

# Real Life Reform Report 3

March 2014



real life  
reform 

**“ I’ve got less now than in October and I’m coping by using savings. The idea of having savings was to pay for my funeral ”**

**RLR Participant**

**“ We borrowed over Christmas and took out a loan. We borrowed £160 and have to pay back £264 ”**

**RLR Participant**

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

**DWP Policy Statement<sup>1</sup>**

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





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

This is the third of six scheduled reports on how the households are responding to the benefit changes and whether the reforms are achieving their ambition of getting people into work and to reduce public spending.

This follows on from Report 1 (September 2013) and Report 2 (December 2013) both of which can be found on our Twitter site @RealLifeReform

## Headlines

- ***Retained case studies have borrowed a further £670 each since October, averaging an increase in debt of £52 each week.***
- ***77% of households are in debt and the average debt is £3,503, a 54% increase since our last report. (note: the average debt for 'retained participants' is £2,943, a rise of 28%)***
- ***£34.41 is the average weekly debt repayment, an increase of 58%***
- ***18.5% of income is spent on fuel costs compared to the national average of 5.1%.***
- ***69% of households spend less than £40 per week on food.***
- ***Nearly a third of households spend less than £20 per week on food.***
- ***Average spend per person per day on food is now £3.08 - up from £2.10 in December.***
- ***46% of participants report have nothing left each week to live on once rent and essentials such as food and bills have been paid.***
- ***Use of local shops has halved with less than 5% of participants using them.***
- ***60% of active job-seekers applied for between 20 and 40 jobs in the last three months but 71% were not offered an interview.***
- ***22.2% applied for more than 40 jobs, a 113% increase since report two.***
- ***70% of applicants for Discretionary Housing Payment have been successful.***
- ***Participants expressed concern about media representation of people on benefits.***



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*"Often the hardest decision that Board members are asked to make is "how do we decide on investing surplus between building new homes or improving existing homes/environments?" This is where the research of Real Life Reform and others really helps the debate, because it gives an evidence base on the lives of existing tenants and just how welfare reform changes are impacting. North Lincs Homes (part of Ongo) , has used this information for example, to increase the investment we make into improving the energy-efficiency of homes."*

**Andy Orrey**  
**Chief Executive**  
**North Lincolnshire Homes**

*"Many of the case-studies and comments contained within the Real Life Reform papers align with our own examples on the Yorkshire Coast. Recently we have seen increasing demand and strain put on local support organisations such as the foodbanks, many of which provide vital services to our customers and also increased need for use of our own hardship fund.*

*The insight provided by the Real Life Reform reports reinforces our experiences and informs our decisions to support these organisations; ultimately reducing inequality and poverty across our communities".*

**Shaun Tymon**  
**Chief Executive**  
**Yorkshire Coast Homes**



# Preface

Welcome to the third Real Life Reform report.

The response to our previous reports has been at times overwhelming and we would like to thank everyone who has read them, supported the study, taken part in social media discussions and raised awareness of the findings. Your actions and support highlight how important the research is and continues to be.

This third report shows how people have coped in the months leading up to and since Christmas 2013. The survey interviews were completed in January 2014 and in this round we had a total of 83 participants of whom 70 were “retained” from previous rounds.

This study is about the impact of welfare reform on households across the North and participants in report 3 have raised questions about how the reports have been received and how they are viewed. There is genuine concern from our participants that reporting by television programmes such as “Benefits Street” has created an unwanted and distorted stereotype. Many participants are upset at this portrayal and any “read across” to their circumstances. Our Facilitators have reassured them that this is not the case with Real Life Reform. The findings in this report demonstrate that people, where they can, are genuinely trying to obtain work or increase their working hours to improve their quality of life. We would like to thank our participants who are accepting some intrusion into their lives to help paint a true picture of what they are experiencing.

Real Life Reform is not about the landlords’ experience or the impact of welfare reform on landlords; it is about documenting the experiences of the participants. So, in this report, we have dedicated additional space to explore in more depth some of our participants’ individual situations to allow readers to get an even better understanding of their experiences since the study began.

Section 7 includes some examples where Real Life Reform is meeting its objectives. A key aim of this study is to raise awareness and give others information and examples to do this. As we move into rounds four, five and six we will be exploring more how individuals and organisations have used our study to help influence their thinking, actions or decisions. If you want to share your experiences, please do so @RealLifeReform.

Finally, we are conscious that you may think that a third report could tell you more of the same. However, that is not the case. The format of the report remains consistent, but the content shows a changing and evolving picture which can be used in a number of ways; from shaping your organisations’ strategic response to helping you to put into place some temporary fixes. This might be something to feature in more depth in the next report.

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

**Andy Williams, LHT**

*“Real Life Reform is a great piece of work. It tracks the real impact of Welfare Reform on some of the most vulnerable people in society. Much of the debate in the media focuses on the “squeezed middle” but what about the “squashed bottom”? Real Life Reform tracks what is really going on for many of our customers, and it does so in a helpful and accessible way.*

*I meet up with many of my local MPs on a regular basis. This includes David Blunkett, Nick Clegg, Rosie Winterton, Angela Smith, John Healey and Paul Blomfield. I always hand them a copy of Real Life Reform, and give them an update on what life is like on the ground for our tenants. I have also drawn extensively on Real Life Reform in briefings for our staff and non-executive directors.*

*Thanks to all those involved for taking this on.”*

**Tony Stacey**  
**Chief Executive**  
**South Yorkshire Housing Association Limited**



## CASE STUDY : Tracey's Story

Tracey is a single parent in her early 50s. She has lived in her home for 15 years and the property is a three-bedroom house in the middle of a traditional housing estate. Most of the houses in this area are of the same size and design.

The property was bought by her housing association under the Government's mortgage rescue scheme when she was affected by redundancy and the marriage breaking up. Tracey has family close by and has needed their support over the years because she had two severely disabled children. Sadly, her eldest child died in 2013 aged 27 and she now continues to live in the house with her daughter, who is 24 and has Down's Syndrome, asthma and Obstructive Sleep Apnoea, which require her to be on oxygen.

Tracey explains: "My daughter stops breathing 100 times every night and she is on an oxygen machine which puts air into her when she stops breathing."

Under welfare reform, Tracey has been affected by the under occupation penalty rules and has to pick up a rent shortfall of £62.12 a month. Her daughter requires intensive support and due to her illness is on a special diet. Tracey is concerned that she is now spending less on food as a result of welfare reform.

During the study interview, Tracey expressed the view that she really needed to stay in the house for her daughter's wellbeing but asked the question: "Realistically, who is going to employ me?"

She added: "I have no qualifications, I haven't worked since I had my children because they have needed me to care for them but what skills do I have to offer an employer? I have cared for my children all their lives and could do something in that field but I have no qualifications and even if I could get work, somebody will have to provide care to my daughter as she cannot be left alone. How do I get out of this trap as I want to stay in my home?"

Her facilitator notes that she is a "good tenant", has tried to look after her property and is a positive member of the local community. She is the type of person that others look to for help.



# Real Life Reform: a brief recap

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

Iain Duncan Smith, May 2010

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

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

Using a series of semi-structured interviews, a total of six study visits will be completed over 18 months.

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

## The research study sets out in its original remit to:

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

When the study visits took place in January 2014, this immediately followed Christmas and was during a particularly mild winter in the North. It was nine months after the introduction of the “spare room subsidy” or “bedroom tax”, after council tax benefit changes and other welfare reforms. Real Life Reform is not, therefore, a response to the spare room subsidy, but is a representative study of a sample of households that captures their experiences.

***Quotations contained in this report are reproduced verbatim.***

***The participants were interviewed in January 2014.***

The fourth report is due in June / July 2014.





## CASE STUDY : Muhammed's Story

*When the under-occupation charge began to affect Muhammed in April last year, the impact on his life was considerable. The 38-year-old had never had financial difficulties or fallen behind with his rent before, but soon he was struggling with arrears.*

*Originally from Bosnia, he came to the UK in 1992 following the war in his homeland, settling with his sister and her family. Since childhood, Muhammed has had a severe kidney condition, leaving him unable to work, and he often attends weekly hospital appointments for treatment.*

*When his tenancy began in 2003, he moved into a two-bedroom flat close to his sister and family support network. Then, when the under-occupation charge took effect, he lost £47 a month.*

*His landlord helped Muhammed apply for a Discretionary Housing Payment (DHP) on ill-health grounds to help cover the shortfall. However, this was rejected. The Job Centre also cancelled his disability payments and Income Support, classing him as fit to work.*

*During his first Real Life Reform interview in July last year, the changes were already taking their toll. "Everything is affecting me," he said. "I am ill and I cannot sleep."*

*Muhammed requested a transfer to a smaller property close to his sister, who continues to provide him with support.*

*By his second interview, last October, Muhammed had become even more despondent and was worried about getting into more debt. "There is not a day I do not worry about it," he told his facilitator. "It interferes with everything – your sleep, your day-to-day life."*

*Isolation was also becoming an issue because of the cost of travel. "I only go to hospital appointments as I cannot afford to go anywhere else now," he explained*

*In January, when Muhammed took part in his third Real Life Reform interview, he explained that he was doing his best to pay off his rent arrears after successfully appealing the earlier cut in his disability benefit.*

*However, he was still concerned about having fallen behind with his payments for the first time. "I have never been in debt with my landlord before," he said. "This only happened since welfare reform."*

*His landlord has now been able to provide Muhammed with a one-bedroom property, which means he is no longer affected by the under-occupation charge, but he has been left with considerable debts.*

*His facilitator added: "We were really pleased to be able to help Muhammed move but unfortunately not everyone who is affected will be so fortunate. We only have a limited number of properties available and moving to the private rented sector would actually be more expensive."*





# 1. Real Life Reform & Everyday Life

Our approach has been to ask the same questions each time we complete a study visit so that we can track people's experiences over time and identify trends in such things as spending habits, to build up a picture around the impact of welfare reform. For example, we ask questions around what constitutes the weekly household spend, separate to food, and what choices are being made on fuel and heating costs. We also ask questions about people's income, how they manage their finances and their approach to debt.

In this section, we explore how our participants are managing everyday living, incomings and outgoings. We see from the responses that people are juggling with limited finances to cope with increased outgoings including fuel and energy (although they were perhaps lucky that the weather was as mild as it was). The report shows that while income levels have increased, the level of debt per household has increased to help people cope.

“ I can't afford food when my grandchildren visit so now I don't have them every weekend. My daughter sends food with them some weeks ”

## Food Spending

In Report 2 we saw a significant reduction in the amount spent on food compared to round one. In this third report, we have seen the average spend return to levels similar to those reported in report 1 although the households which have participated since the start [the “retained”] have seen a reduction of £1.59, now spending £40.52 per week on food.

Across the study, the average amount each household now spends on food each week is £41.19. This is marginally less than in round one [£42.11]

It is noted that the average spend on food has increased in report 3 but this period does take into account Christmas and New Year and school holidays. Despite this, the average spend on food per person per day remains lower than in round one at only £3.08 per person per day.

The proportion of households spending less than £40 per week on food remains relatively stable at almost seven out of every ten.

