



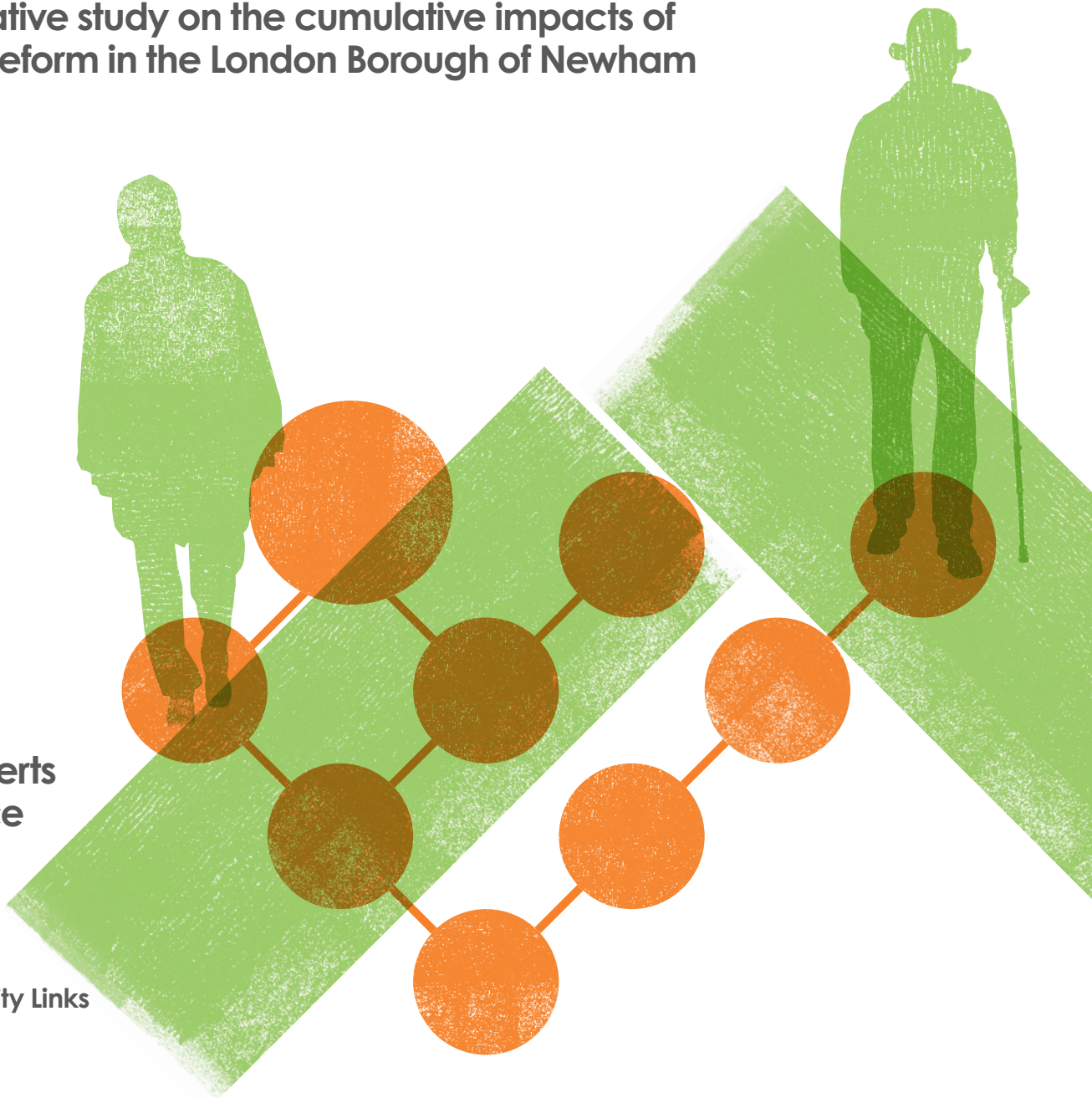
community **links**

Tipping the balance?

A qualitative study on the cumulative impacts of welfare reform in the London Borough of Newham

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Community Links

Our purpose is to champion social change. We pioneer new ideas and new ways of working locally and share the learning nationally with practitioners and policy makers. As a result, we are recognised as national leaders in regeneration and social policy.

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Foreword

Community Links has been calling for reform of the welfare system for a very long time. Thirty-five years of practical work in the poorest communities in east London has left us in no doubt that welfare needs to be simpler and more responsive to people's changing circumstances. It needs to enable rather than trap in poverty and dependency those who can work, whilst providing appropriate assistance for those who can't. We therefore wholeheartedly support the principles behind welfare reform: that it be simpler, fairer and make work pay.

So it is particularly crucial that both the detail behind the principles and the impact of application are understood and carefully evaluated, in order that we can maximise the potential for positive change and reduce negative outcomes.

On the first anniversary of the implementation of government welfare reforms, this research draws a vivid picture of how hard life has become as a result of the cumulative impact of the reforms for many of the people we work alongside in east London. The benefit of this kind of qualitative research is that it gives a rounded picture of the real impact of the changes on people's lives – not just financially but also in terms of employment opportunities, family life, health, wellbeing and resilience.

Broadly, our findings are that multiple cuts are hitting certain categories of people and families in such a way as to leave them less, rather than more, able to cope, find work and support themselves. For a core group of people who have the potential to work but have a long journey ahead to achieve employment and independence, the reforms have not facilitated personal growth but rather eroded their resilience. In effect, this group has been moved further from the job market rather than closer to it and now exists on the outer margins of society.

Our findings should concern anyone who cares about building a better society. And we are not a lone voice. There is growing evidence from a number of sources about the pressures on the most vulnerable as a result of the cumulative impact of these reforms.

Our report identifies practical changes to ameliorate these conditions. For example, we suggest identifying at an early stage those with multiple challenges and providing tailored information and support rather than waiting until they are in crisis. We include recommendations for local and central government and for service providers across the sector, including ourselves, to consider.

Community Links' reason for existing is to generate positive social change. The most ambitious welfare reforms since 1945 have the potential to transform individual lives, families and whole communities. It is essential we get this right, and we hope this report contributes usefully, not just to debate, but to action.



Michael Smyth
Chairman of Trustees
Community Links



Geraldine Blake
Chief Executive
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Summary

This report gives an overview of the cumulative impact of welfare reforms which have been implemented over the last year. We focus on residents living in Newham, east London. The report examines people's behaviours and explores impacts on finances, health and wellbeing, families, as well as attitudes to housing and work. It also considers the communication and support provided to help people manage this period of change. In doing so it makes recommendations relevant to east London and beyond.

Key findings

1. Welfare reforms have, for many people, eroded resilience and thus their ability to make important decisions. This causes huge disruption to people's lives, and only serves to push them further away from the positive outcomes that the reforms are intended to achieve.

One of the main aims of the government's programme of reforms was to change behaviour and encourage more people to take up employment, an intention that Community Links examines in this report.

The speed and sheer scale of reforms are eroding many people's resilience, which can be seen as their ability to make positive decisions in response to the changes. In some cases this erosion of resilience has had extremely damaging consequences.

Our research uncovers dramatic impacts on people's finances, health, families, and work:

Some people's ability to manage financially has been completely removed, and many reported cutting back on essentials such as food and fuel. In general people reported that they were spending less due to their incomes being reduced. As a result, some people felt that they had been forced into situations where they were 'just existing': scraping by on the bare

essentials in order to survive with very little hope of improving their situations.

"Honestly, I had to go shoplift if I wanted to eat... [It was] terrible... it was a horrible time."

Worryingly, the reforms were impacting directly on people's physical and mental health. Underlying conditions were exacerbated as a result of skipping meals, leaving homes unheated and being unable to do specific things to ameliorate medical problems. Almost everyone we spoke to reported some level of increased stress due to the reforms, and many described anxiety and depression as key issues that were significantly lowering their quality of life.

"[These reforms have] made it fifty times worse for everybody. They've depressed the life out of me. They've made me so I'm suicidal."

Changes to people's housing situation were rarer. Many of the people we spoke to were keen to stay in their homes and thus paying rent was a priority, even when housing benefits had been affected and budgets significantly reduced. Understandably, respondents did not want to get into rent arrears because they were afraid of being evicted from their homes. However, for some, this was unfortunately not possible.

"I can't lose this house... I can't sleep outside. No way."

Parents felt particularly vulnerable to any negative impacts of the reforms, and many respondents with children spoke of the pressure put on their dwindling finances by the cost of clothes, food, and transport. In some cases, parents would go without food to allow their children to eat. Parents were often concerned about the disruption that could be caused to their children's education as a result of moving home.

"It is still hard... because bills are very high... and my children they are all teenagers. Sometimes my bank account was getting empty"

The erosion of resilience and restriction of people's decision-making was no more apparent than in issues of employment. For many participants, the reforms had not increased the attractiveness of employment; and many dismissed it as an option to mitigate negative impacts. Respondents described significant and sometimes insurmountable barriers to employment that they felt were not taken into account nor given support to overcome.

"It's very difficult with my health issues. Maybe if I was younger it'd be different. Who wouldn't want to make lots of money? For some people it just isn't possible."

In many cases it was clear that the scale of turmoil created by the reforms, and the lack of increased support to manage, had made the option of looking for work seem like a near impossibility.

2. There are three major reasons behind this undermined resilience. These reasons – the cumulative financial impact of the reforms, poor communication of the changes and a lack of compassion in their implementation are set out below.

For the majority of those we spoke to the cumulative financial impact was significant, unmanageable, and in some cases overwhelming. Very few were successfully managing on their new, lower incomes and the response to having less money was often encapsulated by the cliché of choosing between heating and eating. This chaos prevented people from taking active control of their situation.

"I'm watching that electric meter like a clock. Constantly opening the cupboard and looking for food that's not there."

Poor communication of the reforms and their effects has resulted in a worrying lack of understanding of the reforms and their implications. Claimants find it difficult to engage with communications from the Department of Work and Pensions, partly due to the lack of plain English information, leading to issues

being addressed only when people have already reached crisis point. This has left individuals feeling desperate and powerless.

"Nobody ever really sits you down and tells you what is going on."

A perceived lack of compassion and flexibility on the part of some officials is the final important factor. It is significant that a few of those to whom we spoke were offered inadequate support when seeking help, particularly with regards to the new sanctions regime. Poor support and in some cases negligence has served to exacerbate the disempowering experience of many affected by the reforms.

"There's been no help. There's been no support. Every time I ask for help I come up against a brick wall."

Overwhelmingly respondents felt that the reforms were very unfair. Many felt that changes had been made by people who lacked an understanding of what life is like for people who live on benefits and low incomes. Respondents thought that the overall consequences for families had not been fully considered. There were real concerns that claimants were being punished, maligned and publicly scrutinised for situations in which they did not want to be and had no control.

"There's no sympathy at all for the sick person or children... What do they care? Get money to pay or get out. Where are they going? On the street."

3. There is dire need for early action to avoid later crisis.

It is clear that the dire financial impacts on many of our respondents could have been averted if people with multiple problems had been identified earlier as needing increased communication, better targeted support and intensive help to remove the barriers to moving into work. Under the current approach, the financial and social costs for families and society will remain high and potentially increase.

In order to both reduce the negative impacts of welfare reform and to ensure they meet their objective of enabling positive change, there is an urgent need for early action. An early action approach would see reforms accompanied by high-quality support to ensure everyone is able to make positive changes in their lives, rather than - as at present - some people being left to plunge into extremely severe crises.

4. There is a need for a more nuanced approach to implementing and communicating all current and future reforms; one based upon an understanding of people's capabilities.

Whilst the reforms were having a dramatic and negative impact for many, others found the impact of the reforms was much more manageable. Unique personal characteristics and circumstances - like attitudes to work, life-barriers and family circumstances - governed the ways in which people experienced welfare reform

While some had seen unmanageable changes to their incomes, others have seen their income levels change less dramatically. Therefore whilst a group of people found the changes unmanageable, there were others who were trying to proactively engage with the system.

This variation means that there is clearly a need for a more nuanced approach to both the implementation and delivery of reforms. This should be based on people's capabilities, and should take into account the variety of individual, and sometimes entrenched, barriers to suggested mitigation strategies.

It is essential that increased support is focused on the least resilient people, and that communications are personalised, especially for those who find it hardest to engage. The failure to provide such support has had major impacts on people's resilience and attitudes towards the social security system, which is especially significant for the forthcoming roll-out of Universal Credit.

