

# **The impacts of welfare reform in Oxford**

**A report to Oxford City Council from the Centre for Economic and Social Inclusion**

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## Executive summary

The Centre for Economic and Social Inclusion (*Inclusion*) was commissioned by Oxford City Council to assess if there are impacts in Oxford of reforms to the welfare system that have been introduced since 2010 that the City Council has no visibility of, or that will face the City Council in the future.

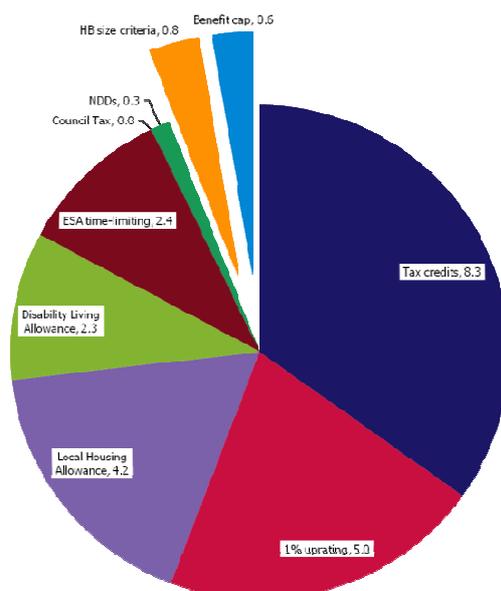
### The financial impacts of welfare reforms in Oxford

By 2015, we estimate that the cumulative financial impact of welfare reforms in Oxford will mean that households claiming benefit will be on average **£1,594 per year (£31 per week) worse off** than would have been the case without reform.

We estimate that this will be felt by **14,950 households in Oxford**, around one third of all households of working age. 60% of these (8,800 households) will be households where someone is in work.

The impacts of specific reforms are set out in the Figure below. We find that in Oxford – in common with almost all other areas – the reforms with the largest impacts are those that affect the most claimants.

**Figure 1 – Breakdown of money removed from benefits in 2015/16, Oxford (£ million)**



Source: HM Treasury and Inclusion calculations

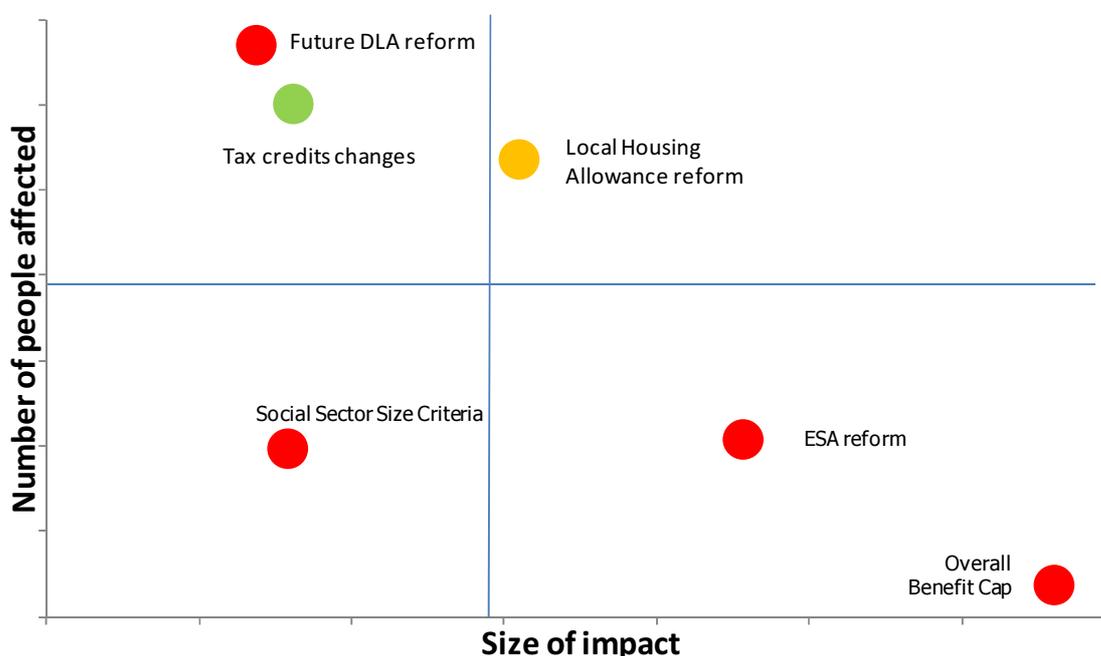
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The Social Sector Size Criteria (commonly known as the Bedroom Tax) and the cap on the total amount of benefits that a household can receive (referred to as the 'Overall Benefit Cap' in this report) account for about one pound in every twenty that is being removed from local households as a result of welfare reforms.

Figure 2 below sets out the estimated numbers impacted by individual reforms and the size of those impacts on those households. In addition to this, we have 'colour coded' reforms based on claimants' potential resilience to deal with the impacts.

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**Figure 2.2 Overview of financial impact of welfare reform**



Source: HMT and Inclusion calculations

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## The impacts for different groups

Limitations in data mean that it is not possible to systematically assess the impacts of reforms cumulatively for different protected groups. However our analysis identifies two particular groups of concern: disabled people and lone parents.

One fifth of the total financial impact of welfare reforms will be accounted for by the replacement of the Disability Living Allowance (DLA) with a new Personal Independence Payment (PIP) and by time-limiting of the Contributory element of Employment and Support Allowance (ESA), while disabled people are more likely to be affected by the Social Sector Size Criteria (commonly known as the Bedroom Tax) and more likely to be in the Local Housing Allowance (LHA) system (where there are

rising gaps between rents and the amount paid in Housing Benefit). Those affected by multiple reforms – and specifically **DLA** or **ESA** claimants affected by Housing Benefit changes – are likely to be particularly disadvantaged.

Lone parents are particularly impacted through tax credits reforms. There are 2,400 fewer working households receiving tax credits than four years ago and many of these will be low income lone parents. Around one third of those affected by LHA reforms and one in five affected by the Social Sector Size Criteria are lone parents. Families, and particularly larger lone parent families, are also more likely to be affected by the Overall Benefit Cap.

