

Real Life Reform Report 2

December 2013



real life
reform 

I have had to cut back where I can. I have no money. I sold lots of things from my home to pay off debts.

I hate debt and worked all my life but I really don't have anything else of value to sell to make ends meet, so I am living on nothing really

RLR Participant

We're reforming the welfare system to help more people to move into and progress in work, while supporting the most vulnerable.

DWP Policy Statement¹

¹<https://www.gov.uk/government/policies/simplifying-the-welfare-system-and-making-sure-work-pays>

Real Life Reform is tracking the impact of welfare reform on up to 100 households across the North through to 2015.

This is the second of six scheduled reports on how the households are responding to welfare reform and whether the reforms are achieving their ambition of getting people into work and to reduce public spending. This follows on from our first report published in September 2013. We have been able to identify some early emerging trends as well as give a summary of results from the second round of interviews, which all took place in October 2013.

Headlines

- ***Households spending less than £20 per week on food has increased from a quarter to a third***
- ***The number of people having no money left each week once bills have been paid is 51% - increased from 39% in July [round1]***
- ***The average spend on food per person per day is £2.10 - down from £3.27***
- ***Households are spending 16% more on gas and electricity***
- ***Households having to make debt repayments of more than £40 per week have doubled***
- ***The average level of debt per household is £2,273***
- ***33% of respondents now have council tax debt***
- ***83% of households think welfare reform changes will adversely impact on their health and wellbeing***
- ***86% think welfare reform will adversely affect shops and businesses in their neighbourhood – up from 68%***
- ***Increasing criticism of support received to help people access employment***



Contents:

5	Preface
6	A Facilitator's Experience
7	Real Life Reform: a brief recap
8	Real Life Reform: feedback on report one
9	1. Real Life Reform & Everyday Life how families are making decisions on finances, spending on food and fuel. Future spending plans and current debt levels.
14	2. Health & Wellbeing what issues, if any, are arising that impact on health and wellbeing?
16	3. Families & Neighbourhoods how are family and support networks managing? What impact, if any will there be on neighbourhood facilities?
20	4. Work Opportunities how are the households engaging with seeking work opportunities and how do you find support systems?
23	5. Coping & Concerns tracking how optimistic people feel about the future and what their primary worries are.
25	6. Who are our Real Life Reform households? how they are affected by welfare changes, their economic circumstances, family composition and health status.
26	7. Conclusions
27	8. What Next?
28	Appendix 1 - Other Related Research Recently Produced

“ I am able to pay the loans, but only because my mum pays one of them for me out of her pension. ”

“ Well, if my son came home and said that he wanted to go to college, university or do a course that cost money, we just couldn't do it. ”



Preface

Welcome to Real Life Reform Report two. The response to our first report in September was exceptional. We are grateful to everyone who read the report, supported the study, took part in social media discussions and raised awareness of the findings and the importance of carrying out this research.

This study is about the impact of welfare reform on households across the north and participants in round two rightly asked us what had happened as a result of their participation in round one. Our response has been that it has helped inform the actions, not only of our respective organisations but of many others who have read the report and used the study to help them formulate policies and make decisions. We also believe that the report has influenced debates, discussions and hopefully decisions at a macro level. At the very least, it has given the tenants of social housing the chance to be heard on this most important of issues and we thank them for their time and honesty.

Since the September report, we have been busy raising awareness of the impact of welfare reforms on real people and communities and the need to capture these experiences. We have been speaking at conferences; meeting with agencies outside of the housing sector; and ensuring the initial findings have been shared with as many people and organisations as possible. In particular, with support from others, we have been raising awareness with MPs and policy shapers and were invited to present to the All Party Parliamentary Group (APPG) for Housing in the North in November. The response to and support for the report has confirmed to us that this ambitious study is something of real value.

We would like to pay a special thanks to our followers on Twitter who have really helped generate such interest. @RealLifeReform has enabled us to take the real stories of real people to a global audience.

We also recognise that our facilitators are committed and professional colleagues who make this study possible by listening to and recording the experience and findings of our participants. One of the facilitators, Penny, shares her view and her experiences during the first six months of the study. Clearly the report is about people affected by welfare reform. However, we think that you will find it interesting to hear the views of one of our facilitators as their experiences replicate those of many front line staff.

Eighty-seven tenants participated in the second round of interviews in September, which is up from seventy-six. Twenty-five of the participants that took part in round one left the study leaving fifty-one that have participated in both rounds. We have, however, recruited a further thirty-six new participants. Where possible, we have tried to replace the households who have left the study with similar households. Through the report we have highlighted differences, where applicable, between those who have participated in the first and second round of the project and those 'new joiners' who have joined in round two. We are advised that this is an acceptable process.

Once again, we hope you will find the report useful to you, your organisation and to those who make decisions.

Andy Williams, LHT



I should preface this by saying that I'm not a frontline housing officer. My role as a communications manager means that I'm one step removed from the reality of daily life in social housing. One of the reasons I wanted to get involved in the Real Life Reform project was to get a clearer picture of how people are being affected by the reforms that I spend a great deal of time telling them about. My other reasons were entirely personal – when my family lost everything in the 1980s, social housing and the benefits system enabled us to start rebuilding our lives. Personally and professionally, this is a subject I care deeply about.

The people I've talked to during this project don't match the stereotype of social housing tenants on benefits. They don't drink or smoke; they work in skilled but low paid roles; run thriving voluntary groups; have children who are in the top streams at school, studying at the best universities or working to provide for their own children. They are dignified and private people who want to shield their loved ones from their problems and make meaningful contributions to their families and communities. However, they are desperately worried about how they will pay their most basic bills as they sink deeper into debt; they are concerned about how their families are being affected; they are now having to make the choice between heating and eating; and most telling, they have given up hope of being happy. And because the people I've met also suffer from serious ill health or disability, none of them can see a way out of their current situation – they physically cannot do any more than they are already doing and feel tremendously guilty for not being able to do so.

Years in academia have taught me how to carry out interviews and remain impartial, but I have been profoundly moved by the stories I have heard, especially during the second round of interviews when worries about the most basic human needs of eating and staying warm have dominated. I have also felt completely powerless at times. But that's why I work in social housing – because through the huge variety of work that we do – whether it's direct engagement with individuals and communities or behind the scenes service development and projects like this one – our sector strives to make a positive difference to people's lives.

Penny Allison, Kirklees Neighbourhood Housing



Real Life Reform: a brief recap

“A system that was originally designed to support the poorest in society is now trapping them in the very condition it was supposed to alleviate.”

Iain Duncan Smith, May 2010

The Welfare Reform Act 2013 introduced a series of radical changes to the UK welfare system. The government is seeking to ensure that “work pays” and to bring about savings to public spending.

Real Life Reform is tracking the impact of welfare reform across a cohort of 70-100 representative social housing households across the north. They share their experience of welfare reforms, including how they are responding to the “welfare to work” campaign and how the changes are impacting on them and their household, including financial circumstances, spending decisions, health and wellbeing, and impact on family, as well as the wider neighbourhood and work opportunities.

Using a series of semi-structured interviews, the research captures information and the impact of the changes on them. In total, six study visits will be completed over 18 months.

The interviews are collated, analysed and published in a quarterly report detailing trends and experiences.

The research study sets out in its original remit to:

- Share and compare household experiences
- Demonstrate where welfare reform is achieving its goals
- Highlight any unintended consequences of the changes on people and communities
- Be used to raise awareness
- Be used to help influence the strategic direction of organisations and provide an evidence base for these decision-making processes
- Be used to support and develop front line staff that manage and respond to the issues associated with welfare reform
- Explore peoples’ experience of accessing employment

This is the second report from Real Life Reform. The study visits took place in October 2013, six months after the introduction of the “spare room subsidy” or “bedroom tax”, after council tax benefit changes and other welfare reforms. The third report is due in March 2014 and a full study brief and research methodology is available on request. Quotations contained in this report are reproduced verbatim.