**£41.19**

Average weekly spend on food

**£3.08**

Average daily spend PER PERSON on food

this was

**£3.27**

in report 1



“When I was working I used to do a big shop at Morrisons every week and spend £100-£150. It’s a big comedown, a big shock... the biggest shock is a month or two into being out of work and realising the store cupboard is empty and not being able to fill it again. Things I never used to think about like spices and stuff – I used to cook curries and everything from scratch. I just can’t buy them now.”

Including non-food items, households on average spend £52.27 per week on their shopping. This appears to have increased since report 2 when we first introduced this question. Households now spend on average £11 per week on essential cleaning and washing items and personal hygiene. It also includes things like nappies. This is an increase of £3.82 per week.

As with food, some of the average spend per household has been affected by the case studies that joined in report 3, which includes some larger family households. Our researchers have also experienced more examples where households “run out” of things and therefore have had to “stock back up” which has possibly increased the weekly spend levels. And, with 70% of participants who claimed Discretionary Housing Payments being successful, this may have increased people’s ability to spend although for many it may be a temporary fix.

The pressure on participants’ weekly food and shopping budgets, either due to having less money to spend or increasing prices, has resulted in a noticeable change in shopping habits. The number of households using local shops has more than halved since July 2013 with only 4.8% now choosing to spend in their local neighbourhood stores, and none of the new case studies say that they use their local shops.

While 19% of participants say they use a “mix”, spending in supermarkets remains the main choice at 65% and together with the “cheapest” supermarkets this accounts for 76% of all shopping.

## Travel

Our study doesn’t specifically ask households how much they spend on travel but we do ask whether participants have seen a change in the amount they spend on transport. This has highlighted not only a reducing spend and ability to afford cars and fuel, but noticeably more comments about the affordability of public transport. Feedback in this report has identified a number of current issues to consider for the future.

Some participants can’t afford the travel costs to attend interviews or accept work. This could lead to benefit sanctions. In our section on employment, we see that when asked, 45% of participants agreed that the cost of interviews was a factor in applying for jobs. With the talk of sanctions possibly being applied to those who are on benefits; or in work, needing to increase their hours; or those who are not seeking work, transport and accessibility costs are an important consideration to address.



“ I don't buy a bus pass anymore. I find it difficult to find bus fares for interviews. I was offered a job in Southport which is 18 miles away. A bus pass was £120 per month. The job was minimum wage and a zero hours contract so I would be worse off. ”

“ I walk to town to sign on [around 2 miles] because it's over £5 return on a bus. We used to always get buses ”

Given that most of our participants who work are in part-time employment [69%], and of those working at least 58% want to increase their hours, this highlights that affordability of transport costs is a consideration. There was clear evidence from this round of interviews that people want to work or increase their hours but transport or accessibility costs are a limiting factor.

While travel costs are often reimbursed for attending interviews, this is not normally done until after the interview. With unemployed households having approximately £9.67 per week left after shopping and bills, it can be understood why participants would struggle to fund transport costs to interviews up front. It is clear that for some participants affordable travel is a significant barrier which they are finding hard to overcome.

“ I go on the bus less; I walk everywhere as it costs me £12 for a day rider when my daughter stays ”

With more participants unable to afford or not using public transport, this will place even more pressure on bus companies. It could result in rural communities becoming more isolated if services are cut. There is the potential for increased social isolation if people cannot afford to travel or services are cut. This could result in social and economic problems for more deprived neighbourhoods experiencing greater levels of poverty, especially given the emerging trend with the impact on local shops.

There is also clear evidence of people no longer being able to afford previously affordable travel costs, or having to spend more to achieve the same.

The lack of funds or cost of transport is also impacting on education, social well-being and health. Many of our participants talk about experiencing increasing isolation. This study is starting to highlight isolation of poorer households - both working and non-working - which is something we need to monitor and carefully consider the longer term consequences of in relation to people's confidence, capacity and health.

“ I have been offered part time jobs or voluntary work which is of no benefit. We can't afford the travel. ”





## Fuel Spending

Spend on fuel has risen by 8.5% since report 2 and is now at an average of £32.62 per household per week

Since we started this study, the retained case studies have seen their average weekly spend on fuel rise by more than 30%, requiring on average an additional £7 per week to be spent on gas, electricity and other forms of fuel.

This is despite November, December and January being warmer than average. In addition, some of our case studies are still telling us they aren't using the fuel they need in order to save money and reduce costs. Others are making choices such as eating less food.

There is an indication that some households' costs have risen, partially due to being in debt and having their tariffs changed. This has also highlighted that when in debt, which many of our households are, they don't have the same choice or capacity to change suppliers and secure a better deal.

**£32.62**

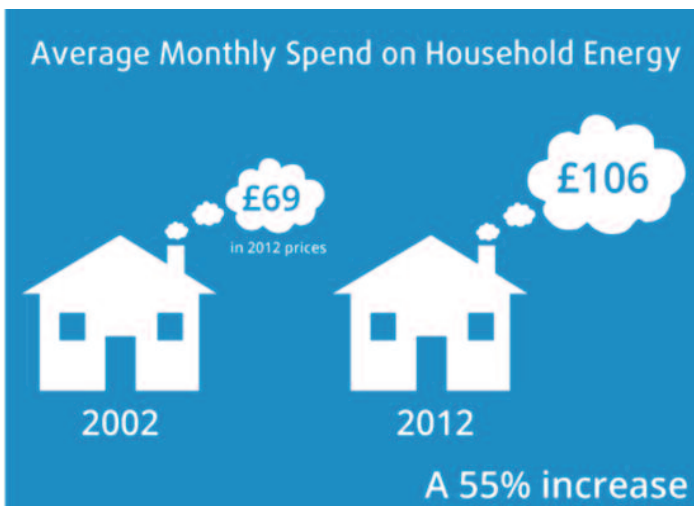
Average weekly spend on fuel

**30.5%**

Increase in spending on fuel since report one

“They have transferred us to a standard tariff as we are in debt therefore costs have increased. Because we are in debt we cannot switch. I think it's disgusting they can get away with this.”

In 2012, UK households spent an average of £106 a month on household energy. Real Life Reform participants are spending an average of £141 per month, 33% more than the Office of National Statistics (ONS) reported <sup>2</sup> average, despite evidence in our study that households aren't fully using their heating systems.



**£141**

<sup>2</sup> Office for National Statistics Household Energy Spending in the UK 2002 – 2012 3rd March 2014



Many of our households are on payment meters, where the average price is 26p per kilowatt per hour<sup>3</sup>, compared to 17p for those not on meters. We also know that 11% of our participants are in debt with their utility bills, which includes fuel suppliers.

The ONS report also states that, on average, households spend 5.1% of their income on fuel.

The average income of our participating households in this report is approximately £176 per week or £9,152 per annum. They are spending approximately 18.5% of their income on fuel. The ONS report also highlights that the poorest fifth of households spend 11% of their income on fuel. Our households are paying 7% more.

**To achieve the national average of 5.1% of income spent on fuel, participants in Real Life Reform would have to either**

- Reduce weekly spend on fuel by nearly four times less at £8.98, or
- Increase weekly income to approximately £640 per week or £33,280 per year

**To achieve the 11% threshold, participants would have to**

- Reduce weekly spend on fuel by 41% to £19.36, or
- Increase income by approximately £124 per week to £300 per week.

Higher than average costs and higher than average spend as a percentage of income, along with under usage and debt repayments, provide a clear indication of fuel poverty among our Real Life Reform households. Given that 76% of our case studies are unemployed, and of those who are employed, nearly 65% are working part time, it's apparent that many of our participants fall within and are toward the bottom of the poorest fifth households.

## Household debt

Nearly 8 out of every 10 households in the study are in debt, with 77.2% of our case studies saying they owe money. This is a 4.0% increase compared to report 2 when it was 73.6%.

There has also been a significant increase in the amounts of debt owed.

The average amount of debt per household is now £3,503.17. This is a 54% increase since our last report in December 2013. This has been distorted by a few exceptional cases, with two new joiners to the study having debts of approximately £20,000 each.

Considering only the retained case studies, on average they have seen their debt rise by 28.7%. The research shows that from report one to two, debt remained relatively static. Households were making payments but either due to high interest rates or small additional borrowing, the actual debt hardly changed.

**77.2%**

of all households are in debt

**£3,503**

Average debt owed. Increased by 54% since December 2013

**“ I took out a loan for Christmas and borrowed £160 but I had to pay back £264. ”**

<sup>3</sup> <http://www.edfenergy.com/products-services/for-your-home/documents/prepayment-prices.pdf>



	Average Debt Sept 2013	Average Debt December 2013	Average debt March 2014
<b>Participating households involved since report 1 only</b>	<b>£2,288</b>	<b>£2,273</b>	<b>£2,943</b>

Since report 2, it's evident that retained households have borrowed more and / or not made payments, as the average debt has increased by £670 to £2,943. This is additional debt of approximately £52 per week, (£223 per month), and is emerging as one of the reasons participants are reporting that they have more money left each week despite increasing "everyday living" costs.

The biggest shift in debt patterns has been in the number of households owing more than £3000. This has increased from 21.7% in round one and is now 35.6%, the largest category of debt owed.

There has been little shift in those households owing less than £500, remaining fairly static at 25.4%. There has been a 14% increase in households owing £500-£1000 with more than one in five households having this level of debt.

**I have just taken out a new loan from a loan shark for Christmas. It will never go down but it just about keeps my head above water.**

**£670**

Average debt increase of retained participants

**35.6%**

Owe more than £3,000

## Repaying the debt

Looking back to report one, only 61% of households said that they could manage their weekly repayments, which then averaged £18.21 per week. In report 3, we have seen significant changes in both the amount of debt owed and also the amount households are repaying each week.

- The average debt repayment for the retained households is now £42.89, more than two and a half times greater than in report 1, when only 61% said they could manage their payments
- The average weekly debt repayment across all case studies is £34.41, a 58% increase in the last three months

More than one in every two households [51%] which have debt either say they don't know how long it will take them to repay it, or they never will. Since the start of the study, the proportion of those with debts taking more than 4 years to repay has more than doubled and is now 14%. Two thirds of households in debt have long term or non-repayable debt issues.

There has also been a 77% increase in short term borrowing, with 17% of in-debt households saying their debts will be repaid in a year compared with 10% in round one.

**£34.41**

Average weekly debt repayment. Increased by 58% in 3 months

**51.6%**

Don't know when or will never pay off their debts despite making weekly payments





Interestingly, there has been a shift in who people owe money to. This possibly reflects who has been successful in pursuing payment. For example, in report 2, one in three households had council tax debts.

Since report 3 there has been a 57% reduction, with only 14% of households now owing council tax. Council tax continues to remain the debt owed by most households.

Similarly, there has been a 61% reduction in the number of people in debt with household bills. Only 10.6% of case studies now say they owe money on household bills, including utility bills, compared to 27% in report 2. (This reflects concern during the winter months that fuel is a priority debt to avoid disconnection, or increasing charges resulting from non-payment).

There has been a further increase in the use of loan sharks, with almost 6% of households in debt having borrowed some of that money from this source. Meanwhile, there has been a small reduction in borrowing from pay day lenders.

We have also seen a 63% reduction in borrowing from family and friends, with only 6% of debt coming from this source, compared with 16% in round two.