### **Oxford: recovering labour market, hot housing market**

Oxford's labour market strength means that a relatively smaller proportion of residents claim out-of-work benefits than in many other cities, and a very small proportion of these are unemployed. However, more than half of Oxford claimants are claiming benefits due to ill health or disability and nearly three quarters claim either these benefits or lone parent benefits. Therefore Oxford claimants are more likely to be disabled, have health conditions or caring responsibilities – and so more likely to be further from work.

Alongside this, Oxford continues to be among the most expensive places to rent (or buy) property in the country – with an average rent of at least £1,150 per month, putting it in the top 5% of most expensive areas outside London. This means that those impacted by benefits reforms face significant cuts as no account is taken of the particular problems of the housing market locally. This also means that many more working households are drawn into the Housing Benefit system and then into welfare reform. There are 3,600 households in the Private Rented Sector claiming Housing Benefit, with around 40% of these being working households.

The shortage of affordable housing is a contributing factor to entrenching disadvantage in the social sector. Housing Benefit claimants are overwhelmingly in the social rented sector, and within this they are overwhelmingly out of work.

### **Local impacts of reform**

The south of the City (Northfield Brook, Blackbird Leys, Littlemore, Rose Hill and Iffley) and Barton and Sandhills in the North East are facing the most significant impacts of reform, with the largest proportions of the population on benefit. In the south we find predominantly social rented households, with 60% of residents

reporting health conditions or disability<sup>1</sup>, and high numbers of lone parents. In Barton and Sandhills we find greater risks of impacts from private rented reforms, but again large concentrations of disabled people and lone parents.

In addition St Mary's, St Clement's and Cowley Marsh are likely to be areas with large impacts from LHA reforms – with between a third and half of households renting privately and above average proportions claiming benefits.

Importantly, the impacts of welfare reforms are set to continue to grow – particularly as the impacts of existing measures ratchet up over time, as living costs (including costs of renting) continue to rise faster than benefits. In addition new reforms like the reassessment of DLA claimants will begin to take effect – so far the affects of these particular changes are only just beginning to be felt by households in Oxford.

### **The impacts of reform on residents**

Forty in-depth, face-to-face interviews and three focus groups were conducted with Oxford residents. This research identified three key groups where impacts have been felt distinctly differently and where there appeared to be different support needs.

#### **Households where one or more members were disabled**

Over half of those interviewed were either claiming or had tried to claim Employment and Support Allowance. This group had some significant barriers to work and it was common for them to have been on long-term Incapacity Benefit (a benefit for those with a work-limiting health condition or disability) and its replacement benefit, ESA. They were generally older and more likely to be single with no children living at home.

Within this group, being found 'Fit for Work' as a result of a Work Capability Assessment was a key cause of distress and financial hardship.

Impacts were further exacerbated for disabled households affected by the Social Sector Size Criteria. Often these respondents had spent long periods out of work, and this was the first change to their income in a number of years.

Many people were very concerned about leaving their family home or the local area within which they had built up a social network and had family.

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<sup>1</sup> Source: Census 2011

## **Lone parent families**

As a whole, households with children were more likely to report that they were struggling with rising costs of living – and in particular having higher costs for food, heating and housing. These impacts were felt most strongly among lone parent households. These were generally younger households, some reported that they had a disability, and in some cases one or more of their children had a disability or ill health.

Lone parents were a more diverse group in terms of reform impacts. Common reforms included: the Social Sector Size Criteria changes, the Overall Benefit Cap, the changes to Local Housing Allowance and having benefits stopped or reduced for failing to meet conditions (known as 'benefit sanctions'). Lone parent households were also very likely to be impacted by multiple benefits reforms.

## **Single earner households**

This was a smaller and more diverse group, with a range of different ages and housing tenures. None reported having a health condition or disability. These households were on low incomes, either due to working part-time hours or work that paid National Minimum Wage. The fact that benefits and wages had not increased in line with costs of living was a key contributor to financial hardship.

These households were generally more resilient, but reforms increased the pressure to juggle and prioritise within family finances. Many of them had been coping with growing gaps between rents and Housing Benefit since 2011 and so had become accustomed to managing this. There was a strong sense of frustration and anger from these households. Families felt undeserving of reductions to their benefits at a time of rising living costs.

## **The impact of housing tenure and tenancy type**

Across all of these, living in the Private Rented Sector (PRS) itself was a key indicator of larger impacts of welfare reform. Respondents were often using a significant proportion of other income, including benefits income, to cover their rent. Those interviewed in the Private Rented Sector were a very diverse group – including lone parent families, working families and couples with older children.

## **Sanctioning**

Only six of those interviewed were claiming Jobseeker's Allowance, however almost all of them had been sanctioned at some point. The financial impact of sanctioning

for all respondents was significant. The length of time they had been sanctioned for obviously also had influence on the financial impact and their income.

## Impacts on health, wellbeing and living standards

Residents were asked how the reforms had made them feel. The most common feeling was hopelessness – that the situation was out of their control. This was often combined with stress, worry and fear.

It was common for respondents across all key groups to say they were skipping meals and not heating the house to reduce their outgoings. Many of those who had children reported that they were eating less in order to ensure that their children were able to eat regularly.

Overall, welfare reform has led to a reduction in the quality of life of residents interviewed. The changes have led to a great amount of stress and anxiety about their current financial situation. For many, this has had a knock-on effect on their health – particularly for those who are already experiencing health conditions. In general, our research has found that residents feel a sense of hopelessness and lack of control over the financial impact of welfare reform.

## Increases in demand for support

In-depth interviews were conducted with nine local stakeholders to explore the impacts of welfare reform on local services, while a further 18 completed an online survey. Respondents stated that demand for services has increased markedly in the last three years. As a result, they reported a number of changes in the way services are delivered. The most common approach has been for advice agencies to prioritise those in most need of support and signpost others who they feel will be able to deal with less intense support.

Agencies reported that in particular they had seen more people seeking support who are disabled or who have health conditions – particularly those needing support with applications for ESA – and more people seeking support from the social rented sector. It was also reported that more people seeking support had anxiety, depression and other common mental health problems.

## Responding to welfare reform

We found a clear set of drivers that had a bearing on the ability to cope with reform:

- **Rising costs of living.** Almost all reported that this was driving them to reduce expenditure. Rising costs of food and utility bills were most commonly cited.

