

# Real Life Reform Report 1

September 2013



real life  
reform 

**The pure worry of what's going to happen has caused me anxiety. I've been to see the doctor... I'd rather go hungry than be cold/dark. It feels like that's where we're heading... I feel lost**

Real Life Reform 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 Statement<sup>1</sup>

<sup>1</sup><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 through to 2015.

We will be providing at least 6 reports on how the households are responding to the benefit changes and whether Welfare Reform is achieving its ambition of getting people into work and to reduce public spending. This is the first report detailing how households are managing following the introduction of Welfare Reform, this data will be our baseline allowing us to track the impact of changes against this starting point.

## Headlines

- ***Households are surviving on restricted budgets and struggling to get by. 65% have less than £10 per week to live on following rent and essentials such as food and bills. 37% have nothing left each week***
- ***Households are intending to cut back spending on food and fuel, 25% spend less than £20 per week on food***
- ***Eight out of ten households are already in debt and 83% are worried about getting into more debt. Over half of those in debt doubt they'll ever be able to clear these debts***
- ***The average level of debt is £2,288\****
- ***Households are reporting increases in levels of stress and depression***
- ***88% of households are worried welfare changes will impact on their health and wellbeing***
- ***Parents report they are going without to protect their children's health***
- ***Parents report worries that bullying may increase***
- ***77% of households believe the changes will impact on their neighbourhood***
- ***Households report worries about loan sharks and increase in crime***
- ***Many respondents are critical of Job Centre's efforts to help them find work***



## Preface

*In early 2013, seven Registered Providers, the Northern Housing Consortium and York University came together to discuss the likely impact of welfare reform. The focus was not on what it would mean for them as organisations but on the people, our customers and the communities we work in.*

*Real Life Reform is the result of this partnership and we are amazed and proud of the interest that it has already generated across the housing sector. This first report is our attempt to provide the facts and figures from the research, illuminated by some real comments and narrative from the 74 households that have volunteered to take part in this initial study report.*

*We will follow these households over their journey for the next 18 months, issuing regular quarterly reports along the way. In this way, the study is special – we simply want to relay the experiences of households over a period of time to allow organisations and policy makers to have this available when they are looking at what comes next.*

*It is about giving real people with real stories the opportunity to share what it means to them and we are confident that the report accurately reflects the views expressed.*

*As Chair, I would like to thank everyone involved in the study, starting with the participating households for allowing us to intrude upon them every 3 months for an update on their lives; to the facilitators – the team of staff doing the research study from each partner involved, both out on site and in the back office with the number crunching; and to the members of the steering group who have each given no small commitment to sign up to this study and to make it happen.*

*The exciting aspect of this study is that we don't know from one report to the next what we will find. We hope that the report(s) are useful to you and your organisation/area of work and please contribute by contacting us @reallifereform.*

*The next report is due in December 2013.*

**Andy Williams, LHT**



# Real Life Reform; Starting Point: July 2013

**“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 introduces 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.**

Through its reforms the government is seeking to incentivise behaviour and decisions away from “benefit dependency” and towards seeking new and improved work opportunities. Impact assessments on the proposals set out in the Act aimed to project the potential behavioural changes that the reforms could engender. However, these assessments acknowledged that projecting behaviour change can be difficult.

Social housing customers are subject to many of the reforms and Real Life Reform is a longitudinal study led by a core group of seven housing providers<sup>2</sup>, supported by the Northern Housing Consortium and with input from the University of York. The impact of welfare reform will be experienced differently across the country and we strongly believed it was important to provide a Northern perspective on the changes, particularly as, in our opinion, so much policy appears to be driven by a London or South Eastern focus.

The study is tracking the impact of welfare reform across a cohort of 70-100 self-selecting participants. They will share their experience of welfare reforms including financial circumstances, spending decisions, health and wellbeing, impact on family as well as the wider neighbourhood and work opportunities. Using a series of semi-structured interviews, the research will capture information and the impact of the changes on them. In total, six study visits will be completed over the next 18 months using the July 2013 results as the baseline.

The interviews will be 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
- 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.

This is the first report of Real Life Reform and it provides a baseline for the data (i.e. participants’ current situation) for the coming 18 months. Demographics of the participants are included to provide background/contextual information of those involved, before highlighting key aspects of their experience of welfare reform so far including, financial circumstances, health and wellbeing issues, family, neighbourhood and work opportunities.

The first round of interviews took place in July 2013. This was soon after the introduction of a major plank of welfare reform, namely the changes relating to Housing Benefit entitlement in cases of under occupancy in the social housing sector (often referred to as the “spare room subsidy” or the “bedroom tax”<sup>3</sup>) which was introduced in April 2013, but before the wider roll-out of Universal Credit. Real Life Reform is not focused solely on one change from Welfare Reform but will, over the next 18 months, reflect how the totality of changes are impacting on real people and whether they are delivering the aims that the DWP set out to achieve.

<sup>2</sup>Liverpool Housing Trust, Halton Housing Trust, Leeds and Yorkshire HA, North Star Housing, Kirklees Neighbourhood Housing, Leeds Federated Housing Association and Stockport Homes. **A full project brief and research methodology is available on request.**

<sup>3</sup>Many customers referred to this change as the “bedroom tax” and their comments are reported verbatim



## Contents

1. Who are our Real Life Reform Households – how they are affected by welfare changes, their economic circumstances, family composition and health status.
2. Everyday Life – how families are making decisions on finances, spending on food, fuel. Future spending plans and current debt levels.
3. Health and Wellbeing – what issues, if any, are arising that impact on health and wellbeing.
4. Family and Neighbourhood – how are family and support networks managing, what impact, if any will there be on neighbourhood facilities.
5. Work opportunities – how are the households engaging with seeking work opportunities and how do you find support systems.
6. Coping and Concerns – tracking how optimistic people feel about the future and what their primary worries are.

**People I know go days without being able to eat. There is a buffering system where people lend off each other if they have different benefit payment dates to make ends meet. People will sink further and further into debt.**

Real Life Reform Participant



# 1. Who are our Real Life Reform households?

Seventy four households have volunteered to participate in the study. This is therefore a self-selecting\* sample. Nevertheless, data from the English Housing Survey and the 2011 Census suggest that the profile of the Real Life Reform Households is broadly reflective of all households living in the social rented sector, although single parent households are over-represented in the research when compared to northern averages. However, we believe the richness of the data emerging from this study and the experiences reflect those of other tenants, individuals and families across the North.

## Household Composition

Single households make up the largest category of household type in Real Life Reform, accounting for 50% of all participants. Lone parents with dependent children make up 21% of participants whilst 8% of participants are couples with dependent children. Six per cent of participants are lone parents with adult children still living at home and 1% of participants are couples with adult children living at home. 14% are couples with no children.<sup>4</sup>

Figures from the 2011 Census (focusing purely on the three northern regions) suggest single person households make up 46% of social housing population, couples with no children account for 8% and couples with children and lone parents with children make up 11.5% and almost 15% respectively.

## Ethnicity

85% of participants identified themselves as White, with 8% identifying as Black, 4% as Asian and 2.8% as "Other". The 2011 Census reports that 86% of the population are White although the northern regional varies from 88% in Yorkshire and Humber, 92% in the North West and 95% in the North East – the average for the three northern regions is 91% identifying as White.

## Economic Circumstances

As one of the ambitions of welfare reform is to support people into employment (or to increase their hours) Real Life Reform will map whether this aim is successfully achieved.

As the study begins 28% of participants reported that at least one member of the household was working – this is slightly below the average figure of 33% (of all social housing customers) as reported in the 2011/2012 English Housing Survey and 35% of social housing customers (across the three northern regions) as reported in the 2011 Census.