In report 2 we also highlighted people's reliance on support networks to cope. In this report, we are starting to see that these networks are unable to continue to provide that support.

We are mindful that further work is required in round four to better understand where our households have debt and who they are making their payments to and why.

Round three clearly demonstrates that people's previous concern about increasing debt has materialised and some participants have borrowed more, despite vowing now to, with both the average amount of debt and the weekly payments significantly increasing



## CASE STUDY : John & Sandra's story

John and Sandra, who are in their late 50s/early 60s, moved into their two-bedroom bungalow in November 2012 – and just a few months later were affected by the under-occupation charge.

They had been provided with the level access property in Yorkshire after being awarded medical priority status by the local council's housing department.

John and Sandra need separate bedrooms for health reasons and Sandra has to sleep in a raised bed. However, classed as under-occupying by one bedroom, they have lost £48 a month from their Housing Benefit.

Sandra is unable to work because of her ill-health and receives disability benefits. Her husband is retired on medical grounds and was receiving Employment Support Allowance but this was stopped. They are in receipt of a small private pension.

John and Sandra applied for a Discretionary Housing Payment (DHP) and were successful in April 2013, receiving it for a number of months. However, the decision was revoked and £900 was taken out of their rent account.

“They are now in significant arrears and are really struggling to afford to pay the under-occupation shortfall, never mind the arrears that have accrued due to what happened with the DHP,” their Real Life Reform facilitator, explains.

“During our interviews, they advised that they cannot move as they require two bedrooms. They told me that they are having to rob Peter to pay Paul and this is causing a lot of stress for both of them.

“They really feel they are being treated unfairly as there are genuine medical needs for a two-bedroom property.

“This couple really look after their home and are good tenants. They are very settled where they live and are really worried about their current financial situation.”



# Money left after bills

## Average money left per person per day after bills:



In this report, the average amount of money households are reporting that they have left each week after bills has risen by £10.29 to £15.08, despite outgoings increasing by £27.13 per week:

- Fuel has increased by £2.55
- Food has increased by £8.25
- Other shopping has increased by £3.74
- Debt repayments have increased by £12.59

Average incomes have increased from £139 in report 2 to £176 in this report.

Some of our case studies' income has positively improved where they have, for instance, moved house to address under-occupancy charges but this hasn't significantly impacted on the overall trend. There is some evidence that income has increased as a result of people getting into work or getting more hours, and there are also examples where Discretionary Housing Payments (DHPs) have been awarded, although this is not a guaranteed income or long-term solution.

There is also increasing evidence that some of the additional average income is due to the significant increase in debts since round two, with an average of £52 per week being borrowed since the last time interviews took place.

Considering the money left after bills by employment status, we see that the position has become worse for those in part-time employment. They have seen their money left after bills reduce by 17%, equivalent to a reduction of £3.16 and leaving them with only £15 per week once bills have been paid.

The average amount of money left each week after bills has been affected by the 8% of our case studies who are in full time work. The majority of our participants [92%] have seen their position worsen or remain the same since December 2013.





MONEY LEFT EACH WEEK AFTER BILLS	Round Three March 2014	Round Two December 2013	Difference
Employed	£34.71	£16.97	● £17.74 <b>104% increase</b>
Of which: Full time employed	£65	£50	● £15 <b>30% increase</b>
Part Time Employed	£15	£18.16	● £3.16 less <b>17% reduction</b>
Unemployed	£9.67	£8.86	● 81 pence more <b>9% increase</b>
Total average	£15.00	£4.00	● £11 increase <b>275% increase</b>

Round three also shows that participants who are working and in part-time jobs are those worse affected, seeing a 17% reduction in the amount of money they have left to spend each week after bills. Compared to unemployed households, they have only £5.33 per week, or 76p per day, more left after bills and this supports why 58% are looking for more hours. For some participants, this could also result in a view that “work doesn’t pay”.

Increasingly, our study is highlighting the issue of in-work poverty, and with only £9.29 and £2.14 left to spend each day for full-time and part-time employed households respectively, it illustrates the limitations that our participations have on their ability to spend.

For our part-time participants, who account for 15% of our households, it is evident that looking for more work is proving difficult. With just £2.14 per day available, we can see why households are increasingly reliant on debt to cope, given the costs of transport and job interviews.

## Observations

Even with a milder than expected winter, in January 2014 our research shows that many of our households are struggling to make ends meet and there is increasing reliance on debt to cope. Spend on food has increased but still remains very low.

Spend on fuel has increased and in this report we have clear evidence that many if not all of our households are in fuel poverty. Round three has brought with it significant concerns about high levels of debt, as well as the reliance on borrowing. The consequences of weekly repayments, which have more than doubled since the start of this study, alongside increasing costs in all areas is really placing financial strain and hardship on our households. This is evident in the realisation of how much money our households have left to spend after all essential items have been paid each week, recognising spend on essential items is on average very low.

A trend we will continue to watch closely throughout this study is the emerging concern around in-work poverty. For the 15% of our households who are in part time employment, their situation has become worse in the last three months. For those unemployed, with an average of 81 pence per week more to spend - despite for some the success of downsizing or having their Discretionary Housing Payment paid - shows that households are struggling to survive and any reductions in income or increases in expenditure could not be managed.

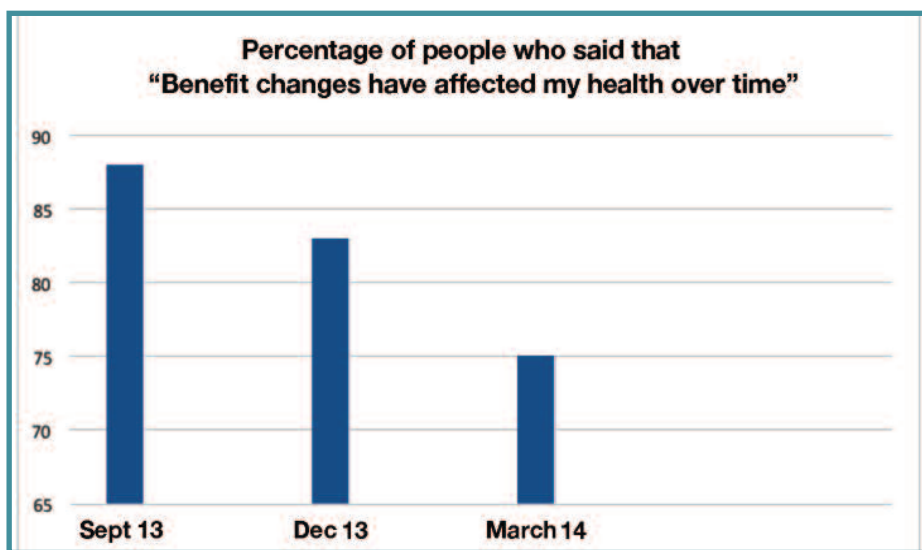
Due to very low levels, if any, of disposable income, a dominant theme in this round has been the cost of transport and not being able to afford this. Alongside this is an emergence of increasing social isolation as people cannot afford to go out. This is something we will closely track in future rounds to see how this impacts on Health & Wellbeing [section 2] and Families & Neighbourhoods [section 3].



## 2. Health & Wellbeing

Responses to questions in this section suggest that participants score their situation in a more positive light overall, but that is not always reflected by the narrative of their comments or their situation. It could be that their situation is improving or that they have simply adjusted to a “new norm”, or possibly that there is an element of resignation/acceptance of their situation.

When asked to describe how **“the benefit changes will affect the health of people in my house,”** 75% of all respondents felt that welfare reform was having a negative impact on their health and well-being. In Report 1, the figure was 88% and in Report 2 this had fallen to 83%. This third round study indicates that people’s perception and experience of welfare reform on their health and wellbeing is either improving or that there is a gap between their initial perception and ability to cope.



The reasons behind this trend and direction of travel are not explored in detail by the study. Qualitative responses indicate that some participants continue to struggle with the impact of welfare reform.

“My husband’s mental health never improves because his life is horrible. We exist day to day, we don’t have anything to look forward to.

We cannot get out of the situation we are in because we are too ill to work to improve our income.

We cannot afford to move so are stuck in this house. We cannot borrow the money to move unless we go to someone with high interest rates and we will not be able to afford to pay that back

“These changes have got me seriously worried. My doctor has told me I have mild depression.

I need to get out and about, possibly take on volunteer work to get me back in the routine of life, but I don’t want to be penalised for this and lose my benefits.



We are aware from our household composition data that a number of our participants have a range of health and well-being issues. We will continue to monitor health impacts and experiences in round four and start to track throughout the rest of this study whether any health concerns materialise.



Despite seeing a reduction in the level of concerns, with 75% concerned about the impact of welfare reform on health and wellbeing, this still remains the biggest concern for our participants.

“Your stress levels go through the roof. There will be a hell of a lot more people on tablets because of all this. Some people are not coping. They don't know where it will end. You're waiting for the next big rise or the next daft letter they'll send you”

## Observations

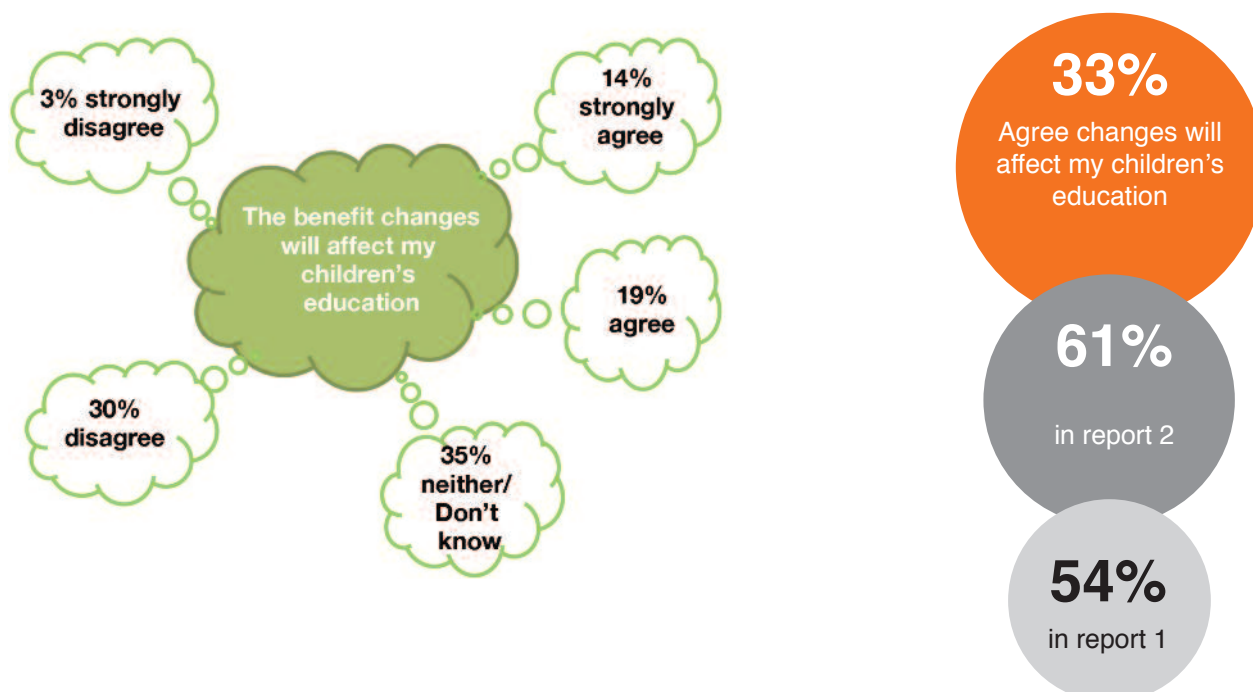
The trends that emerged in the previous reports continue to appear in the narrative of what people have said to our facilitators during the interviews. Concern is expressed about dietary issues, support and how people are feeling about their health.