Real Life Reform: feedback on report one

“Real Life Reform can play a role and evidence that public judgements are formed more by stories/experiences than stats /evidence”

Ipsos Mori

“essential reading”

Julia Unwin CEO of the Joseph Roundtree Foundation

“I now feel that I am not alone, I could tell you some stories of my very own battles to try and survive in this life”

“it accurately tells what is being experienced by tenants and gives social housing tenants a voice”

Michelle Reid CEO of TPAS

“This is real. The findings reflect what we are seeing and experiencing every day.”

“It’s important that this is shared and people start to listen and take notice”

TPAS Conference participants

The Archbishop of York referenced Real Life Reform in articles for the Yorkshire Post, highlighting that it shows

“the [negative] impact of the changes to the welfare system on social housing tenants”

He went on to reference comments made by study participants about how difficult it is to afford to feed their family.



1. Real Life Reform & Everyday Life

In Round 2 we asked the same questions about Everyday Life as we did in Round 1 to help us track peoples' spending habits, choices being made, and to fully appreciate the impact of welfare reforms. In order to better understand the experience and journey in some areas, we asked more detailed questions. For example, we now ask questions around what constitutes the weekly household spend, separate to food, and choices being made on fuel and heating costs.

This section clearly indicates that in the 3 months since the first report, the reality of everyday life has got tougher. Households are still showing resilience and trying to cope but have less money to spend; have less money if any left each week; are spending less on food and are not spending what is needed to heat their homes. Debts continue to be a real worry and there has been a significant increase in people planning to borrow more money. This is all in October and before the winter months, where expenditure is expected to be higher.

We asked participants to tell us what their "priority payments" are each week and the top 5 responses were:

Priority Payment		Percentage (%)
1.	Fuel	85%
2.	Food	35%
3.	Other Bills	24%
4.	Rent	24%
5.	Council Tax	14%

Fuel stands out as a high priority payment. This reflects the increased demand for fuel and heating in October and reflects concerns over their future spend. For those participants who had completed both studies, it showed that twice as many people viewed "Fuel" as a priority payment in round 2 compared to round one.

There was a slight drop in people saying rent was a priority payment, although this was on a par with other bills. The comments we received clearly show that people are grappling with a number of priority payments and bills and making tough choices.

Council tax was one of the biggest changes with 14% of households now viewing this as a priority debt compared to only 1.4% in round one. This reflects the number of people who have fallen into council tax arrears and comments received about local authority action to recover the debt suggests that some households are having to adjust to the changes introduced in April 2013.

"I didn't have any debt prior to this so this is stressing me out. I thought I was going over the edge a couple of weeks ago and went to see my doctor."



Money Left Each Week

In the space of 3 months, it's become very clear that our participating households are increasingly struggling financially.

One in three participants tell us that the money they have left after bills has reduced since July and 73% say that their benefit or income changes have affected the type of thing they spend their money on.

The average amount of money participating households have left each week after paying bills and food is now £4.79 compared to £12.50 in July.

This £7.71 weekly reduction can easily be seen in the increased average spend on fuel (£4.07 extra per week) and increase in debt repayments (£3.61 extra per week). The reduction in money left each week is despite reduced spending on food.

£4.79

Average amount of money left each week per household after paying bills and food

73%

say that the welfare reforms have affected the type of thing they spend their money on

“ I already can't afford to feed myself properly so will just be worse. I get upset, angry, depressed.

I'm being much more careful in the supermarket about what I buy. I buy more and more own brands as they are cheaper

I no longer buy meat for meals because it's too expensive. ”

Food Spending

In Round 1 people expressed concern about coping on reduced budgets and how this would impact on their food spending. Round two shows some significant changes. The average spend per household is now £32.94 per week.

As the participant households vary in size, average spend is also calculated on food spend per person per day. This has reduced by 36%, with the average spend now being £2.10 per person per day. This equates to £1.17 per person per day less being spent on food since July.

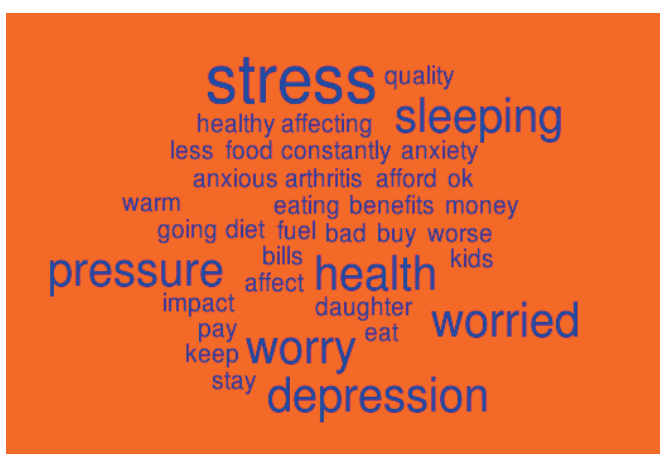
“ We don't have breakfast and dinner now. We have one meal a day. We've been doing that for about two months and we've got used to it. ”



Nearly three quarters of all households (72%) are spending less than £40 a week on food. At the beginning of this study it was 63%. The number of participants spending less than £20 per week on food has increased from a quarter to a third.

Based on the English House Survey that shows the average weekly income for social housing customers in the North of England as £265 per week, this indicates that the participants are spending only 12% of their income on food.

In round 2, we introduced a new question to better understand the amount spent on weekly shopping. On average, participating households spend £40.20 per week on shopping of which £32.94 is on food. This left an average of only £7.26 per week per household being spent on other household and personal items including toiletries, cleaning materials, nappies, washing powder & other such items.



The study also shows that there are changes in shopping habits with more participants giving examples of buying lower quality food that is cheaper. It was clear that many households are eating less fresh fruit and vegetables and meat or fish. In addition to changing their shopping habits and spending less per week on food, the study also shows there has been an increase in people shopping in supermarkets, with 69% now using supermarkets compared to 51% in July.

The report also suggests that there has been a reduction in people using local shops or a combination including local shops. Only 13% of households say they are using local shops, a 57% reduction from round 1. This appears to be driven by the high costs of food locally, although for some the cost of transport to the supermarket prevents them from attending.

This will be explored more in round 3 but whatever the reason, it is already impacting on local neighbourhoods.

£32.94

average weekly
amount spent on
food

22%

reduction since
July 2013

£2.10

average daily
amount spent on
food per person

72%

spent less than
£40 per week on
food

this was

63%

in report 1

I suffer from diabetes and sometimes I am not able to buy enough food.

A few months ago I went into a hypo because I had not eaten enough. I went unconscious.... there are no positives



Fuel Spending

The average weekly spend on fuel, including gas & electricity, has increased by 16% and in October was averaging £30.07 per participating household. This means since July, participating households have on average have to find £4 per week more to pay for their increased fuel consumption.

The average spend on fuel per day has increased by 11% and is now £2.18 per person per day.

And this is only October. We expect the average fuel consumption to go up in Round 3, being completed in January. However, with an average of only £4.79 left per week after bills, how households will cover this anticipated increase in spending is a concern.

Early trends in round two are indicating that whilst people may want or prefer to increase their usage, they cannot afford to. Many participating households are already making tough choices not to heat their homes or use fuel to cook food. 24% of participants said they had actually reduced their spending on fuel since July. 48% had seen no change and only 28% said they had increased their spend at a time when we expected spend to increase.

£30.07 per week equates to an average annual household bill of £1563. The study was expecting bills to increase during round 2 and round 3 to an annual average exceeding £2600 or £50 per week. The increase in one quarter has only been £4 per week. Affordability has worsened and, as the results show, participants are unlikely to find the required £20 per week extra to maintain average heating consumption, given that this is four times more than the average money left at the end of each week.