Of those who were in work, 65% were in part time work with 35% in full time employment. This does not reflect national profile which shows approximately 62% in full time work. However, the concentration of households in part time work in Real Life Reform will allow the research to explore how customers are supported moving from part time work into full time employment. At our starting point 35% of those in part time employment were looking to increase their hours.

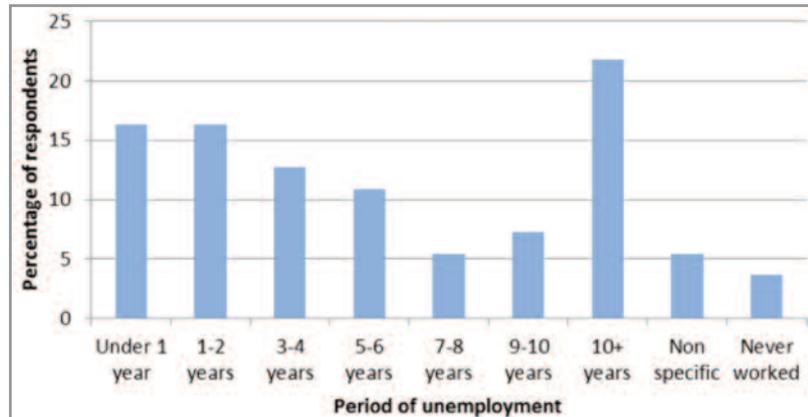
\* Self selecting is the correct academic term but the households volunteered to take part in this survey

<sup>4</sup><http://www.ons.gov.uk/ons/guide-method/census/2011/index.html>

<http://www.gov.uk/government/publications/english-housing-survey-headline-report-2010-to-2011>



To understand the distribution of unemployment, participants were asked how long they had been unemployed for.



National figures from the Labour Market Survey are not broken down to the same degree. However the August 2013 data release suggests that of those unemployed 36% have been unemployed for more than 1 year and a further 19% have been unemployed for more than two years.

Of those Real Life Reform participants reporting long term unemployment of 10 years or more, 58% identified themselves as disabled or with long-term, life-limiting illness. This is in line with broader national profile as detailed by Scope<sup>5</sup>. This inevitably will impact on the ease with which they can return to the workplace and the support they will need to achieve this. How effective the support provided to these long-term unemployed households will be measured over the next 18 months. A further 23% advised that caring responsibilities had meant they had not been able to work.

## Affected by Welfare Reform

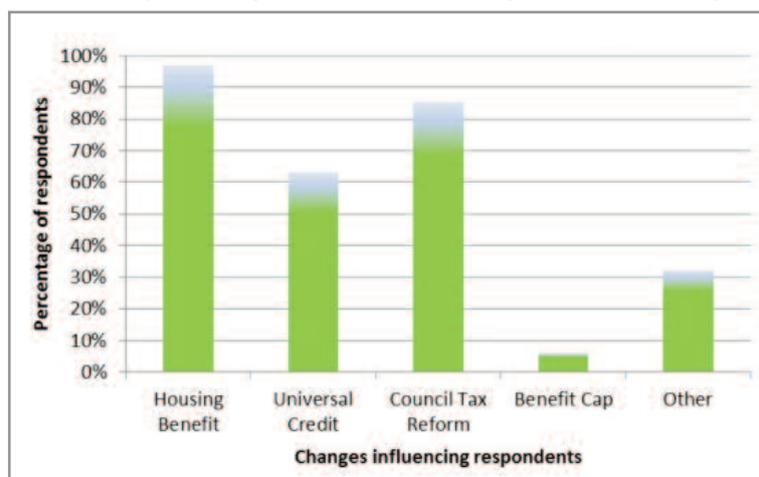
The changes introduced by Welfare Reform are considerable and it is important at the outset that we understand how the households in the study are affected by the different elements of the reforms.

Participants were asked whether they would be affected by each of the changes to the benefit system. The results show that the majority of the participants will be affected by the Housing Benefit changes, the introduction of Universal Credit and Council Tax Reform. It is worth noting that these responses are self-reported and consequently some customers may not fully understand how Universal Credit may impact on them.

<sup>5</sup> <http://www.scope.org.uk/news/disability-2012/disability-facts-and-figures>



### Percentage of respondents affected by financial changes



Around 83% of the tenants have been in receipt of these benefits for more than 12 months – with over a third of respondents advising the study that they had been in receipt of these benefits for up to two years.

Of those customers who reported they had been on benefits for more than 10 years, 63% identified themselves as disabled or with a long-term, life-limiting illness.

Sixty per cent of Real Life Reform households include someone with a disability or long-term illness. Conditions reported include: bipolar disorder, heart problems, cancer, mental health issues, problems around mobility, autism and epilepsy.



Nationally, 24% of the population have a disability or life-limiting illness, however as disabled people are twice as likely as non-disabled people to be social housing customers<sup>6</sup> – the cohort in this study identifying themselves as disabled is not out of line with expectations.<sup>6</sup>

<sup>6</sup> nationally 24% of the population have a disability of life limiting illness, according to the Papworth Trust (footnote): [http://www.papworth.org.uk/downloads/factsandfigures\\_disabilityintheuk\\_july2011\\_110721132605.pdf](http://www.papworth.org.uk/downloads/factsandfigures_disabilityintheuk_july2011_110721132605.pdf)



## Advice and Support

As the study will track how households are responding to the changes, it is important to not only understand their current circumstances but to also have an understanding of how the households initially planned to respond to the changes in welfare. This is also important for the participating landlords to plan for future needs.

We asked them about the advice they had received before the changes began and what they initially wanted to do and crucially what they have chosen to do (or have no option but to do).

Eighty eight per cent of the research participants have been given some form of advice and/or information around the welfare changes, and how this will affect them and their household. The following table is a breakdown of the advice that the tenants received.

| Type of advice   | Percentage (%) |
|--|----------------|
| Assistance/Advice with Discretionary Housing Payment Application | 23             |
| Mutual Exchange information/advice                               | 2              |
| Information/Advice from Landlord                                 | 66             |
| Information/Advice from other agencies                           | 4              |
| Budgeting/Financial Advice                                       | 2              |
| Already know about the changes and what this means for me.       | 2              |

Participants report satisfaction with the advice options initially provided by their landlord and other local agencies and in future reports we will examine whether the nature of the advice sought begins to change and also whether access to advice and support remains readily available.

When participants were asked what they wanted to do as a response to the changes, 67% expressed a view that they wished to stay on in their current homes and make up any shortfall in income resulting out of the welfare reform changes.

As a baseline we wanted to understand what participants felt they intended to do in response to the changes. The table below indicates their initial response and does not account for any practical issues that may prevent them from achieving this intention.

| Response                 | Number of Responses – out of 74<br>(could choose multiple options) |
|--------------------------|--|
| Stay and Pay             | 50   |
| Move to another landlord | 20   |
| Seek Work                | 14   |
| Increase Hours of Work   | 6  |
| Take in a lodger         | 1  |

Clearly, most participants want to stay and pay in their home and were intending to explore ways to make this happen.



Participants indicated that their decision making had a short-term focus and they may have to revisit intentions over time. Furthermore, in terms of aspirations to “stay and pay”, it is apparent from findings from landlord assessments that arrears are increasing and therefore participants’ intentions to pay are not matched by their ability to pay. Future reports will provide further analysis on whether participants are able to pay.

We will, over the course of the research study, reflect back on these original intentions to determine whether these change over time.

## Observations

Analysis of the household characteristics demonstrates that although the participants are a self-selecting sample, they are broadly representative of wider social housing statistics and other socioeconomic profiles including the English House Survey and the 2011 Census.