Recommendations

On the basis of the lessons and findings detailed in this report, we recommend the following to the Department for Work and Pensions, Jobcentre Plus, Local Authorities and other organisations supporting individuals who are in touch with the social security system:

- 1.** DWP works with Local Authorities, Housing Associations and advice providers to ensure standardised, coherent communication of remaining forthcoming reforms, and that communications from different sources are aligned. They should:
 - Ensure information about future reforms is accessible for all, including those with different language and learning requirements.
 - Deliver information compassionately in a way that does not cause unnecessary distress.
 - Provide people with ample, easy to understand information about their rights and opportunities, especially with regards to housing, appeals, and hardship payments.
- 2.** DWP makes additional support available immediately for people to navigate recent and forthcoming changes to benefits.
 - Ideally this support should be made available by advancing the Local Support Services Framework and extending it beyond Universal Credit. Alternatively, the additional support services made available must dovetail with LSSF support.
 - DWP should utilise established mechanisms to ensure swift delivery of such support. They should increase support through hardship funds and Discretionary Housing Payments (DHP), as one important way to immediately provide such support.
 - Policies should be put in place to allow discretion towards people who are trying to engage positively with changes. For example, people who register to downsize but who are prevented by lack of suitable alternatives should be exempted from paying the spare room subsidy.

3. In future, one agency should be empowered to assess the cumulative impact of future reforms on individuals; identifying those most in need of additional support and ensuring implementation is flexible and discretion applied where necessary.

- This will require systems for sharing information between DWP and Local Authorities to be strengthened, and these authorities should commit to overcoming issues of data protection and data sharing.

4. Jobcentre Plus and Local Authorities charged with administering the Local Support Services Framework should ensure that it is combined with employment support, to give claimants holistic and unified support back to employment.

- DWP should provide guidance as to how LSSF can best be combined with existing employment support provision.

5. Before implementing future changes, Local Authorities should undertake assessment of the cumulative impact of multiple reforms on individuals over the medium and long-term, and the knock-on costs for public services and the local economy.

- This should lead to investment in areas where early spending—for example in tailored support, financial education, advice or communication—will prevent crises emerging for individuals and families and save on acute public sector spending down the line.

We recommend that Community Links and others in the Voluntary Sector:

6. Continue to invest in the advice services which are increasingly essential to support people through the complex reforms.

- In spite of difficult funding landscapes, they must continue to focus on providing those Early Action activities—tailored support, financial education, advice or communication—which will serve to empower people and prevent crises arising.

7. Share experiences from our position in the heart of affected communities; and come together to amplify our voice to ensure meaningful change.

8. Collaborate locally to ensure efficient use of limited resources and effective referral routes to the best source of local support.

This report

The purpose of this report is to look in detail at the experiences of residents living in the London borough of Newham and the impact of welfare reform on these communities. It utilises interview and focus group data from service-users, service-providers and other stakeholders collected between September and November 2013.

Chapter one provides background information on the detailed landscape we are looking at with this research, chapter two outlines the methodology and an overview of respondent characteristics, chapter three addresses the impact, chapter four looks at experiences related to specific reforms, chapter five at the support and communications received, chapter six at respondent views of the changes, and chapter seven focuses on the future reforms. The final chapter offers some conclusions and recommendations based on our findings.

Background

When the Coalition government was formed following the 2010 General Election cutting public spending and reforming the welfare state were key commitments in the coalition agreement. The purported aim was to simplify the benefits system and ‘make work pay’ (DWP, 2014). Since then there have been a number of changes, many of which were brought into law by the 2012 Welfare Reform Act and some of which Local governments have been tasked with implementing. However, the full effects of the current welfare reform regime will most likely not be seen until 2014/2015. There are projected savings of £15 billion per year from this (Wilson et al, 2013), and the current wave of change cuts an estimated £19 billion from the welfare budget: equivalent to £470 for every working-age adult in the UK (Beatty & Fothergill, 2013).

It is estimated that 7.29 million households in the UK are in receipt of some form of benefit (Wilson et al, 2013). Although the claimed reasoning behind the Coalition’s programme of reform is to ‘make work pay’, it would seem that the cuts impact disproportionately on those already in work: 60% of the total savings are from households with at least one person in work (ibid). Importantly, it is the cumulative impact of reform that is having a negative effect on people’s lives.

A total of 1.71 million households (equivalent to 10% of all working-age households in the UK) are going to be affected by one or more of the reforms, with an average loss of £1,215 per household per year (£23 per week) (ibid).

It is self-evident that welfare reforms are likely to hit hardest in those places that have a high concentration of welfare claimants and high levels of deprivation (Beatty & Fothergill, 2013). This is especially pertinent in London, which has relatively high housing costs (the cost of renting in the cheapest part of London is twice as expensive as renting in the cheapest part of England) (London Councils, 2013) and a higher-than-average proportion of Housing Benefit claimants (the proportion of Housing Benefit claimants is 2.3% higher in London than the UK as a whole)¹. Housing Benefit claimant rates are also increasing: between April 2011 and April 2013 the number of households claiming Housing Benefit in London rose from 816,931 to 850,212 (London Councils, 2013). Additionally in London, the average loss per household per year is £1,965, compared to the average loss elsewhere in the UK of between £1,500 and £1,650 (Wilson et al, 2013). This loss of income is particularly substantial considering the higher living costs that characterise London.

The major changes are summarised in table 1:

1. Estimates using data from Nomis www.nomisweb.co.uk/reports/lmp/gor/2013265927/report.aspx#tabnrhi and DWP (www.gov.uk/government/publications/housing-benefit-and-council-tax-benefit-caseload-statistics-published-from-november-2008-to-present)

Benefit	Change	Headline impacts
Local Housing Allowance (LHA)	<p>January 2011: The Shared Accommodation Rate (SAR) has been altered so that the qualifying age for a one bedroom property is now over 35 (rather than 25)</p> <p>April 2011: Eligibility for LHA has been dropped from the 50th percentile of rents in an area to the 30th</p> <p>April 2011: LHA limited to £250 for a one bedroom property, and to £400 for a property with four or more bedrooms</p> <p>April 2014: LHA set to up-rate 1% rather than in line with market rents from April 2014 (though not in Newham)</p>	<p>This is estimated to affect 160,000 people in London. In 16 boroughs more than 30% of the population are LHA claimants and therefore housing choice is severely restricted (Aldridge et al, 2013)</p> <p>47% of households claiming LHA in London have at least one member in work (London Councils, 2013)</p> <p>The number of workless households claiming LHA has only increased by 10% in the past four years, whereas the number of households with at least one person in work receiving LHA has doubled (ibid)</p>
The Benefit Cap	<p>April 2013: Maximum amount of benefits a single parent or couple with children can receive capped at £500 per week, and £350 per week for a single person</p> <p>This applies to people who are out of work and claiming benefits such as Income Support, Employment and Support Allowance (ESA), and Jobseekers Allowance (JSA)</p>	<p>This is estimated to affect 56,000 people nationwide with an average cut of £93 per week (Aldridge & Tinson, 2013), 49% of whom are in London (Aldridge et al, 2013)</p> <p>Of the top 25 local authorities affected 24 are in London (Wilson et al, 2013), and large families are most likely to be affected: 73% of households in the four pilot areas are households with three or more children (London Councils, 2013)</p>
Spare Room Subsidy	<p>April 2013: Anyone of working age in social housing deemed under the new rules to have one spare bedroom loses 14% of their Housing Benefit and anyone with two or more spare bedrooms loses 25%</p> <p>To mitigate these effects people can downsize, take in a lodger, or find (further) employment</p>	<p>This is estimated to affect 660,000 Housing Benefit claimants in the social rented sector across the UK in 2013/14 (DWP, 2012a)</p> <p>It is forecasted to save approximately £490 million per year (Beatty & Fothergill, 2013) with an average income loss per week of £14 for those affected (ibid)</p> <p>Just under two thirds of affected families nationwide contain a disabled adult (Aldridge & Tinson, 2013)</p> <p>The financial impact is likely to be worse in London than elsewhere: 80,000 families have been affected with an average loss of £21 per week, £6 higher than any other region (Aldridge et al, 2013).</p>
Council Tax Benefit (CTB)	<p>April 2013: CTB has been replaced with Council Tax Support which requires local authorities to devise their own council tax schemes with 10% less funding from central government</p>	<p>2.45 million people will be affected across the UK, bringing an estimated saving of £340 million and an average loss per household of £140 per year (Beatty & Fothergill, 2013)</p> <p>There is wide variation in amount people will pay, but it has been estimated that 150,000 will owe at least £3000 per year as a result (Bushe et al, 2013)</p> <p>In Newham households stand to lose, on average, between £3 and £3.99 a week (Aldridge et al, 2013)</p>

Benefit	Change	Headline impacts
Tax Credit Changes	April 2013: Couples with children must work 24 hours a week between them (with one working at least 16 hours) to qualify for Working Tax Credit, when previously it was only one adult working 16 hours	It is estimated that around 212,000 low income families will be affected by the new rules on Working Tax Credits which will reduce their income by on average £2,600 per year (Policy and Social Exclusion, 2013)
Employment and Support Allowance (ESA)	<p>October 2010: The shift from Incapacity Benefit (IB) to ESA means that new claimants will be put directly onto ESA, and those already on IB will be subject to re-assessment between February 2011 and March 2014</p> <p>April 2012: New time limit of one year on contributory ESA for those who are in the Work Related Activity Group of the Work Programme</p>	It is estimated that 700,000 people will lose their entitlement to contributory ESA by 2015/16. The average loss of income is £36, although not everyone will see a reduction (DWP, 2011).
Disability Living Allowance (DLA) and the Personal Independence Payment (PIP)	April 2013: People will be faced with more stringent tests, higher levels of conditionality, and a time limit for non means-tested entitlements, with an aim of replacing DLA entirely with PIP by the end of 2017	<p>500,000 individuals will have been affected by 2017/18, with an estimated saving of £1,500 million per year and an average loss of £3,000 per affected individual per year (Beatty & Fothergill, 2013)</p> <p>This will amount to a loss of between £21 and £134 a week (Kane et al, 2013)</p>
Universal Credit	Date unknown: Although not yet rolled out across the country, this aims to simplify the benefits system by unifying JSA, income-based ESA, Income Support, Child Tax Credit, Working Tax Credit and Housing Benefit into one monthly payment paid directly to one person in a claimant household. New claimants in a small number of pilot areas are now claiming the new benefit.	<p>Of those households affected, 3.1 million are predicted to have a higher entitlement under Universal Credit with the average gain estimated to be £168/month (DWP, 2012d).</p> <p>Though this is positive, research suggests that some people will lose out: including lone parents, second earners and people in work who will get hit by faster tapers, (Hirsch & Hartfree, 2013).</p>
Other	<p>April 13: The abolition of the discretionary Social Fund, including Community Care Grants and Crisis Loans. DWP also plan to cut allocation for local crisis support in 2015 (DCLG, 2013).</p> <p>For 3 years (2013-2016) certain benefits will only be up-rated at 1% rather than by the Consumer Price Index</p>	JSA, Income Support, and ESA are now set to up-rate by only 1%, less than the current rate of inflation. The estimated average loss per working adult per year is likely to be around £85 by 2015/16 (Beatty & Fothergill, 2013)

Methodology

Community Links undertook this research to understand how people living in Newham have experienced recent changes to the social security system. This report is the second in a series to be published over the coming year which will document the impact of welfare reform on the lives of real people living in this unique community. The first report, 'I Don't Understand It At All' was based on data collected before many of the new reforms were implemented in April 2013 (Graham & Horwitz, 2012).

The findings presented in this report are based on data from:

- Sixteen qualitative interviews with local people
- Four focus groups with Community Links employment and advice staff
- Five qualitative interviews with local policy makers, advice staff and other stakeholders
- Document review

The majority of the findings in this report are based on the sixteen in-depth interviews that we carried out with local residents. Interviews were conducted face-to-face and included detailed discussions about how the individual and their families had been affected by welfare reform; the information and support they had received about the changes; and preparation for and thoughts on Universal Credit. We explored in detail the financial implications of the reforms, worked out how much people had lost and facilitated exercises to help respondents think about and articulate their experiences.

We recruited a cross-section of people with a range of characteristics and backgrounds to explore the different ways they understood, experienced and dealt with the impacts of the reforms. Given the relatively low sample number, the report will not seek to use the findings to make generalisations about particular groups. Rather, we aim to provide a snapshot of how the reforms have affected a number of individuals and families through detailed narratives and case-study information.

The focus groups with staff and stakeholder interviews were used to broaden and ground the findings. These interviews covered the same set of issues relating to welfare reform with an aim to understand the impact of reforms on service delivery and more widely on the groups of people they support or come into contact with regularly. It will be made clear where findings relate to these stakeholders, though organisations and individuals will not be named. Throughout the report, respondents are quoted. Unique respondent IDs are included at the end of quotes and correspond to numbers in the impact table on pages 16-19.

The fieldwork was conducted between September and December, 2013. Residents were mostly recruited through the advice services delivered by Community Links. We primarily sampled according to the specific reforms people had experienced, and numbers are outlined in the table below.