In the later section on “Coping and Concerns” the participants continue to score concern about their health at 8 out of 10 (with 10 being the most concerned) and this correlates with the statistics in this section which show that 75% of people agree that changes being experienced are having (or they fear that they will have) a detrimental impact on their health and well-being. This is consistent with the previous two reports and shows that in the period of the study, the situation has remained static in their eyes/experience.

It is likely that had it been a harsh winter that the results of this section would have been worse. That said, even the relatively good winter, experienced has left people concerned about their health and well-being and it is something that requires “joined up” working and approaches to help manage or resolve.



## 3. Families & Neighbourhoods



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

In report 2 we observed an increase in concern that welfare reform was and will continue to impact negatively on families and neighbourhoods.

In our first report, 54% of respondents expressed concern that welfare reform would adversely affect their children's education and this rose in report 2 to 61%.

However, this trend has not continued and the results have shown that participants seem to be more positive in this report, with just 33% expressing concern. It anecdotally also illustrates our participants' resilience and reluctance to admit that the changes are impacting on them but as we continue to see through the quotes and case studies, in reality, some are being adversely affected.

Consistent with previous reports, the percentage of people who are concerned for their children's education is not as high as concern for participants' own health and well-being. In previous reports we have seen a determination and resilience not to let changes impact negatively on children and this appears to be continuing.

My daughter's bedroom is very cold when she's doing homework and we can't always afford internet access. We sometimes argue when she puts the heater on because I can't afford the electricity

She's OK. She gets all she needs because we put her first. If I need anything, she comes first, then my husband, then my mum. I come last and make do with what I've got





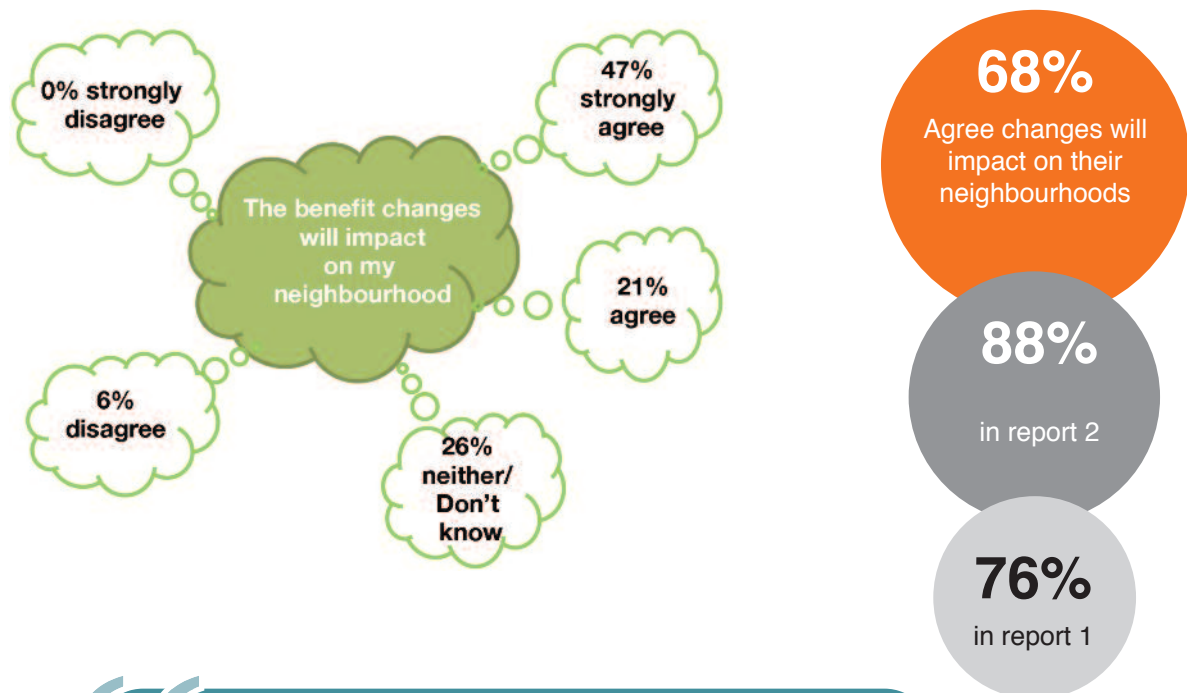
## Impact on Neighbourhoods

In line with some other areas of this section, although a large number of people are concerned about the impact of welfare reform on their neighbourhoods, the level of concern has levelled out or slightly improved. We are unclear whether this is because the changes haven't happened as anticipated; if they are resigned to the situation; or if they have seen some improvements. However, people haven't spoken of or given examples so we cannot evidence any confirmed improvement.

When asked the question “**will the benefit changes impact on my neighbourhood**”, participants' level of concern had fallen from 88% to 68%. Analysis of the responses indicates that the percentage of people who strongly agree has fallen from 52% to 47%, while the proportion of those that agree has fallen from 34% in round two to 21% in round three. Participants haven't indicated that they disagree, but the percentage of respondents who 'don't know' has risen from 11% in round two to 26% in round three.

Given that prior to Christmas we observed an increase in concern, this possibly indicates that people haven't observed any real changes over the Winter and that the neighbourhoods may have stabilised or are experiencing less decline.

Within the qualitative answers there were no examples of new shops or similar such signs of change.

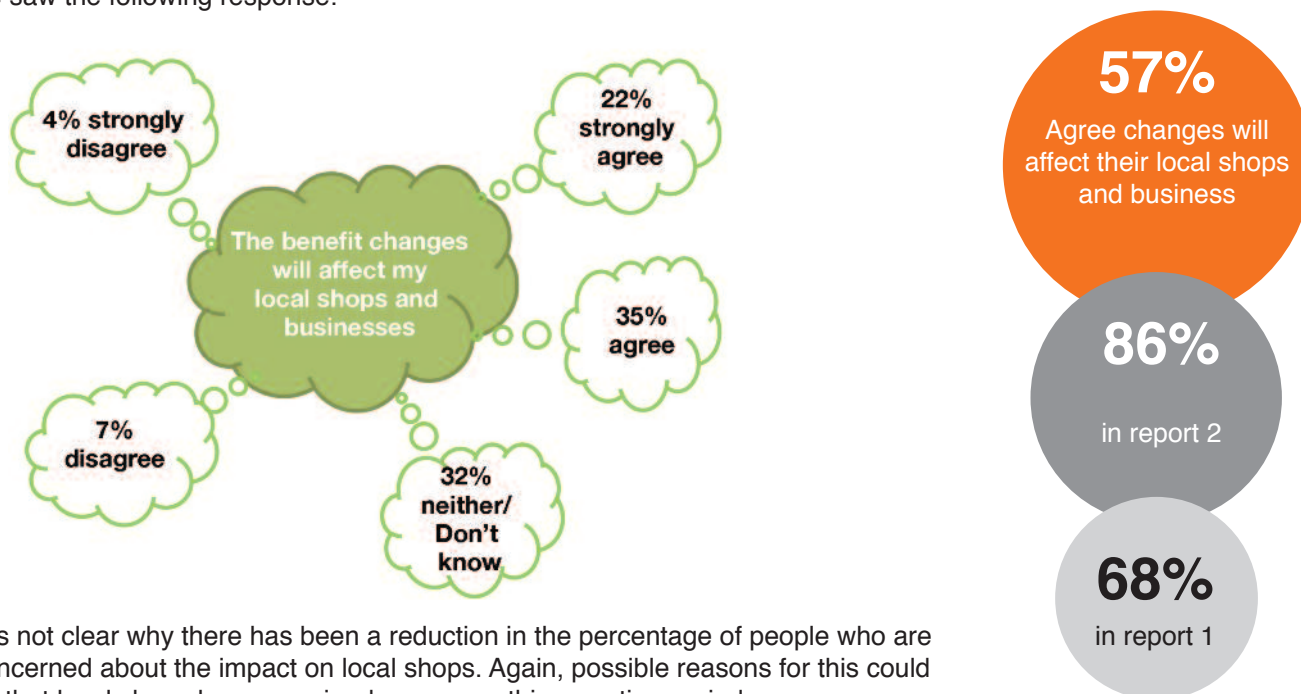


“There is no such thing as a neighbourhood anymore - we all live individually. People are too wrapped up in their own problems to care about anyone else and I can't blame them.”



## Local Shops

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



It is not clear why there has been a reduction in the percentage of people who are concerned about the impact on local shops. Again, possible reasons for this could be that local shops have remained open over this reporting period.

Another potential explanation - given that there has been a significant reduction in people using local shops - is that participants believe the impact has already been felt so it no longer remains a major concern. Alternatively, participants may also be unaware of the impact on local stores, or have less empathy because they are not using these shops.

"A study by CLES (Centre for Local Economic Studies) on behalf of Greater Manchester Housing Providers Group<sup>4</sup> demonstrated that across the Greater Manchester region, welfare reform would remove 2% from the Greater Manchester economy. However, in more deprived areas, this impact would be considerably greater. The research identified one ward where 92% of spend was retained locally. Applying the same logic here, if people are spending money in supermarkets rather than in local shops in their neighbourhood, that will clearly have reduced impact on the local economy as the money is not circulating within the local infrastructure via local traders and local shops.

"If you take a walk through our local town shops you can see how many are closing down. There are also a few more cash converters about now.

It's a sign of the times and nobody having any money"

"Our local shop is struggling and I've found out of date food in there more than I use to. Local precinct has lost two shops and the council advice surgery has closed too.