It is also clear from the household data that the circumstances of those participating in the study (and consequently wider social housing profile) are complex. It is important therefore when developing policy responses (and indeed tracking the impact) that there is an appreciation and understanding of the cumulative impact of policies and peoples complex circumstances.

Households reported an ambition to stay and pay, even if their incomes are affected by welfare reform. This study will track the validity of this ambition.

**Hopefully I will be a little bit better off but I’ve not been paid yet.**

**I started work in the middle of June and missed payroll so I will not have any money for about seven weeks**

Real Life Reform Participant



## 2. Real Life Reform and Everyday Life

In order to track any changes in how the participants managed on a day to day basis, we used this first round of interviews to get a baseline of current decisions regarding spending on day to day essentials such as food or heating. What is clear straight away is that many households are already incredibly stretched in terms of managing now and as changes really begin to hit home, those just about coping may struggle even more.

Participants were asked what their priority spending was each week, 25.7% advised that rent was their priority payment with almost 19% reporting food and 17% reporting fuel.

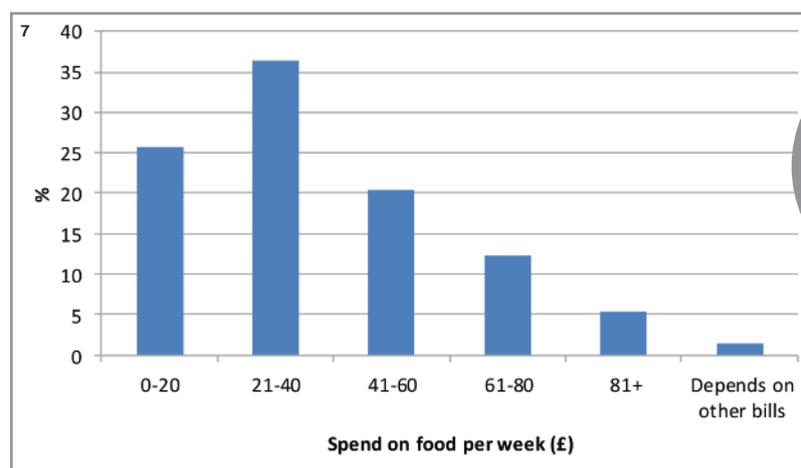
### Food Spending

Participants appear concerned about their ability to purchase healthy food and were worried about coping on reduced budgets for food spending.

At the start of the research, the average spend on food per week per household is £42.11. This equates to £23 per person per week or £3.28 per person per day. Over 60% of households spend less than £40 per week on food. For those families with school age children, on average £1.80 of this daily allowance would go towards a school dinner.

Although in this study we have not asked participants their actual income, we know from the English House Survey that the average weekly income for social housing customers in the North is £265 per week; it suggests that our participants are spending 16% of their income on food for their family. ONS figures suggest that this is in line with the lowest decile nationally and reflect national trends that the poorest in society have to spend a greater proportion of their income on food.

Household spend on food per week



63%

spend less than  
£40 on food  
per week

<sup>7</sup><http://www.ons.gov.uk/ons/rel/family-spending/family-spending/family-spending-2012-edition/art-chapter-1w.html#tab-Household-expenditure-by-income>



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

**Being much more careful in the supermarket about what I buy. I buy more and more own brands as they are cheaper**

**No longer buy meat for meals because it's too expensive**

**Go to the supermarket at certain times when they reduce the food**

**Will use the foodbank more**

**I should eat better but cannot afford it, local shops have no fresh veg, cannot afford to go to Tesco**

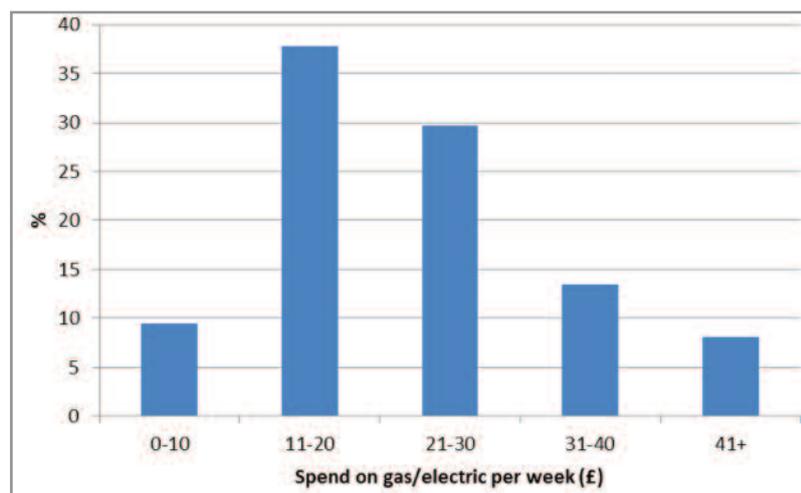
## Fuel Spending

The average levels of spend on gas and electricity as reported by Real Life Reform participants is £26 per week which equates to 10% of gross income levels – the generally accepted trigger level before someone is defined as living in fuel poverty. Furthermore these spending levels are likely to be reflective of summer bills and therefore we anticipate that more participants will fall into fuel poverty as we move towards the winter months.

Current spending at £26 per week equates to an average household bill of £1352 per annum. This figure does not include any uplift for additional heating costs during the winter months and it is worth noting that analysis by MoneySupermarket.com<sup>8</sup> suggests that 40% of annual heating consumption occurs in the winter quarter. This could imply a doubling in usage and therefore energy costs from the current average spend per week of £26. If this is borne out it is hard to see where our participants can find an extra £26 per week to pay for heating costs, especially as 65% of participants report they have less than £10pw to live on after rent, food and bills.

It is also worth noting that the properties occupied by our participants have reached the Decent Homes Standard and are have above average SAP ratings and are therefore energy efficient.

**Household spend on fuel per week**



*In a similar vein to cutting back on spending on food, households were already reporting the need to reduce spending on gas and electricity*

<sup>8</sup><http://www.telegraph.co.uk/finance/personalfinance/consumertips/household-bills/9775877/Winter-energy-bills-will-reach-530-a-quarter.html>





**Staying upstairs in the day as it's easier to stay warm.  
Limit heating.**

**I won't be able to manage both heating and food come winter**



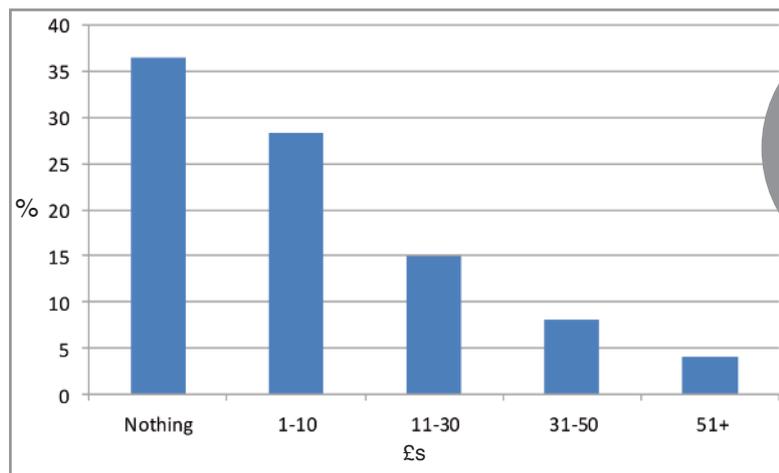
## What is left after bills?

Following on from questions around their expenditure, participants were asked after they paid all their bills, rent and food each week how much money they had left. The table below shows the participants in Real Life Reform do not have much of a "safety net" each week. If fuel or food bills increase – both likely in the current economic climate, then our households are facing some very tough decisions.