- **Social networks.** Participants who had weak networks of family or friends felt very isolated, were less likely to understand impacts, more likely to be struggling, and more likely to report negative impacts on health and wellbeing. Conversely, participants who had strong networks –in particular family and peers – often called upon them to provide financial, emotional and advisory support.
- **Language and literacy.** Where participants had poor levels of literacy, communication about changes to benefits were often less well understood. As a consequence these participants had often not sought support because they did not understand what reforms they had been affected by or what support was available. For those with English as a second language, this was often compounded by nervousness around explaining their situation and needs verbally.
- **Drugs and alcohol** and other dependencies. A number of participants reported that these had an impact on how they dealt with the changes to their benefits. For some, this meant they did not feel they could also cope with reforms that they were being affected by.

## How residents are responding

Respondents have coped with welfare reforms in three main ways: economising; borrowing money from family and friends and claiming Discretionary Housing Payments. The most common approach was to economise. Where this was not possible, residents often borrowed money from trusted family and friends. This was often small amounts of money that they knew they'd be able to pay back.

Discretionary Housing Payments were common among affected by the Social Sector Size Criteria and the Overall Benefit Cap. At the time of the fieldwork (January to March 2014) none of those who had received the payment had done much to change their circumstances..

## Where residents have gone for support

Residents had gone to a range of organisations to access support. The most common places visited were local advice centres and the Citizens Advice Bureau.

Many residents had accessed financial support from the Council. However those who had not accessed this support, and in some cases those that had, were not averse to accessing financial support from the Council in future. The general consensus from respondents was that if they were made more aware of what financial assistance was available they'd be more likely to seek support.

## Support needs

The research with residents suggested four practical support needs, around:

- Financial support – to cope with the loss of income from benefit changes, and to budget and manage finances;
- Housing support – both for those accessing DHPs (who at the time of the research were often doing little to move home) and others in the Private Rented Sector (who were often very keen to find cheaper, more secure accommodation but were not accessing support to do so);
- Employment support – even those who were on benefits due to ill health or caring responsibilities feel they may be able to work if they had specific support, although many residents were concerned about moving into insecure work and leaving the perceived security of the benefits system;
- Navigation – some participants were very confused about benefit changes and often felt it would be useful if they could access support from someone who could explain these clearly and where they could go for support.

In addition for those residents who appeared to have increased levels of anxiety and whose mental wellbeing had deteriorated, there is likely a case for increased support from mental health services.

## Reaching the limits

Many households were concerned about their ability to deal with impacts in the longer term, and about future cuts tipping them over the edge. This was particularly the case for households where no one was in work, as they have no means of additional income to support them.

Our research identifies extensive impacts from welfare reforms and strong indications that those impacts will grow over the coming years.

## Facing the future

We consider that it is highly likely that without preventative measures to support residents, reform impacts will ratchet up in the future – with growing numbers needing support to manage debt and financial crises, combined with claimants impacted by new reforms. We consider that there are two key pressures:

- **Growing gaps** – between household finances and living costs, particularly in the private rented sector but also as arrears and debts increase for those in the social sector. The needs here are likely to be around financial management and building resilience.
- **New reforms** – particularly with Universal Credit and rollout of the Personal Independence Payment. These are complex administrative changes and likely to be stressful and disorientating. Support needs here will be around navigation and understanding.

At the same time, we identify that many residents are a long way from being able to take steps to actively mitigate the impacts of reform – through finding work, moving home or improving financial management.

We consider that there are four key areas where the Council and partners should focus efforts in developing their strategy for welfare reform.

It should not be the responsibility of the Council alone to develop and implement these proposals, if they are accepted. Most or all of them would require buy-in from a range of organisations, as well as their active involvement. We would therefore recommend that for those proposals that are taken forward the Council establishes small 'task and finish' group involving relevant lead officials and partners (housing associations, Jobcentre Plus, advice agencies, etc) to lead their development.

## Monitoring

### 1. Explore the scope to develop a monitoring 'dashboard'

This dashboard should capture both:

- The direct impacts of reform – e.g. shortfalls between rents and HB from the Single Housing Benefit Extract (SHBE), sanctions and disallowances from DWP data, numbers affected by the Overall Benefit Cap and Social Sector Size Criteria from DWP data; and
- The consequences – including rent arrears data from social and private landlords, evictions data, demand for services from advice agency and partner data, and so on.

This should be aggregated data – not personal data – which ideally could be collated into a small number of headline indicators and then broken down into geographical and demographic groups in order to monitor reform impacts.

## Identification

### 2. Build on existing triage tools to assess residents' needs across all welfare reforms – the INTRO model

The Council has done extensive work to develop a triage tool for prioritising support as part of its welfare reform pilots. This research, and discussions at the workshop on 10 April, point to five key parameters for a new assessment tool, which we summarise as the INTRO model:

- **Impact** – understanding what reforms residents are impacted by and the financial impacts on them and their household
- **Needs** – what support residents may need to manage or mitigate impacts, including support with housing, debt, managing health, improving skills, securing employment
- **Type of family** – lone parents and disabled people are likely to be priorities for support, other potential priorities could include families with children in local schools, those with adapted homes, low income workers
- **Resilience** – specifically including their access to support networks
- **Options** – for some families, even with intensive support, their options may be quite limited – so assessment needs to be able to identify those options and then tailor support around them

An assessment or triage approach would need to be sophisticated enough to prioritise households against these different parameters and then use this as the basis for appropriate signposting or referral to more specialist support.

### 3. Explore whether a common approach can be developed across agencies to identify priority groups, underpinned by data sharing

This could work as a 'front end' and lighter-touch assessment of need as part of the INTRO model above when residents come into contact with services and have clear impacts as a result of welfare reforms. Alternatively (or alongside this), there may be scope to develop a 'No Wrong Door' model, as has been applied in some other local areas.

## Engagement

### 4. Develop an information sheet with key contacts for support services

This could then be used by a wider range of services and agencies, as well as by local authority staff and on the doorstep by Councillors, as a relatively light-touch way of signposting residents to additional support.

### **5. Work through communities and local services to engage those further from support**

There may be scope to learn from examples where community champions and peer mentors have been used to disseminate information and engage vulnerable groups, and to link up with the Council lead who is looking at how to engage communities that do not access Council services and with regeneration activity.

