

Social Housing Tenants: Work and Financial Stability

Three years in the lives of g15 tenants

Final report from the quantitative research from the
Real London Lives study

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Executive summary

Introduction

This report forms part of *Real London Lives*, a three year programme of research funded by the g15 on 'ordinary Londoners'. The findings in this report are based on an analysis of annually-repeated telephone surveys with 713 g15 tenants who lived in Greater London. The programme of research also includes annually-repeated qualitative interviews with a selection of the tenants, and a series of documentary interviews.

The study took place during a period of economic change and uncertainty, when many people have been experiencing difficulties. Additionally, the high costs associated with living in the Capital mean that households in the region may face the greatest risk of falling below a Minimum Income Standard.

The study also took place at a time of substantial welfare reform. The social rented sector size criteria (SRSSC) for Housing Benefit tenants, popularly known as the 'bedroom tax', was being introduced, as was an overall benefit cap, and a staged roll-out of Universal Credit.

Household formation

Different household types have evolved at differing rates over the study. Single person households were the most stable formation, whereas lone parent households changed formation most often.

Moving home

More than half of respondents had needed to wait before moving into their current home. Waiting times were longer for the more recent movers, possibly reflecting a more limited stock availability. Waiting for accommodation often caused no problems for the respondents. Some, however, had been trapped in difficult circumstances while they were waiting, including overcrowding, poor housing conditions, and homelessness.

Work

More than half of all Household Reference Persons (HRPs) were in work over the three surveys. Working was a generally stable condition, with the great majority of HRPs who were working in 2013 remaining in work throughout the study. The majority in work also expected to remain in their current job for the foreseeable future if they wished.

Half of all households remained working households throughout the study, almost one-third remained workless, and almost one-fifth had a changed work status over the study. About eight in ten of the households that remained workless were headed by someone who was long-term sick or disabled.

A majority of working HRP's were in full-time work. About two-thirds of working respondents were in salaried positions, and about one-third were in hourly paid work. Amongst the hourly paid respondents was a group whose working hours varied and who had no guaranteed minimum number of hours per week. This group of workers on 'zero hours' contracts comprised 11 per cent of the working respondents, which was almost four times the rate found nationally.

Travel-to-work costs were comparatively high for the lowest paid. The lowest paid fifth of respondents were paying almost 12 per cent of their gross earnings on commuting to work, whereas the highest paid fifth were paying about three per cent.

Based on gross earnings in 2015, an estimated nine per cent of *working* respondents could be affected by 'pay to stay', as their annual gross earnings were at or above the £40,000 threshold for the Greater London region.

Housing Benefit

The proportion of respondents in receipt of Housing Benefit dropped slightly over the study, reflecting the overall decrease in the number of HB claimants, as recorded in Government figures. Receipt of HB was often a stable condition with more than eight in ten HB recipients in 2013 continuing to receive the benefit over the study. Likewise, more than eight in ten non-recipients in 2013 did not go on to receive the benefit over the study.

The social rented sector size criteria

About one-quarter of Housing Benefit recipients were affected by the SRSSC in each of the three surveys. Across the entire study period, 19 per cent of *all* households were at some stage affected by the SRSSC, as during at least one of the surveys they were receiving HB and had too many bedrooms according to the criteria. The majority of households affected by the criteria at the start of the research, however, remained affected for the duration of the study.

G15 households did not as a rule appear to be moving home if they were affected by the SRSSC. Just six households - or five per cent of all the households affected by the SRSSC across the whole study - reported moving as a result of the social rented sector size criteria. Households affected by the SRSSC more likely to consider making cut-backs on household expenditure, including on essentials such as food or

heating, than attempting to move. Affected households were particularly averse to the idea of looking for private rented accommodation, and most usually because it was considered too expensive.

Financial stability and stress

One-third of households were especially financially stressed, as they had either constantly been struggling to keep up with their household bills, or they had fallen behind with some of them. This group of households often faced a range of financial situations with the potential to compound their difficulties. They were likely to be in rent arrears; use pre-payment cards for paying their gas and electricity bills; be in receipt of Housing Benefit; be in receipt of HB and over-accommodated on the SRSSC, especially with two or more excess bedrooms; be unable to pay an unexpected expense of £50 without borrowing the money from somewhere; and find it difficult to heat their home.

The future

Respondents in 2015 were often not aware of a range of forthcoming welfare reforms. They were most familiar with the National Living Wage, and least aware of a freeze on working age benefits. More than half of respondents were aware of the reduction in the benefit cap level, and also to changes to child support tax credit; and about one-third had heard of the 'pay to stay' policy.

Almost half of respondents thought that they would be worse off over the next 12 months. Housing Benefit recipients, workless households, and those who were already struggling or falling behind with household bills most often expected to be worse off. Some households thought they would be worse off as a result of welfare changes when they were introduced, whilst others thought they were going to be worse off because they had used-up their savings. Most often, respondents thought they would be worse off because wages and benefits were not keeping up with the increase in the cost of living.

Chapter One: Introduction

Chapter summary

- This report forms part of *Real London Lives*, a three year programme of research by the g15 on 'ordinary Londoners'. It contains the results of repeat telephone interview surveys with g15 tenants who reside in London. The Real London Lives programme also includes repeated in-depth, qualitative interviews with tenants; and a series of documentary interviews.
- *Real London Lives* takes place during a period of economic change and uncertainty, when many people have been impacted by the economic recession that began in 2008. The high costs of housing, child care provision, and other services within the Capital mean that households living in the region face the greatest risk of falling below a Minimum Income Standard.
- The research comes at a time of substantial welfare reform, including introduction of the social rented sector size criteria for Housing Benefit tenants, an overall benefit cap, and a staged roll-out of Universal Credit. These, as well as other changes, can have impacts on the financial circumstances and well-being of social rented tenants.

Introduction

This report presents results from telephone interview surveys with g15 tenants. It forms part of *Real London Lives*, a three year programme of research by the g15. Beginning in the late summer of 2013, three annually-repeated telephone surveys were completed. The first survey interviewed a representative sample of 1,648 tenants, who were of working age and living within Greater London. The second telephone survey re-interviewed 560 of these tenants, and the third survey re-interviewed 401 tenants.

The g15 group comprises London's largest housing associations, and houses one in ten Londoners. The Real London Lives programme is designed to learn more about how 'ordinary' households of working age in the Capital are faring at a time of economic change and welfare reform. In addition to the telephone surveys, the research programme includes three annually-repeated qualitative, in-depth interviews with a cross-section of g15 households. The programme also involves a series of documentary interviews.

Economic circumstances

The Real London Lives programme takes place during a period of considerable economic change and uncertainty. Evidence shows how the economic recession that began in 2008 may have affected people's lives in a number of ways, the impacts of which are likely to have varied for different groups within society, and they may also have varied regionally. The Office of National Statistics (ONS), for example, has identified impacts on people due to fewer jobs being available, higher levels of unemployment, and lower levels of disposable income¹. Average household incomes have been shown to have fallen relative to essentials since 2009, and particularly in relation to the price of food².

Whilst people living in London may not have been affected by fewer jobs and higher levels of unemployment to same extent as those in some other regions of the UK³, the high costs of housing and childcare provision make it the region where households face the greatest risk of being below a Minimum Income Standard (MIS). The MIS is a level of income that people need in order to achieve a minimum socially acceptable standard of living⁴.

People who live in the private or social rented sectors are more likely to be below the MIS than owner occupiers, which partly accounts for the high rate of people being below the MIS in London, where about half of households rent their home. The risk of not reaching the MIS has increased for families with children, and particularly so for families headed by a lone parent - a common household formation within social rented housing.

Greater London has high levels of poverty relative to other regions, with 28 per cent of people living in poverty (a measure that is based on 60 per cent of median income, and is lower than the MIS) in the three years to 2011/12⁵. The rates of child, pensioner, and working-age poverty are all higher within London than in other English regions. There are variations within London also, with some boroughs having notably higher rates of poverty than others. Tower Hamlets, for example, was the local authority with the highest rate of child poverty within England during 2013.

^{1 3} Campos, C., Dent, A., Fry, R. and Reid, A. (2011) Regional Trends 43: Impact of the recession, <http://www.ons.gov.uk/ons/rel/regional-trends/regional-trends/regional-trends--july-2011-edition/index.html>

^{2 4} Padley, M. and Hirsch, D. (2014) Households below a Minimum Income Standard: 2008/9 to 2011/12, www.jrf.org.uk.

⁵ Trust for London and New Policy Institute (2015) www.londonpovertyprofile.org.uk

Policy background

The Welfare Reform Act 2012 introduced a number of reforms that potentially affected social rented tenants. Key reforms of the Act were:

- The social rented sector size criteria (SRSSC), which may limit the amount of Housing Benefit a working-age household receives if deemed over-accommodated. This change was introduced on 1 April 2013 for both new and existing Housing Benefit claimants in social rented housing.
- A household benefit cap, imposing an upper limit on the overall benefit received by out of work, working-age households. Staged introduction of the cap began in April 2013 (when it affected the London boroughs of Bromley, Croydon, Enfield and Haringey). A national roll-out began in July 2013, with all appropriate households capped by the end of September 2013.
- Universal credit introduces a single monthly integrated benefit payment for working age households, and is paid directly to claimants. The London borough of Lewisham has been included in the Universal Credit pilots, and pilots have been extended across the county, including Hammersmith and Fulham. Migration of benefit recipients to Universal Credit is expected to take until 2017 to complete.

In addition to these key reforms, other changes may impact on social rented tenants, including:

- Changes to the council tax system, which involves the ending of a national system of Council Tax Benefit, and devolution of the power to local authorities to design and administer their own system.
- Non-dependent deductions applying to Housing Benefit claimants are being increased in size. The deductions, which had been frozen in 2001, have increased since 2011 to reach the levels they would have done by 2014 had they not been frozen.
- Benefit uprating was changed from April 2013, when a range of key working-age benefits were increased by one per cent per year, rather than according to the rate of inflation (as was previously the case using the CPI, and the RPI before that).

More recently, the 2015 budget announced a range of policy measures that could further impact on social rented tenants, although these were not due to be introduced until after the research study period. The key proposals include:

-
- A reduction in the level of the benefit cap from Autumn 2016, from £500 to £442 per week for couples and lone parents living in Greater London, and from £350 to £296 per week for single person households living in Greater London. Lower benefit cap levels of £385 and £258 per week will apply outside of Greater London.
 - A benefit uprating freeze will apply to many working-age benefits, and their Universal Credit equivalents, over the four year period from 2016. Benefits frozen include JSA, Child and Working Tax Credit, LHA rates, Income Support, Child Benefit, the work-related activity group ESA.
 - Support through Child Tax Credit will be limited to two children for families with children born after April 2017. In addition, the ‘family element’ of Child Tax Credit will be abolished for new claims from April 2017.
 - Housing Benefit entitlement will be removed, with some exceptions, for claimants aged younger than 22 from April 2017.
 - Rents for social housing will be reduced by one per cent per year for four years from April 2016.
 - Social rented tenants on higher incomes (a gross income of over £40,000 per annum in Greater London, and over £31,000 per annum elsewhere) can be required to pay up to a market rent.
 - A National Living Wage was introduced in April 2016, which is a mandatory minimum hourly rate of pay for people who are aged 25 and older. It was initially set at £7.20 per hour, with a target of it increasing to at least £9 per hour by 2020.

Research methods

The original sample of g15 tenants was drawn from five g15 landlords: Circle, East Thames, Hyde, London & Quadrant, and Network Housing Group. These landlords were selected to ensure a comprehensive geographical coverage of the Greater London area, and to provide a representative tenant population of the g15 group.

A sample frame of almost 90,000 tenancies was compiled from the tenant databases of the five landlords, from which a random sample of 9,000 tenants was drawn. Checks confirmed the sample to be representative of the sample frame in terms of the number of tenancies provided by each landlord and the geographical spread of g15 tenants across Greater London.

Since the focus of the survey was on working age households, the landlords' extracts excluded tenants aged 62 and older. This age cut-off was further refined during the first survey to exclude households in which the householder, and their partner if they had one, had reached Pension Credit Age on the 1st April 2013 (an age of 61 years and five months), since these households would not have been affected by the key changes introduced by the Welfare Reform Act 2012. The landlord extracts excluded tenants living in supported accommodation for the same reason. An information and opt-out letter was sent by the landlords to their sampled tenants during April and May 2013, following which the sample was revised and confirmed.

The first survey completed interviews with 1,648 g15 tenants during the late summer of 2013. Checks confirmed these respondents to be representative of the sample in terms of the g15 landlord and geographical location. A comparative analysis with the English Housing Survey confirmed that the surveyed respondents were representative of the wider housing association and social rented population living within Greater London on a range of key demographic characteristics⁶.

During the first telephone survey, 1,557 respondents gave their permission to be contacted again for repeat interviews. The second survey was completed one year later, in which 560 repeat interviews were completed, and the third survey was completed two years later with 401 respondents (Table 1.1). Comparative analysis of a range of key household, HRP, and locational characteristics confirm the respondents of these repeat surveys to be strongly representative of the entire 1,648 respondents to the first survey.

Table 1.1: Telephone survey responses

Survey year	N.	%
2013 all	1,648	100
2013 consenting to repeat interviews	1,557	94
2013 & 2014	560	36
2013 & 2015	401	26

^{6 7} http://www.reallondonlives.co.uk/wp-content/uploads/2014/06/ON02052-Circle-G15-Report-v6-FP_WEB.pdf

Questionnaire design

The telephone surveys were computer-aided structured interview questionnaires (CATI). The questionnaires were designed to provide a degree of continuity over the three surveys, such that key demographic characteristics and a select number of key issues and themes could be monitored over the study period. Many questions were repeated in the three surveys, therefore. A range of different questions were included in different surveys to provide insight into emerging issues, and which were largely informed from material collected in the qualitative interviews with g15 tenants.

Analysis

The analysis in this report is based on interviews with 713 respondents, who were interviewed in 2013 and then again in either 2014 or 2015. The results of the first survey are available in a separate report⁷. Where the number of cases allowed, changes over the study period are examined for different groups of g15 tenants. Different parts of the analysis therefore relate to the first repeat survey in 2014, and others to the second repeat in 2015. To allow analysis of sub-groups for certain topics, respondents or households from 2014 and 2015 have been grouped together, essentially to give two-year averages. In addition to respondents who participated in both repeat surveys (248), there were about twice as many responding only to the first repeat survey (312) as only to the second repeat survey (153), which means that the two-year 'averages' centre slightly more heavily on 2014 than on 2015.

Reporting conventions

Results from the three surveys are referred to by their survey year, and '2014/2015' refers to the grouped two-year analysis of the 2014 and 2015 respondents collectively. The unit of analysis varies depending on the topic in question: it can include the respondent, the Household Reference Person (HRP), or the household. Key demographic characteristics are reported for the HRP, irrespective of whether this was the interviewee or the interviewee's partner. Percentages in tables and text have been rounded to the nearest whole per cent, which can mean that they may not total exactly to 100. The base on which tables rest is indicated in a footnote.

Chapter Two: Household dynamics and housing characteristics

Chapter summary

- Household formation remained broadly consistent over the study. Households comprised of a single person changed least often over the two years, and lone parent households the most often.
- A very small minority of households had moved home since they were first interviewed in 2013, and most often for reasons related to the size of the previous home.
- Slightly more than half of all respondents had needed to wait before obtaining their accommodation. The average length of waiting time was 30 months, although some had waited just a few weeks, and others for several years. For some respondents, waiting had caused, or left them stuck, in problematic situations, including overcrowded housing, poor quality accommodation, a range of homeless situations, and problems with stress or anxiety.
- About three fifths of respondents were living in flats, and about two fifths in houses. Respondents were living most commonly in purpose built flats or terraced housing. Terraced houses tended to be occupied by the more long-standing tenants, and purpose built flats by tenants who had moved in during the last few years. Around three fifths of households were living in accommodation that was estimated to have been built since 1970.

Introduction

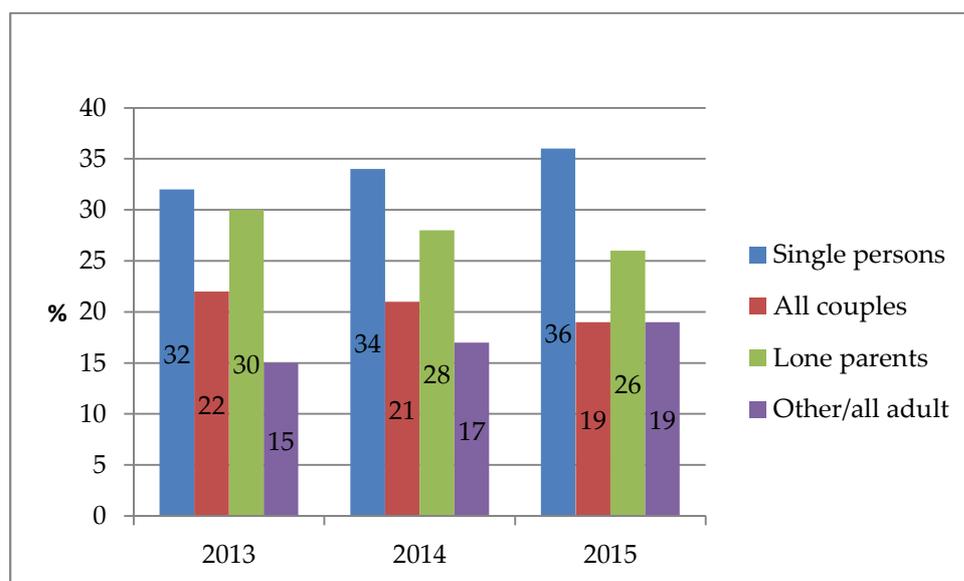
This chapter examines a range of characteristics of the responding households and their Household Reference Person (HRP) over the three surveys, considering the extent of change or similarity. It looks at household type, the economic status of the HRP, respondents who had moved home since the start of the study, and the details and experiences of moving into the current home. The chapter also looks at some key accommodation characteristics, including the type of property occupied, the number of bedrooms, and the estimated age of dwellings.