Spare Room Subsidy	6
Benefit Cap	4
Council Tax Localisation Scheme	13
Sanctions	2
ESA re-assessment	3
General housing issues	2

We had quotas for families with children and respondents in employment. In addition we monitored demographic information such as age, ethnicity and gender to ensure we spoke to a range of people with different experiences and views within the local community.

As Community Links had previously engaged in some capacity with many of the respondents, they were reasonably agreeable to attend an interview with us. Respondents were offered a £15 shopping voucher as a small token of thanks. They were also given information and contact details for our advice and support services. Where particular issues were identified, we were able to refer respondents on to in-house professionals for additional support.

This programme of research is a longitudinal study and we will therefore be returning to re-interview respondents in Spring 2014 and again in Autumn 2014. In doing this we expect to be able to highlight trends and impacts over a period of time and pick up on the impacts of new reforms such as the migration of claimants from Disability Living Allowance (DLA) to Personal Independence Payment (PIP) and the introduction of Universal Credit (UC). A longitudinal approach is important because we predict that some of the more serious and long-lasting impacts of the reforms may not yet have been felt.

Respondent characteristics

Each individual interviewed for this project had a unique set of characteristics and circumstances which governed how they experienced and dealt with all aspects of the reforms. Many characteristics (such as family size, housing tenure and benefits claimed) dictated exactly how much respondents lost in total household income. Amounts differ considerably between individuals. Likewise, respondents' capability to respond to the changes differed, and this was often related to other factors like attitudes, life-barriers and family circumstances.

These factors are important as they give depth to the narrative and a greater understanding of the decisions people made as well as their resilience to cope with change. Health conditions, for example, were often viewed by respondents as a significant life and work barrier. The fact that the reforms have affected people without taking into account significant circumstances, like health conditions, means that some people have a better chance of coping than others. Any support that is offered needs to take other factors into account and make an assessment of an individual's resilience in light of all available information.

Working and attitudes to work

One of government's main aims of the welfare reform agenda is to encourage more people to look for - and move into - employment. Finding a job is considered to be one of the main ways that individuals can mitigate or indeed entirely avoid financial hardship caused by the changes.

In order to explore this, we talked to respondents' about their recent work history, aspirations and attitudes towards work, as well as any perceived barriers. Although the majority of respondents were not in work, we interviewed several individuals who were in employment at the time of the interview. Three of these individuals were employed part-time and one was in full-time work.

When discussing working and attitudes to work, our analysis highlighted that respondents fitted into one of three categories which are helpful to summarise experiences and views:

- **Group 1** - Very work-orientated and close to the labour market
- **Group 2** - Would take a job
- **Group 3** - Not work-orientated and not close to the labour market

Group 1 included individuals who were in work at the time of interview or had very recent work histories and were close to the labour market. All respondents in this category had largely positive attitudes to work and were keen to either find work or stay in employment, though this was not seen as easy. Several respondents who were in work reported that they struggled to keep their jobs due to low-pay and insecure employment conditions which were often combined with significant life events which made it more difficult to cope.

Another common finding amongst those in employment was a desire to take on more work, increase hours and progress. However it was a struggle to achieve these goals, partly due to the restricted nature of the labour market. It is important to note that it was not just those out of

work who felt frustrated by the lack of available opportunities to earn more, develop new skills and progress in work.

Attitudes to work amongst Group 1 respondents coincided with negative experiences of claiming benefits or a strong desire to remove themselves from the benefit system. Those in work were happy to no longer have to claim benefits and those who were not working were motivated by the thought of not having to sign on at Jobcentre Plus (JCP); they expressed aspirations to move away from the social security system entirely.

'It's been really stressful in the benefits system... Life on benefits is not a bed of roses. I'm open to anything, but the most important thing is that a job covers my costs and expenses.' (01)

'I like to work... I am not really happy to say 'oh, I am on benefits' because I am a foreigner. I came to this country to make it, not live on public funds.' (07)

The second group of respondents (Group 2) had more barriers to work than Group 1. Barriers were often multiple and included not being able to source appropriate childcare, lack of skills or work experience and ill-health. For example, one elderly gentleman talked about how his age and health issues were stopping him from moving into work. He had previously worked as a tailor and caretaker for a number of years, but left these jobs due to ill-health and has found it difficult to return. He, like several others in this group with barriers to employment, wanted to work and found the situation frustrating.

'I've been trying to get a job but they say 'you are too old for this job', so it's very difficult to live on this money at the moment. Most of the time I'll stay indoors but early morning, I'll go give people my CV.' (05)

Motivation to work was also an issue for this group. Though respondents mostly reported that they wanted to work, there was a sense with some that they would only move into work if the conditions were right or 'the right job came up'.

One respondent said that she would only take a job that was local and in her community and another explained that she only wanted to find work that would fit around her role as a mother and did not want to use any form of childcare. For a number of often inter-related and personal reasons, these individuals did not seem to have the same urgency to find work and alleviate some of the pressures that the reforms presented them with.

Group 3 included respondents who were very far away from the labour market. The individuals in this group had the biggest barriers to work and many had not been in employment for a number of years, or in some cases had never worked at all. Barriers to work for this group were complex and cumulative, and included serious health conditions and language barriers. To illustrate this point, the group included two single mothers with large families who did not speak English as a first language. Neither had any recent work experience and neither felt that work was an option for them. There was a distinct group of people who were far from the labour market, who were often living in insecure situations. Furthermore, it was clear that intensive wrap-around support would need to be put in place to help individuals in this group improve their situations through employment.

Health conditions and effects on daily life

Ill health is a common barrier to finding and sustaining work. Respondents in all three work-related groups reported health conditions, though most people with serious conditions were in Group 3. Over half of the people we interviewed reported having a long-term health condition or disability and six respondents were claiming ESA at the time of the interview. Serious health conditions included mental illnesses such as depression and heart conditions. Most of those who reported a serious illness felt that their conditions significantly impacted on their day-to-day lives. This included having to take regular medication, attend frequent doctor and hospital appointments and suffering from periods of acute pain and ill health.

Unsurprisingly those with serious conditions reported that their health problems posed significant barriers to work and work-related activity. As many of the negative effects of welfare reform can be mitigated through working, this finding is noteworthy. Several individuals explained that they did not feel that work was an option at all. It is hard to envisage how these respondents would continue to navigate the welfare system and any further change without considerable upheaval unless adequate support is put in place.

'I'm limited to what I can do... sometimes I struggle just going up the stairs. Some days are worse than others... If I could go and get a job, I'd go and get a job, but I can't.' (10)

A small number of respondents reported minor conditions which included skin problems, high blood pressure and double vision. In these instances, respondents did not feel that their conditions seriously impacted on their day-to-day life or their ability to look for work and move into employment.

Three respondents had children with health conditions or a disability, and in two of these cases the children had serious needs which meant that their parents were in receipt of Carer's Allowance and Disability Living Allowance (DLA). Both reported that their children's' conditions had a big impact on their lives. In addition, both parents were single and mainly supporting their families by themselves. Though both respondents were work-oriented and had varied, successful work histories, neither felt that work was a realistic option for them at present. It was clear that their priority was to properly cater for the specialist needs of their children which meant either being around to provide the care or finding a flexible job that would allow them to balance their responsibilities. One of the mothers expressed a clear view that if she was going to move into work she would need to feel happy that decent, comprehensive care would be provided for her daughter.

Impact of welfare reform

The impact of welfare reform has been considerable. The reforms have forced people to change their spending habits and find other ways to cope. Across the board, people have reduced expenditure on everyday, essential goods and increased their exposure to poverty and hardship. As a result of welfare reform, respondents reported that they had lost up to 70% of their previous monthly income, and we estimated that the incomes of eight respondents were seriously affected. Trying to survive on a reduced income has caused much stress and anxiety and in some cases forced people into very chaotic circumstances. The wider social impact includes increased criminal activity, debt and reliance on other provision including advice and health services.

There was a group of people who were not able to successfully reduce their expenditure and survive on less. This was often because they were left with too little to live on after their benefits had been cut. These individuals were often stripped of the ability to make positive decisions and pushed into incredibly challenging situations prompting the need for holistic support. It is clear that a more personalised approach to delivery of reforms is needed, one which allows for discretion to be applied.

Overall people's attitudes to housing and work and more generally to mitigating some of the impacts of the reforms were shaped by their ability to make good decisions and take appropriate action. Those who were capable of responding to the reforms positively and avoiding chaos had often taken steps to mitigate negative impacts. Others with more serious and complex barriers unfortunately did not seem to have the same experience. They struggled to pay rent, stay in their homes and take positive actions for themselves and their families.

In this chapter we will seek to give an overview of the financial impact, impacts on health and wellbeing and participants changing attitudes towards housing and work. We outline key findings using case studies to show how our sample of individuals and families coped. The detail of a family or individual's situation and resilience is important in order to fully understand the level of hardship a family or individual faced.

Though the reforms affected people's lives differently, there are two distinct groups of individuals, a finding we have highlighted throughout the report. The first group were people who demonstrated a willingness and ability to cope with the reforms. Often individuals in this group were engaged with the systems they were trying to navigate, proactive in their general approach and capable of responding appropriately to change. The barriers this group experienced were also fewer or less complex.

The other group which emerged did not display the same levels of resilience. Individuals in this group were often overwhelmed by the reforms and less able to cope with the impacts. Often this was due to external factors relating to the individual's circumstances or characteristics (for example health and language barriers or lacking a supportive social network). What we found for this group is that certain elements of the reforms further disadvantage and isolate individuals. For example, it is very hard for somebody who does not speak English as a first language to respond to, and therefore take action, in relation to a letter about the Benefit Cap. As a result some of the people who took part in this research found themselves in challenging and often avoidable situations with very few options left open to them.

Financial impacts

Each respondent was in receipt of a number of key benefits including Jobseekers Allowance (JSA), Employment Support Allowance (ESA) and Income Support (IS). Reforms which have affected either people's entitlement to a benefit, or the amount of money received via a benefit, affected household income differently in each of the cases we looked at. We have outlined some of the key information about income and financial impacts in figure 1². This table provides an overview of each respondent's individual situation; in some cases we have been able to estimate the percentage loss in income after housing costs as a result of the reforms.

For some individuals, their ability to manage financially has been completely removed, whilst others have seen their income levels change less dramatically. For example, one respondent lost almost 30% of her total income mostly through the Benefit Cap, in comparison to another who had been marginally affected by changes to Council Tax and subsequently moved into work.

In general, people reported that they were spending less as a result of their incomes being reduced or changed. It was clear that incomes had been squeezed and the majority reported that the number and timing of the changes was a factor that made it particularly difficult to cope. Across the board costs that respondents found difficult to meet included buying food, paying bills and travel expenses. As a result many respondents explained that they changed how they spent disposable income and prioritised essential items. This included buying food in cheaper shops, limiting the amount time that gas and electricity were turned on and limiting journeys on public transport.

We estimated that eight respondents (half of the sample) experienced a significant loss in income and reported that they were not able to afford the most necessary items like food and fuel. In reality this meant that at times people were unable to eat meals or heat their homes at all. Respondents often viewed this as a situation they had been forced into, though in reality it seemed that they were making difficult decisions about which needs were greater. For example, several respondents with health conditions explained that having the heating turned on was a priority, and others reported that they could not compromise on providing hot meals for their families. Inevitably this meant that there were shortfalls elsewhere.

'I spend a lot of money on gas and electricity, maybe about £45 a fortnight. Because of my skin condition, the doctor says I have to shower every day.... But it's really difficult. Sometimes I haven't got enough food in my home.' (05)

Our findings concerning financial constraints are very similar to other research that has been published in this area. A study of the effects of the under-occupation rules in Leeds found that the average loss per household per week is £12.26 (Hands off our Homes, 2013). This, combined with other losses, has led to people cutting back spending on food, heating, and clothes (ibid). Another study undertaken by Real Life Reform found that 51% of the households interviewed in October 2013 were left with no money after paying all of their bills, an increase of 12% from the baseline interviews in July (Real Life Reform, 2013).

2. Though most respondents were able to clearly discuss their income and sources, unfortunately several were either unable or unwilling to disclose details of how much money they received through which benefits, and how income levels had changed as a result of welfare reform. In addition, some policies (like sanctions) are time-limited so it was hard to estimate average levels of loss of income across the board.