**Eighty five per cent of participants indicated the benefit changes would impact on the types of things they spent money on.**

Many households advised that as they were already cutting back on "essentials" such as food and fuel, spending on non-essential items had been cut back significantly or indeed removed completely. We asked participants what areas of spending they've already cut back, cut out entirely or where they feel they will have to spend less in the future.

**Money left after paying bills**



**64%**

have less than £10 per week after bills



**We cannot buy any treats**

**My daughter went to school with holes in her shoes**

**I may have to get rid of the car and with no car I can't work, it's catch 22**



**Unable to buy clothing, winter will be a problem**

**No holidays, sold car, gave up smoking and drinking**

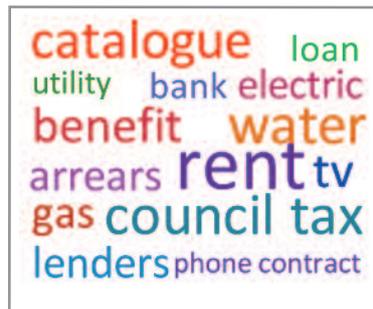


## Household Debt

Findings so far suggest that participants are living on very strict budgets. With over 77% of the research participants advised they were already in debt.

**The average debt of the respondents was around £2,288\*.**

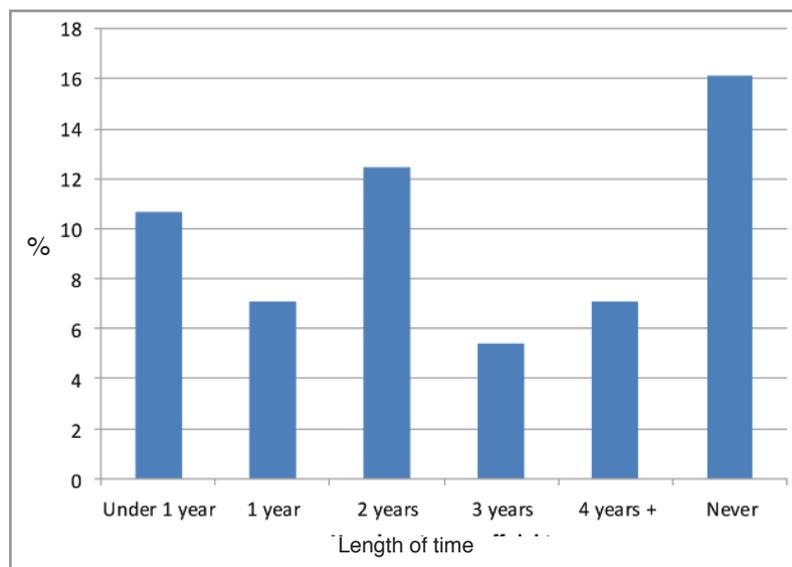
The composition of this debt will be explored further with participants in the next series of interviews.



## Paying back the debt

Households were asked how they decided which debt to pay back first – many reported that rent arrears and council tax were the most important but other responses included need to pay loan sharks first or those organisations which were “harassing me”. Of those households in debt, 61% indicated they can currently manage the weekly repayments.

**How long households think it will take to pay off their debt.**



We can better understand why households have low levels of disposable income at the end of each week when we're faced with these details on debt repayments - almost 70% paid back up to £20 per week although some families reported repayments of over £40 per week. Participants expressed pessimistic views on how long it would take to pay back their debts.

**NOTE:** At date of issue (Sept 2013) The average debt per household was reported as £2,418.  
This version (July 2014) shows an adjusted figure of £2,288



**How do you decide which debts to pay back first?**

**The companies were harassing me so I set up a payment plan to shut them up**

**Who makes the hardest threats or sends in the bailiffs or cuts you off**

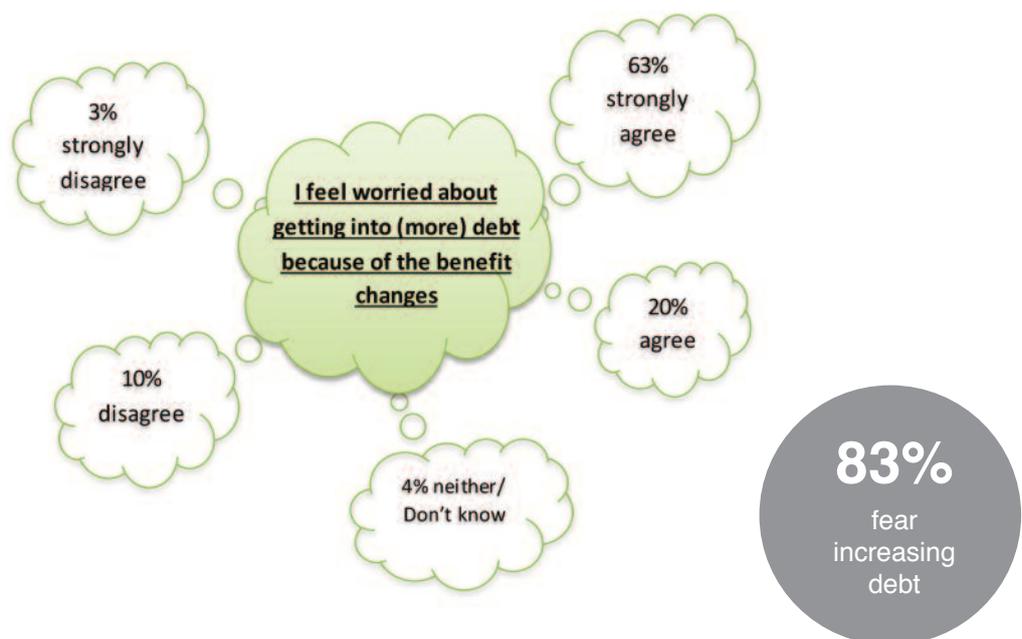
**We struggle but I pay off what I get in priority debts first to make sure we have a roof over our heads. I learned that from when my partner went bankrupt. Council tax, gas and electric and rent all get paid first**

**I have to pay the loan shark each week because I use him to survive**

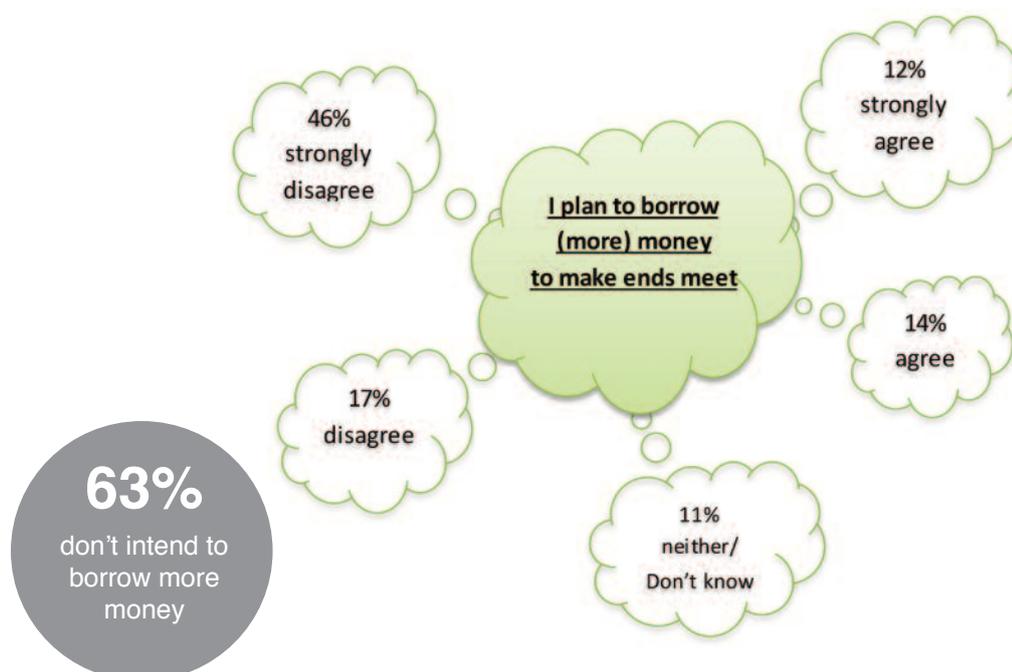
Many of those in debt reported that they had received helpful advice and support from their local CAB or landlord or other voluntary groups.