16%

Increase in fuel costs

£2.18

Per person per day is spent on fuel

“I won't be able to afford to put the heating on and this will affect my children's health as they have asthma.”

Household debt

73.6% of participants are now in debt, averaging £2273 per household. This shows a slight reduction from round one where 81% said they were in debt. Despite average weekly debt payments of £21.82, 53% of households report that their levels of debt have remained the same and the average debt has reduced by only £15 per household over a period of 13 weeks, despite an average of £280 expected to be paid since the last report. This potentially illustrates higher borrowing costs and also indicates a perpetual cycle of borrowing which is reflected in participants' comments on how they are coping or managing their finances.

There has been an increase in the number of people owing money on council tax, with one in three households having a council tax debt. In report one, less than 2% identified council tax as a priority debt and this has now risen to 14%. In addition, 27% of participants are in debt with household bills; almost 17% are in debt to the bank, and 10.1% to their credit card company.

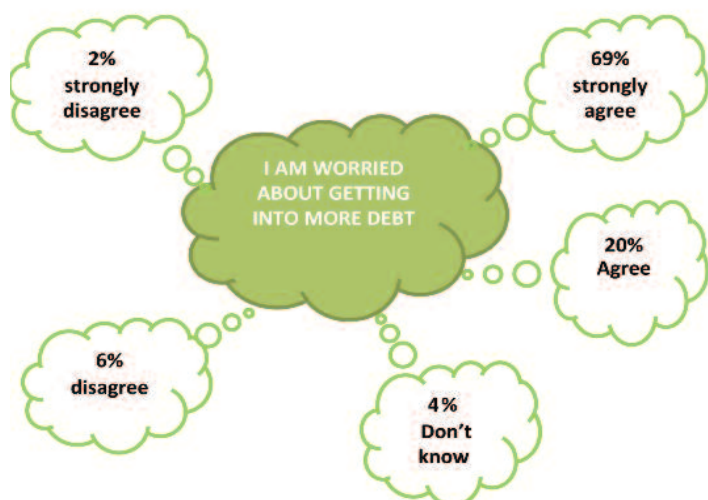
1 in 3

Have a council tax debt

43%

Have debts up to £1,000





89%

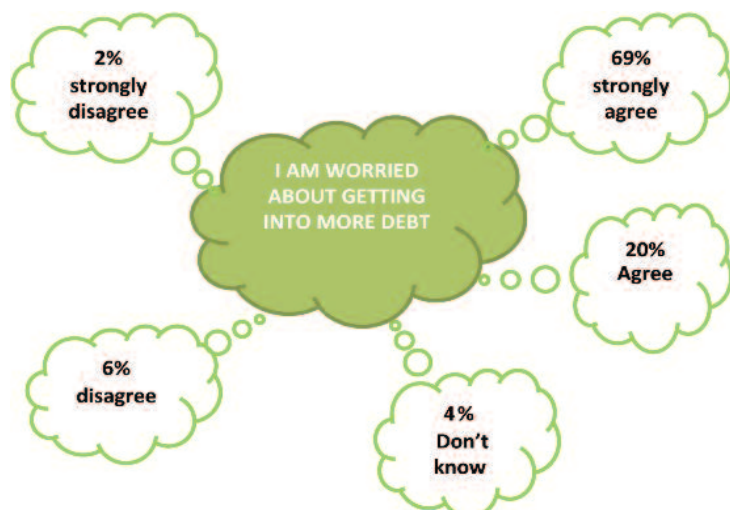
are worried
about debt

this was

83%

in report 1

Our findings show that participants are increasingly worried about debt but are preparing to borrow more money. In answer to the question “**are you worried about getting into more debt?**” the responses indicated that the figure has risen to 89% from 83% in report one. This correlates to the response to the question “**are you planning to borrow more money?**”. Last time 63% said they weren’t intending to borrow more money but in this round it had fallen to 55%. This suggests that people are thinking again about how they can afford to maintain their household costs.



55%

don't plan to
borrow money

this was

63%

in report 1

12.2% of participants owe money to a pay day lender or loan shark and they shared their experiences of managing debt, highlighting how they choose who to pay and when.

There is also evidence of resilience within communities. 16% of participants confirmed they owe money to relatives and friends. Anecdotal evidence and examples show that people are coping through support from friends and family, including meals being provided and loan repayments being made by loved-ones, often parents, in receipt of pension benefits.

12.2%

owe money to a
pay day lender

Levels of debt

Whilst the average debt per household is £2,273 - a marginal reduction from round one when it was £2,418 - 43% of participants now have debts up to £1,000, which is a 23% increase since the first report. There has been an increase from a fifth to a quarter of households owing up to £500. This is reflected in experiences where people are borrowing small sums to supplement their weekly outgoings.

Observations

It is clear from round 2 that people are really struggling to make ends meet. Spend on food has reduced with cheaper quality or processed food being bought, but there are more and more examples of people making decisions not to eat or being reliant on others to cope. There are some strong examples of resilience with neighbours supporting one another.

Fuel costs have increased but not at the expected average level and of concern is the number of households reducing their fuel costs at a time when they need to increase them. We will explore this in more detail in round three and in 2014 track whether recent announcements on energy bills makes any difference to the participating households.

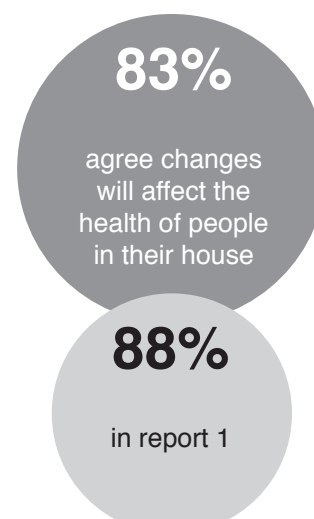
People are already making some tough choices and others have no choice. This is already revealing a strain on health and wellbeing and increasing concerns of getting into more debt. The safety net is marginal in many cases and there is worry about how households will cope over the next few months. This is being closely monitored.

2. Health & Wellbeing

It was apparent from Report 1 that people were not only concerned about future impact of welfare reform on their health and wellbeing, but they also gave examples and accounts of how this was actually starting to happen.

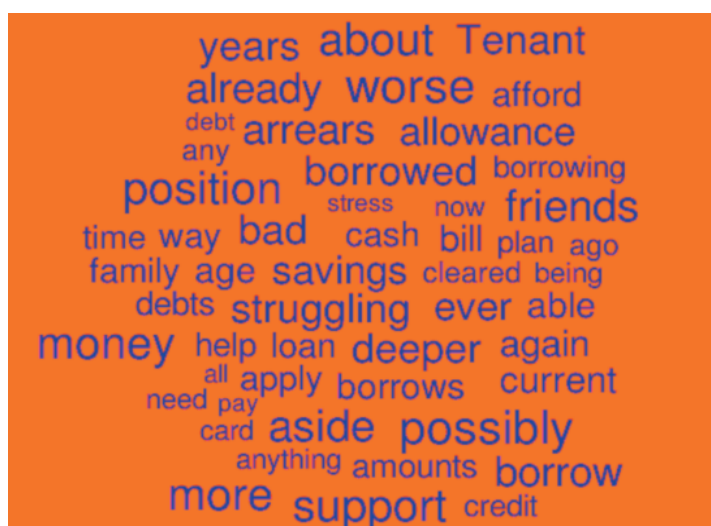
Some people left the study between round 1 and round 2. Anecdotally, the majority of tenants who left the study did so because they were finding their situation too stressful and were worried about their health or of that of someone in their family. We are now capturing information on why people are leaving the study but our hope is to retain membership wherever possible. One participant said in this round of visits: *"I'm sick of talking about it and I've submitted my diary sheets to my housing officer – whilst I've been writing down my feelings it's actually been making me feel more depressed"*.

In response to being asked whether **"the benefit changes will affect the health of people in my house"** 83% of all participants feel that welfare reform changes are having a negative impact on their health and well-being, which is marginally down from 88% in report one.



