The impact of welfare reform on housing security

Welfare reforms underway since 2010 will reduce social security spending by £27 billion a year by 2021, and reach into most aspects of financial support for working-age adults and children. These deep cuts hit the poorest places hardest, and disproportionately affect lone parents and disabled people. Several key reforms particularly affect the affordability of social rents, despite the fact that the provision of social housing has been described as the most redistributive and poverty-reducing aspect of the welfare state. A tension is therefore created between the ‘social’ purpose of housing people on low incomes and those who are vulnerable, and a more ‘commercial approach’ to rent collection. Sarah Batty reports on the findings of her recent research with those directly affected.

The reforms
Universal credit replaces six means-tested benefits with one monthly payment, with the aim of simplifying the system and improving work incentives. Its introduction has caused significant rent arrears in the social sector. The lowered benefit cap is said to incentivise work, but leaves people who are not working with rent to pay from benefits designed only for basic living costs. And the ‘bedroom tax’ reduces a claimant’s housing benefit if s/he is considered to be under-occupying the accommodation according to the household size criteria, but undermines health and wellbeing. The government suggests that localised help in the form of discretionary housing payments (extra payments for people on housing benefit or universal credit who need help to meet their rent) can protect the most vulnerable. This, however, undermines a key principle of social security: the protection of subsistence income after housing costs. And the reduction in rights and increase in discretionary help represents a shift back to pre-welfare state values of individual deservingness.

The study
Motivated by the researcher’s background as a welfare rights practitioner, this qualitative study aimed to give a voice to people directly affected.
by the reforms, connecting the ‘private troubles’ of individuals with the ‘public issues of society’\textsuperscript{13} by exploring the impact on their lives. Eleven social tenants from a deindustrialised area in north-east England took part in in-depth confidential, anonymous interviews, each receiving a £10 voucher. Although small, the sample of eight women and three men was diverse in employment, family and disability status.

**Housing insecurity**
Housing insecurity was a major theme of the research because rent arrears had led to possession action. The rent arrears of the four universal credit claimants had multiple origins, partly caused explicitly by the new benefit’s design and administration, and partly caused by other welfare reforms or administrative problems predating it. For example, Karen, a single parent, had rent arrears of £1,800 because a benefit sanction had caused her housing benefit to stop and she had been too unwell to dispute this. Lisa, a part-time cleaner, had rent arrears because her first universal credit claim had ‘disappeared’ online, and her second payment had been unexpectedly reduced because of holiday pay. Monthly deductions of £127 from Lisa’s universal credit left her to make up a weekly rent shortfall of £21 from her earnings of £64 after bus fares. Fear of eviction had exacerbated her mental health problems:

> ‘It’s been very stressful. I’ve lost four stone in weight… through the stress… I’ve had to go and see a psychiatrist for sleeping tablets… the past few weeks, I can’t sleep again, so I think I’m going to have to go back.’

Communication from the Department for Work and Pensions was commonly poor, affecting the social landlord’s judgement of whether to pursue possession action or ‘hold off’. Jackie, aged 54, had been sanctioned three times and was living on £44 a week hardship payments, out of which she could not afford the rent arrears repayments:

> ‘They’re fobbing [the housing officer] off, they told her I’d be back on my full money a couple of months gone… she’d sent me a letter saying an eviction order and I was beside myself… so what did I do last month, I managed to pay £15. I was short £15 out of my shopping money, but stuff like that worries me … and that’s why I end up taking some tablets [attempting suicide].’

The *manner* of social landlord intervention had significantly affected the interviewees. Marie’s rent arrears predated the bedroom tax, and had arisen from a housing benefit stoppage when her son was seriously ill in hospital, but were increasing because of the £23 a week ‘bedroom tax’. Marie had high heating costs because of debt and disability, and she had received a visit from the housing officer:

> ‘She went, “… as long as you’ve got a roof over your head, nothing else is priority”. And I went, “So you’re telling me I have to sit and starve, have no water and no food, no gas and no electric, as long as I pay my rent?” … I thought, for someone in authority as you are, you should have helped me.’

Marie highlights the social landlord’s moral ‘responsibility’ to recognise her material hardship, and illustrates the unequal hierarchical relationships found in the micro-analysis of poverty where ‘someone in authority’ tells you not to prioritise food and warmth.

> ‘Every night I was going to bed thinking, are they just going to come and put the shutters on, what about all my stuff, ‘cos my Mam bought me it all, so now it’s even more precious, because she died suddenly. And you watch on programmes where they just shot everything on the road… and that proper got in my head, and that’s what I was thinking… where would I go… and last year, when I was really poorly with my pains and everything else… I took an overdose because I couldn’t cope.’

For Sandra, a 59-year-old carer, ‘under-occupying’ her family home of 30 years, the bedroom tax provoked ‘resistance’.\textsuperscript{14} Sandra was recovering from surgery for breast cancer and chemotherapy and had been phoned about missed payments:

> ‘I don’t pay it. I’m in arrears with my rent [laughing sarcastically]. I can’t, not on what I get [£90 per week] … I mean you worry where you’re going to get the money from, but I didn’t have it so I couldn’t pay it. I’d have had to do without gas, food to pay it and I wasn’t going to, was not prepared. They can put me out, I’m not bothered. I’m not bothered, and I’m still not.’

