysis of our research, both qualitative and statistical. She achieved a distinction for her MSc in international housing and social change at LSE.

The Joseph Rowntree Foundation has supported this project as part of its programme of research and innovative development projects, which it hopes will be of value to policy makers, practitioners and service users. The facts presented and views expressed in this report are, however, those of the author[s] and not necessarily those of JRF.

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© London School of Economics and
Political Science 2014
First published 2014 by the Joseph
Rowntree Foundation
ISBN 978 1 90958 615 4 (PDF)
Typeset by Policy Press

Joseph Rowntree Foundation
The Homestead
40 Water End
York YO30 6WP
www.jrf.org.uk