In round one, we reported that it would be useful to share the research and its results with GPs, Hospitals, Health & Wellbeing Boards etc so that they can anticipate and start to respond to any issues that might emerge, as well as use the information to help inform debates and reforms. This has and continues to happen. The longitudinal element of this study, along with real examples where there has been a proven impact on health and wellbeing, will further strengthen this relationship and evidence base for them to use when planning services.

On a positive note, the number of people from the original cohort who feel welfare reform will not have any negative impact on their health and well-being rose from 6.8% to 11%



In this section, we received an enormous amount of qualitative data and comments. It is apparent from the overall intensity of the language used by participants that there has been an increase in terms of concern and worry about what welfare reform might mean for them and their family. Words that featured heavily during this part of the interviews included health, depressed, food, worry, stress, stressed and worried. People are genuinely worried about their situation and the impact it is having on them, their mental health and that of their household.

Observations

Concern about health and wellbeing continues to be a strong theme emerging from the research. What is clear is that many of the participants are identifying that welfare reform is not just impacting upon them but having a broader impact on their families, support networks, neighbours and the neighbourhood.

The ripple effects of lower incomes are starting to surface and we suspect that this will manifest itself in more demand and pressures on the health sector as the levels of stress rise; dietary issues emerge as people cut back on food, and concern at reducing spend on heating during the winter months which could result in health related illnesses.

Report one suggested a strong correlation between levels of income and health and well-being. This second report confirms that position and re-iterates the need not only for housing and health to work together but for policy makers to more deeply understand the relationship between the two sectors.

The facilitators expressed genuine concern about the extent and frequency of comments made about mental health deteriorating.



3. Families & Neighbourhoods

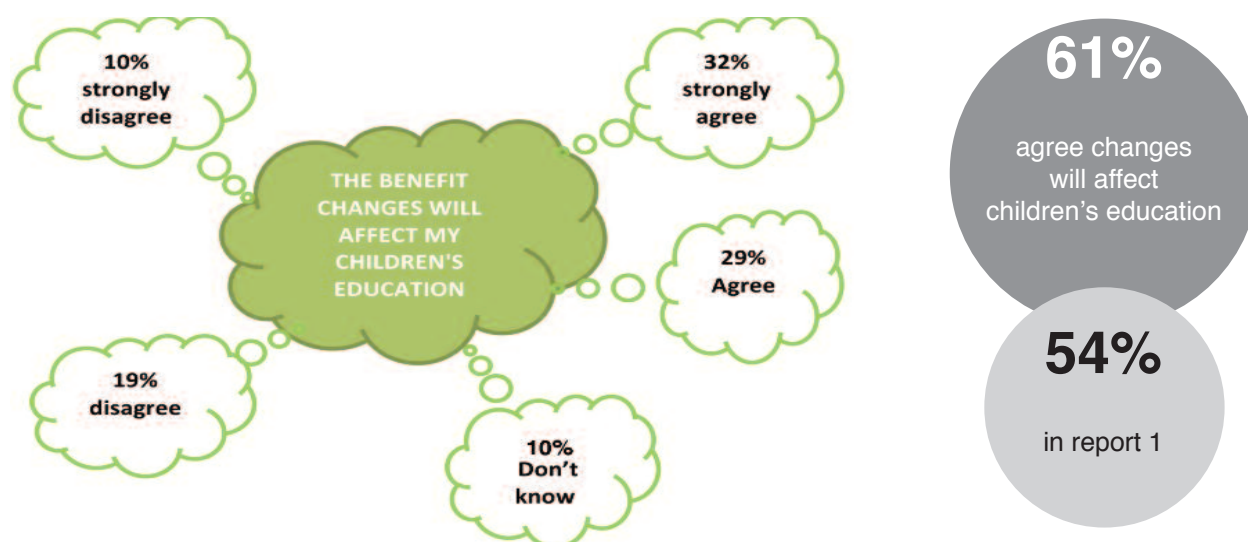
One of the report's objectives was to give an indication of how participants feel the changes are impacting – positively or negatively – on their families, neighbourhoods and local shops.

Report 2 suggests that the participants are now starting to see the impact of welfare reform, with many of the participants “strongly agreeing” to the questions in this section. Their stories reflect what they are experiencing to support this increasing concern.

Impact on Families

Whilst respondents reported concerns about their own health and wellbeing, many also raised concerns about the impact on their children and wider family networks.

In answer to the question, “**will the benefit changes affect your children’s education?**” we were told:



61% fear that benefit changes will affect their children’s education, compared with 54% in round one. As reported in round one, the percentages are not as high as for participants’ own health and well-being but that is in part a reflection of the apparent determination and resilience not to let the changes impact negatively on their children.





They aren't starving but my daughter needs a new school jumper, winter coat and shoes. I can't afford to buy a final year school photo and feel devastated. She doesn't have any games consoles, and can't afford to go on school trips and outings.

Some of my daughter's friends are well off. I am worried that she can't buy nice presents for birthdays or buy clothes for my daughter to wear to parties – or even get her to the parties. I am worried about the impact this is having on my daughter, though she never complains, but it does make you feel really crap.



Impact on Neighbourhoods

As we highlighted in the first report, the potential impact of benefit changes runs much wider, with 76% of participants highlighting concerns about the impact on their neighbourhoods – both in terms of its appearance and antisocial behaviour. People were also worried about the strength of their support networks. When asked the same question “**will the benefit changes impact on my neighbourhood?**” participants reported that their level of concern had risen to 88% from 76%.



88%

Agree that changes will impact on their neighbourhoods

76%

in report 1

It should be noted that 9 out of 10 first time participants in the study expressed real concern for their neighbourhood, while the level of concern expressed by retained participants rose from 76% to 85%. In the first report, we highlighted the concern that crime and anti-social behaviour will increase and the comments back from participants this time clearly indicate that this concern continues to rise.



If people are struggling like we are then, yes, I see more crime.

There have been five robberies in this area in the last week. The police have been to my house to warn me about it.



The more that people get into debt, the less they spend on their homes. I reckon it could become a run down area.



Local Shops

When asked the question whether “**the benefit changes will affect my local shops and businesses**” we saw the following response:



It revealed one of the biggest changes in results from the two rounds of interviews, with 86% expressing concern about local shops, compared to 68% in round one.

Further analysis shows that for participants who took part in both round 1 and round 2, the change is even more marked, rising from 68% to 93%, which suggests that people are recognising that there is more pressure on them and their local economy. This is supported by quotes and comments from the participants.

“The more people are getting into debt the less they spend in their local shops. I can see people being laid off from local shops.

One of them around the corner closed down a while back.”

“People are buying less.