### **6. Build on 'Benefits in Practice' to reach those with health conditions and disabled people**

'Benefits in Practice' is a model being deployed across the County to co-locate benefits advice within GP surgeries. Disabled people and those with health conditions are likely to be a key group for engagement, particularly with the prospect of the rollout of PIP, and Benefits in Practice may provide a straightforward model to build on.

## **Delivery**

### **7. For priority groups, explore the scope for integrated case management through a 'key worker' model**

This could include greater joint working and planning with DWP and local colleges, co-location of advisers, joining up between health services and employment services, and working in partnership with housing associations. This could be done most easily for residents that are already engaged with services through a 'key worker' approach that then looks to join up and pull in wider support as needed. This could build on the good practices within the City's welfare reform pilot.

### **8. Try to build in follow-up activity as well as signposting and referral**

Residents are often signposted to other services, but not generally followed up after referral. We would advise that for those identified as priority groups, the Council builds in light touch follow-up with agencies to identify whether they have received support and/ or resolved their issues. If not, they should be prioritised for case management.

### **9. Jobcentre Plus should look to provide case-managed adviser support to residents who claim JSA and have significant welfare reform impacts**

It makes sense for Jobcentre Plus to lead on case managing those impacted by reforms who are also within the JSA regime. This would require some re-prioritisation of resource and close co-operation and working with the City Council.

**10. Build on existing employment and support and focus this on residents impacted by welfare reforms**

There is a range of activity going on within the City. Many of those targeted for this support will also be priorities for support with welfare reform impacts. Therefore there is potentially scope to more closely target this support.

**11. Explore the scope to work with City College to provide short, focused training as part of the offer to residents**

This could include short, focused training to priority residents on employability, confidence and motivation, jobsearch techniques, budgeting and financial management and other areas that may support employment and generally greater resilience.

**12. Ensure that links are made with wider strategy and policy work within the Council**

The workshop identified a plethora of strategies and policy areas where there were likely to be links across to supporting residents affected by welfare reforms. It will be important to consider within each of these both the impacts of welfare reform, and the scope to support affected residents through those strategies.

**13. Explore the scope for integrated casework for debt and arrears**

One potential quick win, which would likely save the Council in the longer term, would be to have a more integrated approach to case managing those who are flagged as having multiple debts across Council services.

**14. Develop the cost-benefit case for additional investment in managing reforms**

There is likely to be a clear fiscal case for engaging more systematically, through a 'key worker' approach, with those facing larger reform impacts. There are opportunities to engage with central government on this, and given funding constraints and the potential impacts down the line as gaps grow between benefits and living costs, there would be a strong argument to develop a cost-benefit case for greater local control over funding to support case managed support for residents. This has also been flagged as a priority within the City's Financial Inclusion Strategy.

### **15. Take the opportunity of the Local Support Services Framework**

Oxford is ahead of many other authorities in considering and preparing for the impacts of Universal Credit. The Council should continue to explore how it can make the most of the Local Support Services Framework, as an opportunity to join up support services and support residents most likely to be impacted by reforms.

### **16. In the longer term, ensure that the need for affordable housing for low-income workers is a clear part of the planning cycle**

Many of the most pressing issues identified in this research are a housing problem – housing is unaffordable for those on low incomes including low earners, and this affordability problem will spread. Many of the steps above will help residents to manage these impacts in the short to medium term. However in the longer term, there needs to be a clear focus on how housing strategy and the planning cycle can increase the supply of affordable units for low-income working families.

### **17. Develop the 'Oxford offer'**

Finally, it is important to note that we found very strong buy-in to support residents affected by reforms across Council services, the voluntary sector and other agencies. We also found many examples of good practices and a strong commitment to testing and improving services. In the longer term, there is scope to pull all of these elements together – across monitoring, identification, engagement and delivery – into a compelling 'Oxford offer' for residents that claim social security benefits and that need support to move on and move up.

# 1 Introduction

The Centre for Economic and Social Inclusion (*Inclusion*) was commissioned by Oxford City Council to assess the impacts in Oxford of reforms to the welfare system that have been introduced since 2010.

## Aims and objectives

The broad aim of this research was to explore how residents have responded to changes in the welfare system, in order to provide the Council with recommendations on the design and delivery of future support and services.

## Research questions

Oxford City Council set out six research questions:

- 1 What is the cumulative financial impact on households of welfare reforms?
- 2 How have residents responded to these impacts, in order to afford their rent, household bills and food?
- 3 Where people have sought financial assistance, who have they gone to?
- 4 If they haven't approached the Council for support, are they likely to in the future, and if so when is this likely to happen?
- 5 What are the key actions that Oxford City Council should take to support people affected by welfare reforms?
- 6 Without any intervention by the City Council, how will these impacts change over the coming years?

## Methodology

*Inclusion* used a mix of qualitative and quantitative methods to address the research questions above.

## Data analysis

In order to understand the quantitative impacts of welfare reforms on Oxford residents, we have analysed a range of data, including the Census, Annual

Population Survey, administrative benefits data, and Housing Benefit data provided by the City Council. Our analysis focused on:

- Environmental changes – in particular how the housing and labour markets have affected both the impacts of reform and residents' abilities to deal with them;
- Benefit receipt –including changes to, and the composition of, claims for Housing Benefit, Jobseeker's Allowance, Employment and Support Allowance and Tax Credits; and
- Impact indicators –measures of direct impact (in particular estimates of those affected by the Overall Benefit Cap and Social Sector Size Criteria) and indirect impacts such as arrears and Discretionary Housing Payments.

### **Advice agency in-depth interviews and online survey**

We interviewed nine local stakeholders within agencies delivering advice and support to residents affected by welfare reform. A further eighteen local advice agency organisations took part in an online survey.