Figure 1: financial impacts ³

ID	Overview of household situation	Income and benefits	Reforms/welfare issues	Overview of financial impacts	Impact summary
1	Single female living alone in council accommodation. No dependent children. Minor health conditions.	JSA, HB, CT	Two sanctions (first one four weeks and the second overturned after several weeks). Also affected by Council Tax Localisation Scheme.	Sanctions left respondent without any JSA during the periods they were applied. Money is already tight without the sanction as she is contributing to her rent (£90 per month) and now Council Tax. Appeals for both sanctions were successful and she was backdated pay, but she got into arrears.	Significant but time-limited
2	Single mother living with two children (youngest aged six) in private-rented accommodation. Health problems.	ESA, DLA, HB, CT, CTC, CB	A four week sanction. Also affected by Council Tax Localisation Scheme	Sanction meant that respondent lost around £300 of her ESA in one month. She has also had to start paying Council Tax since April which is £15 per month.	Manageable
3	Married male living with partner and two grown-up children in council accommodation. Health problems.	ESA, HB, CT	Spare Room Subsidy on one room. Also affected by Council Tax Localisation Scheme.	Family paid an extra £101 per month as a result of both reforms. This has reduced their £600 per month income (after housing costs) to £499 which is a percentage decrease of 17%	Significant for a family of this size
4	Single mother with two children (youngest aged eight) living in Housing Association accommodation. Eldest child is disabled.	IS, DLA, CT, HB, CA, CTC, CB	Spare Room Subsidy on one room which is needed for disabled child. Also affected by Council Tax Localisation Scheme.	When all benefits added together, the family receives a total of over £1,700 per month, however this is offset by spend on care for disabled child. Reforms have had a small impact on total finances - they are losing around 7% in total income after housing costs.	Minor in relation to total benefits claimed but family struggling

3. The table is colour-coded green, yellow and red to denote an indication of the level of financial impact each individual faced.

ID	Overview of household situation	Income and benefits	Reforms/welfare issues	Overview of financial impacts	Impact summary
5	Single male living alone in Housing Association accommodation. No dependent children. Moderate health conditions.	JSA, HB, CT	Administrative error during ESA re-assessment left respondent with no money for four weeks. Also affected by Council Tax Localisation Scheme.	Respondent meant to receive £140 per fortnight but only getting £120 because he is paying back court summons costs for Council Tax. An additional £30 is taken for rent arrears.	Significant and unmanageable
6	Single female living alone in Housing Association accommodation. No dependent children. Moderate health conditions.	ESA, HB, CT	Spare Room Subsidy on one room and affected by Council Tax Localisation Scheme. Also underwent ESA re-assessment earlier in the year.	Losing approximately 17% of disposable income as a result of paying Spare Room Subsidy. Bigger financial impact when she was appealing ESA decision and living on reduced rate of the benefit.	Significant and potentially unmanageable
7	Single mother living with five children (youngest aged 11) in private-rented accommodation. No health conditions. In work.	Wages, WTC, CB, HB	Benefit Cap	Was told that she would be affected by the Benefit Cap and would need to find an additional £300 a week to contribute to her rent or move. This did not happen as she moved and found work.	Potentially significant but managed
8	Married male living with partner and five children (youngest aged six) in private-rented accommodation. Serious health conditions.	ESA, HB, CT, CB, CTC	Benefit Cap just started to impact. Also affected by Council Tax Localisation Scheme.	Was told that he would lose around £188 per week as a result of the Benefit Cap. This is a significant amount for the total household income to be reduced by.	Significant
9	Single mother living with one child (aged six) in private-rented accommodation. No health conditions. Respondent pregnant.	HB, CTC, CB, CT	Two family members recently moved out of property and she cannot afford rent with the HB she receives. No housing support offered until she is homeless.	Since her family members have left, she has not been able to pay the rent and knows she will be evicted soon. Excessive increase in rent due to circumstances has left her with much less money.	Significant and likely to get worse

ID	Overview of household situation	Income and benefits	Reforms/welfare issues	Overview of financial impacts	Impact summary
10	Single female living alone in council accommodation. No dependent children. Serious health conditions.	ESA, DLA, CT, HB	Spare Room Subsidy on one room. Underwent ESA re-assessment earlier in the year which she is still waiting for a decision on and also affected by Council Tax Localisation Scheme.	Re-assessed in May for her ESA, deemed fit for work. Whilst she appeals she is only getting £144 per fortnight. Out of this she has to pay £85 a fortnight towards her rent (including Spare Room Subsidy and arrears payments). This leaves her with £59 from which she has to pay Council Tax and all for other necessities. Nearly 40% of her income is lost through the reforms.	Significant and unmanageable
11	Single female living alone in private-rented accommodation. No dependent children. No health conditions. In work.	Wages, HB, CT	Council Tax Localisation Scheme.	Started paying towards her Council Tax before she moved into work which had a small impact on her finances.	Minor and managed
12	Single female living with adult daughter in council accommodation. Daughter has special needs but respondent has no health conditions.	IS, CA, DLA, HB, CT	Spare Room Subsidy on one room needed for disabled daughter. Also affected by Council Tax Localisation Scheme.	Losing approximately £100 per month due to the reforms which is a percentage decrease of 11% after housing costs. Fighting to get Bedroom Tax overturned and reimbursed as spare room needed for daughter.	Moderate and likely to be managed
13	Single female living with five children (youngest aged one) in council accommodation. She and son have moderate health conditions.	IS, HB, CT, CTC, CB	Benefit Cap just started to impact. Also affected by Council Tax Localisation Scheme.	Unclear exactly how much respondent was getting and from where but from available information it seemed she was set to lose at least £60 per week which she would need to find to contribute to housing costs.	Moderate and likely to get worse

ID	Overview of household situation	Income and benefits	Reforms/welfare issues	Overview of financial impacts	Impact summary
14	Single female living with one child (aged ten) in temporary accommodation. No health conditions. In work.	Wages, WTC, CTC, CB, HB	Husband left and she couldn't pay mortgage. Evicted and placed in temporary accommodation locally.	When her husband left she was not able to pay the mortgage and was evicted. Struggled financially during this period and told she may be housed in Birmingham away from her job.	Significant but managed
15	Single female living with seven children (youngest aged three) in Housing Association property. Moderate health conditions.	IS, HB, CT, CTC, CB	Benefit Cap just started to impact. Also affected by Council Tax Localisation Scheme.	Amounts she was supposed to be receiving and was receiving were unclear, however, letter from HMRC explained she would lose £199 per week due to the Benefit Cap and that HB would decrease to 50p. This is a percentage decrease of 28% of her income after paying her rent. Respondent was already in arrears after one month.	Significant and unmanageable
16	Single female living alone in council accommodation. No dependent children. No health conditions.	JSA, CT, HB	Spare Room Subsidy on more than one room. Also affected by Council Tax Localisation Scheme.	With reforms impacting, respondent loses £170 per month to cover housing costs and Council Tax bills out of an income of £240. This is a percentage decrease of 71%. Without her children supporting her financially, respondent admits that she would not cope.	Significant but currently managed

Though most respondents felt they had some control over choices they made about what to spend money on, several people explained that they had been forced into situations where they felt that they were 'just existing'. Often these were also the individuals who had significant and multiple barriers, in need of greater support and generally less able to cope with the changes. It seemed that for some, the financial impacts were overwhelming, and these individuals often felt victimised and powerless.

In some cases, this led to deterioration in mental health and wellbeing, and worryingly, several respondents explained that they would rather be institutionalised, either in prison or hospital, because they could not face the struggle and poverty that they experienced daily. This emphasises, firstly that there exists a group who are on the brink of coping with the impacts of the reforms and secondly, that it is highly likely that other services, including advice, health, and social services, may be required to provide emergency or crisis support for these individuals and their families at some point in the near future. Michelle's case study (opposite) highlights some of these points.

As Michelle's story illustrates, reductions in income made people feel desperate and as a result, some found other ways of coping, - in some cases turning to crime or other illegal activities. Some respondents who did not report committing illegal activities admitted they had considered it, most of these for the first time ever. Several respondents also reported that they considered taking payday loans at points when they were particularly desperate, though most did not want to as they were scared about the high cost of this type of credit.

'You see those adverts and you think 'all I need is £100 to buy some food or shoes'. The only thing that stopped me at the time was that I couldn't find my passport. If I had then I would have just gone for the loan because I was so desperate. I'm so glad I didn't do it.' (01)

Case study 1: Michelle

Michelle lives by herself in the three-bed council house where she has been for over 20 years. She has a number of mental and physical health problems and is under the care of a psychiatrist. Michelle has been affected by multiple reforms including, the Spare Room Subsidy on both spare rooms for which she is paying £85 a fortnight. She is also currently appealing an ESA re-assessment decision which found her fit for work, and while she waits, she receives a significantly reduced ESA payment. As a result of the reforms Michelle is really struggling to afford even the basic things she needs to sustain her mental and physical health.

'Out of my benefits every two weeks, I have three pounds left. They made me commit crime. I got caught shoplifting for a cooked chicken. I was alcohol dependent too - if I could get my hands on a bottle of vodka I would drink it because I just want to forget the whole day. It's just another day gone.'

Michelle does not understand why all her entitlements and benefits have been changed and stripped back at the same time. She does not feel that anybody has considered her individual situation or how losing such a substantial sum of money will affect her ability to pay bills and keep herself well. To feed and clothe herself, Michelle has borrowed money from family and friends, got herself into debt and committed crime.

Generally Michelle is very unhappy and depressed by her situation. She does not look forward to waking up in the morning because she worries how she will get through another day; how she will feed herself, keep herself warm and survive on the little money she has. Her mental health has deteriorated significantly. She feels on the brink of falling apart.

'I'm going to see my psychiatrist on Monday and I don't care if he puts me in the hospital after what I've got to say to him. At least that way I'll get fed won't I. I'll be warm.'

Health and wellbeing impacts

Recent research suggests that additional pressures on people's incomes partly brought about by welfare reform has led to and exacerbated already existing feelings of stress and anxiety. There is a pervasive sense of uncertainty and, in some cases, helplessness about the future: Real Life Reform found that only 5% of their interviewees were optimistic about the future (Real Life Reform, 2013), this mirrors findings from IPSOS Mori which suggests many people feel considerable anxiety about changes that haven't even happened yet such as Universal Credit (Ipsos MORI, 2013). Furthermore the Benefits for Better Mental Health Service run by Mind in Oxfordshire was recently awarded money from the Big Lottery Fund specifically to work with people experiencing mental health problems claim the benefits they are entitled to⁴. This evidence indicates that the reforms have negatively affected people's mental health. This can broadly be seen across many of the participants in our research too.

Almost everyone in our study reported some level of increased stress or anxiety due to the reforms, and many felt this period of change had seriously affected their quality of life. Stress and worry was mostly related to not being able to afford everyday items and anxiety about bills, rent and other debts. Some of the least resilient respondents were also anxious about losing their homes, uprooting children and families and potentially being evicted. Anxiety was being passed on to children and other members of the family who were suffering as a result, and stakeholders felt that people were becoming increasingly more isolated.

'It's a worry. It's always on your mind because you're living from hand to mouth. I'm living from one fortnight to another... I think its depressing living like this, especially at my age. I don't think there is a day that goes by where I don't worry about something.' (19)

4. As outlined in an article in the Guardian by Dominic Smith on 25 February 2014 'Benefit cuts explicitly linked to mental health problems. Article was accessed on 27 February 2014: www.theguardian.com/society/2014/feb/25/benefit-cuts-welfare-linked-mental-health

The affect on peoples' health and wellbeing was also seen by stakeholders as a serious unintended consequence. Several organisations reported that they witnessed a rise in clients who had some form of mental health problem which had been attributed to the major welfare changes that have taken place in recent months.

Especially worryingly, some people reported new health problems. This highlights that, counter to the government's aim of moving people closer to employment, it seems that in some cases, people's ability to take on a job was diminished. For example, one respondent reported that her experiences of being sanctioned left her feeling depressed and devoid of self-esteem which had an affect on how she felt about looking for work and applying for jobs. There is clearly a risk that some people could be pushed further away from the labour market.

'During the time I've been on benefits, I've suffered with depression. I've had times when I don't want to go out. I didn't know how to say to people that I couldn't afford to eat. I wasn't in a mental state to even go to an interview. The experience has made me feel inferior and nery.' (01)

Those who already had health problems reported that their conditions had worsened. This was particularly true for those who suffered with depression and other mental illnesses. Added to this, people reported that managing existing health conditions was more difficult if they could not afford a standard of living that they had been used to. For example, one respondent reported that he could not pay the train fare to attend hospital appointments, and another said she was struggling to heat her house properly to manage a skin condition and buy fresh food to eat healthily.

'I've got to stick with the 99p microwave dinners which are not good for you. You need fresh veg. I should be eating fish and things because of my bone deficiency or things with Brazil nuts in, but how can I? Unless I put them in my pocket, know what I mean? It's ridiculous.'(10)

Effects on housing

Generally people were keen to stay in their homes thus paying rent was a priority, even in cases where budgets had been significantly reduced. When faced with often difficult decisions about where to cut back, the majority of respondents felt that it was crucial to make full rent payments, even when contributions to rent rose substantially. The main reason that respondents explained that they did not want to get into rent arrears was because they were afraid of being evicted from their homes. Homes had symbolic and emotional significance to individuals as well a practical necessity, and many talked passionately about wanting to stay.