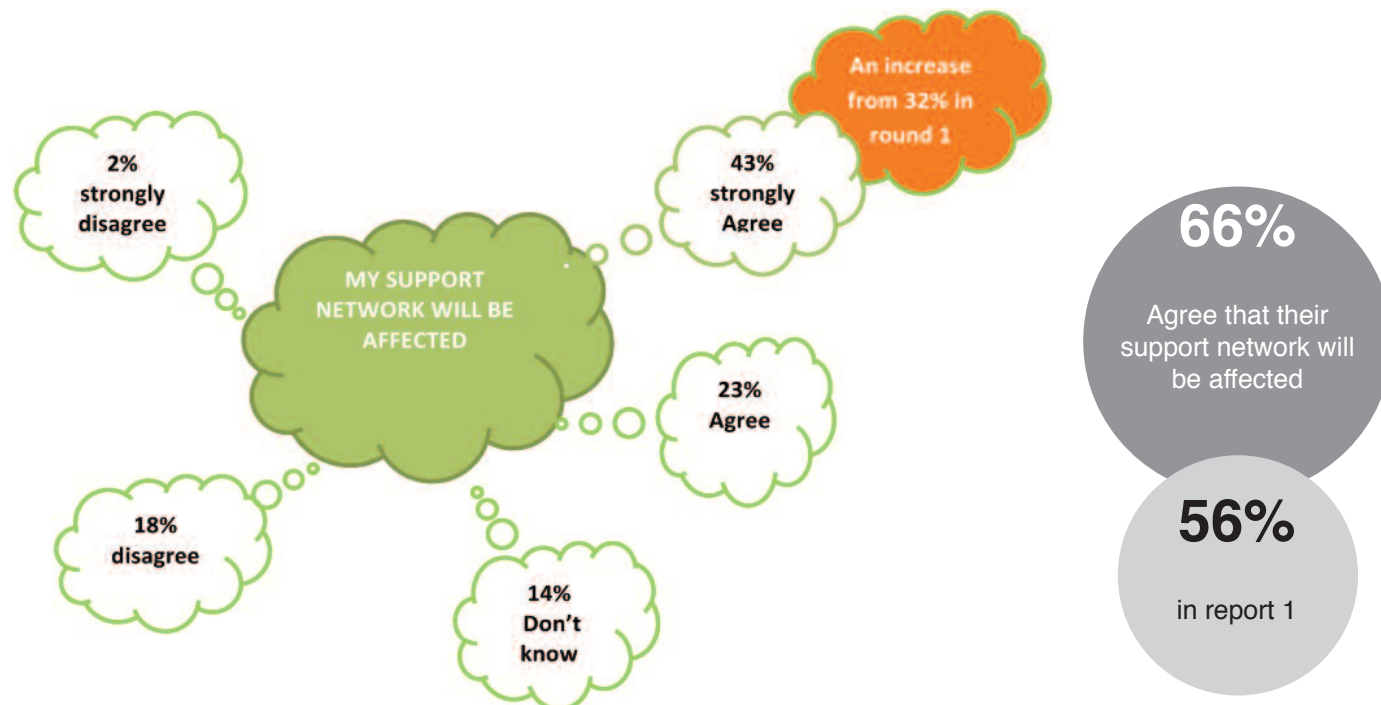
They have less money and there are more food banks helping people.

That will affect small businesses as people are not spending money or going shopping.”



Support Networks

A similar picture starts to emerge with people's support networks. In response to being asked whether **"My support network will be affected by welfare changes"** the percentage of people stating it will have a negative impact rose from 56% to 66%, an increase of 10%.



For new participants to the survey, this concern was highest at 71% and for retained study participants it was at 62%. As in the first report, it is the comments from the participants that show that people are attempting to be resilient and creative about how they support and help one another, but the underlying tone is one of having less and feeling under stress to "make ends meet" or to "keep your heads above water".

“My neighbour is in the same situation as me and has no money. I have neighbours who will cook extra and bring a meal round for me; they sometimes drop a bag of shopping off at the front door.”

“A group of us mums share the cost of a Sunday roast, and we take it in turns to cook in each other's houses each week. It splits the cost and we know the kids are getting some decent food.”

Observations

This report shows that families continue to share the burden arising from welfare reform using some resilient and creative approaches, such as the sharing of the Sunday roast, however is that a long lasting solution?

Several participants have identified in this round of visits an increasing recognition of and concern about local shops and associated economic activity. Local shops are often the life blood of a neighbourhood and their success is essential to the local economy. This will be something to monitor during the course of this study.

Participants are also identifying an increasing concern with crime and the fear of crime. The narrative from participants suggested that this was on the increase – although this study recognises that we have not cross referenced with local police statistics, but we will share the findings with Police Commissioners where possible.



4. Work Opportunities

One of the principal drivers behind welfare reform was to support more people into work, or into better paid work. As Lord Freud said in July 2013, he wanted to create a welfare system that was fit for 21st century:

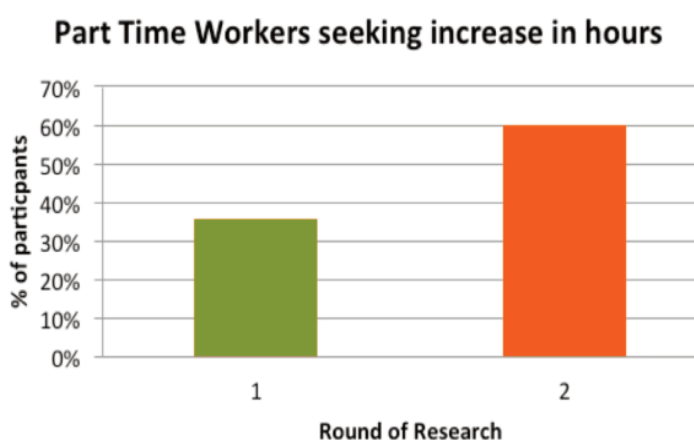
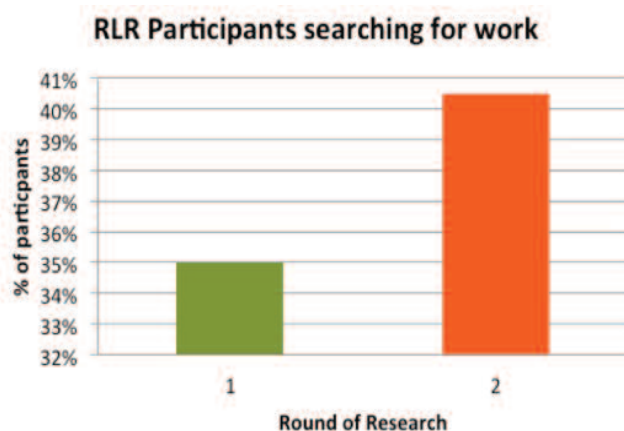
“One (welfare system) that has incentives for people to get into work and increase their hours that is fair to the people who use it, and fair for the taxpayer who pays for it.”

Lord Freud, July 2013

Real Life Reform tracks how participants are responding to incentives to get into work and increase their hours. The research also explores participants' views as to how effective agencies such as Job Centre Plus are and identifies any barriers to employment.

In this second round of interviews we have included further questions on employment, including, for example, details on the number of jobs applied for. As some of these elements were not included in the first round, we cannot give a retrospective analysis of trends but these will be included moving forward.

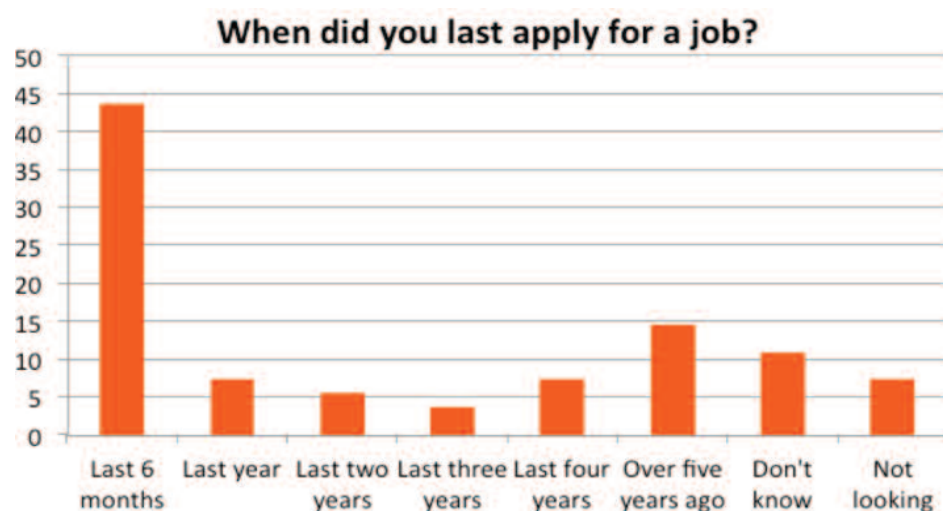
Looking for work



We see a higher percentage of Real Life Reform participants searching for work in the October study than our baseline in the summer. The reasons for this are not known but we are also aware that there was a decrease in the percentage of people who are working, reduced from 28% to 23%, as a result of new joiners to the survey and some churn in participant numbers.