Both the in-depth qualitative telephone interviews and online survey covered:

- Organisations' responses to welfare reform
- Their views on the impacts of reforms on service users
- The effectiveness of local responses
- Views on the cumulative impacts of welfare reform
- Views on the Council response and the support available to deal with reforms

### **Qualitative in-depth interviews**

We also conducted 40 face-to-face qualitative interviews and three focus groups with Oxford residents who had been affected by welfare reform, making this one of the largest single-area studies of welfare reform impacts yet undertaken. Both the face-to-face interviews and focus groups explored the following:

- The characteristics of the household, including: geographical area, ages, housing tenure, types of benefits received and labour market status
- Direct impacts of welfare reform – including what reforms they are affected by and their feelings towards reform

- How they have responded to welfare reform
- Experiences of support and the impact of receiving support
- Attitudes toward Council support and whether they would need Council support (and specifically financial support) in the future

In order to capture experiences from a range of respondents, we took a number of different approaches to recruitment. The first, and main method, was by using a sample of Housing Benefit data records and recruiting directly from this. This enabled us to reach residents with a range of characteristics, many of whom were not in contact with advice agencies. We also used an opt-in approach, which involved advertising the research in local advice centres and recruiting via these agencies (all focus groups were recruited using this method).

### Outline of who was interviewed

All of the qualitative fieldwork was conducted between January and March 2014. The intention was to capture a broad range of residents who had been affected by different welfare reforms. The tables below provide demographic breakdowns of those who took part in the qualitative interviews and focus groups (forty-nine residents in total).

Research respondent demographics		Number of research respondents
<b>Geographical area</b>	Littlemore	16
	Blackbird Leys	15
	Barton	6
	Rose Hill	12
<b>Age</b>	16-25	3
	26-35	14
	36-45	8
	46-55	9
	56-65	11
	65+	4
<b>Household make-up</b>	Single household with no children	19
	Couple household with no children	8
	Single household with children	15
	Couple household with children	7
<b>Tenancy type</b>	Private rented sector	17
	Social sector	32
<b>Benefit type</b>	Jobseeker's Allowance	6
	Employment and Support Allowance	22

	Income Support/Incapacity Benefit	8
	Not on out-of-work benefits	13
<b>Working households</b>	Working households	12
	Non-working households	37

The table below outlines how many people were interviewed against the specific reforms that the research has focused on. Many of the respondents were impacted by multiple reforms.

<b>Reform impact</b>	<b>Interview and focus group respondents</b>
Social Sector Size Criteria	10
Local Housing Allowance reforms	17
Overall Benefit Cap	4
Temporary accommodation	3
Employment and Support Allowance time-limiting	3
Found 'Fit for Work' at Work Capability Assessment	4
Disability Living Allowance	13
Tax credits reduced	6
<b>Total</b>	<b>60</b>

## Options appraisal workshop

Following the fieldwork, we held an options appraisal workshop on 10 April with 20-25 staff representing Oxford City Council (policy and operational staff across housing, welfare reform, regeneration and customer services), the County Council, local advice agencies, Jobcentre Plus and Catalyst Housing. This was used to test findings and to develop the analysis and options presented in Chapter Five.

## Report outline

The rest of this report sets out our key findings and recommendations.

In **Chapter Two** we provide an overview of welfare reform in Oxford. This includes an assessment of the overall impacts, environmental factors, and trends in benefit receipt within the City.

**Chapter Three** then explores the impacts of reform on residents. This focuses on the key drivers that are associated with larger impacts on residents, and an assessment of the key groups affected by reforms.

In **Chapter Four** we examine how residents have responded to the impacts of welfare reform. This draws on both the research with claimants and the information from advice agencies.

Finally, **Chapter Five** summarises the key findings and sets out recommendations for the design and delivery of future support.

## 2 Welfare reform overview

### The financial impacts of welfare reforms in Oxford

The current Government's welfare reforms represent the most fundamental changes to the benefits system in a generation. While the reforms are intended to reduce dependency on social security and to encourage employment, they also play a key part in the Government's deficit reduction strategy – generating savings of more than £15 billion per year across Britain by the end of this Parliament.<sup>2</sup>

By that point (2015), we estimate that the cumulative financial impact of welfare reforms in Oxford will mean that households claiming benefit will be on average **£1,594 per year (£31 per week) worse off** than would have been the case without reform.

We estimate that this will be felt by **14,950 households in Oxford**, around one third of all households of working age (where the head of the household is aged 16-64). We also estimate that around 60% of these (8,800 households) will be households where someone is in work.

### The impacts of specific reforms

Looking at the individual impact of welfare reforms, we find that in Oxford – in common with almost all other areas – the reforms with the largest impacts are those that affect the most claimants. These are set out in Figure 2.1 below. Almost all of these have already started to take effect. Taking these in turn:

- **Changes to tax credits** have the single largest cash impact in Oxford, with £8.3 million being taken away by 2015/16. These reforms began in 2011 and predominantly affect low income working households – including reductions in the basic, 30-hour and childcare elements; increases in the child element; changes to working hours requirements, thresholds, disregards and withdrawal rates.
- **The uprating of benefits and tax credits** by 1% instead of the Consumer Prices Index, taking out £5.0 million from Oxford households by 2015/16. This lower uprating affects all the main benefits and began to take effect in April 2013. By increasing benefits by less than inflation it will further increase the gap between household income and living costs.