Although it seemed that where possible most respondents made decisions to prioritise housing costs and rent over other payments, there were several individuals for whom this was not an option. Aziza's case study highlights how paying and prioritising rent was simply impossible for her family.

Case study 2: Aziza

Aziza lives in a four-bed Housing Association property in Stratford with her seven children aged between three and thirteen. Aziza is a single parent and does not speak English as a first language.

Due to the high cost of her housing and total income through benefits, (including Child Benefit and Child Tax Credits) Aziza received a letter saying that she would be affected by the Benefit Cap limiting her total income to £500. The letter outlined that she would be entitled to only 50p of Housing Benefit.

Unfortunately, due to the language barrier, Aziza did not understand the correspondence she received and as a result, she did not know why her benefits had been reduced or how long it would continue for. She was incredibly stressed, and felt she was in an impossible situation. When finally she spoke to her Housing Association they explained that she needed to start paying the £147 per week towards her rent or she would lose her house. They also told her that if she found work, her entitlement to full Housing Benefit would be reinstated, but Aziza had health and language barriers and did not feel able to work, so this did not seem like a viable option to her.

At the time of the interview Aziza was already behind on her rent and had been notified that she was in arrears. However, with a large family to provide for, she did not feel she could make weekly payments of £147. As a result, Aziza was not prioritising paying her rent as she felt it was simply unaffordable with all the other payments she had to make to look after her family.

With regret, Aziza was prepared for the fact that she might lose her house. The money she was being asked to pay for her rent was too much for her to even contemplate and she felt disconnected and powerless to do anything to change the situation. Although it caused her great stress and worry, Aziza was sure that her faith and resolve to survive would get her through this very difficult period.

Furthermore, it seems that messaging from housing providers around paying rent, and the consequences of not doing so has been very clear. Whilst there are clear positives to tenants paying their rent regularly and avoiding arrears and debt, the research found that this had a knock-on effect on people's ability to afford other necessities like food and fuel. Though most respondents were meeting increased housing costs, some explained that their confidence to make rent payments was reduced. People were understandably concerned that they might lose their homes if they did not pay.

'We take the money out and pay the rent directly. Our priority is paying the rent. It's very difficult because they said they will throw us out of the house. They were saying if you don't pay the taxes you may lose the property.' (03)

The reasons that people were reluctant to move were multiple and mostly centred on the fact that people had lived in their properties and the local area for many years. Many had built strong networks of family and friends who provided support and opportunities, (including work) and some had children who went to school locally. Several respondents reported that they did not want to move or downsize because they felt that they were already living in overcrowded conditions.

There was a reluctance amongst some to move from where they were living regardless of the external political and economic environment even though their entitlement to certain benefits had changed. Although it was not the case for everyone, it seemed that apart from building more homes, additional resources to communicate more persuasively to help change attitudes amongst some individuals could be beneficial.

'My children were born in Newham and I don't think I'd move from London to another place because I have family, friends, everything in London.' (08)

Several people were keener to move to improve their housing and financial situations, but were not able to for a number of reasons. Barriers reported by both respondents and stakeholders to taking more proactive decisions around housing issues included:

- Being restricted due to rent arrears and needing to re-pay debts before moving
- Limited options to swap houses with other tenants in the social-rented sector or unhappy with potential options posed by housing providers to re-house
- Not offered enough support to manage the costs and process of moving
- Lack of suitable housing (especially smaller properties for those affected by the Benefit Cap and SRS) in the area

Though there exists a set of very obvious external constraints within the housing market, it seems that additional support for individuals who were willing to be re-housed might help avoid potential crisis in the future. It would also serve to reward those who are willing to be more proactive and flexible in their attitudes to housing.

Housing issues were also identified by stakeholders as a serious concern. High numbers of people they were in contact with were falling behind or struggling with rent payments. Though stakeholders acknowledged the barriers identified by respondents, they explained how difficult it was to support people with housing needs, partly due to the drastic shortage of suitable housing available in the borough. Problems with housing increased before April 2013, when for example changes to Local Housing Allowance were introduced.

Impacts on work and making positive life choices

Although the vast majority of changes are meant to 'make work pay', evidence suggests that many people still struggle to find work. Research from Real Life Reform suggests that there has been an increase in people looking for work over summer 2013, but that this increased search has not necessarily led to increased success (Real Life Reform, 2013). Similar findings have been highlighted by the Chartered Institute of Housing in their research on the Benefit Cap pilot in Haringey. Their findings show that many more people are seeking employment to avoid the effects of the cap, but there were major barriers to many finding employment including for example access to childcare, English skills, health issues and low educational attainment (Davies et al, 2013).

Our findings are broadly similar. We found that those closest to the labour market were likely to be looking for a job. For those who have the most entrenched employment barriers (including poor language skills and health problems) finding a job was not necessarily an option. Overwhelmingly it seemed that the least vulnerable respondents and those with fewer and less serious barriers were able to cope better, and some had been successful in moving into work. Employment was viewed by this group of respondents as a tangible and obtainable goal and there was a general acceptance that work could provide a real route out poverty and hardship. However, staying in work and making ends meet on minimum wage was a constant struggle as outlined in Maria's story.

Case study 3: Maria

Maria was living in private-rented accommodation at the time of the interview. Her husband, who had been the main breadwinner and contributed most to rent payments, had recently left her. She was now a single parent looking after her young son with another baby on the way.

Maria was working part-time in a betting shop. She mostly enjoyed work and was happy to juggle childcare and work commitments. However, since her husband left, Maria could not afford the rent on the large house she was living in and had started to struggle at work.

Initially Maria was not too worried. With a job and another baby on the way, she thought she would be able to demonstrate that she was willing to support herself although in need of some assistance, if only in the short term. She went to the council to ask for some advice, specifically on moving to a more affordable property and was shocked when she was told that they could not do anything for her.

'We don't need this big place. It doesn't make any sense to have them help us stay here.'

Maria was not offered any assistance to access council accommodation or a deposit to secure a smaller and more affordable property in the private-rented sector. She was also told that before the council could offer her emergency temporary accommodation, she would have to be evicted from her current home.

Understandably, this situation caused Maria considerable distress and affected her mental wellbeing and perceived ability to stay in employment. With her new baby about to be born, Maria explained that her priority was to stay as well as possible and do her best as a mother, but she felt that she was failing. She was very worried about the upheaval and upset being evicted would cause her and her family.

Conversely, respondents who faced bigger barriers to employment did not always feel that work was a viable option. The barriers that many in these groups faced were viewed as significant and in some cases impossible to overcome. Indeed, when work was discussed as a potential route out of poverty, some in these groups immediately dismissed it. It seemed apparent that people in these groups needed much more intensive help and support to overcome barriers and move closer to the labour market.

Regardless of how work-ready a respondent was, most explained that they wanted more support to up-skill and look for work. Both respondents and stakeholders expressed a view that work should pay more, incentivise more and offer people a real and sustained route out of poverty.

In contrast to the largely negative impact findings revealed through the case-study interviews, some stakeholders felt that there may have been some more positive impacts as a result of the reforms. Certainly several stakeholders reported that they had seen increased demand for employment services and support to look for work. Though there is little concrete evidence to link employment statistics and welfare reform, it is possible that there has been an affect. Indeed, it was certainly the case for one respondent⁵ whose story is outlined in chapter two, that she decided to find work as a direct result of the Benefit Cap.

Other stakeholders suspected that reforms had pushed people to declare work or change their circumstances (for example, move in with family and friends) to avoid more damaging affects. Lastly, some stakeholders felt that for some individuals, the reforms had helped them take more responsibility for themselves and their families, and possibly helped people think clearly about what to prioritise spending money on. As outlined already, this was only in cases where individuals had the personal resilience to cope with the changes.

Impact on Families and Children

Balancing work with the rest of life is often difficult. This is especially true for anyone who has considerable care duties, for example lone parents. An important finding of this research was that some lone parents with whom we spoke had a strong work ethic, but were constrained by the lack of affordable and high quality child-care available to them. One woman had even explored the possibility of doing a child-minding course, which would enable her to earn some money but also stay at home and care for her severely disabled son. Ultimately she was happy to work, but only if it fitted around her childcare priorities too:

“I’m at home doing nothing... I really want to work. Something like the child-minding would help me because people bring their children in the house...” (04)

Unfortunately even if she did this course there was no guarantee of work, and she felt that there were too many obstacles for her to overcome. This indicates that it would be useful to offer more support for those with certain obstacles who want to get back into work but also allow for their personal needs, including childcare.

The issue of cost is especially pertinent for families with children as they create additional expenditures; for example, many respondents with children spoke of the pressure put on their dwindling finances by the cost of clothes, food, and transport. For young children who are growing fast it is especially important to ensure they have clothes that fit - such spending is essential. Unsurprisingly, providing for children was a top priority for all of the parents we spoke to. One lone mother with five children would often cut back on her own food consumption in order to ensure her children were happy and fed. This is particularly important when we consider a child’s education, and the effect that a lack of money can have.

5. See Case Study 2 in Chapter 2 to read more about Shanti’s story.

“[If] they’re eating and playing I’m happy.” (13)

“My [five] children they are all teenagers, my oldest goes to uni and doesn’t have money for his own travel so I have to give it to him... Sometimes my bank account was getting empty...” (7)

The respondent here understandably prioritises her children’s needs, and so as her income reduces she must cut the budget elsewhere in order to ensure they can continue with their education.

The Benefit Cap is especially pertinent for some, particularly those with large families. It threatens not only to disrupt children’s education, but also the whole family’s wider social and support networks. One mother worried that, as she was losing £200 a week, she would be forced to move to an entirely different area. She did not see this as a good outcome for her children as they were settled and wanted to avoid causing them any unnecessary worry or stress. This was prevalent across many of the case studies who were affected by the Benefit Cap. One woman was told she could be re-located outside of London, even though she had children, and was told that it was ‘her problem’ if her children missed school due to being moved. In addition, one respondent explained that decisions surrounding her move were uncertain,

“you don’t know until the last day... where they are going to move you.” (07)

This served to exacerbate her anxiety at the potential disruption of important friendship networks and possible negative effects on her children’s education.

The effect of the reforms on families with children has also been picked-up in other research. The Young Foundation found that the cumulative impact of reform (increasing living costs, changing employment opportunities, and

available childcare) was weighing particularly heavily on low-income families in Camden (Aylott et al, 2013). Much like our research, The Young Foundation also found that parents were keen to minimise the impact on their children. As such the mitigation response assumed by DWP of moving house is not seen as realistic by many as it would lead to disruption in children’s education and social networks (Davies et al, 2013).

“After my children grow up I may move out of London... I don’t know... That time is different. But right now I wasn’t ready to move out anyway. That was upsetting... choosing to move, that’s different. You are happy to move. But if somebody pushes you to move, forces you to move... that’s painful” (07)

Hence it seems that, for families with children at least, mitigation strategies such as finding employment or moving house may not always be feasible.

The Reforms

The separate reforms had different impacts on respondents and their families. For example, in most cases, the Benefit Cap had the effect of dramatically reducing a family's income, whereas changes to Council Tax did not. However, there were issues related to the way Council Tax changes were communicated, understood and accepted by residents, which then guided the actions they took. It is important to note that respondents were often affected by more than one of the reforms at the same time which made it difficult for people to respond appropriately to this period of change.

This chapter gives an overview of respondent experiences of the processes and responses to each of the individual reforms we looked at, namely:

- Spare Room Subsidy
- Benefit Cap
- Council Tax Localisation Scheme
- ESA re-assessments and Sanctions

Most respondents had been affected by more than one issue and were trying to cope with the effects of cumulative reforms at the same time.

Council Tax Localisation Scheme

Most respondents started paying between £10 and £20 a month towards Council Tax in April 2013 when the local schemes were introduced. Although in most cases the value of the change was not seen as particularly substantial, it represented a significant shift in responsibility to contributing to this tax. This was especially true for those who had been claiming benefits for a long period of time and always had their Council Tax fully covered by Council Tax Benefit. Most viewed changes to Council Tax as an additional burden at a time when incomes had already been squeezed by the other reforms detailed below and the cost of living more generally. However, most were fairly accepting of the change. Indeed, one respondent reported that he knew the Council

Tax changes were affecting everyone and he did not feel singled out in any way by this reform.

There was a small group of people who had more complicated experiences of this reform, which was often as a result of information not getting through or accepted. This may be because people were overwhelmed by the complexity and multiplicity of the changes including Council Tax reforms, or in several cases because people did not associate with having to pay this tax. Although we are aware that a structured communication procedure was put in place by Newham Council to support this change, it was clear from primary data collected from some stakeholders and respondents that communication was especially an issue with this reform.