Sandra’s social landlord will not move her to a smaller home because of her rent arrears of £700 and the ‘property condition’. She is in a catch-22 situation, where the effect of the policy had rendered her unable to ‘downsize’ – the policy’s supposed aim.
Marie and Caroline, who were also caught in this ‘bedroom tax’ trap, had received several six-month awards of discretionary housing payments from their local authority over a four-year period, accruing rent arrears in between. Although guidance to councils suggests longer-term awards of discretionary housing payments for disabled people whose homes are ‘particularly suited’ and who may suffer undue distress, no such protection had been afforded to Marie, who relied on nearby family for care, or Caroline, who had a medical need for her ground-floor home.

The application process should not be too difficult for claimants, according to official guidance, but one council required two weeks’ proof of all expenditure. This had deterred Nicola, who had £120 a week rent to find as a result of the benefit cap:

‘You have to take all your receipts in… no point me getting more benefits when I’m managing okay, but… I don’t really manage that well… and I don’t know if it’s still only 12 weeks.’

This spending scrutiny arguably introduces an ‘overtly moral criteria’ of deservingness into financial support for housing.

According to the government, a localised safety net including discretionary housing payments will address the underlying causes of need, but the underlying cause in Gary’s case was long-term unemployment and the precarious local labour market. A benefit-capped unemployed father of four, he had successfully navigated the discretionary housing payment process with the social landlord’s help. Having been offered no additional help from the job centre, other than the advice to search online, Gary had exercised the only agency available to him as ‘it was getting close to [eviction action] if we didn’t get it sorted.’ He was strongly resistant to charitable welfare:

‘I really think that to have something like that in [town] it’s embarrassing. How can people have to go to them?… it’s got to be an embarrassment going to a food bank… that’s how I’d feel, yeah.’

Louise, a lone parent with six children who had fled horrific domestic violence, had received a discretionary housing payment which reduced gradually over a period of weeks. The intention was to soften the impact of the cut, but the outcome was confusion:

‘They ring you and say, “Look you’re in arrears”… one minute it was £85 per week and the next minute it was £50 odd and then it went back up… and I said, “How much am I supposed to be paying?… I’ve got kids, I don’t want to lose the house”.’

The discretionary housing payment had reduced the rent arrears, but not the sense of insecurity. For longer-term help, Louise would have to meet the ‘localised conditionality’ of her council’s policy of prioritising families who are looking for employment, but this was not realistic for Louise with a 10-month-old baby.

Variability in local decision making was highlighted by three cases where a lump-sum discretionary housing payment had been awarded by a ‘fast-track’ process which directs year-end funds at people most at risk of eviction. Although rent arrears had been reduced and legal action averted, this illustrates the shift of emphasis away from everyday housing security towards crisis prevention. It also ‘offloads the exercise of negative discretion’ from the national benefits system to local councils. The shortcomings of discretionary housing payments are best summarised in the dissenting judgment of Lady Hale in the Carmichael ‘bedroom tax’ case:

‘It is discretionary, cash-limited and produces less certainty; it has a stricter means test; it offers different and less attractive routes of judicial challenge; it can be onerous to make applications; and it encourages short-term, temporary and conditional awards.’

All interviewees were also affected by the freeze in benefits at 2015 levels, and the localisation of council tax benefit in 2013, which resulted in their having to find minimum payments they were previously considered ‘too poor to pay’.

They employed a range of tactics, including ignoring council tax demands, borrowing from loan sharks, relying on relatives and using food banks, which they found ‘degrading’. Peter had hidden his uninsured car on his sister’s drive, to avoid its being towed away. Jackie, whose washing machine was broken, was too ashamed to take laundry to her son’s house (‘It’s awful… I said you’re not looking at my knickers!’). The impact on children was highlighted by Gary who could not pay for his son’s school trip to London or football training; Nicola who had cancelled her daughter’s gymnastics lessons; and Karen, who called her monthly universal credit her ‘pot of gold’, but did not even...
have enough money left to get to hospital in an emergency.

While government rhetoric links benefits to individual choices, the respondents had endured difficult life experiences entirely outside their choosing, including ill-health, bereavement, relationship breakdown, and (for six of the nine women) domestic violence or sexual assault. Furthermore, the disabled people also faced the insecurity of sickness and disability benefit reassessments. Marie feared her income being reduced to ‘bare dole’ of £73 a week should she be found ‘fit for work’ in her forthcoming work capability assessment – a well-founded fear, given the fact that the assessment process and criteria are known to be inaccurate and problematic. Caroline, who has multiple chronic physical and mental disabilities, has had this happen twice, each time winning her employment and support allowance back at appeal, but each time at risk of eviction. The interaction of welfare reforms with housing security means that people with disabilities are ‘squeezed from all sides’, rather than ‘the most vulnerable and needy in society’ having been protected from welfare reforms, there seemed among those affected to be a prevalence of people in extremely vulnerable situations.

Conclusions
This research highlights ways in which increased conditionality and discretion changes the nature of social and housing security in the UK. Although still housed, people could not afford to pay their rent and council tax as well as find money for the basics to eat and to keep warm and clean. They fall into the recently defined category of ‘the new destitute’, citizens who were previously protected by the welfare state before their entitlements were reduced below subsistence income levels. Although the social landlord aimed to re-establish payments rather than end tenancies, the fear of eviction had a negative impact on tenants’ mental health. Instead of experiencing the ‘simplification’ supposedly offered by welfare reform, on turning to discretionary and charitable welfare, they met an additional layer of administrative complexity. Their collective unease on discovering their limited access to basic rights was articulated by Marie about using a food bank: ‘Never in your life do you think you’re going to go as low as that.’ While the threshold of legitimate needs and provisions may remain contested, urgent action is needed to reinstate social and housing security.

Sarah Batty is a welfare rights specialist who completed this research for an MA in Social Policy at the University of York. With thanks to Professor Peter Dwyer, FINCAN and Thirteen Housing Group.

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