### Worries about Future Debt

A combination of existing high levels of debt coupled with tight budgets and welfare changes may be a cocktail for spiralling debt in the future. Our findings suggest this nightmare scenario is very real for many households. Participants' responses to the question "**are you worried about getting into more debt?**" suggest that this was a great concern to them;



However, participants appear, at this point anyway, determined not to borrow more in the future. When asked to what extent they agreed with the statement “I plan to borrow more money to make ends meet” participants said:



**I don't want a Wonga loan**  
**I know how bad pay day loans are so won't use them**  
**The reforms will make pay day loans seem more tempting**

However, “informal” lending and borrowing does seem to be something to track as the research unfolds as several participants reported that they have access to a network of support, including family and friends. The robustness of these arrangements is not clear but it does illustrate the resourcefulness of people on low levels of income.

**I will borrow money off my parents if I need to**  
**I would only borrow from family and friends**  
**People I know go days without being able to eat. There is a buffering system where people lend off each other if they have different benefit payment dates to make ends meet. People will sink further and further into debt.**

It remains to be seen whether the current determination shown by people not to borrow if at all possible (and certainly a strong desire to avoid borrowing from loan sharks or pay day lenders) remains viable.



## Observations

What is striking from the research is how, even at this very early point, families are already hit hard financially.

People are coping on low incomes and having to make difficult decisions about what they spend money on with restrictions already evident in terms of food, fuel and general household spending.

It is apparent that welfare reforms adversely affect those in work and not just those not in employment.

There is no safety net for participants with many reporting no or little money left each week and yet likely to face rising costs for essential items such as food or fuel in the future.

The level of debt that households are managing is a concern and although people appear determined not to borrow in the future, the fact that so many report they are worried about the possibility of borrowing suggests that determination may not be enough.

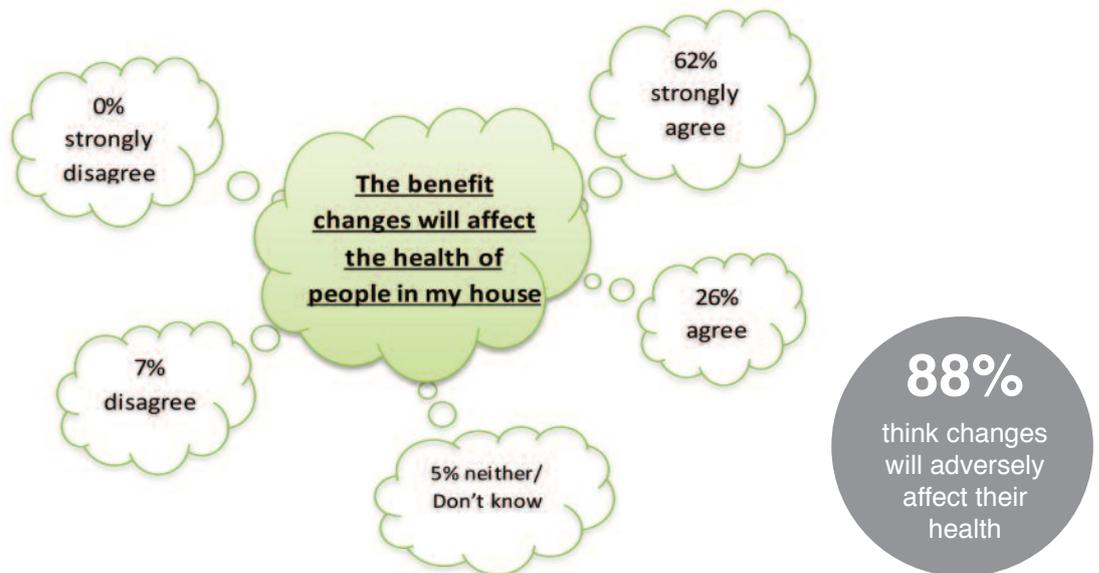
Future reports will explore what decisions participants have made on their spending and the impact of these decisions on their household.



### 3. Health and Wellbeing

We want to track how health and wellbeing may be affected by the changes facing participants so that we can ensure local health strategies are alert to potential rising trends and any detrimental impact on the public purse. It is clear from the responses at this early stage that health and wellbeing concerns are significant and participants are reporting high levels of stress and depression.

In response to the question “**the benefit changes will affect the health of people in my house...**”



That 88% of Real Life Reform households are worried about the impact of changes on the health and wellbeing of their household is of major concern. It will be important, as the research progresses, to ensure that GPs, Hospitals, Health and Wellbeing Boards are made aware of potential health impacts.

When asked in what way would the changes affect the health of people in the household, some frequent responses were:

stress worry  
depression mental health  
healthy food money anxiety  
sleep expensive medication



Several respondents reported the additional impact these would have on pre-existing conditions. A number of participants also reported feelings of suicide<sup>9</sup> stress and depression.

**Lack of food which will affect medication for bi-polar**

**Due to my cancer going onto benefits has been very stressful**

**Have already increased my medication by 100%**

**I have to pay towards my prescriptions and I can't always afford this**

**I get energy drinks from my doctor as I can't afford to eat properly.**

**I sometimes have to make my fortnightly prescriptions last a month as I can't afford to get them as often as I should**

**Sometimes I feel like I want to kill myself, it's that bad**

**I suffer from stress and when things go badly wrong I get upset and feel suicidal**

## Observations

Concern about health and wellbeing is a strong common theme running throughout the Real Life Reform research both in terms of future worries but also the impact on existing conditions. Future reports will explore how people are managing their health and wellbeing, are they receiving support and if so how effective is this support.

The landlords in the research will also ensure that local health agencies are made aware of the findings to ensure appropriate strategies and services are available. Landlords are also ensuring their staff have access to the right information and resources to provide appropriate support to customers.

The results suggest a strong correlation between levels of income and health and wellbeing. Each confirms the need for housing and health to work together.

<sup>9</sup>Any safeguarding issues raised during the research interviews were responded to in line with organisational safeguarding policies and appropriate support offered.