The research found that several individuals had been threatened with court action for not paying Council Tax. As a result of missed payments, one respondent who was financially struggling due to a sanction was asked to pay her Council Tax for the year in an up-front payment. Whilst she expected there may have been some scope for her to renegotiate these terms, she reported that she felt threatened by the thought of going to court and possibly losing her flat. Her fears were exacerbated by what she felt was a threatening tone taken by the council representative she spoke to.

'She was like, did you know if you don't pay your Council Tax we can take you to court? We can send bailiffs to your door and you can get a bad credit rating. Obviously that scared me. I struggled when they took the money, but the fear of being taking to court and possibly losing my flat was too much' (01)

This respondent did not feel that her financial situation had been considered and she reported that she felt constrained and disempowered by the lack of flexibility applied by the member of staff she spoke with. Another respondent had an equally difficult experience of missing early Council Tax payments and was taken to court. His case study is outlined below.

Case study 4: Samed

Samed is a male in his early 60s, living by himself and claiming JSA. He recently moved from ESA to JSA which was a highly negotiated decision between his GP and the work capability assessment centre. His appeal was not upheld and he was left for a period of one month without any benefit coming in. Samed has multiple ongoing health problems which he finds hard to manage alongside normal day-to-day routines, but would like to find work if he can, as he does not want to rely on the benefits system any longer. This is due to Samed's negative experiences of the system in a number of cases including the way his Council Tax claim was managed.

Samed received a call during the summer to let him know that he had not paid his Council Tax since April. He was informed he was being taken to court. This was the first time he heard that he was meant to pay towards his Council Tax bill, even though he should have received letters from Newham Council. He explained that sometimes he doesn't get his post because

of an ongoing issue with a neighbour. A court order was issued and Samed is now paying back what he owed in missed Council Tax payments as well as court costs on a monthly basis out of his already reduced budget.

Samed explained that he found the situation very upsetting. He did not think it was his fault that he had not paid earlier and he did not think it was fair that he was punished as a result. He felt 'treated like a criminal' and thought the communication with the Council was threatening rather than supportive. At one point, they told him over the phone that that would send bailiffs round if he didn't find a way to pay.

'I'm scared to talk to them, they are very rude.... They said 'bailiff' I say, 'please when you are going to send the bailiff I will open my door because I have nothing in my home. Only one cooker, and one bed, and one second-hand sofa, and one TV – if you want it, take it, take it.'

'I said 'why don't you send me to prison? Easier for me there. No Council Tax, no rent. I might actually have food there. Maybe it is a better life.'

Spare Room Subsidy

Stakeholders reported that the people they had seen most affected by the Spare Room Subsidy (SRS) were older people (below retirement age), single people and women between the ages of 40 and 50. Overwhelmingly, people affected by the SRS felt that it was an unfair reform and many reporting they were shocked when they found out that it applied to them. This finding was echoed in the data collected from stakeholders. Some explained that it was hard to accept, especially where the spare room was small, they needed the room for a disabled or visiting member of the family, or in cases where they felt they had no other option but to pay the subsidy and thus accept an immediate reduction in income. Data collected from both stakeholders and respondents highlighted that feelings of shock and unhappiness were often related to the fact that families had lived in their properties for many years and felt a certain sense of entitlement to stay in their homes. Linked to this, people explained that this reform forced them to consider options they did not want, including taking a lodger or moving house. The lack of support available to help manage this reform made people feel powerlessness.

Although the majority of respondents affected by the SRS planned to stay in their properties, several reported that they may have considered moving if reasonable alternatives and conditions were offered. For example, one respondent who lived alone in a four-bed property in a sought-after location accepted that her property significantly outstripped her needs and said that she would be happy to move. However, the council was not able to guarantee that she would be given a new property that met her requirements and the respondent was therefore not prepared to move. Whilst it was clear the council were trying to work with this individual to help improve her situation within the constraints of a particularly restrictive housing market, she did not feel they were able to do enough. As a life-long council tenant who had lived, brought her children up and cared for her family and others in the borough, she felt that she deserved more.

'I'd fight tooth and nail to not have to give up my house for a one-bedroom flat in a tower block – I just couldn't do it... I know myself that's selfish, that there are families out there who need it because it's near the school and shops and stuff. I'm there on my own. It doesn't make sense.' (19)

Two of the respondents who had been affected by the SRS used their additional rooms to provide care for their disabled children. For one, this meant having separate spaces for both children and the other, a room for carers to stay overnight. Although both respondents were paying, or due to pay, the additional rent, both were hoping to overturn decisions. They had each sought advice on the policy; one reported that she had been given very good advice by the council. As a result she was fairly confident that decision would be revoked and she would be able to claim back the money she had paid out. Having access to this advice has clearly reduced the stress and anxiety that she felt in relation to her spare room, and as a result she felt more positive about being able to stay in her property.

In several cases, housing officers made home-calls to inspect properties to see if the subsidy needed to be applied to the household. although there are clear benefits of this kind of face-to-face engagement, respondents reported that they found this particular process of people coming to their homes to make an assessment of need and entitlement intrusive and upsetting. One of the reasons for this was because it was not a situation that they had any control over. More compassionate communication and support could be offered to people to enable them to positively engage with some of the changes and supporting processes, especially on issues as emotive and fundamental as housing. It is clear that the more tailored support could be offered to people who are willing and able to change their situations (either through downsizing or taking on lodgers).

Benefit Cap

The amounts lost to respondents through the Benefit Cap were substantial in all cases which reflected stakeholder experiences of being required to offer substantial support to those affected by the cap. Significant reductions in income were due to high housing costs and the fact that all four families had five or more children living in the household. Some stakeholders were worried that the full effects of the Benefit Cap had not yet been brought to light, and this was possibly due to the fact that Discretionary Housing Payment (DHP) support was covering some households in the short-term. Interestingly, none of the four respondents received DHP or had heard about the financial support available though this may be because interviews took place very early on when the Benefit Cap had just started to affect families.

The Benefit Cap clearly highlighted the different groups of respondents outlined at the beginning of the chapter. On one hand, two respondents affected by the cap had managed or were in the process of managing the reform and the other two were not coping at all. Life for these individuals was getting worse and it was clear they were both in immediate need of holistic tailored support to help them avoid very serious and chaotic consequences. Indeed, the barriers these two individuals experienced were complex and numerous. Both were single parents who did not speak English as a first language and neither had any experience of work.

One of the main reasons these respondents were struggling was because they had very little awareness of why or how their benefits had been reduced. They also did not understand what they could do to mitigate the impact of the cap. Work was not considered an option for these respondents, and they had not thought through any other solutions. Both were at risk of homelessness. These stories highlight that there are certain groups of less resilient, less capable individuals who require different levels and types of support. Findings from the stakeholder interviews support the need for a different level of support for some families particularly in relation to the Benefit Cap. Several stakeholders felt that the Benefit Cap had the effect of eroding personal resilience due to the magnitude of the impact felt by respondents. Certainly it must be hard for people hit by this reform to maintain any degree of normalcy, or to plan ahead if they are at risk of being moved at short notice to another part of the country - away from their social and support networks. Tailored support to mitigate disruption caused by the cap would be very useful.

On the other hand, two respondents recounted very different experiences with the cap. One took a proactive approach to seeking work when he learnt about how much he would lose in benefits, another individual had found employment, despite never having worked before. The benefits of being able to engage proactively with the system, and understand the potential chaos of not taking appropriate actions are immeasurable, as highlighted in the differences between the two groups. Shanti's case study is outlined below.

Case study 5: Shanti

Shanti is 37 years old living in Plaistow in a three-bedroom privately rented house. She lives with her five children who are all in full-time education (aged between 11 and 17).

Shanti previously lived in more expensive property but moved in September 2013 to a cheaper property in a new area. The main reason Shanti moved, was because in the summer she received a letter to say that she would be affected by the Benefit Cap. This would mean that her total benefit allowance would be reduced to £500 per week. Shanti was told that her rent was too expensive, but that she could stay in the property if she was able to contribute significantly to her rent. She accepted that she would be evicted.

‘They said ‘if you can afford £300 a week then we can keep you in that property’. And I said, ‘are you dreaming or something? How can I earn £300 a week and give it to you to stay in your property?’

Shanti was worried about her housing situation and made some enquiries to the council to see if they whether they could help her. The council told Shanti that they would re-house her family but that it might not be in London because she wasn't working.

Shanti decided to make some changes to ensure that her family were not moved away from the things that made them feel happy and secure; their friends and family and schools. Though Shanti had never worked before in her life, she made some enquiries with friends and secured a part-time job as a cleaner. She also found a new property with enough space for all her children before she was evicted.

Shanti still feels angry at the way she was treated during the process but is also fulfilled that she made some positive decisions for her family and is now working.

‘I pushed myself to overcome all the bad stuff. Now I am happy, sometimes I wish I had done this ages ago. And now maybe if I had a full time job I'd have even more money...’

Other changes to benefits and entitlements

We spoke to a number of people who had been affected by other changes to their benefits. These included two people who had been sanctioned and three people who had undergone an ESA re-assessment.

All three of those re-assessed were found fit for work or were mid-way through an appeals processes. They each reported serious health conditions which they felt posed substantial barriers to work; none believed they should have failed the Work Capability Assessment. Appeals and administrative errors when moving on to JSA unsurprisingly left these individuals in difficult financial situations and, as a result, most found the process of being re-assessed stressful. Similarly, the two individuals who had been sanctioned also found the processes and consequences of sanction decisions highly stressful.

Although sanctions and ESA re-assessments are time-limited, the upheaval and financial disruption they caused was significant. Stakeholders were particularly concerned by the hardship caused by sanctions and reported witnessing a significant increase in food bank referrals as a direct result of the new sanctions regime.

Respondents affected by sanctions and ESA re-assessments felt a sense of helplessness to rectify a situation over which they had no control - even though several were undergoing appeals processes. Stakeholders reported that they felt the new regimes were stacked against claimants, and were struggling to meet the demand to

support people who were appealing often incorrect or disproportionate sanctions. In two circumstances, respondents felt that their cases had been negligently or carelessly managed by JCP staff; both were upset and angry that errors had been made leaving them without money for periods of time. One respondent who had been sanctioned explained how powerless and destitute not being able to attend a job interview due to a sanctioning decision made her feel.

'I didn't even have £10, so I couldn't attend [the job interview]. So I spoke to them and said you have directly affected me from getting a job. Because of their mistake, because I was sanctioned....You can't describe how it feels. Whatever they pay you on Jobseekers, it's not a lot of money. It's not. You just can't live on it. When you're so desperate to earn more and you realise that one of the reasons you couldn't do that was because of their mistake - it's so painful.' (01)

Stakeholders also felt that changes to the Social Fund and Legal Aid were having a considerable impact on people's ability to cope during this period of welfare reform. Although they reported that the actual process of claiming emergency funds was easier, the fact that most support is offered as loans rather than grants is a barrier to take-up (although previously DWP financial support was also given as a loan). In addition, cuts to Legal Aid have made it almost impossible to offer emergency legal support to individuals facing court proceedings. Stakeholders felt that the consequences of these changes would be fewer successful appeals as some people will not be capable of supporting themselves through what are often very complicated, lengthy processes.

Support and communications

All respondents felt that they could have been better prepared for the myriad challenges brought about by welfare reform. Across the board, respondents and other stakeholders wanted high-quality tailored information in an accessible and clear format. For less resilient respondents, more comprehensive information was required, proactively delivered and linked to additional support to help overcome barriers. These individuals were less able to accept the reforms and their implications and the helplessness of their situations often meant they became even more disengaged.

People's experiences of being supported were fairly low level, though targeted interventions like the welfare reform information sessions offered by the council, and emergency advice services were viewed as very useful by those who had used these services.

In addition, more detailed information should be readily available to claimants to help them understand what funds are available, what they are for, and the conditions attached to them. People were not always well-informed about what was on offer and how they could access it, and it was apparent that several individuals may have significantly benefited from these payments. Nevertheless, advice about commitments to repay any grant funding should also be readily available as it is clear that people living in poverty may struggle to meet repayments when benefits are regulated or re-instated.

Knowledge of welfare reform

Several respondents were well-informed about welfare reform and the specifics of how it would affect them and their families; again the distinction between the two groups is clear. In most cases those who we could term as 'more resilient' had taken some responsibility to proactively seek out information and resources to enhance their knowledge. In general, they appeared keen to make these preparations in order to avoid any unnecessary difficulty or confusion. Even though they were able to access the relevant information, several of the better-informed respondents felt the reforms had been 'forced' on them and they did not think it was fair that they had to manage and negotiate the consequences by themselves.