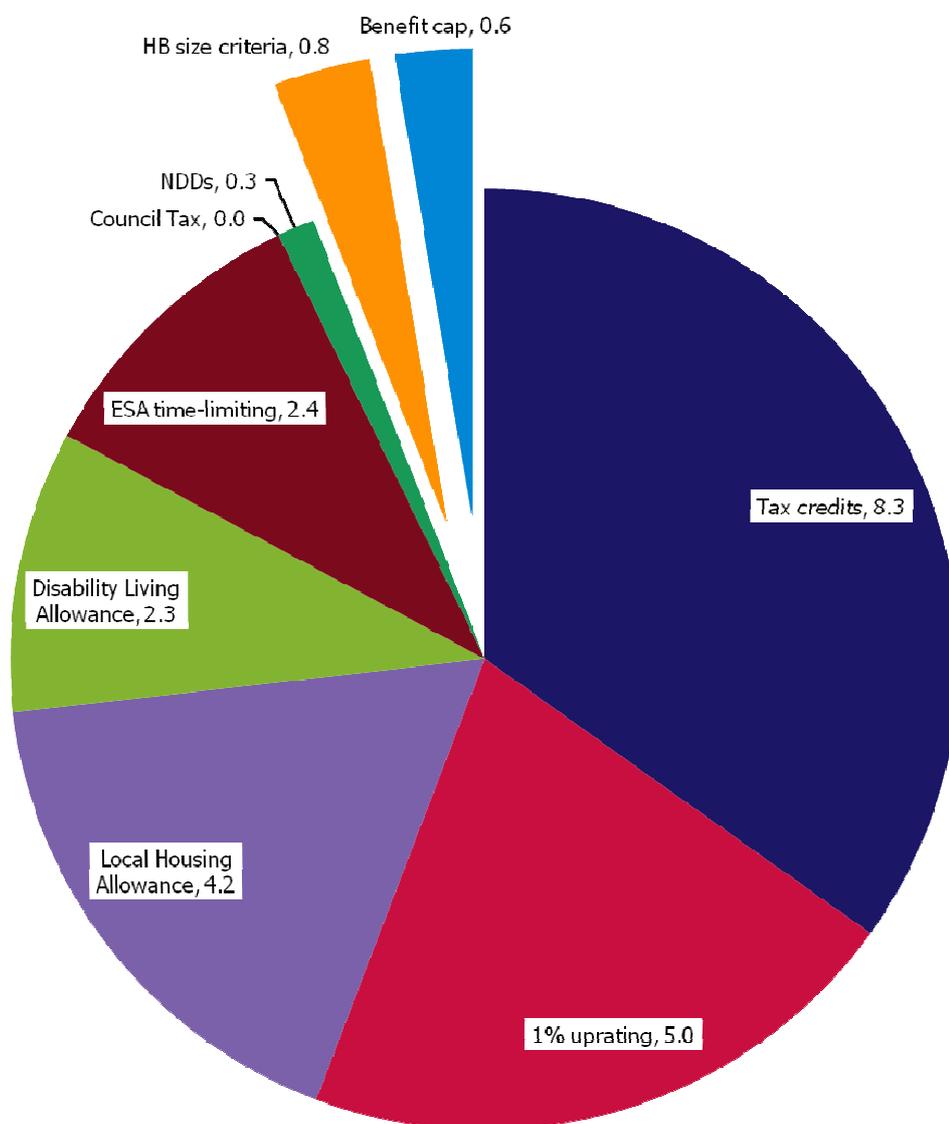
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<sup>2</sup> Source: HM Treasury and *Inclusion* calculations

- **Changes to Housing Benefit (HB) for renters in the private sector** which began in 2011: restricting the maximum Local Housing Allowance (LHA) payment to the thirtieth percentile of average local rents, introducing Housing Benefit caps, restricting HB to the “Shared Room Rate” for most claimants aged under 35, and changing the formula for annual increases in benefit. This will lead to reductions of £4.2 million locally by 2015/16, with far greater impacts in Oxford than in almost any other non-London authority due to very high rent levels.
- **The restriction of contributory Employment and Support Allowance (ESA) to one year** for claimants in the “Work Related Activity Group”, introduced in April 2013 and removing £2.4 million from claimants in Oxford. This mostly affects households where someone is in work or where they have other sources of income.
- **The replacement of Disability Living Allowance (DLA) with a new benefit** called the Personal Independence Payment (PIP), saving £2.3 million. PIP is now in place for all new claimants, with existing claimants of DLA due to be reassessed from late 2015.
- **The introduction of “size criteria”** for most Housing Benefit recipients in social housing, reducing awards by 14% where tenants are deemed to have one spare bedroom and 25% where they have two spare bedrooms – introduced in April 2013 and taking £800,000 from tenants in Oxford. This is commonly known as the ‘Bedroom Tax’ or the ‘Spare Room Subsidy’ – it is referred to as the Social Sector Size Criteria in this report.
- **The introduction of a cap on total benefit receipt** for most households where no adult is in work, of £500 a week for families or £350 a week for single people – also introduced in April 2013, removing £600,000 from these households.

In addition, there have been smaller changes to how Housing Benefit is reduced to take account of ‘non-dependants’ living in that property. The government’s localisation of Council Tax Support (and abolition of Council Tax Benefit) was also designed to provide government with a cost saving by reducing the benefits available. However, in Oxford the City Council has made the decision to continue to fund council tax benefit in order to support households in need. Therefore the cost of providing this benefit has effectively transferred from central to local government taxpayers.

**Figure 2.1 – Breakdown of money taken out of benefits in 2015/16, Oxford (£ million)**



Source: HM Treasury and Inclusion calculations

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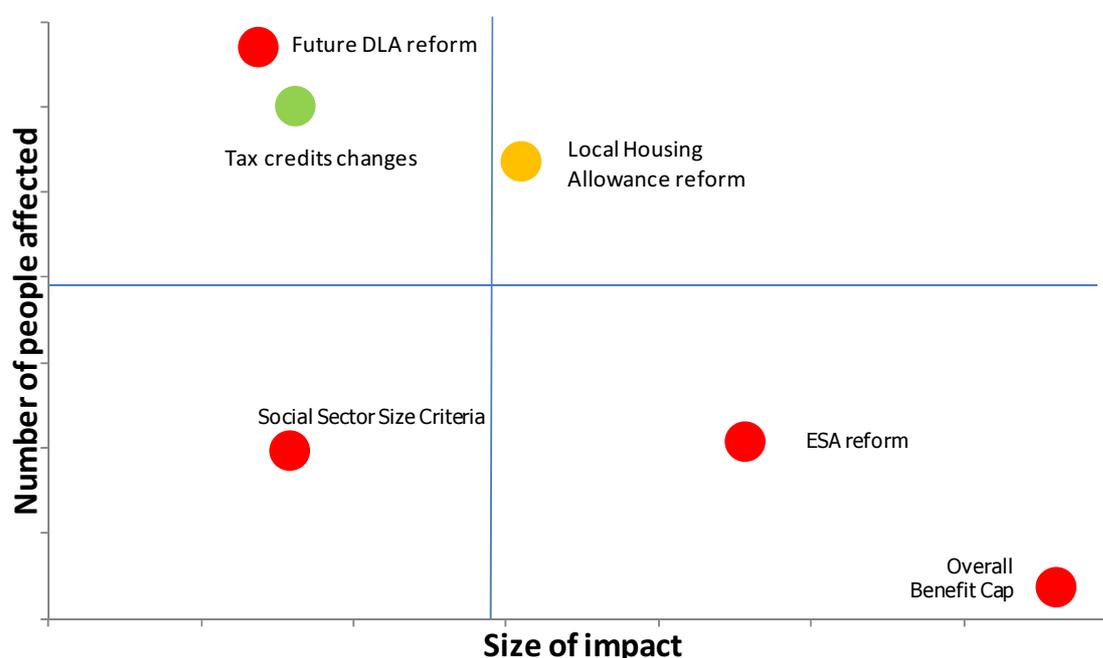
The impact of the Social Sector Size Criteria and of the Overall Benefit Cap are highlighted specifically, as these have often received the most significant local attention. However, combined they account for about one pound in every twenty that is being made as a result of welfare reforms.