Household type

Figure 2.1 shows the household type profile for all respondents to each of the three surveys. The profile remained broadly the same over the period, with small increases in the proportions of single person and Other/all adult households, and

small decreases in couples (collectively with and without dependent children) and lone parents. The majority of couples had one or more dependent children (73 per cent in 2013 and 2014, and 71 per cent in 2015). The proportion of all g15 households with dependent children was broadly comparable with the figure of 42 per cent for the UK as a whole⁸: it decreased slightly from 46 per cent in 2013, to 43 per cent in 2014, and to 39 per cent in 2015.

Figure 2.1: Household type



In terms of the household types shown in Figure 2.1, 83 per cent did not change type after 2013, and the other 17 per cent did change. As Table 2.1 indicates, single person households least often changed over the study (88 per cent of them remained single person households), and lone parent households changed most often (80 per cent remained lone parent households).

Households with a working HRP in 2013 were only just slightly more likely to have changed type than those with a non-working HRP (19 per cent compared with 15 per cent). Similarly, households not receiving Housing Benefit in 2013 changed slightly more often compared with HB recipients (20 per cent and 15 per cent). There was no difference between households that did or did not change type with respect to usage of the four financial services discussed in Chapter four (payday loan companies, rent to own shops, pawnbrokers, and foodbanks).

⁸<http://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2015-11-05>

Households with the requisite number of bedrooms according to the bedroom standard were slightly less likely to have changed type than those that were both overcrowded and over accommodated: 16 per cent with the requisite number of bedrooms changed type, compared with 20 per cent of households with more bedrooms, and 20 per cent with fewer bedrooms than required.

Table 2.1: Household dynamics, 2013 to 2014/2015

Household type in 2013	Household type in 2014/2015					N.
	Single person (%)	Couples ¹ (%)	Lone parents (%)	Other/all adult (%)	Total (%)	
Single person	88	5	3	4	100	227
Couples ¹	6	81	7	5	100	155
Lone parents	6	6	80	8	100	212
Other/all adult	10	1	2	87	100	106
Base: all households in all years						
¹ Couples with and without dependent children						

Moving home

Twenty-five responding households had changed address over the two years following their first interview, which equates to four per cent of the 713 respondents in 2013. One of the participating g15 landlords was able to provide figures on their tenants, showing that four per cent had been living at their address for less than two years, suggesting that moving respondents have not been underrepresented in the study's repeat surveys.

With this number of moving households it is not possible to analyse the group statistically. Property size, however, was the most common reason they mentioned for moving, with the previous home having been too large in some cases and too small in others. Other reasons mentioned were a desire to move to a better area, a landlord-initiated transfer because a property was to be demolished, and because the previous home had been damp. Most of the movers were still renting from a social landlord (although not always the same one as previously), four were renting from a private landlord, and a couple had become owner occupiers.

Moving to the current home

It emerged from the first wave of qualitative interviews that respondents had often needed to wait a considerable length of time before obtaining their home, which sometimes had serious consequences⁹. Tenants might regard their home as being gained at some personal cost as a result of having had to wait, and consequently could be reluctant to consider moving again, even if they were affected by the social rented sector size criteria, for example. Respondents in 2014 were therefore asked whether they had been required to wait for their current accommodation to become available before they could move in, and if so how long they had waited (Table 2.2).

Table 2.2: Waiting to move into current accommodation

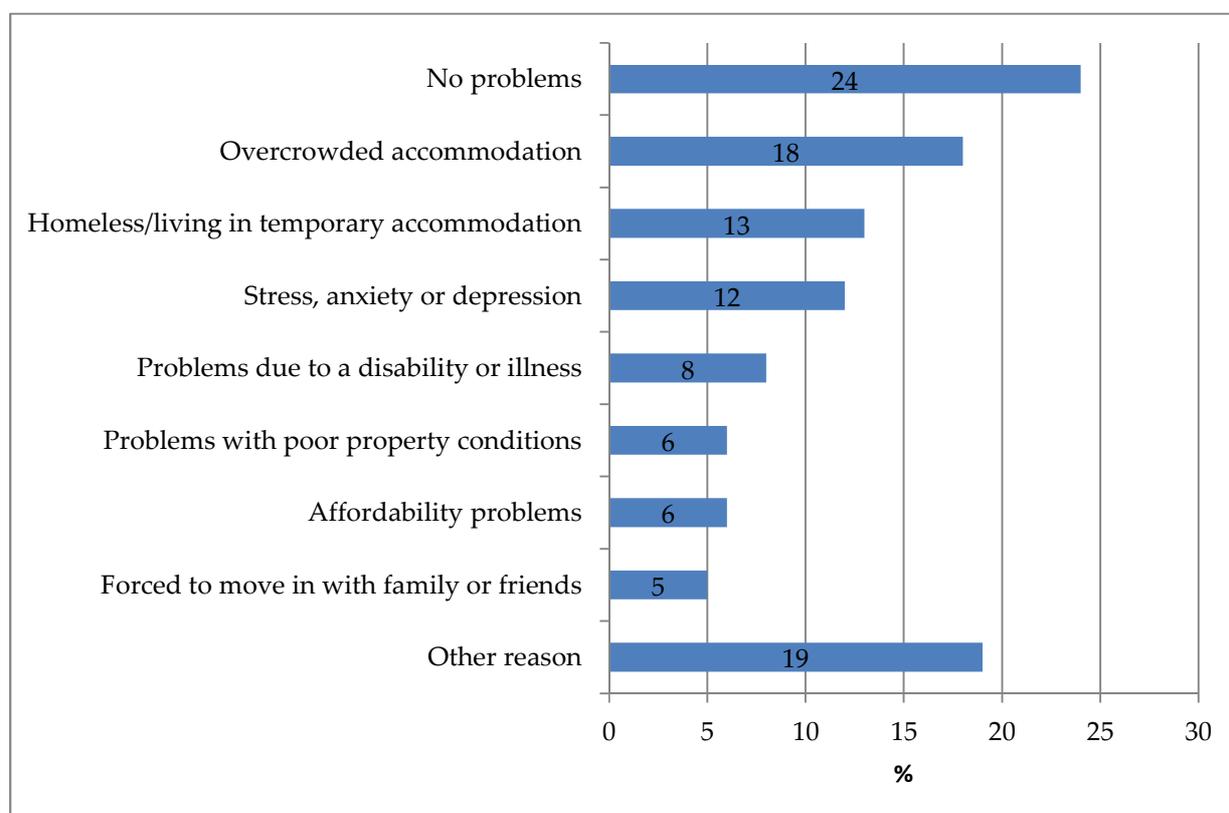
		Proportion having to wait (%)	N. months waited (mean)	N.
Inner or outer London	Inner	56	33	215
	Outer	53	28	326
Year moved in	Pre 2002	47	19	150
	2002-2008	61	33	126
	2009 and later	55	38	141
Number of bedrooms	1	51	23	138
	2	52	27	209
	3+	58	34	165
Property type	Houses	57	33	227
	Flats	52	28	313
All households		54	30	541
Base: all households in 2014				

⁹ Rugg, J. and Kellaher, L. (2014) *Living a life in social housing: a report from the Real London Lives project*, York: Centre for Housing Policy.

Fifty-four per cent of all households had waited for their current home to become available, and on average they had waited for 30 months. Inner London respondents waited slightly more often and for slightly longer than those who had moved into housing in outer London boroughs. Larger accommodation, in terms of the number of bedrooms, was most commonly associated with having to wait, and it also had longer average waiting times than smaller accommodation. Possibly in a reflection of increasingly limited availability of social housing, the more recent movers had generally been required to wait for their accommodation most often, and their average waiting time was longer.

There was considerable variation around the average waiting times, however, with some respondents having waited for just a few weeks, whilst others had waited several years, and as long as 23 years in one instance. Forty-three per cent of the households that had waited did so for six months or shorter, and 58 per cent had waited for 12 months or shorter. On the other hand, 18 per cent of respondents had waited for five years or longer, and eight per cent had waited for ten years or longer.

Respondents who had waited for their accommodation to become available were asked whether waiting had caused them any difficulties, and they were able to mention more than one issue (Figure 2.2). Most commonly, the respondents reported that waiting had caused them no problems (24 per cent). Eighteen per cent said that waiting had been problematic because they were living in overcrowded accommodation. Examples given included children sleeping in the same bed as their parents, other family members sleeping in a living room, and in one case a bedroom had been shared by five people.

Figure 2.2: Problems with waiting for accommodation

Thirteen per cent of respondents who waited said it had been problematic because they were homeless or living in temporary accommodation. Bed and breakfast accommodation was mentioned in this respect; as was hostel accommodation, including with their children on a couple of occasions. A few examples of rooflessness were given, including one respondent who had taken to living in a van. A further five per cent of respondents said that they had been forced to move in with family or friends whilst waiting for accommodation.

Problems with stress, anxiety or depression were mentioned by 12 per cent of respondents who had waited. These issues were related to the uncertainty of how long they would have to wait in some cases, whilst in others it was due to sharing overcrowded accommodation with wider family members. A range of other problems were cited as causing stress and anxiety, including issues due to a violent neighbour, or due to the 'difficult' nature of a neighbourhood, and in one instance the respondent had no option other than to stay-on in a mental health institution while waiting.

Problems with poor property conditions were reported by six per cent of respondents, who cited issues including damp walls, leaks to the ceiling, and no provision of heating. Affordability was an issue for six per cent of respondents - in

some cases it was the reason for wanting to move, whilst in others it was due to having to rent comparatively expensive privately rented accommodation during the waiting period. A range of other problems were mentioned by 19 per cent of the respondents, which included problems with sharing accommodation with other households, and one situation that involved the need to escape domestic violence.

Property type

The profile of property types occupied by the responding households broadly corresponded to that of all housing association tenants within Greater London (Table 2.3). Analysis of the English Housing Survey stock survey data for the two financial years of 2011/12 and 2012/13 (see Glossary) indicates that housing association tenants within the Capital most commonly lived in purpose built flats and flats in converted buildings (66 per cent), secondly in terraced housing (29 per cent), and lastly in semi-detached and detached housing (five per cent). Amongst the g15 respondents, 59 per cent were living in flats, 24 per cent in terraced housing, and 17 per cent in semi-detached and detached houses.

Table 2.3: Property type

Property type occupied	Single person (%)	All couples ¹ (%)	Lone parents (%)	Other/all adult (%)	All households (%)	EHS ³ (%)
Terraced houses	12	32	23	37	24	29
Semi-detached & detached houses ²	6	16	25	24	17	5
Flats in converted buildings	35	9	11	10	18	12
Purpose built flats	48	44	40	28	41	54
Total	100	100	100	100	100	100
N.	182	114	146	95	541	304,214
Base: all households in 2014						
¹ Couples with and without dependent children. ² Includes a very small number of bungalows. ³ EHS 2011/12 and 2012/13 stock survey data analysis of housing association tenants living in Greater London.						

The g15 respondents who were single person households most commonly lived in flats (83 per cent), whilst all-adult household formations did so least commonly (38 per cent). Terraced housing tended to be more commonly occupied by the longer-standing tenants, whereas purpose built flats more often by tenants who had moved in more recently: 12 per cent of respondents who had lived at their current address for fewer than five years lived in terraced houses, as did 21 per cent who had lived in their current home for five to ten years, and 38 per cent who had lived there for upwards of ten years. In contrast, 56 per cent of respondents who had lived at their current address for fewer than five years were living in purpose built flats, as were 45 per cent who had lived in their current home for five to ten years, and 25 per cent who had lived there for upwards of ten years.

Number of bedrooms

The size of accommodation occupied, in terms of the number of bedrooms, was broadly consistent in profile with the wider housing association stock profile within Greater London. Twenty-six per cent of the g15 respondents were living in accommodation containing one bedroom, compared with 32 per cent in the EHS analysis; 38 per cent were living in accommodation with two bedrooms, compared with 34 per cent in the EHS; and 36 per cent were living in accommodation with three or more bedrooms compared with 34 per cent in the EHS. Houses, not surprisingly, were generally larger than the flats (Table 2.4). Just one per cent of all types of house contained one bedroom, compared with 42 per cent of flats; whereas 68 per cent of houses had three or more bedrooms compared with 14 per cent of flats.

A majority of respondents were of the opinion that the number of bedrooms they had in their accommodation was about right for their needs (72 per cent), although a lower proportion than this had the right number of bedrooms for their household according to the SRSSC (53 per cent). Overall, 62 per cent of respondents' view on the number of bedrooms corresponded with the social rented size criteria, whilst the view of 38 per cent differed.

Table 2.4: Property type by number of bedrooms and views on the number of bedrooms

		All houses (%)	All flats (%)	All households (%)
Number of bedrooms	1	1	42	26
	2	30	44	38
	3+	68	14	36
View on the number of bedrooms	Not enough	21	26	24
	About right	74	71	72
	More than needed	6	3	4
Social rented sector size criteria ¹	Too few	25	16	20
	About right	37	64	53
	Too many	38	20	27
N.		215	322	537
Base: all households in 2014				
¹ The SRSSC is applied to all households irrespective of HB status.				

The area of agreement was greatest amongst households with the correct number of bedrooms according to the SRSSC, with 84 per cent of these saying that they had the right number of bedrooms for their needs, and 16 per cent that they did not. Amongst households with too few bedrooms according to the SRSSC, 69 per cent also thought that they did not have enough bedrooms for their needs, whilst 31 per cent that they had. The lowest level of agreement was amongst households with too many bedrooms according to the SRSSC, with only 14 per cent of respondents saying that they had more bedrooms than they needed, whilst 86 per cent that they did not have too many for their needs.

Estimated property age

Respondents were asked to provide an estimate of the age of their house or the building that their flat was in, either by providing an estimate of how old they thought the property was, or an estimate of when they thought it had been built. If respondents were not sure enough to provide one of these estimates, they were then asked to pick from of a list of periods when they thought the property had been

built. In one of these ways, 84 per cent of respondents provided an estimate of the age of their house or the building containing their flat. The combined results of these estimates have been used to compile the categories shown in Table 2.5.

Comparative analysis of the EHS stock survey data suggests that the g15 respondents were living in slightly newer property than was the case for the wider housing association tenant population within Greater London. According to the estimates provided by the g15 respondents, 28 per cent of them were living in property built from 2000 onwards, compared with 13 per cent in the EHS.

It is perhaps unsurprising that there is a relationship between the length of time that households had been living at their current address and the estimated age of the dwelling. Thus, households that had lived at their address for fewer than five years were living in housing that had been built since 2000 (48 per cent) more commonly than those who had lived in their home for five to ten years (39 per cent) or those who had lived in their home for upwards of ten years (eight per cent).

Table 2.5: Estimated property age by number of years households had been living at the address

Estimated property age	Up to 4 years (%)	5 to 10 years (%)	11+ years (%)	All households (%)	EHS ¹ (%)
Pre 1914	16	16	19	17	20
1914 to 1970	19	20	31	24	31
1971 to 1999	18	25	41	30	36
2000+	48	39	8	28	13
Total	100	100	100	100	100
N.	113	103	150	472	304,214
Base: all households in 2014					
¹ EHS 2011/12 and 2012/13 stock data analysis, housing association tenants living in Greater London.					

Chapter Three: Work

Chapter summary

- Seventy per cent of HRPs had the same economic status over the study period. Amongst working HRPs the proportion was higher, with 86 per cent who were working in 2013 remaining in work over the study. More fluidity between other categories of economic status was apparent.
- The average length of time that employed respondents had continuously been working in their current job was 7.1 years. Almost one quarter had been in their current job for at least 12 years. Nine in ten working respondents thought they could still be working in the same job in 12 months' time if they wished.
- The average number of hours being worked remained about the same across the study, at 32 hours per week in 2013, and 31 hours in 2015.
- Almost two thirds of working respondents were in salaried work, and about one third were in hourly paid work. About one in ten working respondents were on zero hours contracts, which was about four times higher than the national rate.
- Sixty-three per cent of respondents regarded it as being very or quite difficult to find work in their local area. The most commonly-mentioned difficulty was the limited availability of work opportunities.
- The average travel-to-work cost was about £20 per week in 2015. As a proportion of their earnings, the lowest paid fifth of respondents were paying almost four times as much as the highest paid fifth to commute to work.
- Around one third of households remained workless over the study. The great majority of workless households had a HRP who was long-term sick or disabled.