There was another group of people that we can largely identify as being the least resilient within our sample, who did not know much about the reforms or the impact they would have. Although in most cases respondents in this group could name the reforms, (especially the spare room subsidy which they knew as the 'bedroom tax' and the Benefit Cap) they had mostly vague notions of what the reforms meant, and how they would be affected. Furthermore the specific details of the changes were confused, and for several individuals, improving their knowledge-base or engaging better with the situation, simply wasn't possible. This group often talked passively about welfare reform, and it seemed that by mentally distancing themselves from the reality of the situation, they were able to cope better with the worry and concern they experienced. In addition, some reported that they were surprised when letters arrived or correspondence was made about benefits being reduced or entitlements changed. As a result, many in this group reported that they felt unprepared for the reforms. In fact, one respondent explained that she 'just waited for it to happen'. Overwhelmingly for this group it appeared that they were not able or willing to take control of the process and equip themselves with the necessary information, and this often led to them experiencing a greater number of more problematic issues later on.

Experiences and views of communications

One of the main complaints which links to findings from our earlier report (Graham & Horwitz, 2012), was that people did not feel that they received enough information about the reforms and how they would personally affect individuals and their families. Some reported that they did not realise they had been affected until they received letters or phone calls detailing that they were in arrears or due to be taken to court. Understandably the shock caused people to feel distressed and upset; especially those who had never been in arrears and took pride in paying bills and rent on time. Although information may have been sent and indeed received, this perception about not being communicated to properly was a common finding amongst those that we spoke to and stakeholders, and clearly something to be addressed.

Added to this, people did not always feel that they received information in the most accessible formats. One respondent who was affected by several reforms explained that she had put all the letters about the changes to her benefits and allowances in a drawer. Some letters remained unopened, because she couldn't understand the calculations about what she was entitled to and now had to pay. The main reason she did this was to avoid causing herself stress and worry. In a similar vein, another respondent with particularly complex barriers (including not speaking English), was not able to understand the most basic information about how the Benefit Cap would leave her with nearly £200 less each week. These two cases really highlight how those who are less resilient with more complex barriers need to receive more personalised information delivered in a way that they can understand, including communicating face-to-face and in different languages where appropriate.

'They told me, 'we put adverts on the television and have been talking about it [the Benefit Cap] for two years now. If you don't understand the adverts, we won't be able to explain it to you today.... They send so many letters and I don't understand. What can I do about it?' (15)

Whilst there was a general feeling that the levels and forms of communication may not always have been fit for purpose, it seemed that not everyone needed more personalised information and communication methods. Actually, several respondents felt that they were well informed and reported that when they needed more information they were able to access it. These individuals typically had fewer barriers to work and generally were more in control of what was happening.

One respondent commented on how she thought it was important to keep well-informed of what was happening. However, she also admitted that it was not always easy to find the right information when she needed it, and some information was not clear. For example, she reported that she had to look up some terms and policies on the internet when she received a letter about the Spare Room Subsidy. Unsurprisingly, this led to some to express feelings of disappointment in a system that was not actively communicating with them. Added to this, several respondents reported that the information received was sometimes conflicting and contradictory.

'As I've gone down the road with them I've discovered that they really, really don't communicate and they don't pass on information. It's bad.' (11)

'First of all there is not a place where it is advertised properly.... I have got a bit of education right. I know how to use the internet and stuff, but what about all the people who don't have internet access? Different people say different things and there is no consistency among the staff; whatever they say on the phone is not necessarily the same as the people in the office. The information just isn't uniform.' (09)

Several of the more proactive respondents attended information sessions put on by the council. Feedback on these sessions was very positive and people who attended thought the information and support they received was useful. Drawing on this, perhaps more of these sessions could be organised and publicised more widely for the benefit of council residents.

Respondent experiences and views on support

Closely linked to information and communication is the provision of additional support. Whilst it was clear that some respondents may not have benefited from having additional support, and some had good networks of friends and family willing to help, there was a group for whom it would have been very useful. People in this group were often particularly vulnerable and isolated with complex barriers and many were not coping. Indeed, several people felt that they faced impossible hurdles that they had not been given appropriate help to manage.

'There's been no help. There's been no support. Every time I ask for help I come up against a brick wall.' (10)

Some respondents who engaged with the Local Authority to get advice or support to manage the period of change reported difficulties. Several were not happy with the way they had been communicated to or the advice that had been given and felt that there was sometimes a lack of empathy from staff dealing with their cases. This led to feelings of desperation and helplessness, and meant that some fell further into crisis or sought emergency support from other organisations like Community Links and the Citizen's Advice Bureaux.

In terms of other support that people would like, most were unable to think too far ahead beyond their immediate concerns at the time of interview. Therefore when asked about what an ideal package of support would look like, most said they wanted financial help to cover something specific like a bill, rent payment or food shopping. Beyond this, there was a general feeling that people wanted somebody to listen and empathise with them and in some cases check that they were receiving the correct amount of money, as the changes had caused a lot of confusion in relation to what people were entitled to.

'I want somebody to help make sure that I am getting the right amount of money. Only the right about, not more. Wherever I go, they think I'm lying and my language makes this worse. My case is very urgent and I need help as soon as possible. I don't know where to go.' (15)

In many cases, one of the main forms of support likely to be most helpful is help to look for work. Some of the more work-orientated respondents (some of whom were already receiving support on the Work Programme or via Jobcentre Plus) were keen to get more help to look for work and saw employment as the main route out of poverty. Offering extra work-focussed support to those affected by welfare reform who want it, even if they are already in contact with other programmes, would be usefully support a positive outcome for these people.

Crisis support and Discretionary Housing Payments

When Crisis Loans and Community Care Grants were abolished in April 2013, money was dispersed to Local Authorities to provide local emergency financial support schemes. Though the budget was not ring-fenced, Newham Council took a decision to continue to offer discretionary emergency grants as a last resort, safety-net to help people living in the borough. DWP recently announced plans to cut allocation for local crisis support in 2015 (DCLG, 2013). This is likely to impact significantly on the way that councils across the country offer this support and the access that local people have to it.

Most respondents had not heard about the local scheme and when probed, most thought that all access to emergency financial support had been stopped in April. This being the case, people were surprised to hear that financial assistance could still be accessed through a local grant scheme.

Whilst people were interested to hear that a local scheme existed, they seemed wary about applying for this kind of assistance. This was largely due to past experiences of receiving loans and then struggling to pay them back, which one respondent explained had been a financially

crippling experience for him. This strongly links to attitudes and a reluctance more generally from many we spoke to about getting into debt and making things harder financially for themselves in the long-run. As many were already trying to manage on very low incomes, committing to an additional financial burden did not seem wise.

In spite of low levels of awareness, several respondents had in fact tried to get a grant. Two of these respondents applied because they needed financial help to cover periods where they were receiving no benefits at all; one when sanctioned and another when he moved from ESA to JSA. One of these respondents was successful and was now finding it very difficult to live on his reduced JSA payment. A few other respondents had tried to apply for money, but were unsuccessful. In all cases, they did not understand why they had not met the eligibility criteria for the grant and were not given any substantive information to explain this.

Nobody we spoke to had heard about or applied for Discretionary Housing Payment (DHP), though it was clear that some respondents may have benefited considerably from this short-term housing assistance, especially those affected by the Benefit Cap. Although DHP is not a long-term solution for covering housing-cost shortfalls, one respondent in particular (whose benefits had been capped), would have significantly benefited from having access to the fund to help him pay his rent whilst he stepped up his job-search activities. Not only would it have given him more time to find a suitable job, it would also have decreased his levels of stress and anxiety and avoided a precarious situation for him and his family.

Some evidence suggests that there has been a relatively low take-up of DHP in Newham and across the UK⁶. Reasons for this included doubt that schemes had been well-publicised and a lack of understanding amongst benefit recipients and organisations supporting them

about what financial support is on offer and under what circumstances people are eligible for DHP. Conversely, several stakeholders felt that DHP was now working properly to support people with housing costs, (especially those affected by the Benefit Cap) and Newham Council reported that they are now on course to spend the fund as was intended⁷. Whilst some stakeholders felt that DHP was working properly to support people with housing costs, they were worried that it was acting more as a 'sticking plaster'. As a result, there was a concern that some of the greatest effects of housing-related reforms were yet to be seen.

Stakeholder views on support and communications

Not only have organisations developed specific resources to equip clients with the right information in more accessible formats, they have also offered local people a considerable amount of support since the reforms were introduced. Most stakeholders reported an increase in the numbers of people who have accessed support services since the reforms were introduced. Services seen as most useful during this period of change included income maximisation and money management support, energy efficiency advice, advocacy and form filling. Stakeholders were dedicated to offering high quality, personalised, face-to-face support, but reported that continuing to offer this level of intensive support was not easy. Stakeholders reported that diminishing budgets were threatening to restrict the numbers of clients they helped and the levels of service they offered. They were worried that as a result, some people may have slipped through the safety net.

Stakeholders also felt that clients did not always have the right information about the reforms. Stakeholders identified a group of less resilient respondents who were not able to understand or engage with information they had been given and often didn't take correspondence seriously until

6. A FOI request to Newham Borough Council showed that between April and September only 3% of the allocated DHP budget had been spent (www.whatdotheyknow.com/request/dhp_167) A report in the Guardian on 1 February 2013 also shows under-spend across the UK (www.theguardian.com/housing-network/2012/feb/01/councils-fail-spend-thousands-housing)

7. For this financial year (April 2013 - March 2014) 77.3% (£1,911,823.93) of the total DHP budget (£2,472,896) has been spent by Newham Borough Council (see the FOI request at: www.whatdotheyknow.com/request/discretionary_housing_payment_dh_3)

they were at crisis point. This often meant that by the time they came to ask for help, they were at risk of being evicted or taken to court. As a result, stakeholders felt that it was frequently too late to give proactive information and support clients and achieve wholly positive outcomes. Furthermore, stakeholders often reported that there were few organisations to which they could signpost clients if they were unable to help with a specific issue. Sometimes this meant that organisations were not able to offer the kind of holistic, comprehensive service they may have done in the past.

Stakeholders reported that though communications received by clients contained relevant information, there was an urgent need for much of it to be adapted to be accessible to all. Key pieces of information (for example, the reason that somebody has been sanctioned) should be highlighted upfront and in clear, plain English. Too often the legal language and complex terminology is difficult for people to understand. For example, one stakeholder reported that many customers he saw were confused by the term 'sanction upheld'.

Adaptations also need to be made so that individuals with certain barriers (for example language or learning barriers) can understand the information provided. Furthermore, stakeholders felt that more needed to be done to stop clients being misinformed. It is very difficult for clients to take proactive steps to resolve a situation by themselves if they are not equipped with the correct details. As a result of poor communication, some stakeholders had taken steps to develop their own communications and resources to help specific groups of people access the right information.

Respondent views of welfare reform

'There's no sympathy at all for the sick person or children. Nobody cares. What do they care? Where are people going? On the street. They don't care, there's just no sympathy.' (13)

Overwhelmingly respondents felt that the reforms were very unfair. Many felt that changes had been made without a good understanding of what life is like for people who live on benefits and low incomes and what the consequences might be for families who have to make do with less.

People thought there was a worrying disconnect between how politicians and officials viewed the impact, and life was really like for those affected by the reforms. This was particularly the case for more vulnerable families. For example, one respondent who had been affected by the spare room subsidy, even though she needed the room for her daughter's carers, described the implementation of the reforms as 'indiscriminate'. Linked to this, and again especially relevant for the more vulnerable respondents, was the lack of support available to people to help them cope with the affects of the changes.

'I think they are hurting the vulnerable people. I know there are some people who used to have children in their house and now they're gone – they need to tackle them, not the vulnerable people who need a spare room if they have a carer staying. In my opinion this isn't good.' (04)

People clearly felt there had been a lack of thought in the way the reforms were implemented and the affects they have had on families and individuals who may not have the resources to cope. In addition, there were several individuals who went further to say that they felt that they and other benefit claimants had been victimised. One respondent mentioned that she felt she had been 'singled out as society's big problem'. She was particularly troubled by the way that people in receipt of benefits had been portrayed in the media which had an impact on how the general public view and think about people who are supported by the state. Respondents referred

to language and phrases that have been used to describe claimants in the media, and felt that portrayals of claimants as 'scroungers' were misconceived and ill-judged.

Overall, it seemed there were real concerns that claimants were being punished, maligned and publically scrutinised for situations that they often reported they had no control over and did not want to be in.

Although people were upset and angry about the changes, several respondents were able to balance these feelings with a particular understanding of the current economic climate. Several respondents were aware of the underlying aims of the reforms to reduce the benefit bill and encourage more people to take up work. Though they understood the rhetoric, they did not always feel that the reforms were being implemented in a way that enabled everyone to make positive changes and wholly support themselves and their families. Furthermore, there was anger at the approach taken to reduce benefits but not increase the levels of support, especially for those who are less resilient.