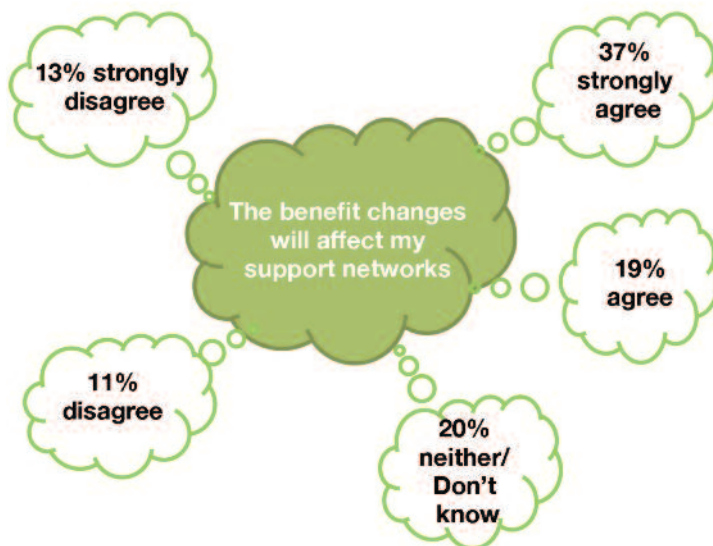
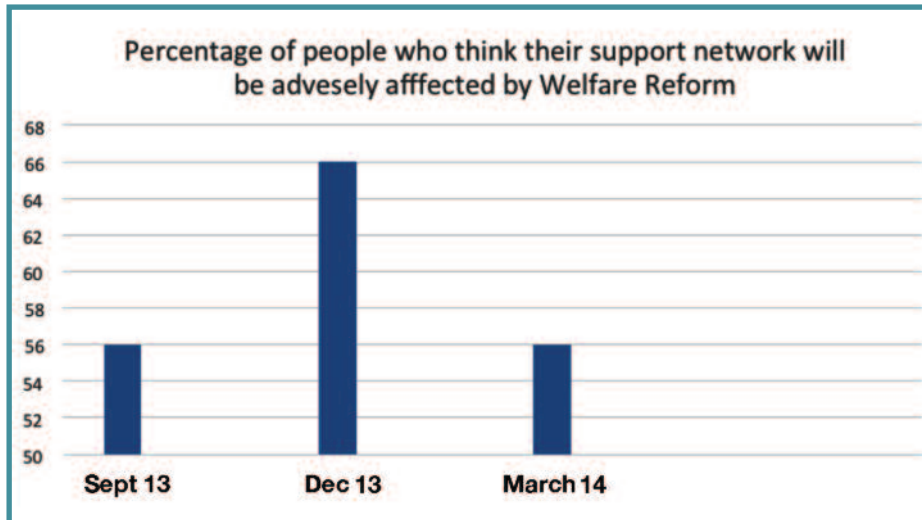
<sup>4</sup> The Economic and Social Implications of Welfare Reform in Greater Manchester', March 2013 for the Greater Manchester Housing Providers Group



## Support Networks

A similar decrease in the expressed level of concern about people's support networks has been found in this report.

In response to being asked whether “**my support network will be affected by welfare changes,**” the percentage of people stating it will have a negative impact fell from 66% to 56%, which is the same level as that found in Report 1 (also 56%).



**56%**

Agree changes will affect their support networks

**66%**

in report 2

**56%**

in report 1



The results from new joiners to the research and to existing participants are very similar, suggesting that support networks have remained resilient during this period and from the period leading up to and immediately after Christmas.

As with the previous reports, our facilitators recorded a number of comments indicating that people are resilient and that support is often available via family and friends. While there is still a sense of resilience and support, there has been a reduction in examples of people talking about helping each other and an increase in comments about isolation.

“ My adult daughter supports me in a lot of ways. When I have no money at all she buys additional food for me, or puts money on the gas or electric. She works and it isn't a high paid job, so I feel terrible that she is having to support me out of her wages.

So yes, I do think it is affecting my support network. ”

“ They are affected in the sense it affects me. They are supporting me so much that I feel guilty that I am taking up their time and resources. They need to look after themselves too. People bring little food parcels and stuff which we are so grateful for. A friend has also given me lifts to hospital ”

Housing organisations are well placed to have an understanding of households that experience isolation, perhaps managing or having an awareness of those individuals who hoard, require low level assistance or who need health and well-being related support.

We are aware of a number of positive initiatives being implemented by housing organisations and increasingly those are being encouraged and delivered in partnership with health specialists. Organisations like 'Our Life' in the North West are making a significant contribution to helping people become empowered and better placed to improve their wellbeing. Details can be found at: <http://ourlife.org.uk/>

## Observations

We are aware that change can take longer to observe depending on what is being tracked or measured. In the scenario of health and well-being, or changes to local shops, a three month window is a relatively short period.

The results do suggest that there remains a high level of concern about the impact of welfare reform on health & well-being, the neighbourhood and the provision of local shops but statistically we are able to report that there has been a reduced level of concern evidenced in this report. This is something that we will continue to track in the next series of reports.





## 4. Work Opportunities

Supporting people into work is one of the main objectives of the welfare reform programme and through Real Life Reform we are tracking participants' responses to work opportunities.

Although this is the third report, some of the questions relating to employment opportunities were only introduced in round two, so it is not always possible to track back to the beginning of the research. The percentage of participants who are in work is 23%, and of those who were in work, the vast majority (69%) were in part-time work. Those participants who are not working and not able to seek work have advised us that this is due to caring responsibilities or their own ill-health. It should be noted that these are self-declarations and we have not asked for proof of ill health/disability benefit statuses.

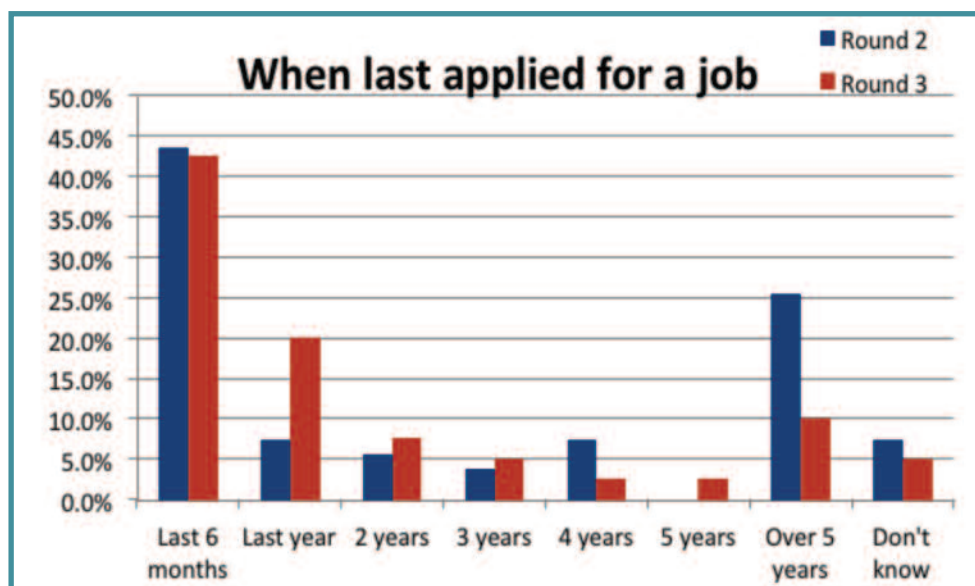
In report two we identified an increase in the number of people who were working part-time but wanting to increase their hours. This trend appears to be ongoing with a similar percentage (58%) advising they would like to increase their hours in this report. It is not clear that this continued trend of part time workers wanting to increase their hours can be seen as one of the "behavioural changes" that the government wanted to deliver through welfare reform.

Similarly, we cannot be certain that anyone achieving an increase in their hours would necessarily alleviate any issues they faced around household income and prosperity. Real Life Reform has shown that for those households in part-time work, the money they have left at the end of each week after bills has reduced in this quarter.

The Joseph Rowntree Foundation 2013 Annual Monitoring Poverty and Social Exclusion Report<sup>5</sup> advises there are more people in working families living below the poverty line (6.7 million) than in workless and retired families in poverty combined (6.3 million), having suffered a sustained and 'unprecedented' fall in their living standards.

Participants have expressed a desire to work or to increase their hours of employment, but 80% have said "yes" when asked "has something stopped you looking for work?" and this response has risen from 73% in report 1 and 75% in report 2. The narrative from participants and referenced throughout this report indicates a growing concern about people having to overcome barriers to access work opportunities.

We asked participants when they last applied for a job and the trend reported in round two continues. The number of jobs people are applying for continues to be high – with 60% of active job-seeking participants applying for between 20 and 40-plus jobs in the last three months.



<sup>5</sup> <http://www.jrf.org.uk/media-centre/report-reveals-new-face-uk-poverty>

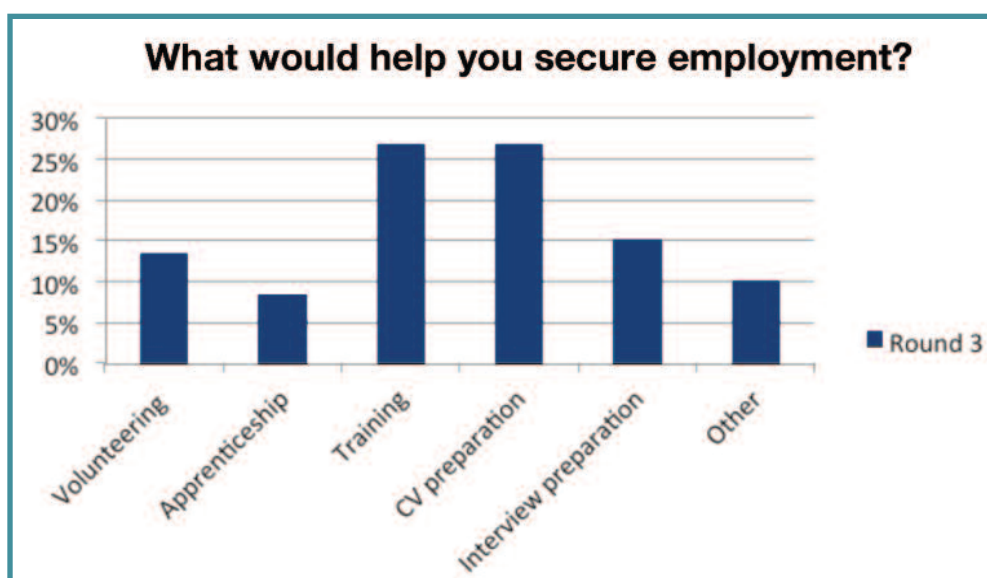


As with report 2 the vast majority of job seekers in our research unfortunately are not being offered an interview – 71% in round 3. In trying to understand what the barriers were for people trying to get back into work, we asked whether the 34% of participants who are looking for work needed more support.

**“I need support to get into work”**

**34.7%** strongly/agreed with this **but**  
**43.7%** strongly/disagreed

In asking what support would be of use to help participants secure employment, more than 26% reported attending training, and a similar number advised that help with preparing a CV or job applications would be useful.



Many housing providers are working locally to support customers into employment, either through providing apprenticeship opportunities directly or supporting customers in preparing for work, including: Livin' Futures in the North East and St Vincent's Positive Futures in the North West, which support customers into work through a variety of means including writing CVs, providing interview techniques, daily job alerts and support to access specialist advice. It may be that customers do not necessarily associate this service with their landlord.

*It's been very difficult and it was getting me down as I was sending off applications and then not hearing anything at all back... Since Christmas I have been on a two-week course which the job centre called the 'Work Programme'. This worried me due to all the stories in the press about its unwaged labour. In reality the course was about doing CVs, interview tips and an NVQ Level 1 qualification in customer service. It was really helpful.*

*They helped reduce my CV from 4 to 2 sides, making it concise and ensuring I put the skills I have in the most appropriate order. Since the course finished I have sent my CV and a covering letter to The AA, RSB and Tesco and they have all offered me telephone interviews. I have achieved more in my job search in the last 3 weeks than I did in the previous 12 months. I do feel a lot more positive now.*



Despite national media coverage regarding the use of sanctions related to job searching, with the Policy Exchange reporting almost 70,000 claimants were likely to have been sanctioned “unfairly”, findings to date from Real Life Reform do not match this national picture. 10% of eligible participants report a current benefit sanction and 93% do not anticipate sanctions being a concern for them in the near future. We will continue to explore how sanctions are impacting on households throughout the rest of the research, as some of the qualitative responses about experiences don’t fully support this view.