## Size of impacts and numbers impacted

Figure 2.2 below sets out, based on our modeling, the estimated numbers impacted by individual reforms and the size of those impacts on those households. This gets below the headline financial losses described above to consider the likelihood and the impact of households being affected by welfare reforms.

In addition to this, we have 'colour coded' reforms based on claimants' potential resilience to deal with the impacts (which in part draws on the qualitative research later in the report).

**Figure 2.2 Overview of financial impact of welfare reform**



Source: HMT and Inclusion calculations

This analysis groups reforms into four:

- **High probability and high impact:** the LHA reforms, which we estimate will affect around 2,700 households and on their own will lead to cuts of around £1,500 per household in 2015/16. These impacts will likely continue to grow.
- **Low probability and (very) high impact:** the time-limiting of ESA, which we estimate will affect around 1,000 households and lead to losses of nearly £3,000 in

2015/16; and the introduction of the Overall Benefit Cap, where 144 households have been capped<sup>3</sup> and likely face losses in excess of £3,000

- **High probability, lower impact:** tax credit changes, where the number of working households receiving tax credits has fallen by 2,400 since 2010 (one third of the total<sup>4</sup>) with a likely average impact of around £800 per year; and the introduction of PIP which in time will affect most or all of the 5,200 residents claiming DLA – with potentially large impacts for those who are unsuccessful in claiming PIP.
- **Low probability, lower impact:** the Social Sector Size Criteria reform, affecting around 730 residents<sup>5</sup> with average losses of around £750 per year. However, as our fieldwork has found, many of these are vulnerable residents with limited scope to manage these losses.

### Wider welfare reforms

In addition to these main reforms to benefit rules and eligibility, we have also considered the impacts of wider reforms on residents, specifically:

- The reassessment of claimants of incapacity benefits under the new ESA regime. Of the 2,100 completed reassessments in Oxford, the large majority have been found to be eligible for ESA. However 350 claimants (one in six) were found 'Fit for Work' and so not entitled to ESA.<sup>6</sup>
- The impact of sanctions, where recent reforms have led to significant increases in the numbers of claimants losing benefit income, and increases in the duration of penalties.
- The future introduction of Universal Credit, which will replace the main means-tested benefits for those on low incomes in and out of work (Housing Benefit, Jobseeker's Allowance, Income Support, Employment and Support Allowance, Tax Credits) with a single benefit paid to the head of the household. Universal Credit will lead to significant changes in benefit entitlement for some households (particularly those with low earnings or with disabled people in them) but will also affect how benefits are claimed and paid. Oxford has been at the leading edge of testing this, through its Direct Payment Demonstration Project – which has been

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<sup>3</sup> Source: DWP Benefit Cap Statistics, January 2014

<sup>4</sup> Source: HMRC statistics

<sup>5</sup> Source: Oxford City Council, November 2013

<sup>6</sup> Source: DWP Work Capability Assessment statistics, March 2014

testing the payment of Housing Benefit in the social rented sector directly to tenants, rather than paying landlords as is currently the case.

## The impacts for different groups

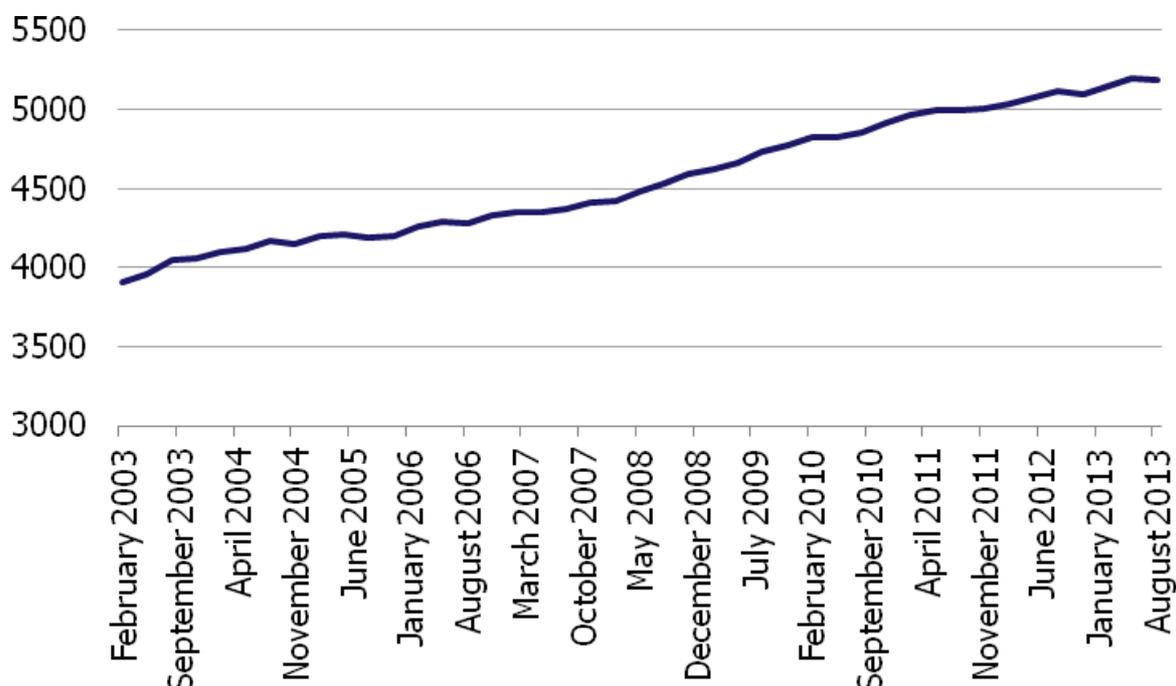
A common problem across all assessments of the impacts of welfare reform is understanding the impacts on individuals and households according to their characteristics – and particularly those with ‘protected’ characteristics such as age, disability, race and gender. Currently, it is not possible to say what the cumulative impact of reforms is for lone parents for example, nor to say how many households in an area face very large or very small impacts.