Introduction

This chapter looks at issues related to work and worklessness across the two year study period. It examines the dynamics of HRPs' economic status and the extent of working consistency. The weekly hours of work in 2013 and 2015 are compared, and the contractual work arrangements are reported for 2015 respondents. The duration of employment and respondents' views on their future job security over the next one and two years are explored, and the costs associated with commuting to work are

analysed. Obstacles to finding work are discussed, and finally the issue of workless households is explored.

Economic status of the HRP

Figure 3.1 shows that around the same proportion of HRPs were in work (either as employees or self-employed) in the three surveys: 54 per cent in 2013, 51 per cent in 2014, and 58 per cent in 2015. The slight increase in the proportion of working HRPs over the study may be a reflection of the decrease in unemployment rate over the period¹⁰. The proportion of HRPs who were long-term sick or disabled increased slightly, from 15 per cent to 22 per cent over the study, whereas the proportion unemployed decreased from 21 per cent to eight per cent. There was also a small increase in the proportion of HRPs who had some other economic status, from 10 per cent to 12 per cent.

Figure 3.1: Economic status of the HRP, 2013 to 2015

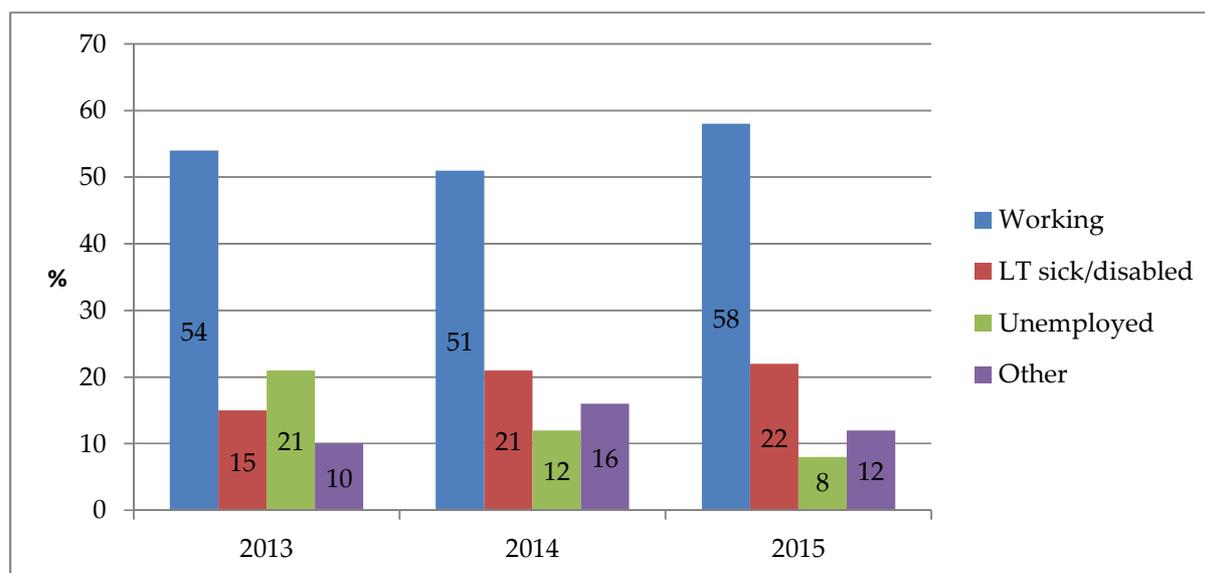


Table 3.1 compares the economic status of all HRPs in 2013 with that of all HRPs in 2014 and 2015 collectively. Overall, the same proportion of HRPs was in work at both stages (54 per cent). The proportion of couples with a working HRP was unchanged (at 84 per cent), whilst single person households saw a small decrease in the proportion who were working. There was a small increase in the proportion of working lone parents, which may be related to the ages of dependent children, as lone parents on Income Support are usually required to move onto JSA, with the

¹⁰ <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment>

associated requirement to seek paid work, when their youngest child reaches the age of five¹¹. Thus in 2013, 56 per cent of lone parents had a dependent child under the age of five, and in 2014/2015 the proportion had dropped to 48 per cent.

Table 3.1 : Economic status of the HRP by household type, 2013 and 2014/2015

Economic status of HRP	2013 (%)					2014/2015 (%)				
	Single	All couples ²	Lone parents	Other/all adult	All HRPs	Single	All couples ²	Lone parents	Other/all adult	All HRPs
Working	42	84	44	58	54	37	84	50	56	54
Long-term sick/disabled	27	4	10	18	15	35	6	13	20	20
Unemployed	26	6	27	17	21	17	2	12	11	11
Other ¹	5	6	19	8	10	12	8	25	13	15
Total	100	100	100	100	100	100	100	100	100	100
N.	227	156	214	107	712	234	142	189	128	699
Base: all households in all years										
¹ Includes HRPs who were on Government training schemes, fully retired, full-time students, looking after the home or family, and carers.										
² Includes couples with and without dependent children.										

The comparative consistency of working HRPs over the period contrasts with the three other categories shown in the table, between which there would appear to be a certain degree of fluidity. Varying household dynamics, such as a changing need to provide care, as may be related to the age of dependent children; or the recovery from a long-term illness, for example, may explain some of the fluidity between unemployment and various forms of economic inactivity. Overall, 70 per cent of HRPs had the same economic status between 2013 and 2014/2015.

Figure 3.2 shows the dynamics of the group of HRPs who were working in 2013, and indicates that 86 of them were also working in 2014/2015. Four per cent had become

¹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/368554/jobseekers-allowance-for-lone-parents-oct14.pdf

long-term sick or disabled by 2014/2015, three per cent unemployed, and six per cent had some other economic status in 2014/2015. This pattern of consistent work status existed across the range of household types: 76 per cent of working single person HRPs in 2013 remained in work, as did 85 per cent of lone parents, and 90 per cent of the working HRPs in couples.

Figure 3.2: Dynamics of working HRPs in 2013 over 2014/2015

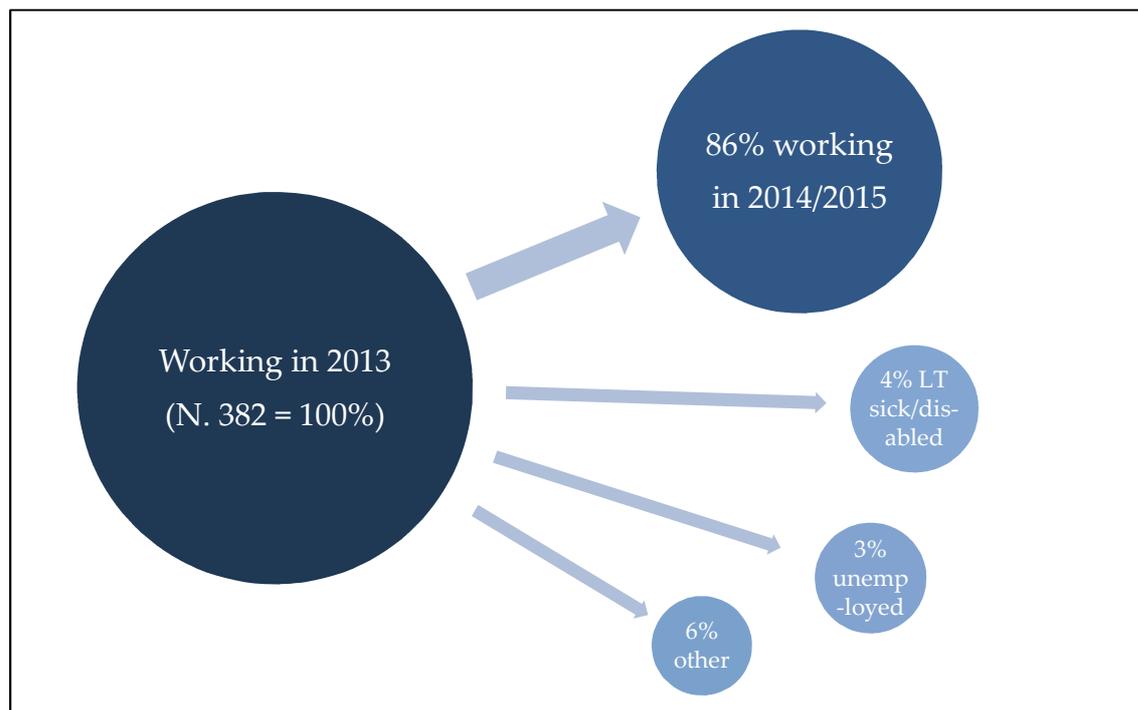
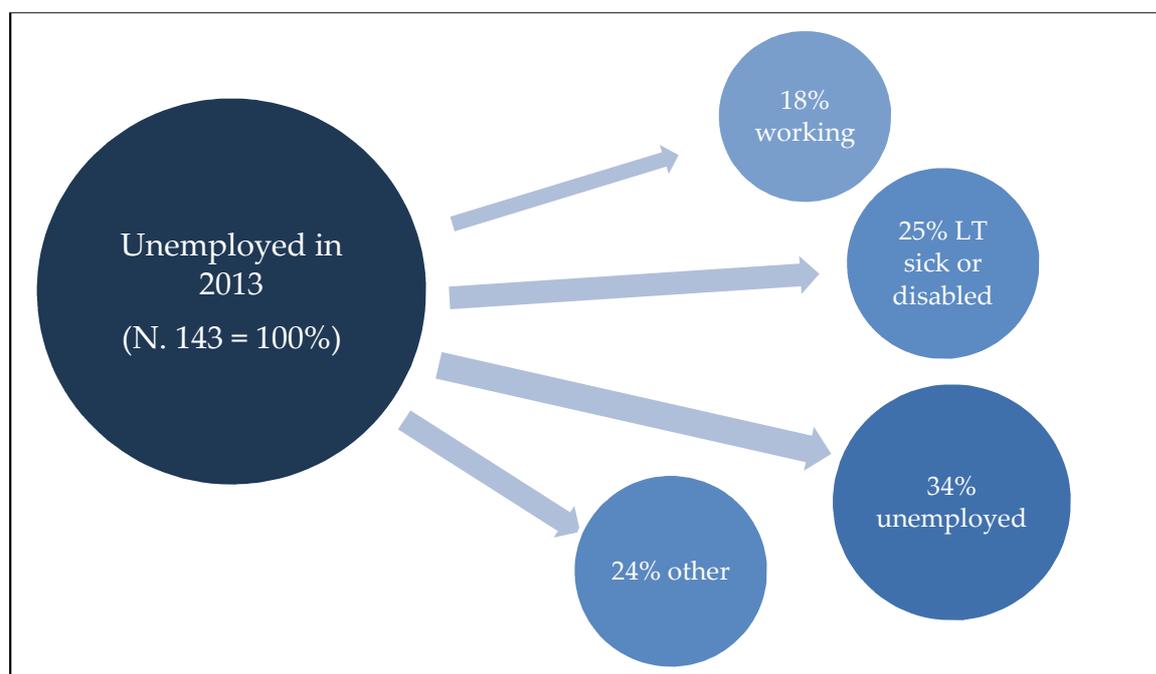


Figure 3.3 contains the dynamics of the group of HRPs who were unemployed in 2013, and shows a mixed pattern of destination over 2014/2015. Thus, 34 per cent remained unemployed, while 18 per cent had moved into work. Twenty-four per cent reported that they were long-term sick or disabled in 2014/2015, and 24 per cent that they had some other economic status (which includes HRPs on Government training schemes, fully retired, full-time students, looking after the home or family, and carers).

Figure 3.3: Dynamics of unemployed HRP's in 2013 over 2014/2015


In 2015, 15 per cent of all respondents who were not currently working indicated that they had worked at some point over the preceding 12 months. Due to the low number of these cases, further statistical analysis is not possible. Almost all of these respondents had been employees, however, some of which had been salaried positions and some hourly paid. Slightly more of these respondents said that the decision to leave the employment had been made by their employer rather than by themselves.

Duration of employment and job security

As Figure 3.2 above suggests, being in work was often a settled situation. The average (mean) number of years that all working respondents in 2015 had been in their current employment or self-employment was 7.1 years. (Some respondents could of course have been continuously employed for longer periods of time in different jobs.) For salaried employees the average was slightly higher, at 7.7 years, whilst for hourly paid workers it was slightly lower at 6.1 years. There was little difference in the average length of time in the current job between hourly paid employees with agreed weekly hours (6.2 years) or variable hours of work (6.1 years)(the latter includes both zero hour contracts and those with a guaranteed minimum number of hours per week).

There was of course a range in the length of time that respondents had been in their current employment or self-employment. At the time of interview, 17 per cent had been in their current work for less than one year, whereas five per cent had been

working for 20 or more years in the same job. Similarly, 24 per cent of respondents had been in their current work situation for less than two years; and the same proportion had been in their current work for 12 or more years. Unsurprisingly, the average length of time that respondents had been in their current work increased with age: 3.4 years for those aged 16-34, 5.5 years for respondents aged 35 to 44, 7.8 years for those aged 45 to 54, and 10.9 years for the 55 and older respondents.

The majority of working respondents in 2014 indicated that their current job offered continued employment into the foreseeable future. Ninety per cent of respondents thought that they could still be working in the same job in 12 months' time if they wanted, and 84 per cent thought they could still be working in the same job in 24 months' time if they wanted. Likewise in 2015, when 92 per cent of respondents thought they could still be in the same job in 12 months' time if they wanted, and 87 per cent in 24 months' time if they wanted. These proportions did not vary in terms of respondents' age, and neither by whether they were salaried or hourly paid.

Hours worked

Table 3.2 shows the total number of hours being worked per week (in all jobs if more than one) for working HRPs in 2013 and in 2015. The comparison shows very similar proportions of working HRPs were working full-time or part-time in both years, and that the average number of hours worked per week for each of these groups was similar also in each year. Thus, 68 per cent in 2013 and 66 per cent in 2015 were working for 30 or more hours per week; and 32 per cent and 34 per cent working for fewer than 30 hours per week respectively.

Table 3.2: Hours worked per week for *all* working HRPs in 2013 and 2015

Hours per week	2013		2015	
	Proportion (%)	Mean hours	Proportion (%)	Mean hours
Under 16	8	10	9	11
16 to under 30	23	20	25	20
30 or more	68	39	66	38
Total	100	32	100	31
N.	373	373	187	187
Base: all working HRPs in 2013 and 2015				

Table 3.3 shows the weekly hours worked for the HRP's who were working in *both* 2013 and 2015, rather than all working HRP's in each year (as in Table 3.2). The table again shows a high level of consistency between the two surveys, with similar proportions of the HRP's working full or part-time, and with similar mean hours worked for each group as well as overall. Amongst HRP's were working in both 2013 and 2015, 89 per cent of them who were working full-time in 2013 were also working full time in 2015. The same pattern was evident with the part-time working HRP's, with 80 per cent of those working for fewer than 30 hours in 2013 also working for fewer than 30 hours in 2015.

Table 3.3: Hours worked per week for HRP's who were working in *both* 2013 and 2015

Hours per week	2013		2015	
	Proportion (%)	Mean hours	Proportion (%)	Mean hours
Under 16	7	11	7	12
16 to under 30	19	20	22	21
30 or more	73	38	71	38
Total	100	32	100	33
N.	150	150	150	150

Base: HRP's who were working in both 2013 and 2015

Working arrangements

Sixty-four per cent of working respondents in 2015 reported that their employment was salaried, and 36 per cent that they were paid by the hour (Table 3.4). Amongst the hourly paid respondents, a majority worked for an agreed number of hours each week. Eleven per cent of all employed respondents were working on 'zero hours contracts', in that their hours of work were variable and they had no guaranteed minimum number of hours each week. This proportion is about four times the rate - of 2.5 per cent - among all working people in the UK during the last quarter of 2015¹². The number relevant of cases in the g15 survey data means that further analysis of the respondents working on zero hours contracts is limited. The ONS

¹²<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/contractsthatdonotguaranteeaminimumnumberofhours/march2016>

report, however, indicates that people working on zero hours contracts are likely to be female, young, working part-time, and commonly working in accommodation or food services jobs. The ONS reports that zero hours workers typically work for 26 hours per week, and that 37 per cent of them want to work more hours (compared with ten per cent of workers who were not on zero hours contracts).

Table 3.4: Work arrangements of respondents in 2015

Work arrangement			%
Salaried			64
Hourly paid	Agreed weekly hours		20
	Hours vary	Guaranteed minimum hours	5
		No guaranteed minimum hours	11
Total			100
N.			211
Base: working respondents in 2015			

The g15 respondents working in salaried positions were on average working for the 33.4 hours per week, whilst hourly paid respondents with agreed hours of work were working for 25.7 hours each week. Taking all of the hourly paid respondents working variable hours collectively (guaranteed and not guaranteed minimum hours), they on average reported working for 30.8 hours in a typical week. The majority of all working respondents (72 per cent) thought that they were working for about the right number of hours each week, whilst similar proportions thought they were not working enough (15 per cent) or too many (14 per cent) hours each week. Respondents who said they were working enough hours were working for an average of 31.5 hours per week, those not working enough hours were working for 22.5 hours per week on average, and those working too many were working an average of 39.9 hours per week.