Interestingly, we have seen a significant increase in those people who are in part time work (which accounts for the majority of in-work participants) who are now seeking to increase their hours. Given one of the intentions behind welfare reform was to encourage people into work, it may be that such an increase in people already in work looking to increase their hours is a positive response to the policy. In future versions of the research we will track how successful participants have been in increasing their hours. Alternatively, people might be looking to increase their hours of work as a way to avoid the poverty trap.





40

Average number of applications per person looking for work since July

Although we have seen an increase in the percentage of participants looking for work, this has not yet translated into significant levels of success in gaining new (or more) employment. However, the evidence from the research suggests that participants are active in their work searches and in Round 3 we will look to explore evidence regarding the impact of sanctions.

50% of participants looking for work have applied for at least one job in the past year, the vast majority of whom have applied in the last 6 months.

“The work programme just isn't working, it just ticks boxes and pretends that it is solving a problem. Bring back the future jobs fund, it gave real opportunities to people.”

“I'm happy to deal with the benefits agency but specific people don't give a monkey's and make me feel like a scrounger.

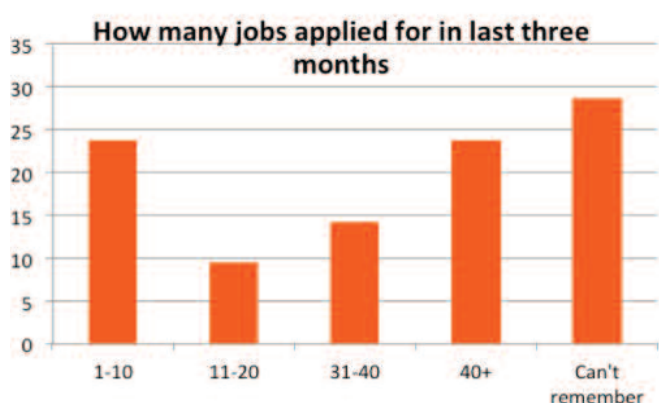
There is no sympathy there at all.”

It is also clear from the responses that participants are applying for multiple jobs, even with this level of activity and commitment from households, with 24% of active job search participants applying for 40 or more jobs in the past three months, 70% of applicants are not making it to interview stage.

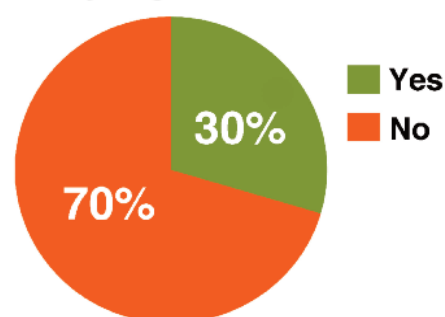


“Although they have been good in signposting me to grants that are available to help me with my business, I hate going to the job centre... I find that the security guards are quite intimidating; they are quite scary when they come up to you in twos... There is no dignity in it at all. I hate having to broadcast my details in front of everybody.”

“Stressed out, depressed, frustrated and angry, banging my head against a brick wall. They don't listen or answer any of my questions. They lose paperwork or don't send paperwork, and they have an attitude and are judgemental.”



Did you get an interview?



Participants in the study were asked if they could do with more support in getting into work. 37% advised they would welcome additional support – an increase from the baseline survey which reported 26%. It may be that as participants are increasingly looking for and failing to get work, that they have identified the need for additional support. This support could come from a wide range of agencies including Job Centre Plus, their landlords, voluntary and third sector organisations plus wider community and family networks.

However, there appears to be strong criticism of the support provided by the Job Centre and wider benefit support staff, echoing comments made in the first round. Some common themes from respondents include a sense that the “system” is inflexible, that they as claimants are stigmatised for being there, and a sense of dread and despair when engaging with benefits/Job Centre Plus.

Observations

In this round of interviews, we have collected more data on employment issues, including details on how frequently participants are applying for work and how many jobs they have applied for since the summer. This data suggests that many participants are very active in their job searches but this is not easily translating into either new employment or increased hours.

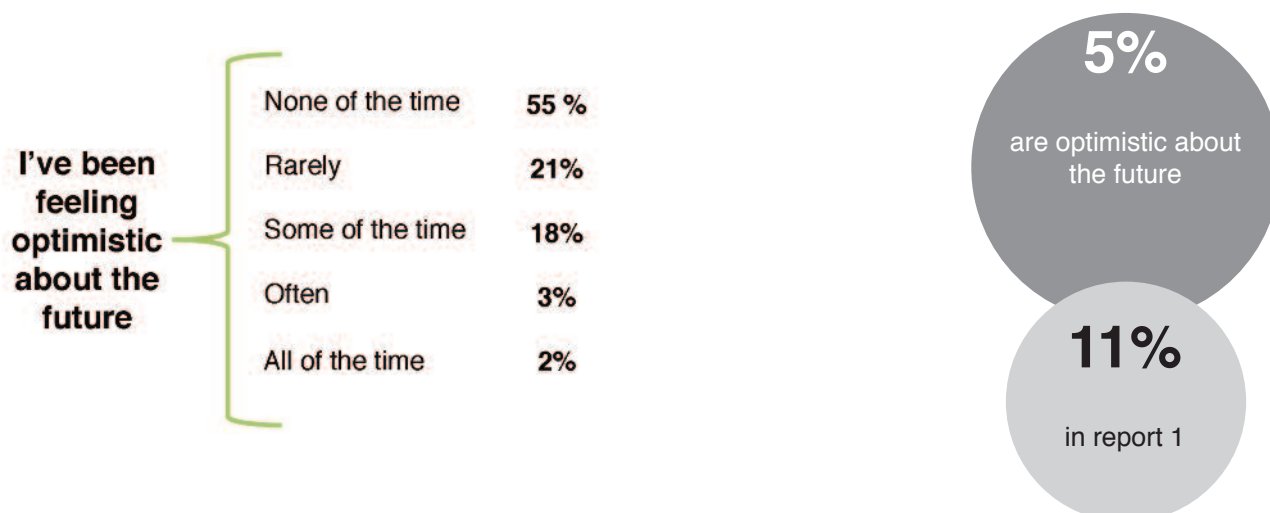
Those people who are looking to increase their hours are reporting concern that this will actually leave them worse off due to the benefit changes. Whilst the advent of Universal Credit is aimed at reducing this disincentive, participants remain “in limbo” and are also reporting concerns about the wider roll out of Universal Credit.

Of significant concern is the apparently poor relationship between benefit support staff and job centre advice staff and job seekers. We will be meeting with DWP regional officials to identify how housing providers and job centre systems can better support often vulnerable customers.