Help to move into work was seen as one of the main mechanisms of support that respondents wanted; they understood they could alleviate some of the pressure brought about by welfare reform through work. Sadly, respondents were very aware of their position in the labour market, and those furthest away from employment were frustrated that there were not many options available to them to help move into work and subsequently up-skill and progress. Understandably, this seemed to add to feelings of powerless and resignation.

'This is good getting people back to work, I love that. But you've got to make people ready to go to work. If you just push them, they won't be able to do it.' (08)

'To me, I think they are trying to force everybody to go to work, but there's no work about. There's loads of unemployed people but employers only want people with qualifications. Some people haven't got qualifications, like me.' (10)

Future reforms

As highlighted in the background section of the report, one of the main changes still to be implemented is Universal Credit. We discussed this forthcoming reform with respondents and stakeholders to explore their views and attitudes towards the new benefit.

We found that very little was known about, or being done to prepare for, Universal Credit. Equally, stakeholders reported that they had not started to inform clients about the changes likely to take place with the introduction of Universal Credit so as not incur any untimely worry or disruption. They were however very concerned about how the new benefit would be implemented and the effectiveness of support on offer to those who might need additional help with their Universal Credit claims.

Many of our recommendations focus on the implementation and delivery of Universal Credit.

Of the 16 case-study interviews, only six respondents had heard of Universal Credit, and of these most had very limited knowledge of what it actually entailed beyond knowing it was some sort of lump sum payment. Unsurprisingly this meant that no respondents had made any preparations for the upcoming change. When Universal Credit was explained in more detail, those who were confident they could cope with the change were in the minority. This not only illustrates the level of uncertainty surrounding future changes, but also emphasises the disempowering processes of the reforms. Many of the respondents were worried about the detail of the changes: especially the fact that the benefit would be paid monthly to one member of the household, and predicted that budgeting would become even more difficult:

“Because you’re gonna get all this money and think you’re alright and then maybe a week or two down the line you’re gonna be left with nothing” (06)

This comment shows that people on squeezed incomes tend to be preoccupied with immediate survival rather than long-term budgeting or decision-making.

Another potential problem identified by participants was their perceived lack of computer literacy. One respondent seemed fairly despondent about the shift to an online only system, and asked ‘so who have I got to help me?’. Once again this is not only indicative of a sense of powerlessness of those affected by the reforms, but also of the need for more support for those who are going to struggle to use the new system. Additionally some interviewees pointed out that whilst they may have internet access and some basic computer skills, many people they know living in their communities do not:

“Not everybody’s got internet anyway, I’ve only got it ‘cause I’ve got a dongle but you know you’ve got to top that up and I haven’t always got money to do that” (06)

This also highlights another problem: for those who are already suffering from reduced incomes, non-essentials (such as internet access) are often the first to be cut from personal budgets. This could make engagement with the Universal Credit system all but impossible for some. Therefore, even if people are computer literate there is no guarantee they will have ready access the internet.

Other aspects of the reform that troubled people were the payment to one person in a household and the implication that Universal Credit could greatly reduce face-to-face support, which is seen as the most important thing for some.

Stakeholders were also worried about further upheaval brought about through the introduction of Universal Credit, specifically:

- Move to direct payments
- Payments going to one member of the household
- Making and managing online claims
- Migration delay and transition issues

Stakeholders felt there was a need to ensure that less resilient benefit claimants are protected and do not suffer disproportionately as a result of Universal Credit. Though many organisations had already started communicating with clients about future reforms, because the timescales concerning Universal Credit are currently unclear, most reported they had not made much effort to do so as yet. They did not want to worry clients unnecessarily, or give inaccurate information. In addition, some also reported that they were keen to give information in a timely fashion to help people take as much detail on board as possible.

Conclusion

There are a number of key themes apparent in this research.

First of all, it would appear that the **welfare reforms have eroded resilience and thus also the ability of people to make positive decisions**. Our research uncovered dramatic affects on people's finances which meant that people have had to learn to live on less. Linked to this, we also found that the reforms were negatively affecting people's health and wellbeing, and generally people were finding it very challenging to mitigate these impacts through, for example, finding work or changing their housing circumstances. There are three major factors to this problem;

1. The overall financial impact of the reforms is significant and has reduced people's resilience. For the majority of those we spoke to, the cumulative financial impact was significant, unmanageable, and in some cases overwhelming. Very few were successfully managing on their new, lower incomes and the response to having less money is, although variable based on personal circumstances, encapsulated by the cliché of choosing between heating and eating.
2. Poor communication of the reforms and their effects has resulted in a general lack of knowledge and understanding amongst those we interviewed. Claimants can find it difficult to engage with communications from DWP, partly due to the lack of plain English information, leading to issues only being addressed when people have reached crisis point. As a result, individuals can end up feeling powerless and desperate, which suggests that there is a need for personalised communication for those who are less resilient to the changes.

3. A perceived lack of compassion and flexibility on the part of some officials is another important factor. It is significant that a few of those to whom we spoke were offered inadequate support when seeking help, particularly with regards to the new sanctions regime. Poor support has served to exacerbate the disempowering experience of many affected by the reforms who told us they felt neglected.

Leading on from this, the second key theme is that **there is a need for a more nuanced approach to implementing and delivering current and future reforms; one based upon people's capabilities**. This is especially apparent for people experiencing barriers to work. It would appear that for some, and in our sample not a minority, there were insurmountable barriers to finding employment which is a key mitigation strategy. For a few people, even those with a positive work ethic, it was impossible to find employment due to long-term health problems which were not taken into consideration when multiple cuts were implemented.

On the other hand, we also identified in our research a group of people who had entrenched barriers that could theoretically have been overcome; for example, those with poor English skills. In order for these barriers to be overcome, more personalised support that takes into account individual circumstances is needed.

Furthermore, especially with regards to the Spare Room Subsidy, there is a need for more flexibility in decision making that would offer the opportunity of a mutually beneficial outcome. The research found that people were understandably reluctant to leave homes they had lived in for a long time, even if they appreciated that their needs had changed. A 'one-size-fits-all' approach, which forces people to pay, move, or take-in a lodger, is not only detrimental to peoples' standard of living, but largely unworkable too.

Finally, the third major theme is one that Community Links has been working to address for a long time: **there is dire need for early action to avoid later crisis**. Under the current approach, the financial and social costs for families and society will remain high and potentially increase.

Work needs to be undertaken to identify those who are less resilient to the reforms, and to then provide them with more support so that they do not reach crisis point. Whilst hardship funds exist for the time being and play a vital role in the survival of many people, more needs to be done to reduce the need for such claims by preventing problems before they happen.

It should also be noted that just because someone is more resilient to the changes, this does not mean that welfare reform is not having a detrimental effect on their lives. A vast swathe of benefit claimants are struggling to survive on less money, and just because some can engage in mitigation strategies does not necessarily mean they are not suffering a large reduction in their quality of life.

Recommendations

On the basis of the lessons and findings detailed in this report, **we recommend the following to the Department for Work and Pensions, Jobcentre Plus, Local Authorities and other organisations supporting individuals who are in touch with the social security system:**

1. DWP works with LAs, Housing Associations and advice providers to ensure standardised, coherent communication of remaining forthcoming reforms, and that communications from different sources are aligned. They should:

- Ensure information about future reforms is accessible for all, including those with different language and learning requirements.
- Deliver information in a way that deals with people in a compassionate way that does not cause unnecessary distress.
- Provide people with ample, easy to understand information about their rights and opportunities, especially with regards to housing, appeals, and hardship payments.

2. DWP makes additional support available immediately for people to navigate recent and forthcoming changes to benefits.

- Ideally this support should be made available by advancing the Local Support Services Framework and extending it beyond Universal Credit. Alternatively, the additional support services made available must dovetail with LSSSF support.
- DWP should utilise established mechanisms to ensure swift delivery of such support. They should increase support through hardship funds and Discretionary Housing Payments (DHP), as one important way to immediately provide such support.

- Policies should be put in place to allow discretion towards people who are trying to engage positively with changes. For example, people who register to downsize but who are prevented by lack of suitable alternatives should be exempted from paying the spare room subsidy.

3. Going forward, one agency should be empowered to assess the cumulative impact of future reforms on individuals; identifying those most in need of additional support and ensuring implementation is flexible and discretion applied where necessary.

- This will require systems for sharing information between DWP and Local Authorities to be strengthened, and these authorities should commit to overcoming issues of data protection and data sharing.

4. Jobcentre Plus and Local Authorities charged with administering the Local Support Services Framework should ensure that it is combined with employment support, to give claimants holistic and unified support back to employment.

- DWP should provide guidance as to how LSSSF can best be combined with existing employment support provision.

5. Before implementing further changes, Local Authorities should undertake assessment of the cumulative impact of multiple reforms on individuals over the medium and long-term, and the knock-on costs for public services and the local economy.

- This should lead to investment in areas where early spending—for example in tailored support, financial education, advice or communication—will prevent crises emerging for individuals and families and save on acute public sector spending down the line.

We recommend that Community Links and others in the Voluntary Sector:

6. Continue to invest in the advice services which are increasingly essential to support people through the complex reforms.
 - In spite of difficult funding landscapes, they must continue to focus on providing those Early Action activities– tailored support, financial education, advice or communication— which will serve to empower people and prevent crises arising.
7. Share experiences from our position in the heart of affected communities; and come together amplify our voice to ensure meaningful change.
8. Collaborate locally to ensure efficient use of limited resources and effective referral routes to the best source of local support.

Case Study Infographics

Based on the analysis of data collected during the fieldwork period, we have developed a set of infographics which are included in this chapter. The aim of the infographics is to visually represent key information, data and knowledge from a number of key case studies. Using the infographics, you should be able to clearly identify how a respondent's benefits have changed, and on the right hand side view a summary of the key impacts on them and their immediate family members. The graphics should be read alongside the more in-depth data included in the main text of the report and you can read more detail about the individual circumstances of respondents in the table included at figure one.

Chris

Changes

Spare Room
Subsidy

Council Tax
Localisation

Lives in a council house
with wife and two sons
(both students)

Effect



Loss £100 per month
– 17% of his income



Increased stress



Skipped meals
and stopped
eating meat

“Who wouldn’t
want to work and
buy a nice house?
For some people
it just isn’t
possible”



Shanti

Changes

Benefit Cap

Council Tax
Localisation

Lives in a 3 bedroom,
privately rented house
with five children

Effect



Lost £300 per week



Successfully
moved into work

"I pushed myself to overcome all the bad stuff. Sometimes I wish I had done this ages ago... it's still a bit hard - there should be more help"



Michelle

Changes

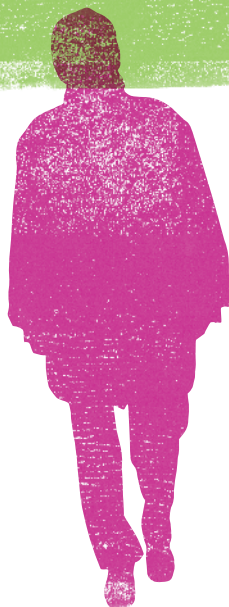
Spare Room
Subsidy

ESA re-assessment

Council Tax
Localisation

"You have to
steal to eat.
These changes
have made me so
I'm suicidal"

Suffers from severe
physical and mental
illnesses. Lives alone in
council owned home –
currently with one
spare bedroom



Effect



Loss 40% of income



Increased depression
and anxiety



Received rent arrears
notification for missing
a month's rent



Turned to crime
to meet needs



Stopped eating
fresh vegetables
and fish

Samed

Changes

ESA re-assessment

Council Tax
Localisation

61 year-old man,
lives alone in one-
bedroom council flat

"I'd like to go to
prison no council
tax, no rent, I
might actually have
food over there..."

Effect



£600 in debt



Suicidal thoughts



Erroneously received
a court summons for
council tax



Can't afford to put
the boiler on

Aziza

Changes

Benefit Cap

Council Tax
Localisation

Lives in Stratford in a
four-bedroom social
housing home with
seven children



"I haven't got
any money at all.
They send so many
letters and I don't
understand. What can
I do about it?"

Effect



Lost £199 per week
– 28% of income



Increased stress
and anxiety



Unable to afford
rent; at risk of
homelessness



Can't afford new
clothes for children

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Tipping the balance?

A qualitative study on the cumulative impacts of welfare reform in the London Borough of Newham

Government flagship proposals for Welfare Reform: simpler, fairer, making work pay, have a significant impact on the people Community Links work alongside in east London.

Community Links undertook a programme of research to understand the real effects of these changes to people's lives – not just financially but also on employment opportunities, family life, their health, wellbeing and resilience. It is vital to fully evaluate the implementation of welfare reform on the individuals and communities most affected. Tipping the Balance, our investigation into the cumulative impacts of welfare reform, draws a vivid picture of how hard life has become for many local people as a result of the changes.

This report makes a series of practicable recommendations towards providing better support for people facing multiple disadvantages within a welfare system that is fairer and more effective.

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