All of the hourly paid respondents taken together more commonly said than the salaried respondents they were not working enough hours each week (21 per cent compared with 11 per cent), and they less commonly said they were working too many hours each week (nine per cent compared with 16 per cent). Respondents from these two groups said that they were working for the right number of hours each week about equally as often (70 per cent of the hourly paid and 73 per cent of the salaried).

The second round of qualitative interviews with the g15 tenants found that employment agencies had on occasion charged respondents a fee for finding them work¹³. The 2015 telephone survey therefore asked respondents whether they had found their current job through an employment agency, and if so whether they had been required to make a payment for that service. Fourteen per cent of the employed respondents had found their current work through an agency. Due to the low number of respondents who had found work in this way, it is not possible to analyse them statistically. Most of these respondents indicated that they had paid nothing themselves for finding work through an agency, however, and that (where they knew) their employer had paid a finder's fee to the agency. Three respondents did report that they had paid a one-off fee to the agency, and a further two reported that the agency was taking a regular amount from their wage in payment for finding them work.

Pay rates and earnings

In 2015, the National Minimum Wage (NMW) applied to workers who were of at least school leaving age, and who were not in one of a number of excluded groups, which amongst others included the self-employed, volunteers, and members of the armed forces¹⁴. People aged 21 and over were entitled to £6.70 per hour, 18 to 20 year olds to £5.30 per hour, the under 18s to £3.87 per hour, and apprentices to £3.30 per hour. The National Living Wage, for people aged 25 and over, was introduced at a later date (1 April 2016). Hourly rates of pay for working respondents in 2015 in all types of working arrangement ranged from a low of £1.08 per hour to a high of £62.51 per hour. Eighty-eight per cent of them were being paid an hourly rate that was at or above their applicable NMW level, and 12 per cent were being paid at a rate that was below their applicable NMW level.

The median hourly rate for all working respondents was £10.93 per hour (Table 3.5). Based on their usual hours of work, salaried respondents were on average paid at a higher rate (a median of £13.06 per hour) than respondents working in hourly paid jobs (£8.80 per hour). Hourly rates of pay were higher for full-time workers (30+ hours per week) than for part-time workers (medians of £12.91 and £8.51 per hour).

The median annual gross earnings figure for all working respondents together was £18,500. Working respondents in salaried positions (their main job if more than one

¹³ Rugg, J. and Kellaher, L. (2014) *Living a life in social housing: a report from the Real London Lives project*, York: Centre for Housing Policy.

¹⁴ <https://www.gov.uk/national-minimum-wage/who-gets-the-minimum-wage>

was held) had a higher annual gross pay than hourly paid workers, which is a reflection of their higher hourly rates and the greater number of hours they worked per week on average. At £25,950 per annum, the median gross earnings of full-time employees was lower than the equivalent UK-wide figure of £27,600 for the year ending in April 2015¹⁵.

Table 3.5: Average hourly rates of pay and gross annual pay in 2015

		Hourly rate (£median)	Annual gross pay (£median) ¹	N.
Whether salaried or hourly paid (main job)	Salaried	13.06	23,892	107
	Hourly paid	8.80	10,920	53
Full-time or part-time	30+ hours	12.91	25,950	102
	<30 hours	8.51	7,488	55
All		10.93	18,500	160
Base: working respondents in 2015				
¹ Calculated from salary figures, or hourly rates in combination with the number of weekly hours worked (or typically worked if the hours varied). The figure includes pay from all jobs if respondents worked in more than one.				

Pay to stay

The ‘pay to stay’ policy, as introduced by the Housing and Planning Act 2016, means that social rented tenants in Greater London with an annual taxable income above £40,000 could be required to pay up to a market rent¹⁶. During the passage of the Bill, the House of Lords recommended that the threshold be raised to £50,000 (and to £40,000 elsewhere),¹⁷ and peers also recommended a taper be introduced, which has eventually been set at a 15p increase in rent for every £1 of income above the threshold.

¹⁵<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2015provisionalresults#regional-earnings>

¹⁶https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/469797/Pay_to_Stay_consultation_doc.pdf

¹⁷ <http://www.insidehousing.co.uk/government-defends-pay-to-stay-after-lords-defeats/7014885.article>

A model by the DCLG for the 2015 Budget suggested that around 290,000 social rented households in England could have been affected by the policy. The scenario of the model was that 100 per cent of the market rent be paid by households in London with an income of £50,000 or more (£40,000 outside of London), and 80 per cent of the market rent be paid by households with an income of between £40,000 and £50,000 in London (£30,000 to £40,000 outside of London)¹⁸. Using an English social rented stock figure of about 4m dwellings in 2015¹⁹, the DCLG model suggests that around seven per cent of social rented tenants across England could be affected.

Seventy-six per cent of the employed and self-employed g15 respondents provided details of their earnings in 2015. An annual gross earnings figure has been calculated for these respondents, which is based either on their salary, or on their hourly rate in combination with the number of hours worked per week (or typically worked per week if hours varied). Pay from all jobs has been included (a small minority of respondents held more than one job), and it represents a gross figure before any deductions, such as for income tax or national insurance. The annual figure does not include other possible sources of income, and neither does it include income from other household members, and may therefore underestimate total income. Based on this gross annual figure, four per cent of the respondents earned £50,000 per annum or more, and a further five per cent earned between £40,000 and £50,000 per annum. Thus a total proportion of nine per cent of the working respondents who provided details of their earnings had gross earnings of £40,000 or more, and could therefore be affected by the policy.

Travel-to-work costs

A weekly transport cost of commuting to work has been calculated for the working respondents in 2015. The figure takes into account the number of days travelled to work each week, and has been compared with respondents' weekly gross income (Table 3.6). Unsurprisingly, there was a clear relationship between gross salary or wage and the travel-to-work cost, with lower earners paying proportionately more than higher earners. Thus, the respondents in the lowest quintile of earnings (the lowest 20 per cent of earners) were spending an average of almost one seventh of their gross earnings on commuting to work. In contrast, the respondents in the two highest quintiles of earnings (the highest 40 per cent of earners) were on average spending less than one twentieth of their gross earnings each week on commuting to work.

¹⁸ http://www.arch-housing.org.uk/media/79509/dclg_impact_assessment_h_p_bill_ia15-010_1_.pdf

¹⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/519475/Dwelling_Stock_Estimates_2015_England.pdf

The relative cost of travelling to work was higher for part-time rather than full-time workers, at 8.3 per cent compared with 4.5 per cent of gross earnings. Although the number of cases is low, analysis suggests that there was little difference in the relative travel-to-work cost for the part-time respondents who were working for fewer than 16 hours per week compared with those who were working for 16 or more hours per week. The relative travel cost for respondents living in inner London was slightly lower than for those living in outer London.

Table 3.6: Weekly travel-to-work costs and average gross earnings in 2015

		Average travel cost (mean £ per week) ²	Average gross earnings (mean £ per week)	Travel cost as a proportion of gross earnings (mean %)	N.
Salaried or hourly paid	Salaried	20.64	450	4.6	104
	Hourly paid	18.15	282	6.4	52
N. weekly hours worked ¹	< 30 hours per week	14.58	176	8.3	55
	30+ hours per week	22.88	513	4.5	100
Quintiles of gross salary or wage	1 Lowest quintile	12.65	107	11.8	31
	2	22.76	210	10.8	33
	3	17.46	364	4.8	31
	4	21.84	531	4.1	30
	5 Highest quintile	24.20	775	3.1	31
Respondent address location	Inner London	18.37	425	4.3	78
	Outer London	21.24	364	5.8	78
All		19.81	394	5.0	156
Base: working respondents in 2015					
¹ Includes the typical number of hours worked for the respondents in variable hours work					
² Includes a small proportion of respondents who reported a travel-to-work cost of zero					

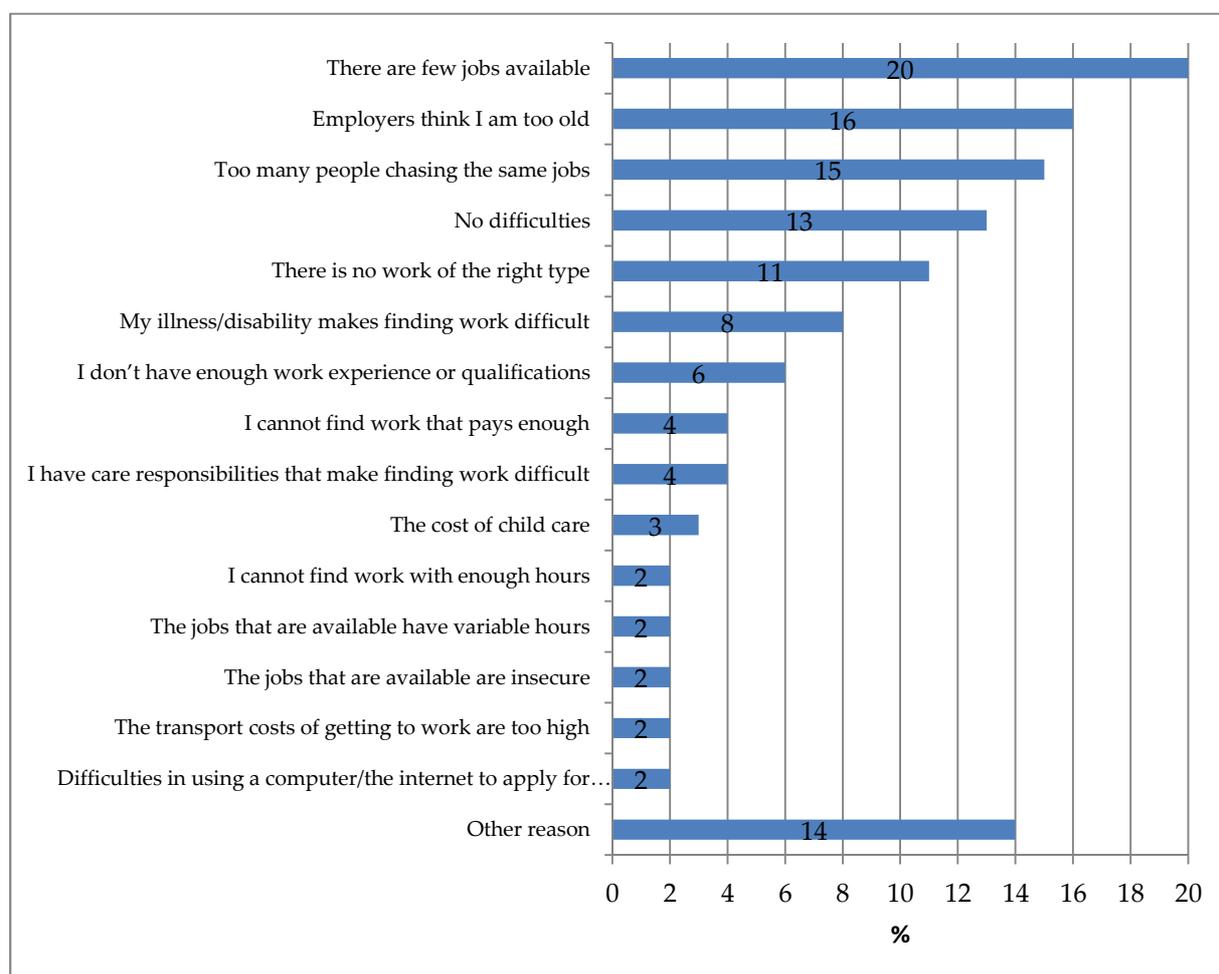
Obstacles to finding work

In 2014, all respondents were asked their opinion about how easy or difficult it was to find work in their local area. Thirty-eight per cent of them thought it was very difficult, and a further 25 per cent that it was quite difficult to find work in their area. In contrast, just three per cent of respondents thought it was very easy, another ten per cent that it was quite easy, whilst 22 per cent thought that it was neither easy nor difficult to find work in their area.

Respondents from households comprised of couples least often thought that it was quite or very difficult to find work in their area (56 per cent). Lone parents (62 per cent), single person households (65 per cent), and other all-adult households (74 per cent) all more frequently reported it was quite or very difficult to find work. Perhaps not surprisingly, respondents from households with a working HRP least often thought it was quite or very difficult to find work in their area (55 per cent). Respondents from households with a long-term sick or disabled HRP (71 per cent), an unemployed HRP (74 per cent), or a HRP who was inactive for other reasons (76 per cent), reported finding work quite or very difficult.

Respondents living in households with an older HRP were the most likely to say it was quite or very difficult to find work in their local area. Difficulty was reported by 58 per cent of households in which the HRP was aged 16 to 34, by 57 per cent in which the HRP was aged 35 to 44, by 67 per cent of households in which the HRP was aged 45 to 54, and by 69 per cent of households in which the HRP was aged 55 and older. Respondents from the 55 and older age group were particularly likely to report that finding work in their area was *very* difficult (48 per cent). Respondents from households with a HRP from a White ethnic background were the least likely to say that it was quite or very difficult to find work in their area (59 per cent), whereas households in which the HRP was from a Black or Black British background (68 per cent) or all other ethnic backgrounds collectively (76 per cent) were more likely to report difficulty in finding work in their area.

In 2014, all respondents who were working, or registered as unemployed, or in receipt of JSA or work-related ESA, were asked what sorts of difficulties they had noticed in finding work in their area (Figure 3.4). Thirteen per cent of these respondents said that they had experienced no difficulties in finding work in their local area. The most common difficulty experienced, mentioned by 20 per cent of respondents, was that there were not enough jobs available in their area, whilst a further 15 per cent said that there were too many people chasing the same jobs.

Figure 3.4: Main difficulty finding work in the local area


The second most common difficulty, mentioned by 16 per cent of the respondents, was that they thought employers viewed them as being too old. Three quarters of these respondents were aged from 50 to 62 years old (that is, up to the oldest age of respondents who were included in the survey). The median age of the respondents who thought that employers viewed them as being too old was 54 years, which compares with a median of 46 years amongst the respondents who did not mention this particular difficulty in finding work. Other commonly mentioned difficulties included a lack of the right type of work in their area (11 per cent); that an illness or disability made it difficult to find work (eight per cent); and a lack of work experience or qualifications, including difficulties with reading and writing (six per cent) made it difficult.

Respondents from two-year workless households (workless in both 2013 and 2014) were more likely than others to say that they had difficulties finding work because either there were few jobs available or too many people were chasing the same jobs (48 per cent compared with 31 per cent). Respondents from the two-year workless

households (24 per cent) were also far more likely than the others (three per cent) to say that they had an illness or disability that made it difficult for them to find work – these figures are separate from those who were long-term sick or disabled, as they were not questioned about finding work. This result echoes findings from the qualitative side of the research, in which some respondents had been deemed fit for work according to an ESA assessment, but who had physical or mental health difficulties that made it difficult for them to find work²⁰.

Reflecting the higher frequency of older respondents saying it was quite or very difficult to find work in their area, younger respondents more commonly reported no difficulties finding work (19 per cent of the 16 to 34 age group) compared with older respondents (12 per cent of those aged 35 and older). The younger respondents were the most likely to say that they had difficulties finding work because of care responsibilities (ten per cent of the 16 to 35s, compared with three per cent of 35s and older).

In a reflection of the high rate of employment amongst couples, respondents from this household type were the most likely to report no difficulties with finding work in their area (17 per cent). In addition to the high level of ‘official’ long-term illness or disability amongst single person households, there was a high proportion of single person households reporting that they had an illness or disability that made it difficult for them to find work (14 per cent). Lone parents, on the other hand, were the most likely to report a lack of sufficient work experience or qualifications as causing them difficulty in finding work (12 per cent). They were also the most likely household type to say that their care responsibilities caused difficulties (12 per cent).

Working respondents in 2015 were asked whether they had any problems with child care: 28 per cent with dependent children (couples and lone parents) reported difficulties. The number of these respondents means that further statistical analysis is not possible. In this context, over half of them reported difficulties with professional child care, including by agencies and before or after school provision, rather than care provided by family or friends. The most common difficulties mentioned with professional child care (more than one problem could be mentioned) were its cost, the limited availability, a difficulty finding child care to support shift work or night work, and difficulty finding flexible child care to support variable hours of work.

²⁰ Rugg, J. and Kellaher, L. (2015) *Lives in work: social housing tenants’ experiences of employment and unemployment*, York: University of York.

Worklessness

A working household is one in which at least one adult member (not necessarily the HRP) is in employment or self-employment, and a workless household is one in which no adult member is employed or self-employed. In 2013, 58 per cent of the g15 households were working households, and the remainder were workless. Fifty-six per cent were working households in 2014, and 63 per cent were working in 2015. These proportions are lower than the UK-wide figure for all working-age households in all tenures²¹.

Table 3.7 compares household work status in 2013 with that in 2014/2015 collectively. Overall, 82 per cent of households had a consistent work status, with 50 per cent of them being working over the study, and 32 per cent being workless over the study. The remaining 18 per cent of households had a changed work status over the period. The great majority of households remaining workless over the course of the study had a HRP who was long-term sick or disabled, this being the case for 80 per cent of them in 2013, and 77 per cent of them in 2014/2015. Compared with the overall proportion, single person households (many of which were long-term sick or disabled, as shown in Table 3.1 above) were commonly workless over the study (48 per cent). Households comprised of couples, by contrast, were most commonly working over the course of the study (78 per cent), as were Other/all adult household formations (64 per cent).