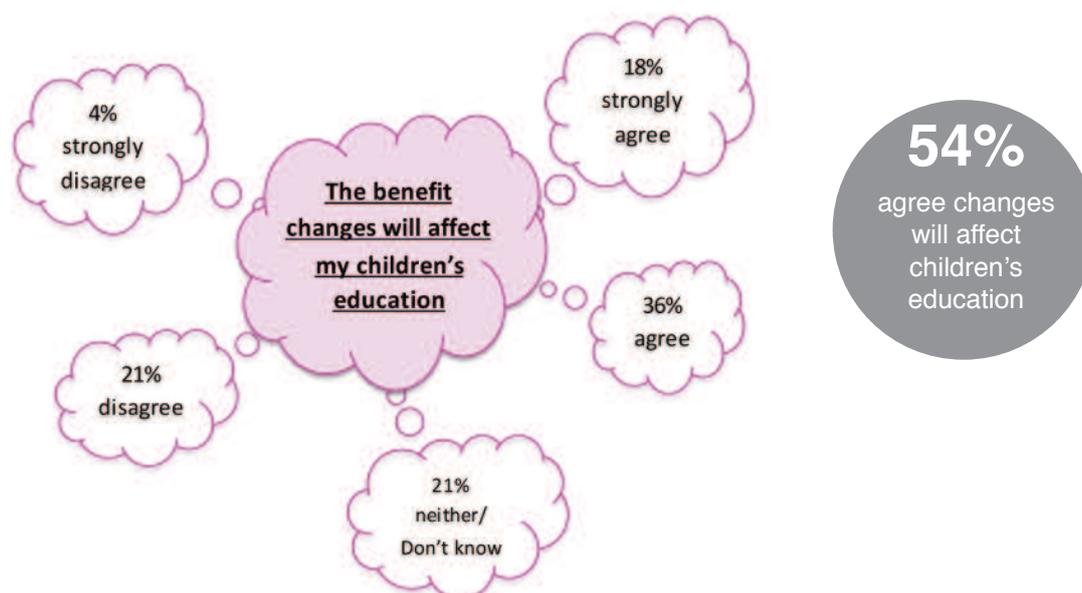
## 4. Families and Neighbourhoods

This first **Real Life Reform** report starts off with 74 households but the potential impact of benefit changes runs much wider. The research will seek to capture how our participants feel the changes impact – positively or negatively – on their families and neighbourhoods. In particular we want to understand whether there are issues around children’s health and wellbeing, educational opportunities and the wider neighbourhood that we need to be aware of.

### Impact on families

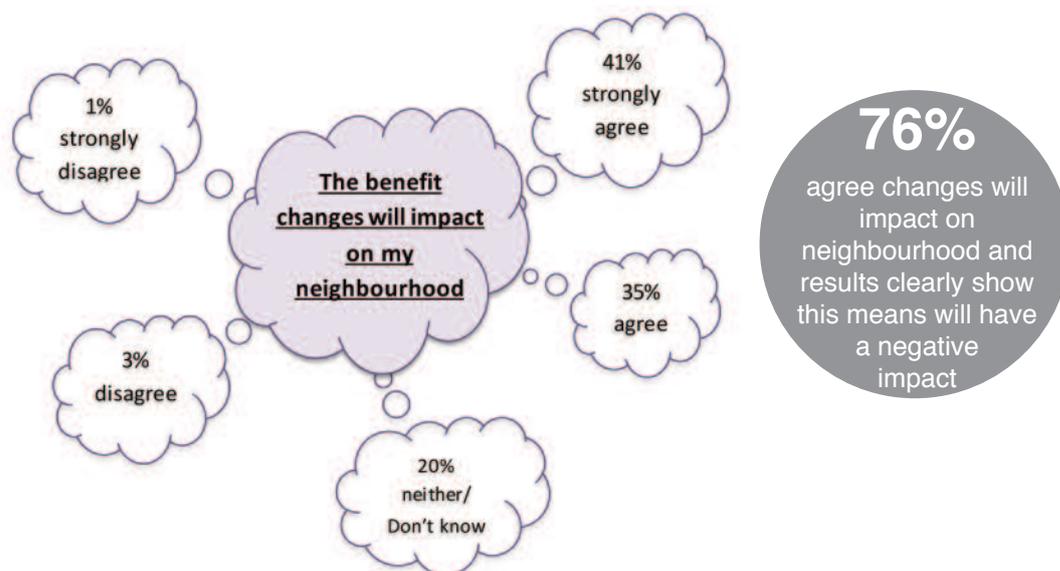
As respondents reported concerns about their own health and wellbeing, many raised concerns about the impact on their children and wider family networks.

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





When asked the question ‘**Will the benefit changes impact on my neighbourhood**’ participants said:



A particular concern raised was a fear of increasing crime and anti-social behaviour

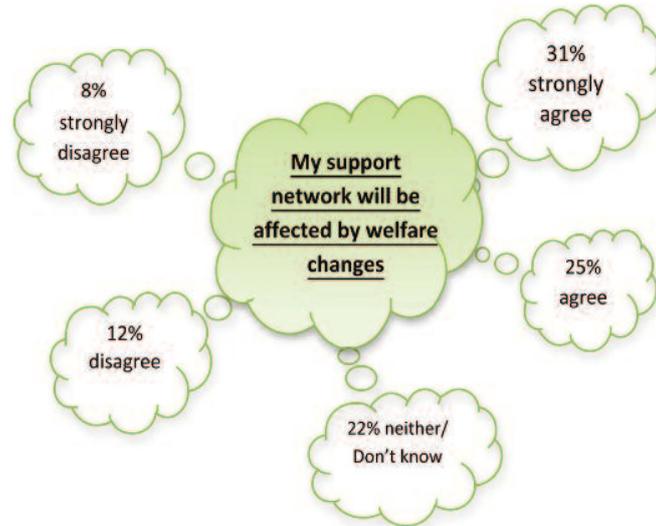
**“ People will be desperate and robberies will go up  
I think lots of people will start selling drugs to cover the cost of everything  
There has been thefts in the area which wasn't happening before welfare reform ”**

Respondents were also concerned that estates and neighbourhoods would be targeted by loan sharks revealing some enterprising approaches being taken already in their neighbourhood. On one occasion a loan shark representative was leaving the home of a Real Life Reform participant just as our facilitator arrived for her appointment.

**“ Provident and companies like that will increase on estate  
We've seen loan sharks posting leaflets through doors, they are even targeting properties that look scruffy  
More people are going to have to move because they can't afford to live here, those that remain will not have spare money to make the gardens and outside spaces nice ”**



## Community relations and support network



**66%**

feel their support network will weaken

**Small village with community spirit – will split up families and friends who will have to move**

**“Neighbourhood will become less friendly, there will be people watching and people will turn against each other”**

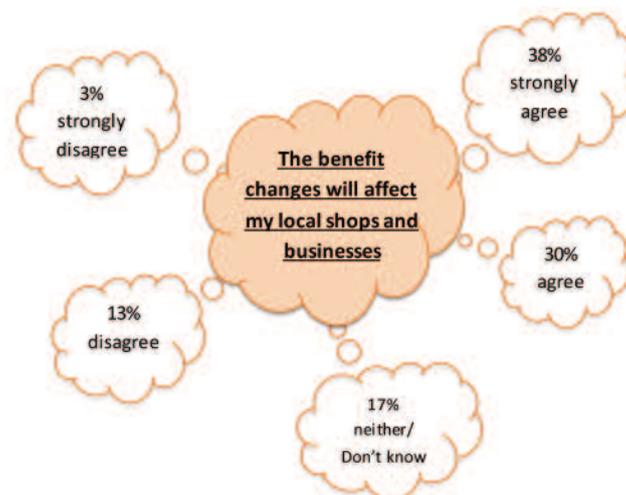
**I’m surprised there aren’t lots of suicides**

**People say they don’t know how they’ll cope**

**My neighbourhood is a tsunami of fear**

Many respondents reported that they thought people would move out of properties and areas would become ghost towns. This concern also applied to local shops with 68% of respondents fearing the changes would affect local businesses. Many households already reporting local shops closing down or predicting they will in the future.

For local residents the lack of a local shop may be compounded by the cost of public transport to get to the nearest supermarket and it may be that we see innovative local solutions emerge over the coming months in terms of community run shops etc.



**68%**

agreed that the changes would affect local businesses and shops



## Observations

Participants are sharing concerns about the potential impact of the changes on their family. Although many are determined to shield children from the impact, others acknowledge that this might not be possible.