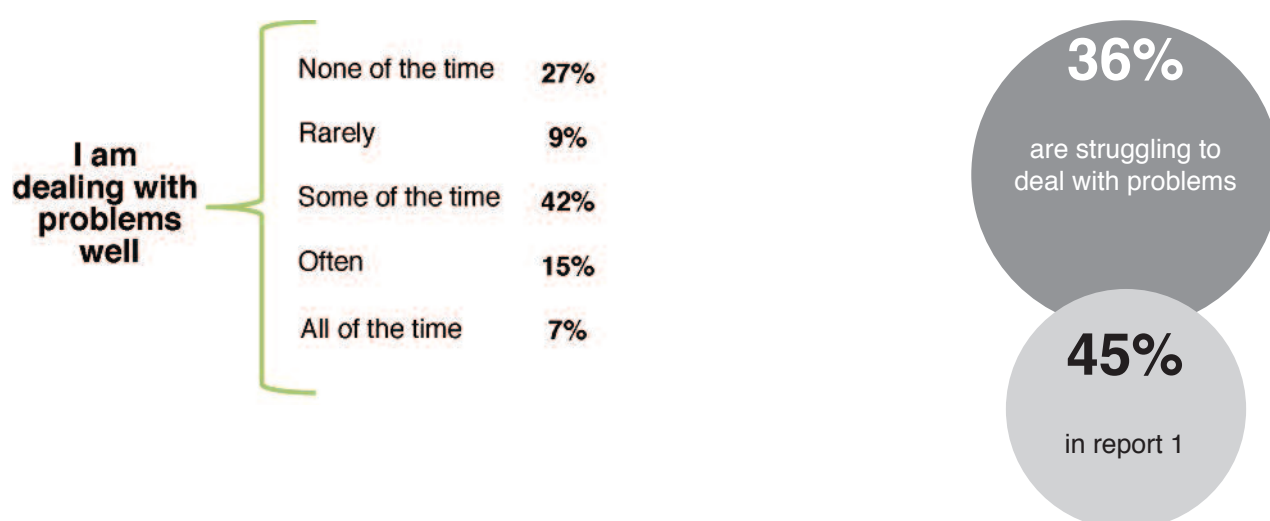
5. Coping and Concerns

Real Life Reform attempts to track how our participants are feeling about their lives and how able they feel to manage the situations they face. Each quarter we ask a series of questions including how optimistic people feel, whether they can manage any problems they're experiencing; whether they are feeling supported.

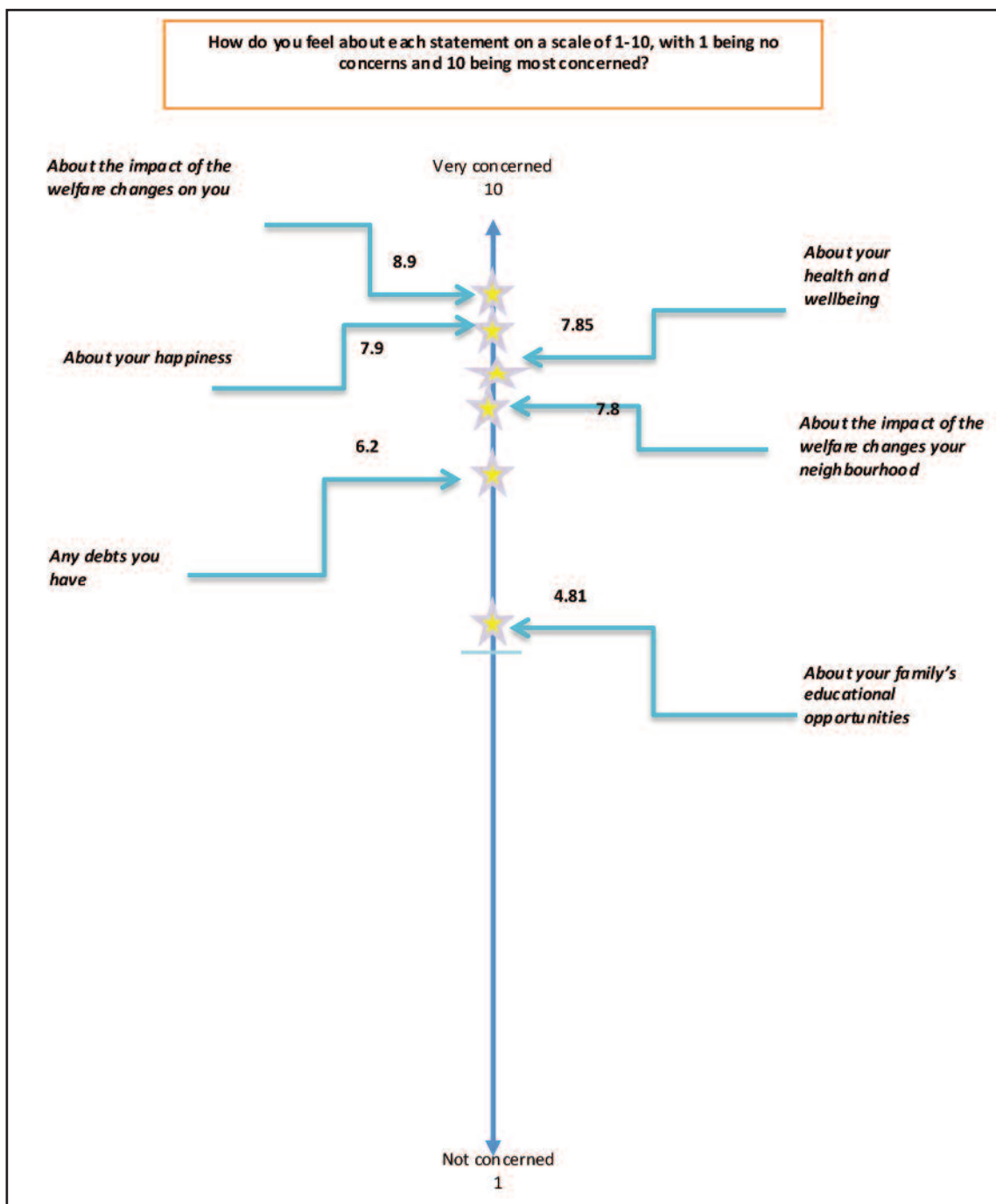


In our baseline study in the summer, participants were more optimistic than they are now. 40% of participants told us in the summer that they felt optimistic “none” of the time and this has now increased significantly to 55%. At the other end of the spectrum, in the summer 11% of participants felt they were optimistic about the future. This has now reduced to just 5%. Elsewhere in the research we consider how participants consider themselves to be “stressed” or “depressed”, often severely so. It is therefore perhaps unsurprising, albeit very concerning, that optimism scores so lowly in this round.

We have not seen increases in people feeling unable to deal with problems. However over a quarter of our households are still reporting that they feel they are never able to deal with problems well.



The study also tracks how people feel on a scale of 1-10 (with 1 being no concerns and 10 being most concerned) to assess levels of concerns. This second report shows that scores for two of the six areas (Impact of welfare changes on you and on your neighbourhood) have the same or higher scores than in the first report. The other areas have all decreased which suggests a slight improvement in how people are feeling since the first round of interviews.



Observations

Participants' ability to deal with problems, to think clearly and their level of optimism for the future may well be influenced by the level of support they feel they are receiving. It is this category that shows the most positive results when comparing rounds one and two of Real Life Reform. In our first study, 25% of participants felt they were supported none of the time; this has now fallen to 20%. Similarly we have seen an increase in those reporting they are supported, up from 7% to 12%.



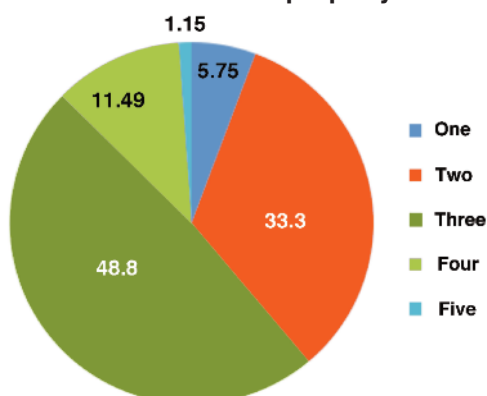
6. Who are our Real Life Reform households?

In our first report we compared the households participating in the research with the national and northern profiles for social housing customers. Broadly our participants reflected these pictures and continue to do so.