Table 3.7: Household work status, 2013 and 2014/2015

Household work status	2013	2014/2015	%
Working	Working	Working	50
Workless	Workless	Workless	32
Mixed work status	Workless	Working	10
	Working	Workless	8
Total			100
N.			713
Base: all households			

²¹<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/workingandworklesshouseholds/2015-10-06>

Chapter Four: Financial stability

Chapter summary

- Over the study period, 18 per cent of respondents had used one or more of: a payday loan company, a rent to own shop, a pawnbroker, a food bank.
- Thirty-two per cent of respondents found it fairly or very difficult to heat their home. The most frequently mentioned reason for difficulty heating the home was the high cost of energy, and the second most common reason was a poor or old heating system.
- Almost half of all households were paying for both their gas and their electricity with pre-payment cards. These households were commonly HB recipients, they were often in rent arrears, and they were commonly headed by someone who was long-term sick or disabled or by someone who was unemployed.
- Around one fifth of respondents had rent arrears over the study. Housing Benefit recipients more commonly had rent arrears than non-HB recipients. Slightly more than half of the HB recipients who were in arrears reported that the cause of their arrears was related to delays or problems with the administration of HB.
- Around one third of respondents had been keeping up with all their household bills without any major difficulties, about one third had found it a struggle from time to time to keep up with their bills, and about one third had constantly struggled to keep up with their bills or had fallen behind with some of them. The latter group of households had a collection of characteristics that were likely to have compounded their financial situation, including rent arrears, using pre-payment cards to pay their energy bills, they were often two-year workless households, and the HB recipients amongst them were often over-accommodated according to the SRSSC.

Introduction

This chapter considers a number of important issues that collectively provide an insight on the financial situations and stability of g15 households. First of all it considers whether households may have been struggling financially such that they had used payday loan companies, rent to own shops, pawnbrokers, or food banks. Secondly, the chapter explores how easy or difficult it was for households to heat their home, and the reasons for having difficulty in heating the home. Next the chapter looks at the methods being used to pay utility bills, and the extent to which

respondents had a current account they used for paying bills. Issues relating to rent arrears and keeping up with other household bills are then considered, before the chapter finally explores the characteristics associated with households in financial difficulty.

Financial services

Respondents in 2014 and 2015 were asked whether they had used any of the four services shown in Figure 4.1 over the preceding 12 months. Eighteen per cent of respondents had used one or more of the financial services during the two years. Nine per cent of respondents used a pawnbroker, usually once or twice, but occasionally as many as ten times. The two most common reasons for using a pawnbroker were to buy food or to pay a basic household bill - gas, electricity, council tax, and water rates were all mentioned. Other less common reasons for using a pawnbroker were to pay phone bills, to buy a birthday or Christmas present for a child, to rent a car, or to buy clothes. Another reason for using a pawnbroker was to pay off a specific debt, with rent arrears, credit cards, and bank overdrafts all mentioned.

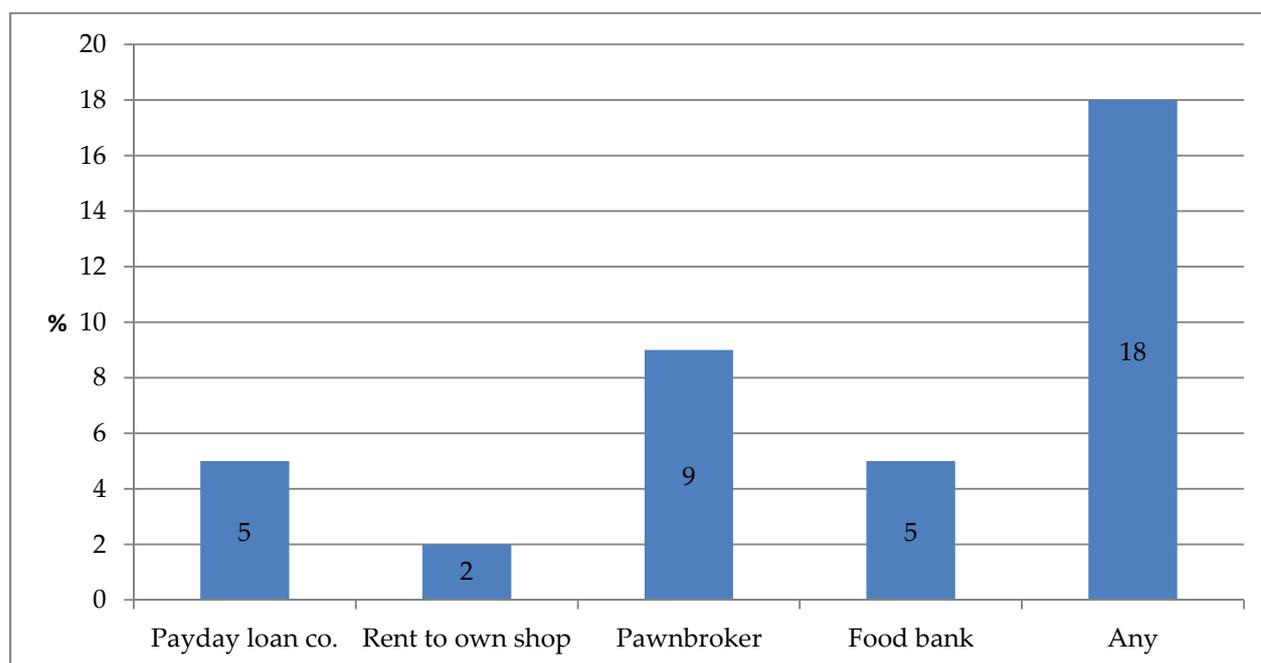
Five per cent of respondents had used a payday loan company over the two years, and a further two per cent had used a rent to own shop. The qualitative interviews with g15 tenants indicate that the lowest income respondents usually avoided using this type of service, as they knew they would be unable to afford the repayments²². An alternative strategy for such households could be to sell some of their possessions. The amounts borrowed by the five per cent of respondents using a payday loan company ranged from £80 up to £4,000 in one instance. All of these respondents had been keeping up with their repayments: most commonly they reported keeping up with repayments without any problems, although some reported they had been finding it difficult. Payday loans had been used for a range of specific reasons, which most commonly included buying food, buying clothes for children, to pay household bills, to buy presents for children, the purchase of white goods, or to purchase car insurance.

Food banks had been used by five per cent of respondents over the two years. Most usually, foodbanks had been used up to six times, but in a few instances on a regular basis. An additional 15 per cent of respondents to the 2015 survey (only) reported having considered using a food bank over the previous 12 months, but for some reason had chosen not to do so. A range of reasons was given by these respondents for

²² Rugg, J. and Kellaher, L. (2016) *Social housing tenants and household economics*, York: University of York.

not using a food bank, including that they did not know where the food bank was located; that they did not know how to go about making use of a food bank (one person mentioned that they did not know how to obtain food bank tickets, for example); that they thought they would be ineligible for some reason, including because they were in work; that they would find it too embarrassing to use; and that they considered other people to be more in need than themselves.

Figure 4.1: Use of financial services during 2013 & 2014



Use of one (or more) of the four services over the two years was most common by households in which the HRP was either long-term sick or disabled, or unemployed (26 per cent in 2014, and 30 per cent in 2015). Other research indicates that usage of *foodbanks* was highest in areas containing comparatively high numbers of long-term sick or disabled people²³. Use of the four services was least common by the g15 households with a working HRP (15 per cent in the 2014 survey, and 12 per cent in 2015). In terms of household type, lone parents had used one of the services most often (26 per cent in 2014 and 25 per cent in 2015), and couples the least often (11 per cent and ten per cent).

Housing Benefit recipients were more likely than non-HB recipients to have used one of the services: 24 per cent compared with 12 per cent in 2014, and 23 per cent compared with 13 per cent in 2015. HB recipients with too many bedrooms

²³ <https://www.trusselltrust.org/2016/04/15/foodbank-use-remains-record-high/>

according to the SRSSC in 2013 were particularly likely to go on and used one of the four services over the two years (33 per cent). Households without enough bedrooms in 2013 according to the SRSSC (that is, households that were essentially overcrowded) were slightly more likely than average to have used one of the services over the two years: 23 per cent of the HB recipients, and 22 per cent of the non-HB recipients.

The presence of rent arrears was associated with use of the four services over the two years. Thirty per cent of respondents who were in rent arrears at the time of the 2013 survey went on to make use of the services, whilst 40 per cent of respondents who were in rent arrears during either 2014 or 2015 had used one of the services. Taking all respondents who were in rent arrears at any stage over the three surveys, 32 per cent of them used one (or more) of the four services. Amongst households that had been in rent arrears at any time over the study, usage of the services was associated with a higher level of rent arrears: a mean rent arrear of £619 amongst those who had used the services compared with a mean arrear of £518 amongst those who had not.

Heating the home

An issue to emerge from the qualitative interviews was problems with heating the home, and which was commonly reported as being due to old or badly fitting windows. The 2014 survey found that 73 per cent of respondents were living in accommodation that was fully double glazed, whilst the remaining 27 per cent had either no double glazing or were partially double glazed (Table 4.1). Analysis of the EHS indicates that these proportions correspond closely with the wider housing association stock within Greater London, 75 per cent of which was fully double glazed, and 25 per cent partially double glazed or single glazed.

The g15 respondents who were living in houses (72 per cent) were about equally as likely as those living in flats (74 per cent) to have full double glazing. There was no difference in this respect between semi-detached and detached houses together compared with terraced houses. Flats in converted buildings, however, had a notably lower rate of double glazing (58 per cent) than purpose built flats (81 per cent). Newer property, unsurprisingly, was most commonly double glazed, with 86 per cent of the dwellings estimated to have been built in 2000 or later having full double glazing.

Sixty-one per cent of respondents reported that it was easy to heat their home: 28 per cent said it was very easy, and 33 per cent that it was fairly easy. A further seven per cent said it was neither easy nor difficult to heat their home, whilst 14 per cent and 18 per cent respectively said it was fairly or very difficult to heat their home. Eighty

per cent of the respondents who found it easy to heat their home lived in accommodation with full double glazing.

There was little difference amongst respondents regarding the extent to which they struggled with their household bills, and whether or not their home was fully double glazed. Thus, 72 per cent of households keeping up with their bills without any major difficulties lived in double glazed accommodation, compared with 71 per cent of households which either found it a constant struggle, or which had fallen behind with a few or many of their bills.

Table 4.1: Whether the dwelling was fully double glazed and the ease or difficulty of heating the home

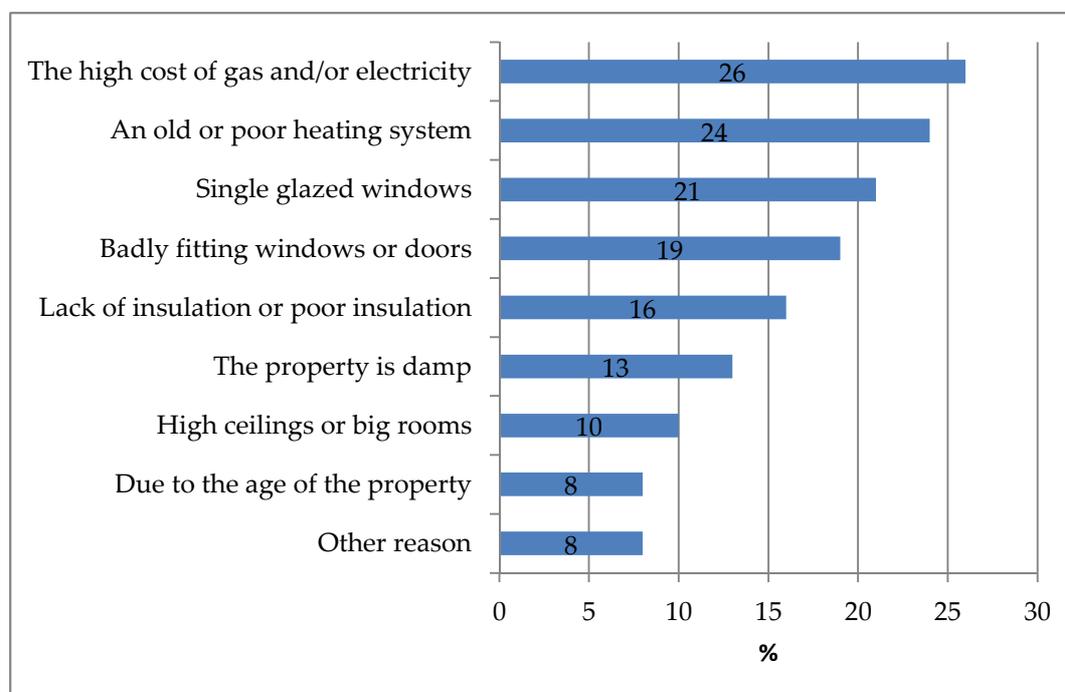
	Very easy (%)	Fairly easy (%)	Not easy ¹ (%)	All (%)
Fully double glazed	85	75	62	73
Partial or no double glazing	15	25	38	27
Total	100	100	100	100
N.	158	185	217	560
Base: all households in 2014				
¹ Includes respondents who said that heating their home was neither easy nor difficult, fairly difficult, and very difficult. There were insufficient cases to list each of these categories separately. However, there were no differences in the percentages between the three categories.				

Respondents who reported finding it fairly or very difficult to heat their home were asked why they thought this was the case, and were able to specify more than one reason (Figure 4.2). The most common reason given was simply the cost of heating their home, which was mentioned by 26 per cent of respondents who reported a difficulty. Some of these respondents simply stated that heating their home was 'expensive', whilst others mentioned increases in the price of gas (most often) or electricity. Some of these respondents said that they had difficulty because they were on benefits; and some said that they only had electricity, which they viewed as the most expensive way to heat their home.

The second most common reason was that the difficulty was due to a poor or old heating system. Some of these respondents said that their radiators were too small or inadequate for the size of the rooms, whilst others said that the radiators were old or 'could be better'. Single glazing was the third most common reason for difficulties

heating the home, mentioned by 21 per cent of the respondents; whilst a further 19 per cent had problems with badly fitting windows (in particular) or doors.

Figure 4.2: Reason why the home is difficult to heat



Current accounts

Transfer to the Universal Credit system means that a range of key benefits, including Housing Benefit, will usually be paid into claimants' bank accounts monthly in arrears, thereby making direct payment of rent the responsibility of tenants. In 2014, 80 per cent of all respondents reported that they had a current account with a bank or building society that they used regularly for paying bills. A lower proportion of Housing Benefit recipients (72 per cent) had a current account compared with non-HB respondents (91 per cent), however, and particularly so for those receiving full HB (65 per cent) rather than partial HB (78 per cent).

Forty-three per cent of all respondents with a current account reported that they were never overdrawn. Overall, there was no real difference between HB recipients and non-HB recipients in this respect. Households receiving full HB, however, were more likely to say that they were never overdrawn on their account than those receiving partial HB (47 per cent compared with 37 per cent). At the time of the 2014 survey, only a small proportion of HB recipients were receiving the benefit payment themselves (six per cent), not all of whom reported they had a current account.

Paying utility bills

In 2014, respondents were asked about the way in which they paid their utility bills. Utility bills can be paid in a range of ways, depending on how households manage their finances and the options available to them. Payment from a bank account by direct debit or standing order is often the cheapest way to pay for gas and electricity, and a majority of all respondents indicated that they had a current account that they used for paying bills (see above). Use of a pre-payment card can allow people on limited budgets to ‘pay-as-you-go’ for their energy, but it is usually the most expensive way of paying for gas and electricity currently, and is a payment method that can leave users without any energy if they cannot afford to recharge their card.

Use of a pre-payment card was the most common way of paying for both gas and electricity in 2014, with 49 per cent of respondents using a pre-payment card for gas, and 49 per cent using one for electricity (Table 4.2). As might be expected, there was a close association between paying for both gas and electricity with pre-payment cards, with 97 per cent of respondents who were using a pre-payment card to pay for one of the utilities also using one to pay for the other.

Table 4.2: Payment method for electricity and gas in 2014

Payment method	Electricity (%)	Gas (%)
Pre-payment card	49	49
DD or SO	36	37
Cash or cheque	13	13
Credit card	1	1
Total	100	100
N.	560	527
Base: all households in 2014		

Forty-eight per cent of all households were paying for *both* their gas and their electricity with pre-payment cards. Households currently receiving HB were commonly using pre-payment cards for both utilities (58 per cent), and especially so amongst those receiving full HB (62 per cent). Households that had been in rent arrears at some stage during 2013 or 2014 commonly paid for both their gas and electricity with pre-payment cards (63 per cent), and particularly those which had been in arrears in both of 2013 and 2014 (68 per cent). Pre-payment cards were commonly used by households with a long-term sick or disabled HRP (63 per cent),

or an unemployed HRP (68 per cent). They were also commonly used by lone parents (57 per cent), and households that had used one of the four financial services over the past year (63 per cent).

In 2015, respondents were asked separately about four key household bills, and whether they had been keeping up with their bill payments over the last 12 months. Slightly more than one third of households had fallen behind with one or more of their household bills (Table 4.3). Based on the extent to which households had fallen behind with the four types of bill, it would appear that households had prioritised paying their electricity and gas bills compared with their council tax or water rates.