Previous reports highlighted the difficulty experienced by several participants in searching for employment and particular criticism of the job centre experience. This continues to be a notable issue in this third report.

“ My daughter and son-in-law are job seeking and finding it very difficult to find work. The job centre are very strict with them and they constantly need to prove what they are doing.

There are only really telesales jobs and 30 or 40 people go for each job. They are finding it very difficult

“ I've found it challenging and draining. If you go to the job centre it's so frustrating. It's the same jobs and you can only apply for them once.

There's a lot more choice on other sites. I'm trying other websites. I've applied for a few jobs today so I feel good. But other times I feel frustrated because you apply and you know you're not going to get an answer. You feel it's just about ticking a box

## Observations

Debbie's story (see page 30) demonstrates the very real benefits of being in employment, particularly if it is secure and full time. Those who are in employment have seen the money left over each week after bills rise from £16.97 per week to £34.71 per week. One of the points made in our first Real Life Reform report was that the lack of a financial safety net was both financially and emotionally worrying. Although a £34 per week safety net is still very low, it could have a positive impact on householders' sense of stability and confidence in facing challenges. However, in terms of the Real Life Reform participants, the positive impact of being in secure, full-time employment is limited to a small number of people.

If that is the positive story, then our participants' experience of seeking employment or being in part-time or insecure jobs starkly reveals the difficulties faced. Mike's story (see opposite) brings home the “roller coaster” impact of being on short term contracts; very welcome employment but not long enough to provide financial security, leading to anxiety that another “dip” – with the financial and mental health pressures that will bring – is just around the corner.

Finally, it is clear that many of our participants who are seeking work continue to find the experience very difficult. Participants seeking work continue to apply for many jobs unsuccessfully. Our findings report that the support to find employment is of mixed quality – some people have been genuinely impressed with the quality of support on offer (whether through the Job Centre Plus, housing providers or other agencies) yet many still report negative experiences and feel “humiliated” or “degraded”.

Welfare reform hopes to show that “work pays”. The experience of Real Life Reform households to date suggests that secure employment does clearly provide a range of benefits including increased financial stability. However, for many of our participants who are seeking work, secure employment remains an aspiration not yet achieved.



## CASE STUDY : Mike's Story

Mike, a single man, was working when our research started but he was soon made redundant. His story shows how difficult it can be to find secure work and the problems encountered moving between employment and unemployment.

“My money has dropped and I am claiming JSA again due to the fact I have been made redundant.”

Although affected by welfare changes, Mike didn't want to move house and wanted to stay and try to find employment to pay bedroom and council tax.

“I did find a job but have since been made redundant. However I am still hoping to pay and stay, although it's killing me.”

Mike's spending on food and other essential bills was restricted while he was on benefits.

“I have to buy the cheapest food you can get - packet soups 4 for 1, Smart Price noodles at 9p per pack, Smart Price beans, 15p a tin. I never have fresh fruit or veg. It's too expensive. The only veg I have is tinned, Smart Price, 9p for a tin of peas. My diet is really poor but this is the only way I can afford to eat. Meat is too expensive, I have forgotten what it tastes like. This makes me so angry and bitter.”

Not working began to impact on Mike's health very quickly, as he explained in our round two interview.

“I have come out of work and am really starting to feel the pinch now. I didn't have any debt prior to this, so this is stressing me out. I thought I was going over the edge a couple of weeks ago and had to go to see my doctor”

With recent experience of employment, Mike was keen to re-enter the workplace as soon as possible, but didn't find the process supportive.

“I think it's a really bad experience. Full-time jobs seem to be almost non-existent and there is so much competition for those that are available. You never hear back once you apply for a job. It totally stresses me out.”

As with other research participants, the job centre experience was not a positive one for Mike.

“Dealing with them is a nightmare. It's not a job centre anymore it's a sanction centre. My advisor was terrible with me. Looking down his nose, he's taken a dislike to me and I was on pins as I felt he was just waiting for the excuse to sanction my money. He definitely had it in for me. It's not a nice place.”

Mike has been successful in finding more work, albeit insecure on a rolling 30-day contract. His experience illustrates the very difficult circumstances people find themselves in when moving from unemployment to employment. Obtaining permanent, secure employment is not always achievable and to a degree a sense of “precariousness” sets in.

“Although I am currently employed, it is a 30-day rolling contract. This means I could be finished at any time. The thought of going back onto benefits terrifies me, so much so that I am living pretty much the same way as I was when I was claiming benefits as I am trying to keep a small reserve of money to help me through the next unemployed period. So the benefit changes are still affecting me even though I am working.”

“I have cleared my debt with working. This is such a vicious circle. I will get a rubbish job for a couple of months that allows me to pay off my debt, then they finish you up. You get into debt again because of the benefit changes. That starts the stress off again. I then spend months worrying until I take the next rubbish job, and the whole thing starts again.”



## CASE STUDY : Debbie's Story

“Debbie” is a single parent. At the start of Real Life Reform she was not working and hadn't been employed for several years but was actively searching for work. However, she was very worried about the likely success of her work search, scoring an 8 in terms of concerns about employment opportunities (with 1 being 'not concerned' and 10 being 'very concerned').

This concern and the potential impact of the welfare changes led Debbie to be worried about the impact on her health and wellbeing, and in the first round scored this an “8”. Worryingly, this increased to “10” in round two. Debbie gave similar scores when we asked her how she felt about her happiness, initially reporting this as “9” and then increasing this to “10” in round 2. Debbie has serious health concerns and was taking medication for them.

The first two rounds of Real Life Reform saw Debbie struggle financially and health-wise. She had some debts but was adamant that she didn't want to borrow further. On a positive note, it was clear that Debbie had good mutual support networks and she herself said: “If I didn't have such good mates, I would have really struggled.”

Thankfully, by the third interview, Debbie had managed to find work, although it is not permanent and is with an agency but, as Debbie said: “Any work is better than no work.”

The beneficial impact of securing work has had a direct impact on how Debbie feels about her health, her happiness and employment – now rating these as “5” on the 1-10 scale; a dramatic improvement. She has also been able to be more flexible in what she's spending her money on foodwise and says she feels more “active” now. Debbie's responses in the third interview also suggest she is more likely to feel positive and to think clearly and solve problems than she did in the early stages of the research.

Not everything has improved immediately, though. Debbie still registers concerns about the security of her employment and her debt hasn't gone away. While her support network has been strong, Debbie reports that her friends have not yet been able to get jobs so she still worries about the impact on her wider neighbourhood.

Our researcher said: “This is the most rewarding interview I've done since the start of the project. The sense of good feeling and positivity emanating from Debbie is in abundance.”

The government sees welfare reform as ensuring that work pays and from Debbie's experience the positive impact that work has had on all aspects of her life is clear to see. However, Debbie's work is not permanent and she's “not out of the woods yet”.

Furthermore, the really negative concerns that Debbie experienced before getting her job caused distress and anxiety. Anything housing providers and partners can do to minimise that negative impact, while supporting people to hopefully secure employment or increase their hours, is crucial.



## 5. Coping & Concerns

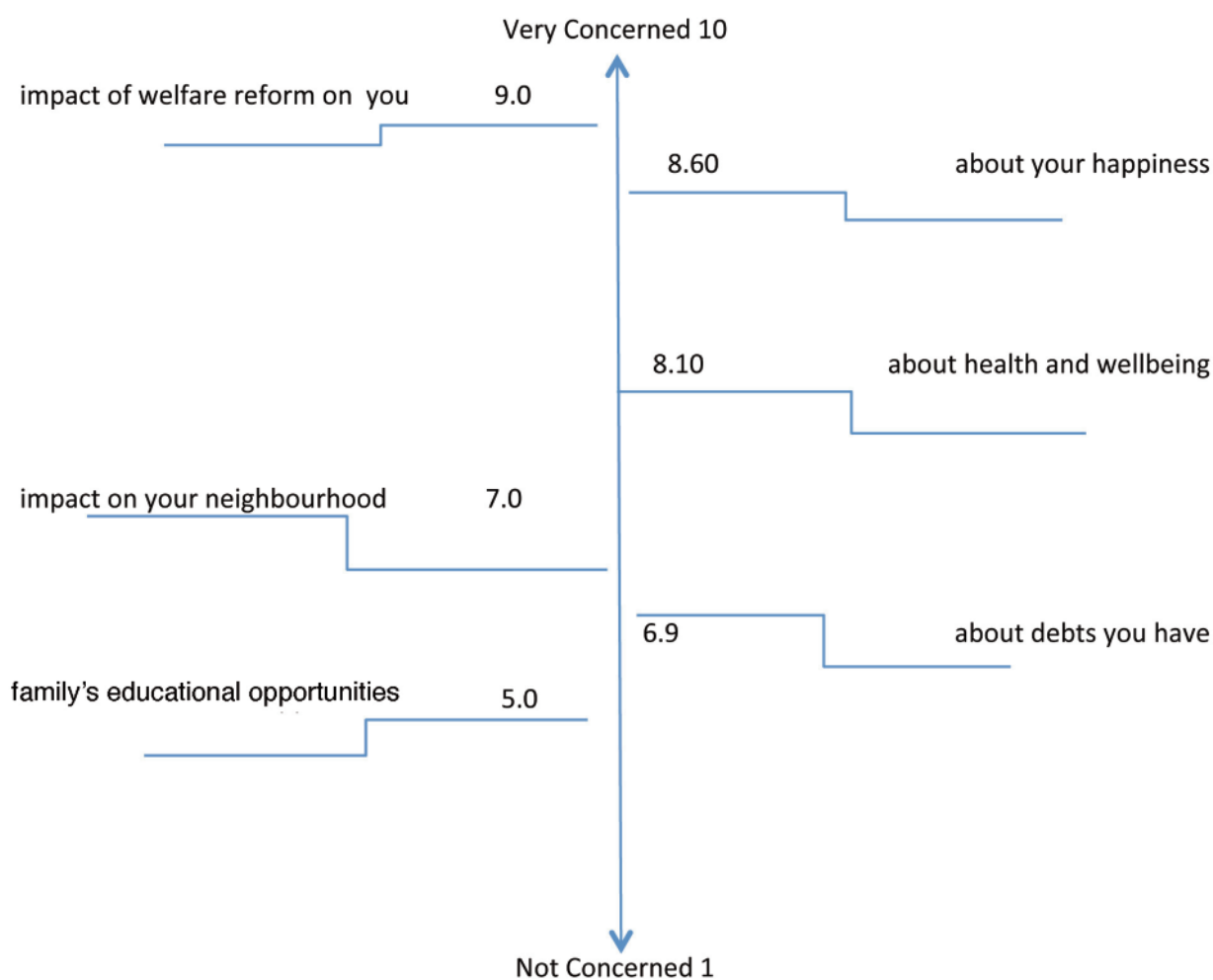
### How do participants feel?