Several participants have raised concerns that children may be bullied at school for not having the right uniform or perhaps not being able to attend out of school activities (perhaps at a time when school resources are stretched and they may not be able to subsidise such activities to the degree they had done previously). Future reports will explore how children are managing now they have returned to school and any particular learning that should be shared with education agencies will be done by the participating landlords.

Many participants have stated they are worried about the impact on their neighbourhood – both the physical state but also the support networks underpinning them. Worries include concern about how people will manage to keep gardens and outdoor spaces tidy, the impact of people leaving a neighbourhood – perhaps making an area look uninviting to new residents and the closure of local shops and facilities.

Participants express genuine concern at the presence and likely increase of loan sharks in their neighbourhoods.



## 5. Work Opportunities

One of the underlying principles of welfare reform was that work should always pay. Real Life Reform will track households' attitudes to work, their experience of seeking work and the role of agencies in supporting them. Our household characteristics analysis demonstrated the economic circumstances of the participants and indicated that it was broadly in line with the social housing profile in general.

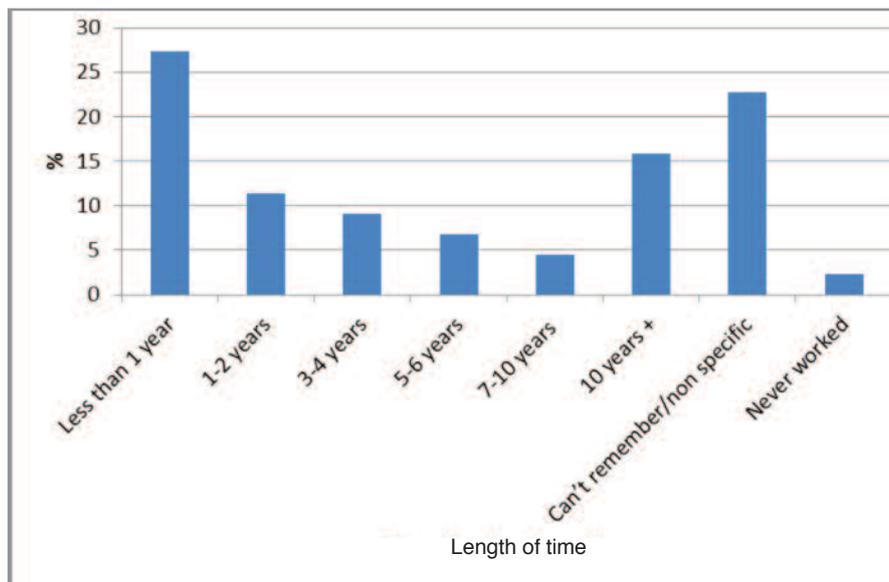
In the study, **35% of those who were not working said they were actively looking for work**. Of those participants who said they were not looking for work, 61% cited health and disability issues as the primary reason while a further 23% advised it was due to caring responsibilities. Other practical issues which hampered peoples ability to look for work included internet access and transport issues.

**“ Have to apply for 10 jobs every 2 weeks. Have to show I'm looking by logging on every night but I have to ask my daughter to do this as I can't afford travel costs to library and I can't afford internet access**

**Not being able to access the internet makes it difficult**

**I want to work but I don't have enough money to have internet access to search for jobs online. The Job Centre said jobs were available in Darlington (8 miles away) but it's difficult living in a small village with an irregular bus route and I don't have a car**

Time since last interview



Respondents did indicate that they were applying for jobs but often not being invited to interview, or they felt they needed financial support to apply for jobs but weren't able to access the money required.



“I have applied three different times (to supermarket) and was knocked back each time. This really upset me as I had quite a good job before... and I can't even get a job stacking shelves.”

“My husband may be able to work as a security guard. His qualification has expired, however if the Job Centre could pay for it to be renewed (£200) he would stand a better chance of being able to work”

Many participants felt unsupported in their search for work opportunities. In response to a question exploring their experience of looking for work, common responses included words such as:



Future reports from the study will ask a supplementary question about jobs applied for to get a more rounded picture of participants' activity in seeking work.



### What is your experience of looking for work?

In general, respondents felt that the experience of looking for work had not been a positive one and in particular criticism was levelled at the job centre for the support they provided. Many respondents used terms such as “**depressed**” “**embarrassed**” “**hopeless**” to describe their experience – both in terms of feeling there was a lack of jobs but also the stigma attached to being out of work.

“ It’s hard but at the same time it’s what I expect in the current climate. I am lucky that I’ve worked recently which does help

I apply for anything that comes up but often I’m not even contacted... I feel very frustrated and it’s demoralising... The work programme is pretty useless to be honest. It’s disorganised and staff change all the time.

Hate the system. I have worked all my life and because work is so hard to find I have been taking anything. I had a phone call one night and was offered 3 days work starting the next day. I did it then went to the job centre to tell them I had earned 3 days money. They fined me for not telling them sooner, but I couldn’t as I’d had to start at 7.30am the next morning. Then I put a new claim in, I then got another few days work. This has been on and off for months. I hate not working and will take what I can but now this has messed all my benefits up and I’m getting fined. They stop my money and I have to sell things to pay bedroom tax and council tax. I am going to have nothing left at this rate. How can this be right when all I am trying to do is find a job?

One of the politicians said you can always tell who is on benefits as their curtains are still shut when everyone else is going to work. I make a point of getting up to open them early every morning. I don’t want the neighbours knowing I’m not working

### Observations

At the heart of welfare reform is an aspiration that “work pays” but what is emerging from the research, even at this early stage, is that participants’ experience of searching for work is not universally positive.

Several participants reported that they felt “demonised” for not being able to get a job and that support from Job Centres was not always as effective as it could be.

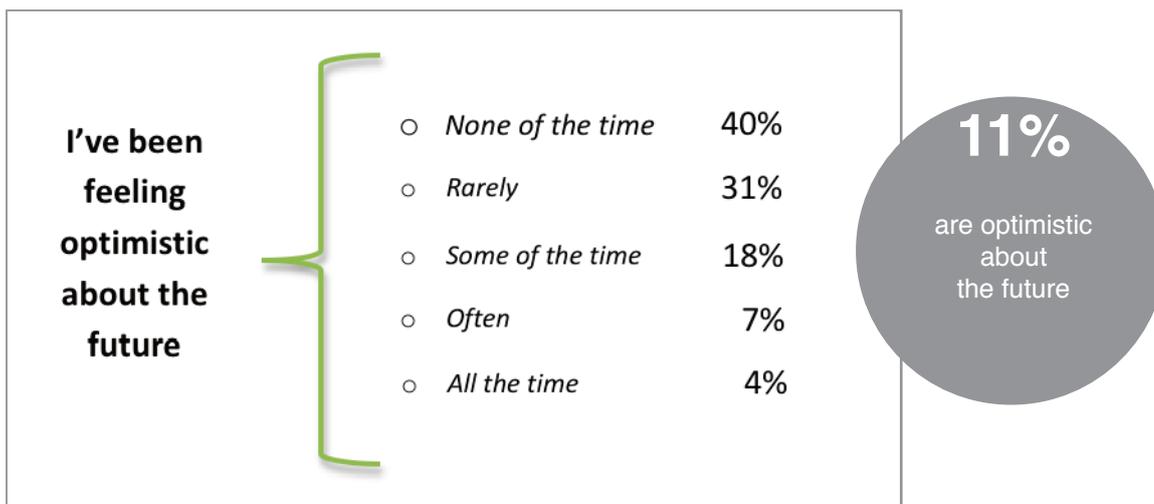
Future reports will explore in more detail how participants are seeking work opportunities and look to identify any particular barriers that could be removed.