Table 4.3: Keeping up with household bill payments over the last 12 months in 2015

Household bills	Fallen behind (%)	Not fallen behind (%)	Total (%)	N.
Gas	14	86	100	377
Electricity	12	88	100	396
Water rates	21	79	100	394
Council tax	18	82	100	392
Any household bill	34	66	100	401
Base: all households in 2015				

It became clear from the qualitative interviews that respondents in financial difficulties could not keep up with all of their bill payments, and so found it necessary to miss a payment of one bill in order to be able to pay others, perhaps missing the payment of different bills on a rotating basis²⁴. In 2015, telephone survey respondents who had fallen behind with a household bill over the last 12 months or who were in current rent arrears were therefore asked whether they had needed to juggle their household bills in this way. Sixty-eight per cent of these respondents reported that they had found it necessary to deal with their household bills in this way over the last year.

²⁴ Rugg, J. and Kellaher, L. (2014) *Living a life in social housing: a report from the Real London Lives project*, York: Centre for Housing Policy.

Rent arrears

The extent of rent arrears has decreased slightly over the study, from 24 per cent of all households in 2013, to 19 per cent in 2014/2015 (Table 4.4). HB recipients were in rent arrears more commonly than non-HB recipients during the study, although both groups saw a small decrease in the extent of arrears: from 28 to 23 for HB recipients, and from 16 per cent to 13 per cent for non-HB recipients.

Table 4.4: Extent of rent arrears in 2013 and 2014/2015

If HB received	2013				2014/2015			
	Arrears (%)	No arrears (%)	Total	N.	Arrears (%)	No arrears (%)	Total	N.
HB received	28	72	100	440	23	77	100	404
HB not received	16	84	100	258	13	87	100	288
All households	24	76	100	698	19	81	100	692

Base: all households all years

The size of outstanding rent arrears has also decreased over the study (Table 4.5). In 2013, the average size of rent arrear for all households in arrears was £610, and in 2014/2015 it was £566. Among households not in receipt of HB, the average size of rent arrear decreased from £621 in 2013 to £597 in 2014/2015. For all Housing Benefit recipients in arrears, the average size of the arrear decreased as well, from £606 in 2013 to £554 in 2014/2015.

Housing Benefit recipients who reported rent arrears were asked whether or not they regarded the arrears as being due to problems or delays with the administration of the HB system. (The main drivers of HB administrative arrears in the 2013 survey were found to be changes in claimants' circumstances²⁵.) In 2013, 52 per cent of the arrears amongst HB recipients were reported as being administrative in nature, and in 2014/2015 the proportion was slightly higher at 58 per cent. The average size of

²⁵ http://www.reallondonlives.co.uk/wp-content/uploads/2014/06/ON02052-Circle-G15-Report-v6-FP_WEB.pdf

HB administrative arrears had increased also, from £610 to £654, whereas for the non-administrative HB arrears the average had decreased from £587 to £449.

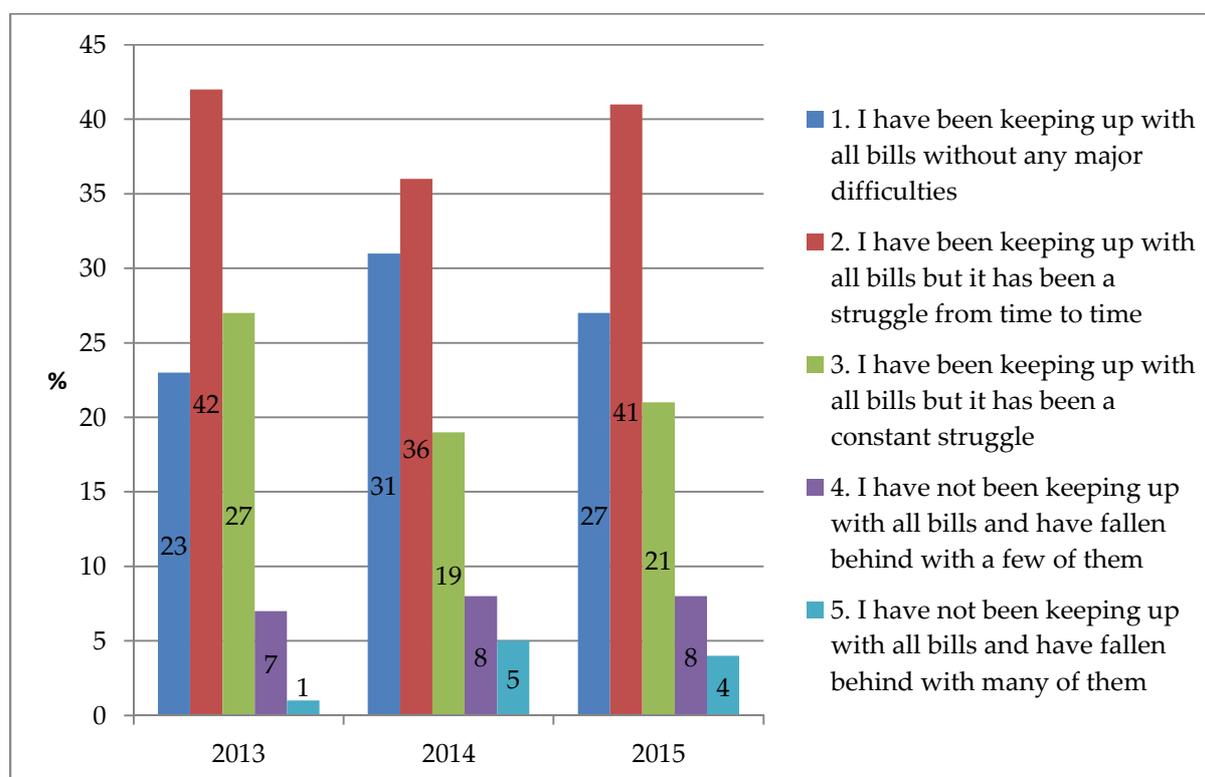
Table 4.5: Average size of rent arrears in 2013 and 2014/2015

If HB received		Mean size (£)	
		2013	2014/2015
HB received	All HB arrears	606	554
	HB administrative arrears	610	654
	HB non-administrative arrears	587	449
HB not received		621	597
All households in arrears		610	566
Base: households in rent arrears			

As in 2013, when seven per cent of households in arrears said they were doing nothing to deal with the situation, only a small minority of respondents were not taking any action in 2014 (12 per cent) or 2015 (six per cent). Most commonly, respondents reported having a payment plan already in place with their landlord, or respondents were intending to arrange a payment plan with their landlord. In other cases respondents were in contact with the local authority regarding the HB administrative problem, or they were waiting for the local authority to correct the problem.

Keeping up with household bills

In each of the three surveys, respondents were asked to pick from a list of five statements which one best described how well they had been keeping up with all of their household bills and credit payments over the preceding 12 months (Figure 4.3). About two thirds of respondents to each survey said that they had been keeping up with their payments either without any major difficulty, or that they had been keeping up but it had been a struggle from time to time (65 per cent, 67 per cent, and 68 per cent). A minority of respondents reported having fallen behind with some of their bills over the preceding 12 months in each of the three years (eight per cent, 13 per cent and 12 per cent).

Figure 4.3: Household bills and credit payments over the last year


Characteristics of households with financial difficulties

All households have been placed into three groups of roughly equal size according to the degree of difficulty they reported in keeping up with their household bills and credit payments during 2014 and 2015 collectively. Using the categories shown in Figure 4.3 above, the three groups are:

- No difficulty (30 per cent)
 - I have been keeping up with all bills without any major difficulties
- Struggling (37 per cent)
 - I have been keeping up with all bills but it has been a struggle from time to time
- Difficulty (33 per cent)
 - I have been keeping up with all bills but it has been a constant struggle
 - I have not been keeping up with all bills and have fallen behind with a few of them
 - I have not been keeping up with all bills and have fallen behind with many of them

Table 4.8 shows that there were some clear variations in financial characteristics across the three groups. The extent of rent arrears over the study was associated

with how well households had been keeping up with their bills and credit payments: 57 per cent of the 'difficulty' households had fallen into rent arrears over the two years, compared with 28 per cent of struggling households, and 20 per cent of households reporting no difficulty.

Usage of pre-payment cards for utilities had a similar profile across the three groups, with 67 per cent of the difficulty group using them, compared with 53 per cent of the struggling group, and 35 per cent of the no difficulty group. Likewise, worklessness was most common amongst the difficulty group (62 per cent), secondly in the struggling group (44 per cent), and lowest in the no difficulty group (26 per cent). Similarly with usage of one or more of the four financial services, the respective proportions were 30 per cent, 17 per cent and six per cent.

Housing Benefit recipients were over-represented amongst the difficulty group (86 per cent) compared with the struggling group (68 per cent) or the no difficulty group (44 per cent). Over-accommodation according to the SRSSC for HB recipients was most common amongst the difficulty group (32 per cent), and particularly in respect of them having two or more excess bedrooms (nine per cent).

Households in the difficulty group were the most likely to have been frequently or almost always overdrawn. The difficulty group overwhelmingly reported that they would not be able pay an unavoidable and unexpected expense of £50 without borrowing the money from somewhere (81 per cent) compared with the struggling group (54 per cent) and the no difficulty group (24 per cent). The difficulty group was also the most likely to say that they found it difficult to heat their home (45 per cent). The households in the difficulty group most often expected to be worse off over the coming 12 months.

Table 4.8: Financial characteristics of households according to their level of difficulty with keeping up with bills in 2014/2015

Financial characteristic		No difficulty ¹ (%)	Struggling ² (%)	Difficulty ³ (%)	All (%)
If rent arrears in 2013 or 2014 or 2015	Rent arrears	20	28	57	35
	No rent arrears	80	72	43	66
If paid gas or electricity with a pre-payment card in 2014 or 2015	Used pre-payment card	35	53	67	52
	Pre-payment card not used	65	47	33	48
Household work status in 2014	Workless household	26	44	62	44
	Working household	74	56	38	56
If a financial service has been used in 2014 or 2015	Used	6	17	30	18
	Not used	94	83	70	82
If received Housing Benefit in 2013 or 2014 or 2015	Received HB	44	68	86	67
	Not received HB	56	32	14	33
SRSSC in 2014 for HB recipients	Not over accommodated	79	78	68	74
	1 excess bedroom	17	19	23	20
	2+ excess bedrooms	3	3	9	6
How often current account is overdrawn in 2014	Never	57	35	35	43
	Rarely or now and again	30	28	25	28
	Frequently or almost always	13	37	40	30
If could pay an unexpected £50 expense in 2014 ⁴	Could pay without borrowing	76	46	19	47
	Could not pay without borrowing	24	54	81	53
Ease of heating the home in 2014	Very or fairly easy	72	65	47	61
	Neither easy nor difficult	9	4	8	7
	Very or fairly difficult	19	31	45	32
How feels in 2015 about future financial prospects over the next 12 months	Better off	18	17	18	18
	Neither better nor worse off	50	36	26	37
	Worse off	32	47	56	46

Base: all households

¹ Households reporting: 'I have been keeping up with all bills without any major difficulties'.

² Households reporting: 'I have been keeping up with all bills but it has been a struggle from time to time'.

³ Households reporting: 'I have been keeping up with all bills but it has been a constant struggle', or 'I have not been keeping up with all bills and have fallen behind with a few of them', or 'I have not been keeping up with all bills and have fallen behind with many of them'.

⁴ Respondents were asked: If an unavoidable and unexpected expense of £50 came up, would you be able to pay it without borrowing the money from somewhere?

Chapter Five: Housing Benefit

Chapter summary

- The proportion of households receiving Housing Benefit dropped across the study slightly, from 62 per cent in 2013, to 58 per cent in 2014/2015.
- Housing Benefit respondents been receiving the benefit continuously for on average of slightly less than nine years. Single person households had been receiving the benefit for longer on average than had couples or lone parents. Households with a long-term sick or disabled HRP had on average been receiving HB the longest.
- A relatively consistent proportion of about one quarter of the Housing Benefit recipients were over-accommodated according to the social rented sector size criteria (SRSSC) across the study, and so would have received a deduction in the amount of HB they received.
- Just six households had moved over the study because of the impact of the social rented sector size criteria.
- About three quarters of HB respondents who were over-accommodated in 2013 remained over-accommodated in 2014/2015. About half the remainder had moved off HB, and half were still receiving HB but no longer had too many bedrooms due to changes in household formation rather than a change of address.
- Respondents who said they were affected by the SRSSC criteria commonly said that it had put them in a state of general financial hardship, which had often caused a degree of anxiety or stress. Some mentioned cut-backs they had made on food and on heating their home, whilst others described difficulties in being able to pay their rent.

Introduction

This chapter examines receipt of Housing Benefit (HB) over the study period. It looks at the extent to which respondents were receiving the benefit, and the continuous length of time that households had been receiving the benefit. The chapter also explores a number of issues related to the social rented sector size criteria (SRSSC), popularly known as the 'bedroom tax', which was introduced by the Welfare Reform Act 2012. These include the extent to which households were affected by the SRSSC over the study, and the dynamics of different groups of households with respect to the receipt of HB and impact of the SRSSC.

A function related to Housing Benefit is the operation of the benefit cap. Affected households will see their HB (or Universal Credit) reduced until their income falls to the relevant cap level. Sixteen per cent of respondents in 2015 reported that they were currently affected by the benefit cap, and a further seven per cent who were not currently affected indicated that they had been affected by it previously. The number of respondents affected by the benefit cap limits further statistical analysis of this issue.

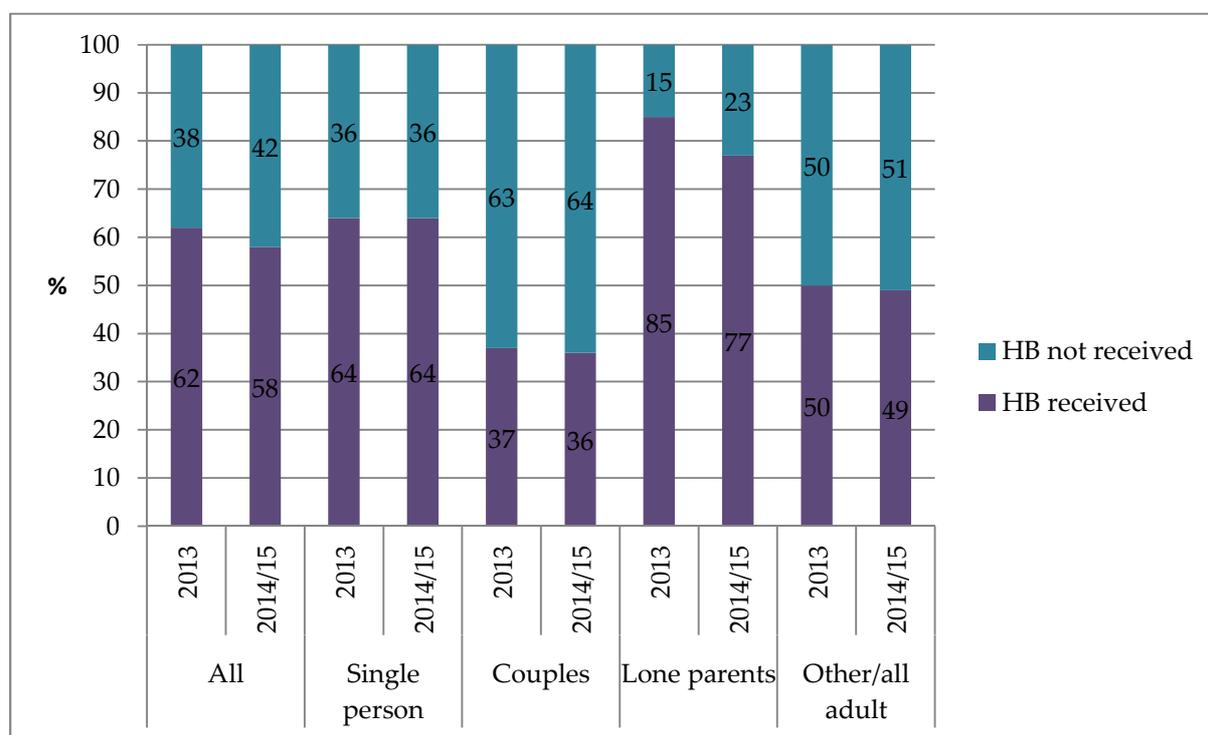
Receipt of Housing Benefit

The proportion of households in receipt of Housing Benefit reduced by a small amount from 62 per cent in 2013, to 58 per cent in 2014/2015 (Figure 5.1). Government figures show a similar decrease over the same period in the number of HB claimants living in social rented housing (and also in all rented tenures)²⁶. The decrease in HB receipt was most apparent among lone parent households, and which may be related to the increase in the proportion of them who were working over the study, as noted in Chapter three. Receipt of HB, and its non-receipt, appeared to be a relatively stable condition across the study. Eighty-seven per cent of the households receiving HB in 2013 were also receiving it in 2014/2015, and 89 per cent of households not receiving HB in 2013 were also not receiving it in 2014/2015.