Our third report demonstrates that our participants remain very concerned about the impact of welfare reform on them, with the average score increasing to 9 out of 10 for concern.

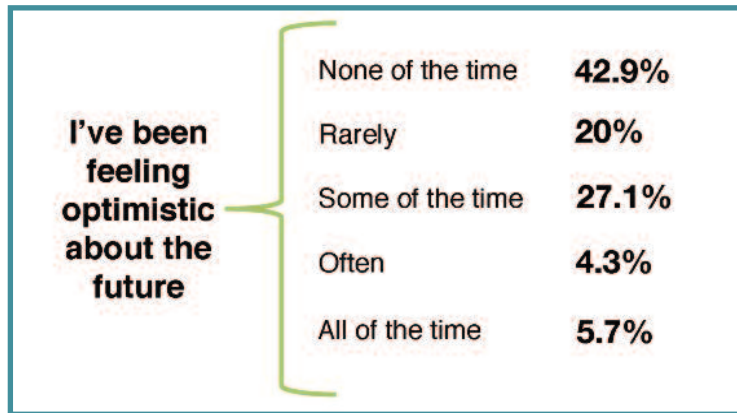
The significant shift in this report has been the increase in concern about people's happiness.

In report 2 this was a score of 7.9 out of ten and it has risen by 9%. It is now 8.6 out of 10, making this the second highest concern. Despite the results shown in section 2 (Health & Wellbeing) and section 3 (Families & Neighbourhoods), we still see concerns on a scale of 1-10 remaining very high with participants scoring an average of 8 about health & wellbeing and 7 for impact on neighbourhood.

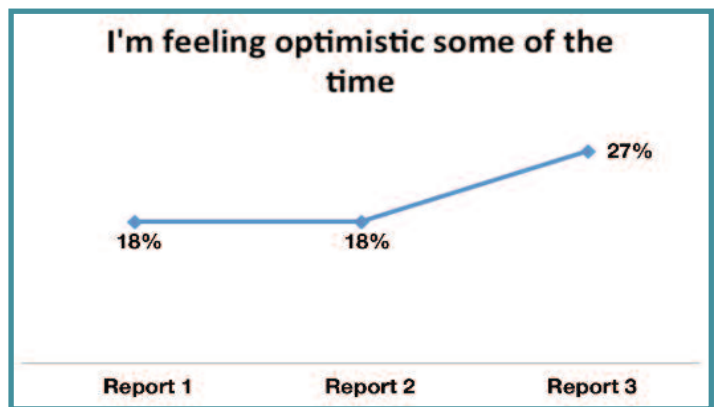
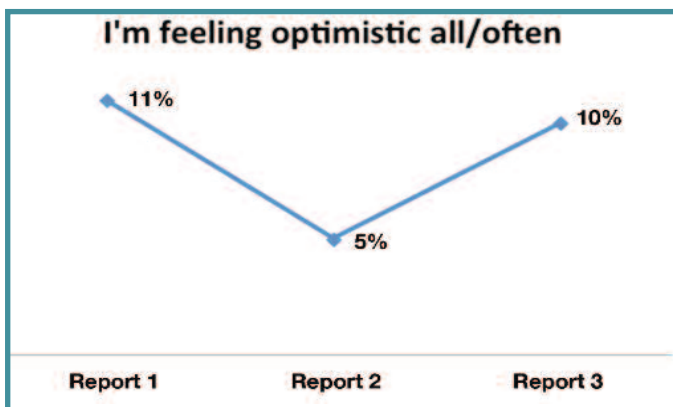
In addition, concern about debt has risen from 6.2 in round two and is now almost at 7 in this report.



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



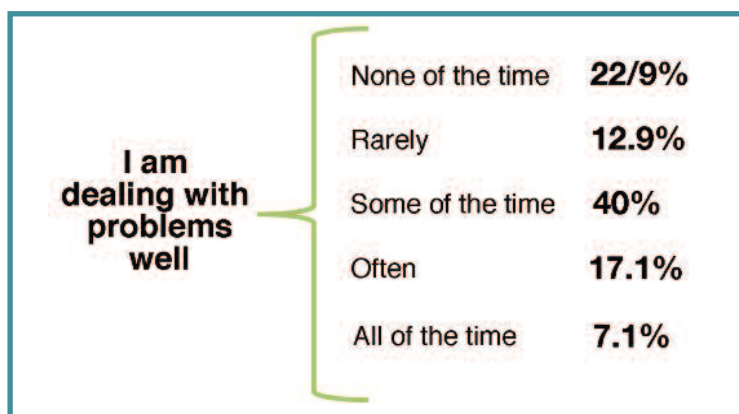
The big shift in terms of optimism relates to those people feeling optimistic “some of time” – up to 27% from 18% in report two. However, 63% reporting little or no optimistic feelings is still worryingly high.



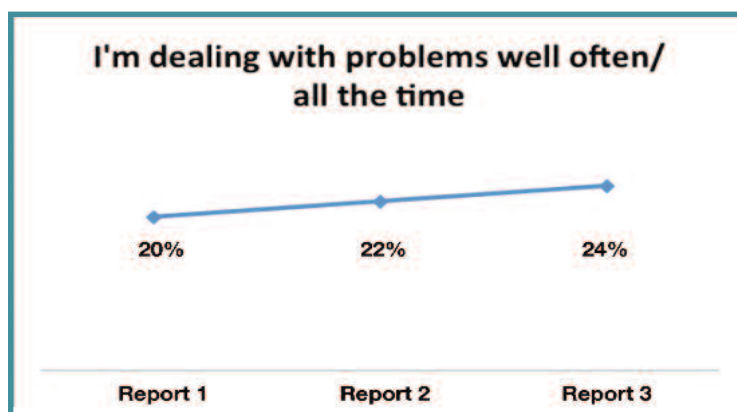
As we reach the halfway point of the research, it may be helpful to explore the trends over time – in this graph we see how the percentage of people reporting that they feel optimistic either often or all of the time. We see a significant dip at round 2 but a recovery back to 10% by round three, which may suggest people have got through the very early challenges. Encouragingly, the trend for people reporting they feel optimistic some of the time potentially shows greater levels of optimism moving forward which we will report on in future iterations.

*It's difficult to try to be optimistic but I'm going on a two-day computer course so I am hoping that will help me.*





People's ability to cope with any problems they are facing does not appear to be significantly changing from report two to report three. While 36% of people struggle with their problems, it is worth remembering that this "score" in report one was significantly higher, standing at 45%. It may be that participants' success in applying for Discretionary Housing Payments, or working with their landlords, has assisted them in resolving problems they faced at the very beginning of the welfare reform changes. Over the three rounds to date, we've seen a steady rise in the number of participants reporting they can deal with any problems.





## Media Representation

Previous reports have not covered or commented on the media representation of welfare reform, however as the research period covered by this report coincided with relatively high-profile television and radio programmes/debates on the topic, it has been referenced by some participants. We felt it was important to include their responses in this report and it is apparent that a view of people on low incomes or those unemployed have been poorly portrayed or negatively stereotyped by some elements of the media.

“ People don't understand how hard it is to live on such a low income and how it affects every part of your life. I'm worse off than those on full benefits. Not everyone is trying to screw the system but you're put in a box and it's so unfair.

You try to better your life and do the best you can but you're not treated any better. You're not entitled to have a life. I'm starting to ignore bills - I just get so depressed and fed up. It's quite upsetting really. ”

“ You're made to feel like you're rubbish and worthless. And there's the Benefit Street stereotype - it makes you feel ashamed and embarrassed for being on any kind of benefit, a single parent and living in a council house.

I teach social workers and that's the stereotype they have too - they put you in a box ”

“ The current state of the media seems set on demonising the poor.

I had a conversation recently with a friend who I'd considered to be more socially minded/socially aware and some of the stuff they were spewing surprised me.

Informed, intelligent people are buying into these kinds of perceptions. ”

“ People aren't aware of the impact. I feel that as much as I'm trying to get out of the cycle, I can't get any help. ”

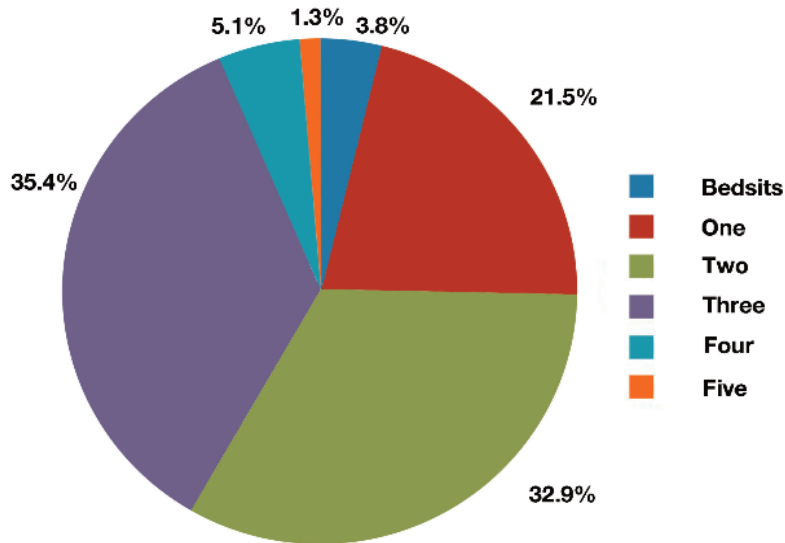


# 6. Who are our Real Life Reform households?

Some of the participants of the study have had to leave the research between rounds 2 and 3. Although we have managed to recruit newcomers, this has slightly changed the profile of our participants.

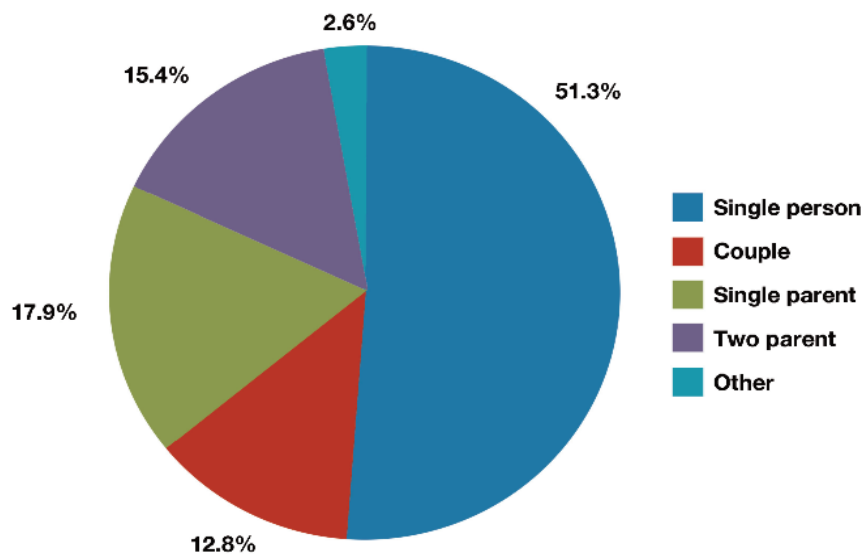
There have been some changes between report 2 and this report in the size of property that participants live in. There was an increase in people living in smaller properties (one and two bedrooms) from 39.1% in round 2 to 54.4% in round 3. This was not driven by new participants (most new participants live in three-bedroom homes).