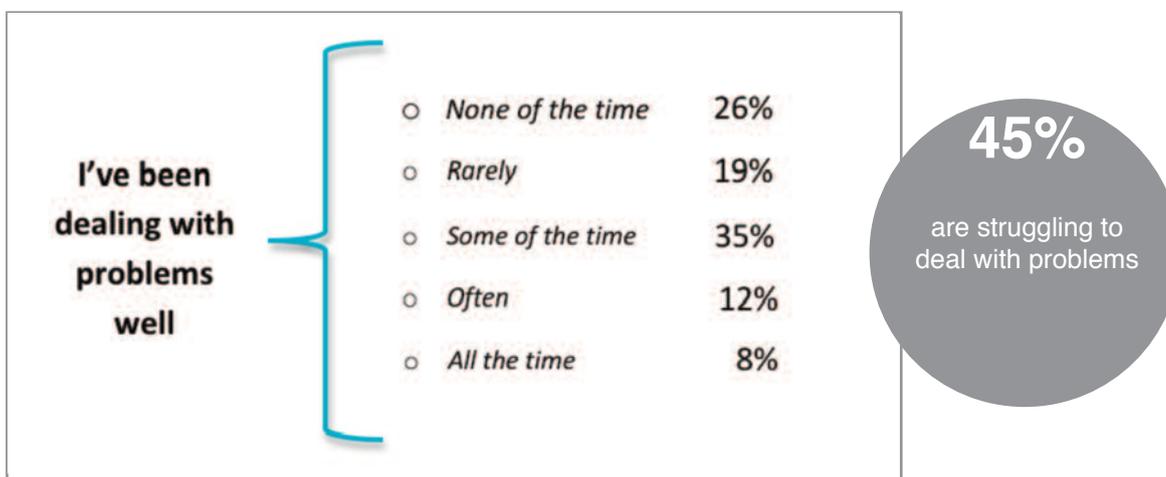
## 6. Coping and Concerns

Each quarter we ask all the households how they have been managing in general, the questions we ask use a similar format to national surveys which will allow us to compare how our research participants compare to the national averages. We'll use this data to track the trends over the project timeframe but in this report we will pick out some of the headline data.

### *I've been feeling optimistic*



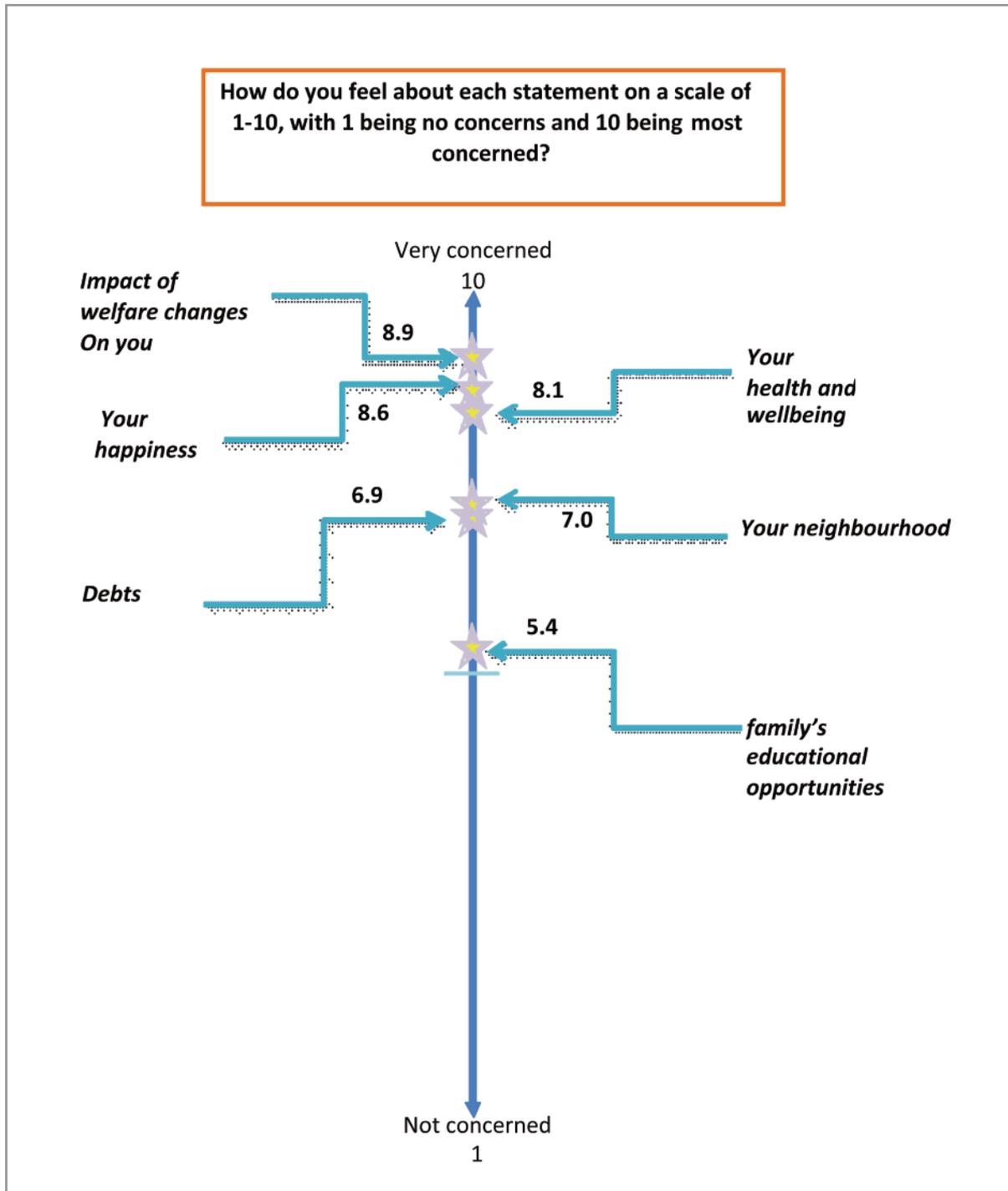
### *I've been dealing with problems well*



The results from this first study suggest low levels of optimism which brings with it a concern about how successful households will be in dealing with change.



The research will also track what are the key issues that our respondents are most concerned about. We ask them to rank each statement on a scale of 1-10 (with 1 being no concerns and 10 the most concerned). The infographic below illustrates the average “scores” for our first round of interviews.



## 7. Conclusions

This initial report has provided a baseline of information for us to track against over the next 18 months. It is evident that welfare reform is a major issue for our customers and in particular people are raising concerns about how they will cope financially. Household budgets are already being reduced in essential spend areas such as food and fuel and many customers are worried about how they will manage in the colder months indicating concern at making decisions about eating or heating. Customers who are active in the job market appear to be struggling to access the job market or overcome barriers (perceived or real) to employment and a small number are looking at setting up their own businesses.

- Many participants have little or no “safety net” – how will they manage with an unexpected crisis or change in circumstances
- Families are worried as we move into Autumn and Winter how they will cope
- Families are very pessimistic about the future in terms of impact on health, neighbourhood and support net works
- Parents are striving to protect children but are worried about bullying and children missing out
- Respondents’ experience of Job Centre support has not been positive and some report feeling demonised

## 8. What next?

The second round of interviews will take place in October 2013 and the next report will be published in December. It will provide the first opportunity to track how our participants are managing and what if anything has changed for them since the summer interviews. It is likely that some further participants will join the study but we aim to keep the number between 70 and 100.

Each quarterly report in the future will provide a detailed picture of how our participants are managing but also analysis of trends in terms of the subsections of the 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”?
- Have mental health concerns reduced?

The organisations involved in the study 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 will also be used to inform discussions locally with partners including police, health and wellbeing boards, education services and job centres.

For more information on progress with the study do follow us on twitter @**ReallifeReform**.





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