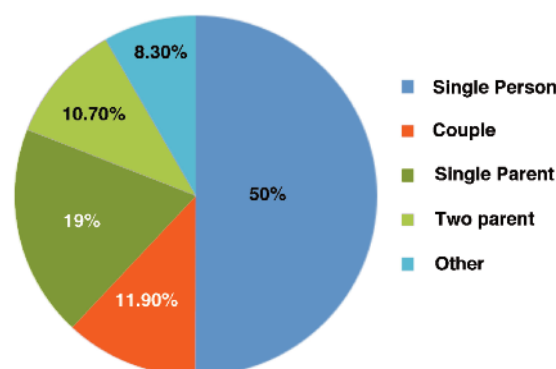
Some of our participants have had to leave the research between round 1 and round 2. Although we have managed to recruit newcomers, this has slightly changed the profile of our participants. In particular we have seen an increase in people with a disability, which we feel is beneficial for the purposes of this study as it provides us with an opportunity to explore how changes in disability-related welfare support systems are impacting on the day-to-day lives of our participants.

The data on bedroom size and household composition demonstrates an imbalance in terms of the changes to under occupation in the social housing sector. This study is not focussed on the “spare room subsidy/bedroom tax” as Real Life Reform explores all facets of the welfare reforms.

Number of bedrooms in the property



Household Composition

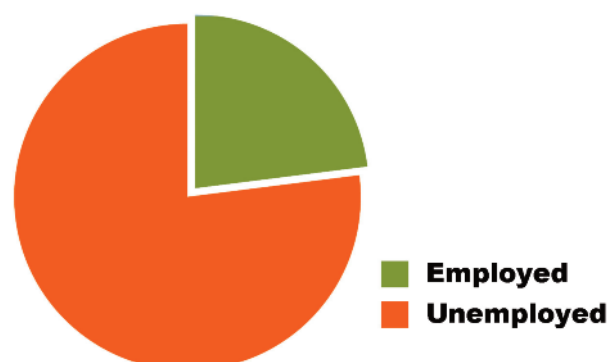


Ethnicity of interviewee	Percentage (%) of participants
White	89.2%
Black/ African/ Caribbean/Black British	7.14%
Mixed/Multiple Ethnic Groups	1%
Asian	2.3%

23% of the Real Life Reform households include someone who is employed and in work. This has dropped slightly since round one [28%] mainly due to new participants joining the study.

77% of participants are out of work and in total 41% of participants are looking for work. This includes some people already in work and looking to increase their hours.

Of the 23% employed households, 77% are in part time work and only 23% are in full time employment; the complete reverse of the national trend. Of those in part time work, 60% are actively trying to increase their hours.



7. Conclusions

This second report has provided invaluable information to help understand the emerging impact of welfare reform not only on individual households but on their neighbourhoods and support networks as well. On a wider level it highlights issues surrounding education, employment and health, and the impact that welfare reform on those services.

It is evident that welfare reform is a major issue for social housing customers and in particular people are raising concerns about levels of debt; financial management and health and wellbeing, with some already not coping. The research also reveals how people are increasingly concerned about their local economy and their health and well-being.

This report raises serious concerns and questions around whether people can cope on such low income levels and whether their resilience is close to saturation. Even at this stage, it is clear from statistics and personal stories that the consequences of welfare reform are being felt. It is important to note that this study is representative of social housing tenants in the north.

- Participants who are active in the job market appear to be struggling to access work or overcome barriers (perceived or real) to employment and a small number are looking at setting up their own businesses
- Many participants have no “safety net” – how will they manage with an unexpected crisis or change?
- Participants are worried as we move into winter about how they will cope
- Participants are very pessimistic about the future in terms of impact on health, neighbourhood and support networks
- Families and support networks are striving to protect children but are worried about children missing out
- Economically, this report suggests that local shops and businesses are really struggling to remain operational
- Participants’ experience of Job Centre support has not been positive and some participants feel demonised
- Participants talk of transport costs being a barrier to employment and other services
- Participants are indicating high levels off stress, depression and feelings of isolation



8. What Next?

The third round of interviews will take place in January and the next report will be published in March 2014. It will provide an opportunity to track how our participants are managing and what if anything has changed for them over the winter period. We expect the third round to enable us to see how resilient the households and their support networks have been over the winter.

Each future quarterly report will not only provide a detailed picture of how our participants are coping [or not] but also a more detailed analysis of trends in terms of the subsections of research (everyday life, health and wellbeing, community impact, work opportunities).

- Will people be more positive about work opportunities?
- Will the early days of benefit changes have “settled down”?
- Will more people secure employment and/or increase their hours?
- Have the high levels of concern about stress and wellbeing changed?

Real Life Reform will be looking at the data emerging from these first two rounds of engagement and explore in more detail concerns around debts, fuel costs, food spend, and about their neighbourhood. The results in addition to being used to inform national debates and discussions, will also be used to inform discussions locally with partners including police, Health and Wellbeing Boards, education services and job centres.

We will be working with TPAS to produce a summary for circulation to as many tenants as possible. We will also be providing a briefing note for Boards and Executives to support the dissemination of the findings and help influence internal debates as we move into a new year.

We will also continue to raise awareness with MPs and other policy makers to make them aware of the study and to inform their decisions. It is important to understand how policies impact on real lives.

And finally, we will continue to work with and support the efforts of many other research bodies, third party and voluntary organisations, to share knowledge and experiences and to work together to raise awareness of the impacts of welfare reform on real people, their lives and their communities.

Please use the reports and data as you wish. Thank you for your continued support.

For more information on progress with the study - follow us on twitter @RealLifeReform.



Appendix 1

Other Related Research Recently Produced

We are aware that there is other equally important research taking place and below is a sample of material that might be of interest to a Real Life Reform follower.

- Monitoring Poverty and Social Exclusion 2013 Joseph Rountree Foundation and New Policy Institute [Link here](#)
- “Quids In” social housing research project looking at financial capacity training [Link here](#)
- Testing DWP’s Assessment of the Impact of the Social Rented Sector [Link here](#)
- Real London Lives [Link here](#)
- Overall impact of welfare reform on selected housing associations in the South West, commissioned by group of three SW HAS, carried out by Anne Power at London School of Economics, due to report 2014
- Investigation into the sensitivity of bedroom tax impact assessments to different assumptions, carried out by Riverside , Affinity Sutton, Gentoo, and Wigan and Leigh. Full report available on CHP website [Link here](#)
- Overall impact of welfare reform on housing associations, commissioned by NHF, carried out by Anna Clarke at Cambridge University, National survey with regional break down including Northern areas; 15 case studies (anonymised). Due for final report 2014
- Overall impact of welfare reform on large housing associations in London, commission by G15, carried out by Julie Rugg at University of York. Quantitative emphasis, due to make interim reports in 2013 and 2014 with final report in 2015
- Facing the Future - The Future Role and Financing of Social Housing : Under-occupation and the Housing Benefit Reforms: Four local case studies - Summary [Link here](#)
- Intended and unintended consequences? A case study survey of housing associations and welfare reforms [Link here](#)
- Impact of welfare reform on housing associations – 2012 Baseline report [Link here](#)
- Direct Payments Demonstration Projects: Findings from a baseline survey of tenants in five project areas in England and Wales (RR822). 2012. Department for Work & Pensions. (by Sheffield Hallam University)



Study Group Members

Lisa Pickard

Chief Executive
Leeds and Yorkshire
Housing Association

Charlotte Harrison

Executive Director
Northern Housing
Consortium

Richard Bramwell

Assistant Communications
& PR Manager
Symphony Housing Group

Andy Williams

Director of
Neighbourhood Services
Liverpool Housing Trust

Karen Croucher

Research Fellow
University of York

Carole Richardson

Assistant Director of Housing
North Star
Housing Group

Phil Rhodes

Social Inclusion Officer
Stockport Homes

Vicky Bannister

Director of Housing Management
Wigan & Leigh Housing

Stephen Blundell

Director of Housing &
Customer Service
Leeds Federated
Housing Association Ltd

Noel Sharpe

Executive Director
Customer Services
Halton Housing Trust

Derek Stewart

Director of
Neighbourhood Services
Leeds and Yorkshire HA

Anna Lambert

Communications Manager
Halton Housing Trust

Matthew Gaunt

Team Manager
KNH

Satty Rai

Policy Services Manager
Northern Housing Consortium