Ninety per cent of the HB recipients in 2015 reported that their HB was paid to their landlord by the local authority, and ten per cent that it was sent directly to the respondent who then paid their rent. The low number of respondents paying the rent themselves in this way means that the responses cannot be analysed statistically. The great majority of them, however, said that this method caused them no problems or difficulties.

²⁶ <https://www.gov.uk/government/statistics/housing-benefit-caseload-statistics>

Figure 5.1: Receipt of HB in 2013 and 2014/2015 by household type



Length of time receiving Housing Benefit

In 2014, current HB respondents had been receiving the benefit for an average length of time of 8.6 years. Forty-two per cent of the HB respondents had been receiving the benefit for a continuous period of five years or shorter, whereas 12 per cent had continuously been receiving the benefit for 20 or more years. Single person households (9.2 years) had on average been receiving the benefit for longer than couples (6.1 years) and lone parents (8.0 years). The other all-adult household formations, however, had been receiving HB continuously for the longest on average (10.5 years). Not surprisingly, the average length that HB had continuously been received increased with the age of the HRP: it was 5.3 years for the 16 to 34s, 8.1 years for the 35 to 44s, 8.9 years for the 45 to 54s, and 12.6 years for those aged 55 and older.

In terms of the economic status of the HRP, households in 2014 with a long-term sick or disabled HRP had been receiving HB for an average of 10.9 years, compared with 7.6 years for households with a working HRP, and 6.0 years for households with a currently unemployed HRP. Households with too many bedrooms according to the social rented size criteria in 2014 (10.5 years) had on average been receiving HB for longer than households that had either the right number of bedrooms according to the criteria (8.0 years) or too few bedrooms (7.9 years).

The social rented sector size criteria (SRSSC)

This section discusses the extent to which households were affected by the SRSSC. The SRSSC was introduced in April 2013 for working age households for both new and existing Housing Benefit claimants in social rented housing. The criteria involves a 14 per cent reduction from the eligible rent for households with one excess bedroom, and a 25 per cent reduction for households living in accommodation with two or more excess bedrooms. A Government impact assessment estimated that 22 per cent of working-age HB claimants living in Greater London's social rented sector was likely to be affected by the SRSSC²⁷.

Table 5.1 shows how the SRSSC affected respondents in 2013, 2014, and 2015. The analysis is based on a classification of households according to household size and formation, by applying the rules of the SRSSC (see Glossary). The proportion of Housing Benefit recipients with the *appropriate* number of bedrooms according to the SRSSC dropped from 59 per cent in 2013, to 56 per cent in 2014, and to 52 per cent in 2015. At the same time there were small increases in the proportions of households either with too few bedrooms or too many bedrooms. This dynamic was invariably related to change in household size and composition, as only a tiny minority of respondents reported moving home due to the SRSSC (see below), and their exclusion from the analysis made no difference to the percentages shown in Table 5.1.

²⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214329/social-sector-housing-under-occupation-wr2011-ia.pdf

Table 5.1: Housing Benefit social rented size criteria (SRSSC) in 2013, 2014, and 2015

Receipt of Housing Benefit and the SRSSC		2013 (%)	2014 (%)	2015 (%)
Housing benefit received	Not enough bedrooms	17	18	22
	Appropriate number	59	56	52
	Too many bedrooms	24	26	26
	Total	100	100	100
	N.	437	318	200
Housing benefit not received	Not enough bedrooms	20	24	20
	Appropriate number	53	47	48
	Too many bedrooms	27	29	33
	Total	100	100	100
	N.	266	220	178
Base: all households in all years				

After being in operation for more than two years by the time of the 2015 survey, it appears that the SRSSC was continuing to affect a similar proportion of g15 HB recipients, which may raise questions about the effectiveness of the policy to encourage over-accommodated households to move to smaller housing²⁸. Thus, 24 per cent of the HB recipients were affected in 2013, and 26 per cent were affected in both 2014 and 2015. Nineteen per cent of *all* households had been affected across the study period as a whole, in that they had been both over-accommodated and in receipt of Housing Benefit during at least one of the three surveys.

In addition to the reasons volunteered for moving home (see Chapter two), respondents who had moved were specifically asked whether the SRSSC or the benefit cap were relevant factors. Six respondents (three in 2014 and three in 2015) reported that the SRSSC was a reason why they had moved address over the preceding 12 months, a figure that equates to five per cent of all households affected

²⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214329/social-sector-housing-under-occupation-wr2011-ia.pdf

by the criteria over the study period. A further three respondents (two in 2014 and one in 2015) reported that the benefit cap was a reason why they had moved address.

Table 5.2 shows the dynamics of three groups of respondents between the 2013 and 2014/2015 in terms of their HB status and SRSSC status. The first column of the table shows that 74 per cent of the over-accommodated HB recipients in 2013 were in the same situation in 2014/2015. Similar proportions of the remaining households had either moved off HB (12 per cent), or had remained on HB but no longer with too many bedrooms due to changes in household formation (14 per cent).

Looking backwards from 2014/2015 at the then group of over-accommodated HB recipients, 75 per cent had been over-accommodated HB recipients in 2013 also, 19 per cent had been HB recipients with the right number of bedrooms, three per cent had been HB recipients with too few bedrooms, and the remaining three per cent had not been HB recipients.

Table 5.2: Housing benefit status and the SRSSC in 2013 compared with 2014/2015

Circumstances in 2014/2015		Circumstances in 2013		
		Receiving HB and too many bedrooms ¹ (%)	Receiving HB and not too many bedrooms ² (%)	Not receiving HB ³ (%)
Receiving HB	Not enough bedrooms	2	23	2
	Appropriate number	12	57	9
	Too many bedrooms	74	7	1
Not receiving HB	Not enough bedrooms	0	3	20
	Appropriate number	2	10	41
	Too many bedrooms	10	1	28
Total		100	100	100
N.		102	326	256
Bases:				
¹ Housing benefit recipients in 2013 with too many bedrooms on the SRSSC. Two of these households had moved address since 2013: their removal from the analysis did not alter the percentages.				
² Housing benefit recipients in 2013 either with the right number of bedrooms or with too few bedrooms on the SRSSC. Thirteen of these households had moved address since 2013: their removal from the analysis did not alter the percentages.				
³ Non-Housing Benefit recipients in 2013. Ten of these households had moved address since 2013: their removal from the analysis did not alter the percentages.				
Note. Responding households from 2014 and 2015 have been grouped together.				

The middle column of the table shows the situations of households in 2014/2015 that in 2013 had been in receipt of HB but had not been over-accommodated. Eighty per cent of these households had remained on HB and not over-accommodated by 2014/2015, and 14 per cent had moved off the benefit. Seven per cent of them, however, remained on HB but had become over-accommodated by 2014/2015 due to changes in family formation. In addition to the households that had remained over-accommodated and on HB from 2013 to 2014/2015, this latter group comprises virtually all of the rest that were affected by the SRSSC in 2014/2015.

The final column of the Table 5.2 shows the situation of all households that had not been in receipt of HB in 2013. Twelve per cent of these households had moved onto HB by 2014/2015, and only one per cent of them had moved onto HB and had too many bedrooms for SRSSC purposes.

Housing Benefit recipients in 2014 who reported that the benefit had been reduced due to the operation of the SRSSC were asked whether and how this may have affected them. Due to the limited number of cases, it was not possible to analyse these responses statistically. The most common response given was that the reduction in HB had caused them general financial hardship, and often this had been in combination with a degree of anxiety or stress. For example, one respondent stated: "It has put a bit of a strain on us. Eighteen pounds a week amounts to one hundred pounds a month. I have struggled financially". Another said: "There is not enough money for basic needs". Another respondent had lost control of their finances: "It severely affected me, because bills mounted up".

The second most common impact was that it had been necessary to make cut-backs on food, and 14 per cent mentioned cut-backs on heating. One said: "I have to go without hot water for four days a fortnight... I am having to pay for a room and go without food". Another one stated: "Things are hard, money which should be spent on food and heating is spent on the tax instead". One lone parent said: "I struggle to feed my children, I struggle to pay bills and heat the house". Likewise one couple with children: "I can't afford to run my heating and we don't have the heating on. I work from home, so I can't up and move. We are eating less, we are not buying as much".

The next most common impact mentioned was difficulty in paying their rent as a result of their HB reduction. One said: "It has made things hard. We are just about surviving. We have to pay the extra rent". Another stated: "My carer's allowance goes straight to pay for the rent every week". One respondent had fallen into arrears for the first time ever: "Very negatively, it put me in rent arrears when I have never had them before". Other impacts that were mentioned included the need to rely on family members for financial help, and a few mentioned juggling their bills: "Some

bills get paid one fortnight and other bill gets paid on another fortnight. You can't pay everything when you would like".

Around one third of the HB respondents who said they were affected by the SRSSC said they were planning to move as a result. Most commonly, these respondents said they had asked their landlord for a property exchange or transfer; a few had joined the waiting list of a different social landlord; and a couple mentioned searching for private rented accommodation, most usually in the local area.

About two thirds of the HB respondents affected by the SRSSC said they were not as a result planning to move, and most commonly the reason given was because they viewed where they were living as their home and as a result simply did not want to move. Support networks were sometimes mentioned in this respect, as was the importance of the neighbours, whilst others mentioned work they had done to the house or garden to make it 'child-friendly'. Some said that they would soon be in need of the extra room when a child got a bit older, and sometimes the extra room was needed to allow family members to visit. Health-related issues were another common reason mentioned, including the difficulty it posed in looking for a new home, the need for certain family members to have their own room, and the requirement for ground-floor accommodation as a result of a disability. A mixture of other reasons were given for not considering moving, including that the landlord required the current rent arrears to be paid off before there could be an exchange, and that: "I have fought enough for the housing I am in at the moment".

Chapter Six: The future

Chapter summary

- Respondents in 2015 had varying degrees of awareness of six forthcoming welfare reforms. The National Living Wage had been heard of most often, and a freeze on working age benefits least often.
- More than half of respondents were aware of the reduction in the benefit cap levels, and likewise changes to child support tax credit. About one third of respondents were aware of 'pay to stay', and the same proportion was aware of the annual reduction in social rents.
- Almost one half of respondents thought that they would be financially worse off over the coming 12 months. Housing Benefit recipients, workless households, and those that were already either struggling or falling behind with their household bills most often thought they would be worse off over the next 12 months.
- Specific reasons for expecting to be worse off were mentioned by some respondents, including changes in household circumstances that would affect how much Housing Benefit they would receive in the future due to the SRSSC. Some respondents expected to be worse off because of the impact of welfare changes, and others because their savings had run out. The most common explanations were about the cost of living rising at a faster rate than wages or benefits.

Introduction

The final telephone survey finished with questions about whether respondents were aware of forthcoming welfare changes that had the potential to impact on them. Respondents would not necessarily have been affected by the welfare changes, however, and some of the changes were more imminent than others, which are reasons that may have affected levels of awareness. The chapter concludes with analysis of how respondents felt about their expected financial situation over the coming year.

Forthcoming welfare reform

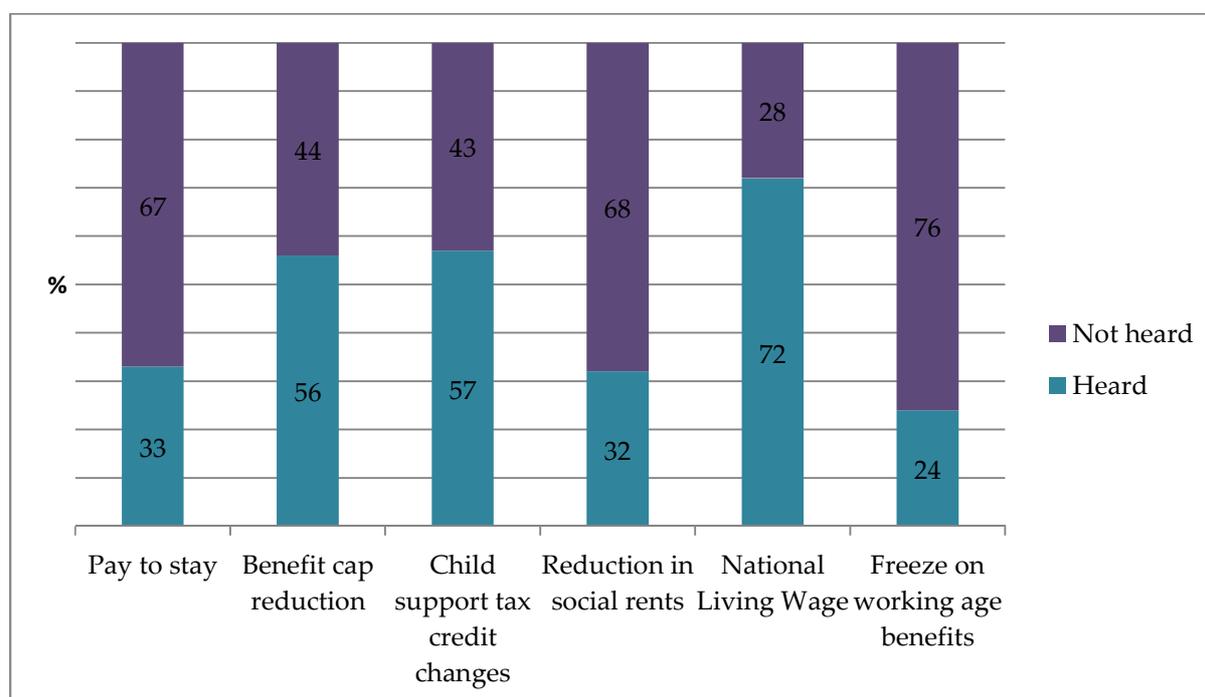
Respondents in 2015 were asked whether they had heard about the six forthcoming welfare reforms shown in Figure 6.1. Fifteen per cent of the respondents reported that they were not aware of any of the six reforms. The majority of respondents who

thought that they would be affected by any of the reforms expected to be worse off as a consequence: 70 per cent thought they would be worse off, 20 per cent that their situation would be about the same, eight per cent were unsure about the impact of the reforms, and two per cent thought that they would be better off as a result.

The welfare change that has been termed ‘pay to stay’ forms part of the Housing and Planning Act 2016, and refers to the policy for the higher-earning social rented tenants to pay up to a market rent (see Chapter three). Thirty-three per cent of respondents in 2015 had heard of this policy. Respondents from households with a working HRP had not heard about the policy more often than other respondents. Similarly, there was no difference between respondents from working or workless households. Respondents from households in which Housing Benefit was not being received were more likely than HB households to have heard of pay to stay (39 per cent compared with 29 per cent).

The reduction in the benefit cap was initially due to be implemented in April 2016, but is now scheduled for the autumn of 2016. For benefit recipients within Greater London, it will comprise a reduction from £500 to £442 per week for households with children, and from £350 to £296 per week for single persons. Fifty-six per cent of respondents had heard of this policy change. There was little difference in how often respondents had heard of the change to the benefit cap in terms of whether HB was received or not, nor whether the household was working or workless.

Changes to the child support tax credits will involve a restriction to two children and the removal of the family element from April 2017. Fifty-seven per cent of respondents had heard about this policy change. Lone parents (66 per cent) had heard about the change more often than other household types, as had 64 per cent of all households that contained dependent children (lone parents plus couples). Working households had heard about the change more often than workless households (60 per cent compared with 50 per cent), and respondents from households not receiving HB (63 per cent) had heard about the change more often than those receiving HB (54 per cent).

Figure 6.1: Whether respondents had heard of welfare changes


The 2015 budget introduced a reduction in social rent levels by one per cent per year, for the four years from April 2016. Thirty-two per cent of all respondents had heard of this policy. There was no difference between respondents from households with a working HRP or not in this respect, and likewise between working and workless households. There was also no difference between HB and non-HB recipients in how often respondents were aware of the new policy.

The National Living Wage was introduced in April 2016, and annual increases in the hourly rates are planned for it to reach £9 per hour by 2020. A majority of all respondents had heard about this change (72 per cent). Respondents from households with a working HRP (79 per cent) had heard about the change more often than other household types, and likewise working households (78 per cent) compared with workless households (63 per cent). Non-HB respondents (80 per cent) were aware of the change more often than HB recipients (67 per cent).