### Number of Bedrooms in the property



Despite the changes in property size, the household composition remains broadly similar to report 2. This is in part due to some households moving into smaller homes but having the same family composition.

### Household Composition

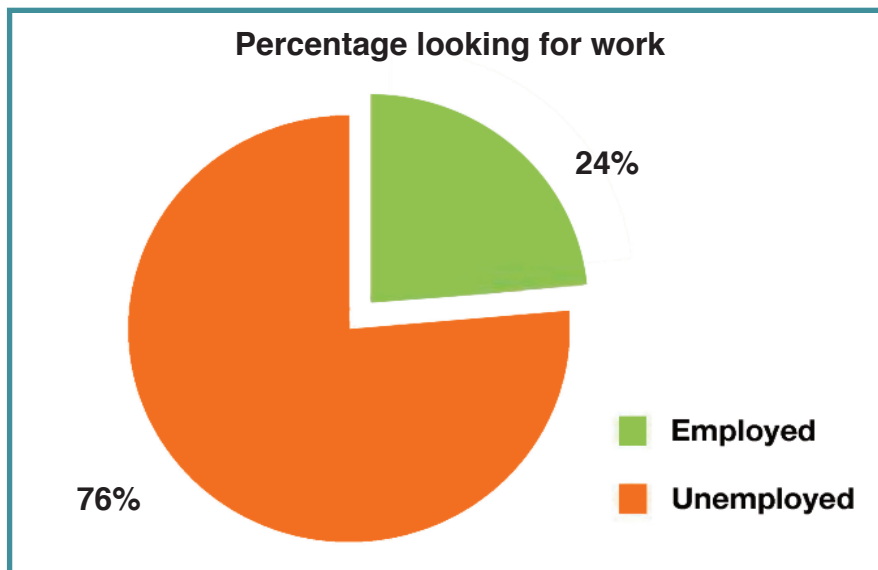


Ethnicity of interviewee	Percentage (%) of participants
White	91.3%
Black/ African/ Caribbean/Black British	5.0%
Asian and Asian British	1.3%
Other	1.3%
Mixed/Multiple Ethnic Groups	1.3%

23.5% of Real Life Reform households include someone who is employed and in work. This has increased slightly since Round 2 (23%). This has been driven largely by new participants joining the study.

Of the employed households, 64.7% are employed part-time and 35.3% are in full-time employment. Some 58.3% of part-time employees are looking to increase their hours.

76% of participants are out of work and 24% are looking for work. However, 80.6% have indicated that there have been circumstances preventing them from looking for work.



## 7. Real Life Reform: Fulfilling our remit

### 1. We aim to share and compare household experiences

- ✓ We have now produced three reports that are tracking between 70-100 households, using an agreed methodology and trained staff and researchers to do this. This is providing a clear evidence base of the real life experiences our households are encountering.
- ✓ Each participating household is given the reports and a session with their researcher to discuss the findings. Feedback from our case studies has shown that this has helped with participants' feelings of isolation; realising that others are going through similar experiences.
- ✓ In this report we have started to compare experiences depending on whether the household is in or out of work, and if working between full and part time hours.

#### We plan to:

- Undertake some more in-depth analysis of experiences depending on employment status.
- Review where loans come from and how debts are paid and relied upon to cope.
- Understand more the barriers to getting into work.

### 2. We aim to demonstrate where welfare reform is achieving its goals

- ✓ In this report we have highlighted case studies where people have secured work or more hours and where some households have downsized.

#### We plan to:

- Work with our case studies to better understand how welfare reform could be achieved or improved to avoid some of the unintended consequences.

### 3. We aim to highlight any unintended consequences of the changes on people and communities

- ✓ We recognise and understand the need for welfare reform changes to be made. Real Life Reform also recognises that there are emerging unintended consequences which could prevent the Welfare Reform Act 2013 achieving its aims or its effectiveness and could create other issues which could potentially counter-affect the changes that have been made.
- ✓ We have highlighted a link between welfare reform, poverty and health.
- ✓ It is emerging that neighbourhoods, shops and bus services could and are being affected.
- ✓ This report builds on concern that people want to work but there aren't the jobs available and the process for applying for these jobs isn't as effective as it could. This is expensive and also impacting on people's confidence and health and in some cases having a financial impact.

#### We plan to:

- At the end of the study we will be illustrating the links and unintended consequences and consider the economic as well as social impacts these are having.
- Continue to raise awareness with other departments.



#### 4. We aim to raise awareness

- ✓ As at 21st March 2014, we have 894 followers on @RealLifeReform, generated 1449 tweets and estimate that the Real Life Reform reports and findings have reached an audience through Twitter of hundreds of thousands.
- ✓ National media coverage in print titles including The Guardian and The Mirror have highlighted some of the issues faced by households affected by welfare changes. In addition, local and regional print, online and broadcast coverage has further raised awareness.
- ✓ Held discussions with the APPG for Housing in the North.
- ✓ Shared the report with MPs, councillors, local authorities and health authorities as well as third sector organisations and charities.

##### We plan to:

- Continue raise awareness.
- Track other research related to welfare reform, poverty or any of the themes in this report and build partnership links.

#### 5. We aim to help influence the strategic direction of organisations and provide an evidence base for decision-making processes

- ✓ The 10 participating landlords have used the findings as part of Board and Governance discussions, helping shape a variety of policies and services particularly, in relation to debt collection, anti-poverty strategies and community engagement.
- ✓ We know that others have used the findings to support their discussions and we see at the start of this report quotes and feedback from other landlords not directly involved in the study.
- ✓ We know our study is being used within and outside the sector to influence debates and decision making.

##### We plan to:

- Survey all of the Northern Housing Consortium members to understand how they have used it and to capture more examples where the findings have supported decision making and provided value for money.

#### 6. We aim to support and develop front line staff that manage and respond to the issues associated with welfare reform

- ✓ More than 30 front line staff are trained to conduct the research. They are supported by the Real Life Reform Steering Group and meet at least once a quarter to discuss and share experiences as well as share this on line through a dedicated Yammer forum. The learning from these sessions is shared across the member organisations to help shape people strategies and training and development in the workplace.

##### We plan to:

- Continue this work and complete some more in-depth research into how our staff are coping and responding to better understand what support they need and how to adapt to their changing roles.
- Evaluate and work with existing studies being completed.

#### 7. We aim to explore people's experience of accessing employment

- ✓ All of our reports have commented on people's experiences. In report three we share real case studies of the journey some of our participants have gone through, either in successfully obtaining employment; better understanding the barriers they face to getting into work; or getting more work. We are starting to explore the experiences of people who are coping with job instability either due to zero-hours contracts or short-term contracts.

##### We plan to:

- Explore further our case studies' experiences and also to capture their views on how to make the system work better.





## 8. Conclusions

This third report has provided further powerful evidence of how welfare reforms are impacting upon our participants and on their neighbourhoods. We have seen positive examples where case studies have been able to change their circumstances and examples where people are actively looking to increase their hours or gain employment. We are also starting to get a better and real understanding of in-work poverty. We have seen examples where households are suffering the legacy of unemployment and debt, facing real challenges with low levels of income.

Our case studies continue to raise significant issues about debt, financial management and health & well-being. This report, completed from surveys undertaken in January 2014, has shown that some households are in a serious amount of debt and that a number of households have borrowed yet more money from various sources, both informal and formal, to cope. Of real concern is the fact that despite saying at the start of the study that they would resist using loan sharks and pay day loans, people have resorted to this as a way to help them get through Christmas and as a way to cope with their everyday outgoings. In round 4, we will explore with the case studies the possible use of Credit Unions as an alternative to see what awareness and interest there is in using such agencies.

Another key point emerging is the perceived and real barriers to obtaining employment – not just in completing CVs, applications or attending interviews - but in the actual practicalities of the job market and how to access those jobs. We are genuinely concerned that people could be unable to do what they (and the Government) want by simply not being able to afford the bus fare, for example. Again, this is something to track further in report 4.





## Study Group Members

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## Appendix 1

# Other Related Research Recently Produced

### Welfare Reform Update - January #1

George Osborne has said that 2014 [will be a year of 'hard truths'](#) and has suggested that stopping housing benefit for under-25s and limiting housing benefit for the better off will form a part of the next tranche of welfare cuts.

### Media and Think Tank Round-Up - 13 to 17 January 2014

A [report by Shelter](#) has found that hundreds of thousands of people have taken out pay-day loans or relied on credit cards to pay rent and other housing costs. It also found that around two-fifths of those surveyed refused to tell family or friends about money issues.

[New research](#) conducted by the PricedOut Campaign has found that people who relocate for work are likely to lose out owing to discrepancies in the rented sector.

### Welfare Reform Update - January #2

The Children's Society has released a major titled ['The Chilling Reality for Children in Poverty'](#) which looks at the plight of children being brought up in fuel poverty and the realities of children growing up in cold homes.

[A new report from the Joseph Rowntree Foundation](#) has found that there are major difficulties for young people seeking low-skilled work. It found, among many other things, that over two-thirds of applications (69%) received no response at all and that job seekers without internet at home are at a substantial disadvantage compared to those with it.

[Research commissioned by Which?](#) has found that payday lenders are using excessive default fees on their loans in order to cut their headline rates of interest. In other research, Which? has previously found that more than half (56%) of payday loans had incurred charges for missed or bounced credit repayments over 12 months.

[A survey by SpareRoom.co.uk](#) has found that more landlords are turning away housing benefit claimants at unprecedented levels. The survey found that four in five landlords have turned away a tenant because they were in receipt of housing benefit.



## Media and Think Tank Round-Up - 27 to 30 January 2014

A [report from the Department of Work and Pensions Select Committee](#) has criticised the 'haphazard' approach of many Job Centres when assessing complex and individual needs of claimants and it has suggested that staff should be rewarded for getting people into work and not off Job Seeker's Allowance.

[Research](#) of local authorities undertaken by the Joseph Rowntree Foundation has found that the poorest households stand to pay an extra £80 a year in council tax when the Government's grant to keep council tax frozen is withdrawn.

## Welfare Reform Update - February #1

The Joseph Rowntree Foundation has [released research](#) showing a 20% rise in the number of households below a minimum income standard. They found that the most severe increase was among single people of working age.

The Institute for Fiscal Studies has unveiled its [Green Budget' for 2014](#) which reveals that 60% of Government cuts are yet to take effect in the UK.

## Media and Think Tank Round-Up - 10 to 14 February 2014

A [survey by the National Housing Federation](#) has found that two thirds of households affected by the bedroom tax are now in arrears while one in seven faces losing their home because of this.

The disability rights charity, the Papworth Trust, has released [research](#) showing that over three quarters of councils are ignoring Government guidelines on emergency housing payments which are resulting in penalisation of disabled people.

## Media and Think Tank Round-Up - 17 to 21 February 2014

The Government have released a long-delayed [report into food security and food banks](#) commissioned by DEFRA. The report cites low income, unemployment and benefit delays as chief causes in the huge rise of food bank use.