A freeze on many working age benefits was introduced in April 2016 (lasting until 2019). The main benefits frozen include Jobseeker's Allowance, Income Support, Employment and Support Allowance, Housing Benefit, Child Benefit, elements of the Working Tax Credit, and the individual element of Child Tax Credit. The corresponding benefits under Universal Credit will be frozen. This policy was the one of which respondents were least aware, with 24 per cent of them reporting that they had heard of the change. Aside from lone parents (17 per cent) having heard

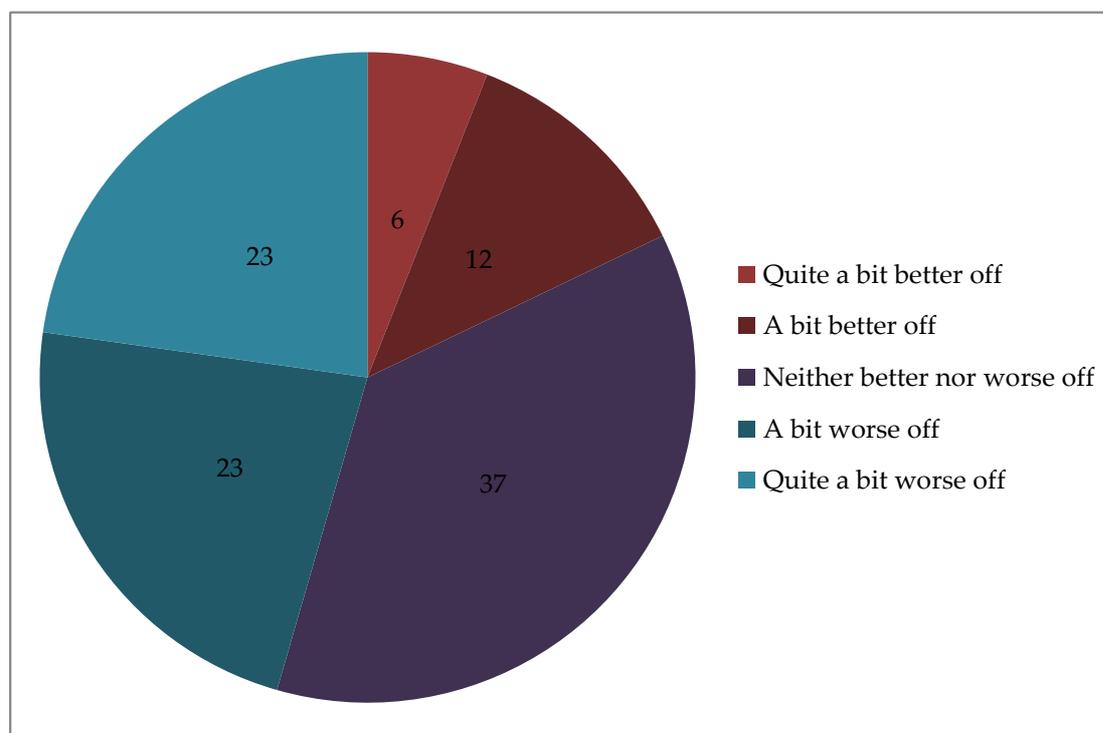
about this change less often than other household types, there were no notable variations in the extent to which respondents were aware of the freeze on benefits.

The next 12 months

All respondents were asked how they generally felt about the future prospects for their household financial situation over the coming 12 months (Figure 6.2). Forty-six per cent of respondents thought that they would be financially worse off over the next 12 months, compared with 18 per cent who felt they would be better off, and 37 per cent who felt that they would be neither better off nor worse off over the coming 12 months.

Housing Benefit recipients thought they would be worse off more often than non-HB recipients (51 per cent compared with 44 per cent). Likewise, workless households more often thought they would be worse off compared with working households (54 per cent and 41 per cent), and workless households thought that they would be 'Quite a bit worse off' almost twice as often as the working households (32 per cent compared with 17 per cent). There was a clear pattern to respondents' views in terms of how well they were currently keeping up with their household bills and credit repayments (see Chapter four). Thirty-two per cent of those who were keeping up with no difficulty expected to be worse off, as did 47 per cent of those who were struggling from time to time, and 56 per cent of those in the third group that were constantly struggling or had already fallen behind with some bills.

Figure 6.2: How respondents feel about the prospects for their financial future over the next 12 months



A number of quite specific reasons were mentioned for the expectation of being worse off over the next 12 months, and some pointed to the fact that they were already struggling and consequently expected their situation to worsen. A few respondents pointed to forthcoming household changes having a negative financial impact due to the operation of the SRSSC: “My son, daughter-in-law and my grandson are going to move. There will be two rooms extra and I will have to pay thirty pounds a week extra.” Another respondent mentioned the nearing end of their child benefit payments due to the child’s age, and which was expected to lead to financial difficulty.

Some respondents who expected to be worse off said it was because of a raft of welfare changes causing them uncertainty over their future: “My daughter is on DLA and will be moved onto PIP. I will be moved onto Universal Credit. So I do not know what the situation will be with regard to paying my bills and looking after my daughter”. A few respondents said that the savings they had been relying on were running out: “My husband is off sick, and that’s affecting us. We have had no money for two months now. Our savings have gone to pay our bills”. Some respondents mentioned their unstable employment situation, with the possibility that they will

become unemployed in the foreseeable future; and others thought they would become worse off because they had been unable to find work.

Many of the most common responses were in some way related to an expectation that price inflation would lead to (further) eroding of the value of their income and living standards. Some respondents mentioned a general increase in household bills, such as council tax or their rent; others mentioned a generally higher cost of living; and some respondents said that their salary or wage was stagnant whilst prices were increasing: “The bills are increasing, and I am a single mother where things will become difficult if they keep doing. The inflation level is high, and expenses are increasing instead of my wages”.

A particularly common reason given for expecting to be worse off was that benefits were being changed, frozen or cut. Some respondents mentioned changes to benefits generally, whilst others were more specific, mentioning the reduction in the benefit cap, expected reductions in disability benefits, and reductions in working or child tax credits. A few also had concerns about the ESA fit-to-work assessments: “It’s because the social call you in when they think you are fit for work. I know people who are worse than me who have been cut off. That’s why I think I will be worse off.” Some respondents expected welfare reforms to impact slightly further into the future: “There are all these new changes that are coming in, and at the moment it is not affecting me, but in a couple of years they will”.

Chapter Seven: Conclusions

Introduction

This report contains an analysis of repeat telephone interview surveys with a representative sample of 15 tenants, 713 of whom were interviewed in 2013, and then again in 2014 or 2015. The aim of the research was to gain insight on the lives of 'ordinary Londoners' at a time of economic difficulty and welfare change. A number of key findings and issues have emerged from the *Real London Lives* study.

Household formation

Different household types have evolved at differing rates. Single persons were the most stable formation over the study, with about nine in ten of them remaining single person households. Lone parent households changed formation most often, as dependent children reached independence, or as parents formed new partnerships. Two in ten lone parent households changed formation over the study.

Economic status

More than half of all Household Reference Persons were in work over the three surveys. Being in work was a generally stable condition, with the great majority of HRPs who were working in 2013 remaining in work for the duration of the study. Working respondents had been in their current employment for seven years on average, and the great majority expected to remain in their current job for the foreseeable future if they so wished.

More than eight in ten HRPs of couples – both those with and without dependent children – were working throughout the study. In contrast, long-term sickness or disability was relatively common amongst single person households.

The boundaries between unemployment, long-term sickness or disability, and other forms of economic inactivity (such as caring for someone or looking after the home) were relatively fluid, with many of the non-working HRPs moving between these economic activity categories during the study.

Half of all households were working households (that is, they contained at least one working adult) for the duration of the study, almost one third remained workless, and almost one fifth had a changed work status across the study. About eight in ten of the households that remained workless were headed by someone who was long-term sick or disabled.

Work

A majority of working HRPs were in full-time work: about two thirds worked for 30 or more hours per week, about one quarter worked for 16 to 29 hours per week, and about one in ten worked for fewer than 16 hours per week. These proportions varied little across the study.

Sixty-four per cent of the working respondents were in salaried positions, and 36 per cent were in hourly paid work. Among the hourly paid respondents was a group whose working hours varied and who had no guaranteed minimum number of hours per week. This group of 'zero hours' workers comprised 11 per cent of the working respondents, which was almost four times the rate found nationally.

The average annual pay for all working respondents together was £18,500 in 2015. The average for full-time workers was £25,950, which was lower than the comparable UK-wide average figure of £27,600. Twelve per cent of the working respondents were being paid at an hourly rate that was below their applicable National Minimum Wage.

Travel-to-work costs were comparatively high for the lowest paid. The lowest paid fifth of respondents were on average paying almost 12 per cent of their gross earnings on commuting to work. The highest paid fifth, by comparison, were paying slightly more than three per cent.

Finding work was often difficult, and particularly for households in which the HRP was not currently working. The most usual reasons given for the difficulty were that there were insufficient jobs available for the number of people looking for work, or that employers regarded respondents as being too old.

Pay to stay

'Pay to stay', which will not be mandatory for Housing Associations, may affect higher income social rented tenants, who can be required to pay rent up to the market rate. Based on incomes in 2015, nine per cent of working respondents (equating to four per cent of all respondents) had gross earnings of at least £40,000 per annum - the London threshold - and could therefore be affected by the policy.

Housing Benefit

The proportion of respondents in receipt of Housing Benefit dropped slightly over the study, reflecting the overall decrease in the number of HB claimants, as recorded in Government figures. Receipt of HB was often a stable condition with more than eight in ten HB recipients in 2013 continuing to receive the benefit over the study.

Likewise, more than eight in ten non-recipients in 2013 did not go on to receive the benefit throughout the study.

The social rented sector size criteria

The level of over-accommodated Housing Benefit recipients was essentially unchanged over the study, with around one quarter affected during each of the surveys. The majority of HB recipients affected by the SRSSC at the end of the study had been affected by it at the start. Almost all other households affected by the SRSSC at the study's end had previously been receiving HB but had not been over-accommodated at that time – they had become affected by the SRSSC due to changes in household formation.

Following its introduction in April 2013, the g15 households affected by the SRSSC did not as a rule appear to be moving home as a consequence. A total of 25 households moved home over the study, and just six of them reported that the SRSSC was a reason why they had moved. The report of the first telephone survey found that respondents affected by the SRSSC at that time were far more likely to consider making cut backs on other forms of expenditure as a result of the reduction in their HB, rather than attempting to move home. These respondents were particularly averse to the idea of looking for private rented accommodation, and most usually because it was considered to be too expensive.

Households affected by the SRSSC noted a number of impacts that resulted from a reduction in their HB:

- A general level of financial hardship, including difficulties in paying household bills
- Making cut-backs on food
- Making cut-backs on heating
- Experiencing difficulty in paying their rent
- Experiences of anxiety and stress

Financial stress

One third of households were particularly financially stressed, in that they had constantly been struggling to keep up with their household bills, or they had fallen behind with some of them. This group of households often faced a range of financial situations with the potential to compound their difficulties. They were likely to:

- be in rent arrears

-
- use pre-payment cards for paying their gas and electricity bills
 - be a workless household
 - have used a payday loan company, rent to own shop, pawn broker, or a food bank
 - be in receipt of Housing Benefit
 - be in receipt of HB and over-accommodated on the SRSSC, especially with two or more excess bedrooms
 - be frequently or almost always overdrawn in their bank account
 - be unable to pay an unexpected expense of £50 without borrowing the money from somewhere
 - find it difficult to heat their home
 - expect to be worse off over the next 12 months

Glossary

Bedroom standard

The bedroom standard can be used as a measure of overcrowding. A household can be said to be overcrowded if it occupies accommodation with fewer bedrooms than it needs according to the standard. The bedroom standard formula notionally allocates a separate bedroom for the people in a household according to their relationship, age, and sex:

- each couple
- any other person aged 21 or older
- each pair of adolescents aged 10 to 20 of the same sex
- each pair of children under 10 of either sex
- any unpaired person aged 10 to 20 is notionally paired with a child under 10 of the same sex, or if not possible he or she is allocated a separate bedroom
- any remaining unpaired adolescent or child

Benefit cap

The benefit cap sets a limit on welfare benefit payments so that the total amount of benefits that can be received are limited to £500 per week for lone parents and couples (either with or without children), and £350 per week for single people. Housing Benefit will be reduced to prevent total benefits received going above these limits. The 2015 Budget sets out a reduction in these two rates from April 2016, to £442 in London and £385 across the rest of the UK for lone parents and couples, and to £296 in London and £258 across the rest of the UK for single people.

The cap applies to working-age claimants who are out of work and claiming certain types of benefit, including Income Support, Employment and Support Allowance, and Jobseeker's Allowance. Housing Benefit counts towards the maximum amount of benefit that can be received, meaning that households paying higher rents are more likely to be affected.

The benefit cap was introduced on 15 April 2013 in the London boroughs of Bromley, Croydon, Enfield, and Haringey. A national roll-out began on 15 July 2013, with all relevant households capped by 30th September 2013.

The cap will not apply to households in which the householder or partner has reached the state Pension Credit Age, and it does not apply families who can receive working tax credits.

Dependent child

A dependent child is person living in a household who is aged under 16, or who is aged 16 to 18 and in full-time education. An adult is a person who is not a dependent child.

English Housing Survey (EHS) stock data

The EHS is a continuous survey of the Department for Communities and Local Government, which reports annually on households and housing within England. It started in 2008, and is the integrated successor to the previous Survey of English Housing and the English House Condition Survey. Reports and live tables from the survey are updated regularly on the DCLG webpages²⁹. EHS stock data from the two financial years of 2011/12 and 2012/13 was analysed for the purposes of drawing comparisons with questions asked of the g15 respondents on their property type and their estimate of the property age. The age of property in the EHS is also often based on an estimate made by the visiting surveyor.

Ethnic group

Ethnic group membership was self-defined by respondents, and has been classified following the groups used in the 2011 census:

- White
 - English/Welsh/Scottish/Northern Irish/British
 - Irish
 - Gypsy or Irish Traveller
 - Other White
- Mixed/multiple ethnic groups
 - White and Black Caribbean

²⁹ <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics>

-
- White and Black African
 - White and Asian
 - Other Mixed
 - Asian/Asian British
 - Indian
 - Pakistani
 - Bangladeshi
 - Chinese
 - Other Asian
 - Black/African/Caribbean/Black British
 - African
 - Caribbean
 - Other Black
 - Other ethnic group
 - Arab
 - Any other ethnic group

g15

The g15 is a group of London's largest housing associations, and provides homes for one in ten Londoners. The central objective of g15 is to build diverse and sustainable communities³⁰.

Household Reference Person (HRP)

The HRP is the person in whose name the accommodation is rented. In the case of joint tenants the HRP has been identified using the same criteria as in the 2011 census, which classifies the HRP based on an economic activity hierarchy, and if

³⁰ <http://g15london.org.uk/>

economic activity is the same it then gives priority according to age (that is, the oldest person is the HRP).

Minimum Income Standard (MIS)

The MIS is an approach to monitoring income adequacy to track changes in the economic wellbeing of low-income households. The MIS is not dependent on relative income thresholds, such as the 60 per cent of median income measure, but is based on current public views of what is essential. It is calculated by specifying baskets of goods and services required by different types of household in order to reach a minimum socially acceptable standard of living in the United Kingdom today, and to be able to participate in society.

Pay to stay

‘Pay to stay’ was proposed in the 2015 Budget, its aim being to charge higher income social rented tenants a level of rent up to a market rate. The measure, which forms part of the Housing and Planning Act 2016, will come into effect in April 2017, and will supersede an existing discretionary scheme in which social landlords can charge a market or near-market rent to tenants with an income of £60,000 per year. The new policy may affect social rented tenants with an income of £40,000 or more within Greater London, and £31,000 elsewhere. The policy will not be mandatory for Housing Associations.

Pension Credit Age

Pension Credit Age is a qualifying age for Pension Credit Guarantee Credit, which provides a guaranteed level of income for people over the qualifying age. The qualifying age is being increased at the same pace as the State Pension age for women. The qualifying age was 62 in April 2014. If a householder or their partner has reached Pension Credit Age, they are currently not affected by the Housing Benefit size criteria.

Social rented sector size criteria (SRSSC)

The SRSSC was introduced on 1 April 2013 on both new and existing claims for HB for households living in social rented housing. The size criteria have been referred to as the ‘spare room subsidy’, the ‘under-occupation penalty’, and perhaps most popularly as the ‘bedroom tax’.

The SRSSC affects householders below the state Pension Credit Age - if either of the HRP or their partner has reached state Pension Credit Age the household will not be

affected (this will change under Universal Credit, when the householder and their partner will both have to be of retirement age to be excluded).

The SRSSC does not apply to people living in shared ownership accommodation; caravans, mobile homes or houseboats; some types of supported accommodation; and homeless people housed in temporary accommodation that has been provided by the council, unless that accommodation is owned by the council.

Under the SRSSC, one bedroom is allowed for:

- Each couple
- Any other person aged 16 or older
- Any two children of the same sex under the age of 16
- Any two children irrespective of sex under the age of 10
- Any other child
- A carer or team of carers who provide the HRP or their partner with overnight care

Before 1 April 2013, the amount of HB calculated was based on 100 per cent of the eligible rent. Under the SRSSC, 14 per cent will be deducted from the HB eligible rent for households with one bedroom too many, and 25 per cent will be deducted from the HB eligible rent if there are two or more bedrooms too many.

Any shortfall between the rent and HB resulting from the operation of the SRSSC will be paid directly by the affected households to their landlord (but under the Universal Credit system, the housing component will start to be paid directly to tenants, who will then be responsible for paying all of their rent themselves).

Universal Credit

Universal Credit (UC) is a means tested benefit for people of working age (under Pension Credit Age). It will replace many existing benefits, including Income Support, Income-based Jobseeker's Allowance, Income-related Employment and Support Allowance, Child Tax Credit, Working Tax Credit, and Housing Benefit. It will be paid monthly to people on low incomes who might be working, looking for work, sick or disabled, or caring for children or a disabled person. UC will be automatically adjusted if a claimant's circumstances change. Under UC, both people in a couple, rather than only one of them under the current regulations, will have to be of Pension Credit Age to be excluded from the SRSSC.

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