The reason for this limitation is that the source data to make these sorts of assessments does not exist – we do not know enough about the combinations of benefits that people in different places with different characteristics claim, and therefore the combined impacts of changes to those benefits. However, there have been detailed assessments of the impacts on protected groups of individual reforms, which are important and instructive for this research. These identify two particular groups of concern: disabled people and lone parents.

### Disabled people are disproportionately affected by many reforms

First, and most importantly, a number of benefit reforms are specifically aimed at disabled people and those with health conditions. In Oxford, we estimate that around **one fifth of the total financial impact of welfare reforms** will be accounted for by changes to DLA and to ESA.

Within Oxford, the number of people claiming DLA has increased steadily over the last decade – rising from 3,900 in 2003 to 5,200 residents in 2013. Three quarters of these are adults of working age, with around one in ten being children. This is set out in Figure 2.3 below.

**Figure 2.3 –Oxford residents claiming Disability Living Allowance**

Source: DWP statistics

Most or all of these claimants will in time be required to apply for the Personal Independence Payment. Currently, around 35% of new claims are successful which compares with around 45% under DLA. This difference (about 20%) is consistent with the savings figure that the Department has 'scored' against the introduction of PIP. The extent and scale of reassessment activity will far exceed what has been experienced under the reassessment of IB claimants for Employment and Support Allowance.

In addition to this, disabled people are identified as a key group more likely to be affected by the Social Sector Size Criteria<sup>7</sup> and a sizeable proportion of Housing Benefit claimants in the Local Housing Allowance system are disabled people (with the DWP Impact Assessment for the LHA reforms suggesting around one in five of those affected would be disabled<sup>8</sup>).

This suggests in particular that **disabled people affected by multiple reforms** – and specifically DLA or ESA claimants affected by Housing Benefit changes – are likely to be particularly disadvantaged.

<sup>7</sup> Source: DWP Social Sector Size Criteria Equality Impact Assessment, updated June 2012

<sup>8</sup> Source: DWP Local Housing Allowance reform Equality Impact Assessment, November 2010

## **Lone parents face larger impacts than most**

The nature of the large scale reforms to tax credits have particularly impacted on lone parents – by increasing the hours required in work before payments are made, and increasing the rate at which tax credits are withdrawn as earnings increase. No impact assessment has been published for these reforms, but it is highly likely that lone parents have seen the largest impacts. As noted, there are 2,400 fewer working households in Oxford receiving support through tax credits than four years ago.

DWP impact assessments of LHA reforms and of the Social Sector Size Criteria also suggest lone parents will be substantially impacted by these reforms – around one third of those affected by LHA, and around one in five of those affected by the Size Criteria. Families, and particularly larger lone parent families, are also more likely to be affected by the Overall Benefit Cap.

## **The Oxford context – recovering labour market and hot housing market**

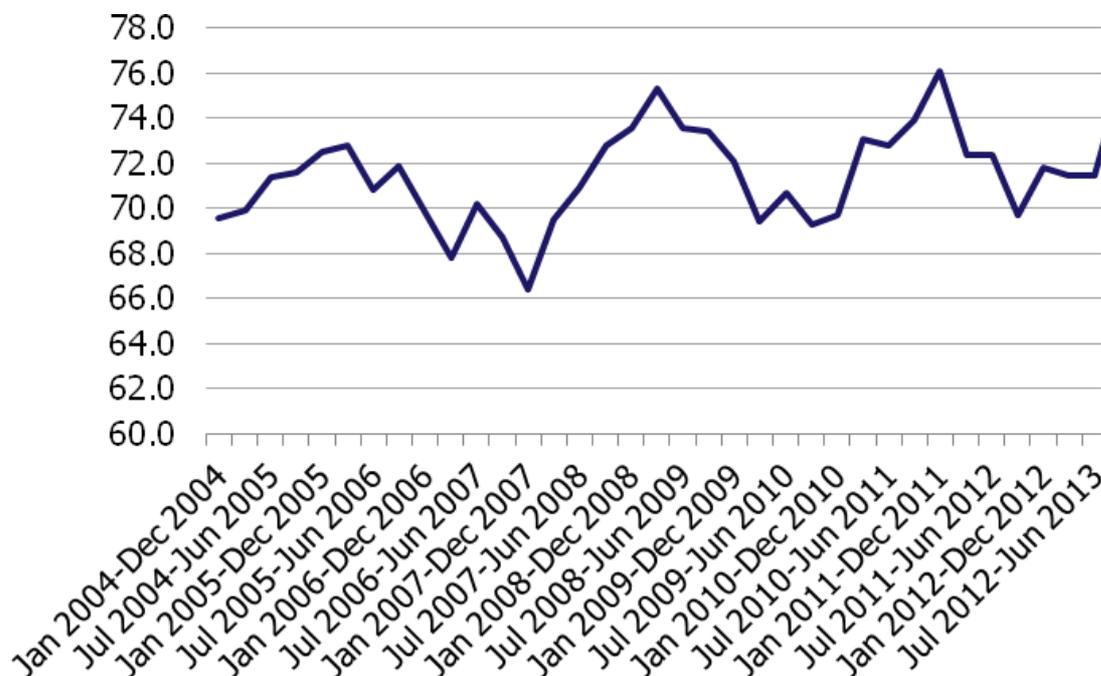
The impacts of welfare reform in Oxford are particularly affected by its labour market and housing market contexts. So there are likely to be particular challenges both in supporting tenants to find suitable accommodation, and in supporting them to find work.

### **A recovering jobs market**

Oxford has a strong labour market. Households are more likely to be in work and less likely to be out of work than compared with other parts of the South East.

**Figure 2.4** below shows that Oxford's labour market has been noticeably affected by successive periods of weaker and then stronger growth – with a sharp decline in employment with the recession (2008-10), strong recovery, decline again with the 'double dip' and more recent signs of employment increasing again.

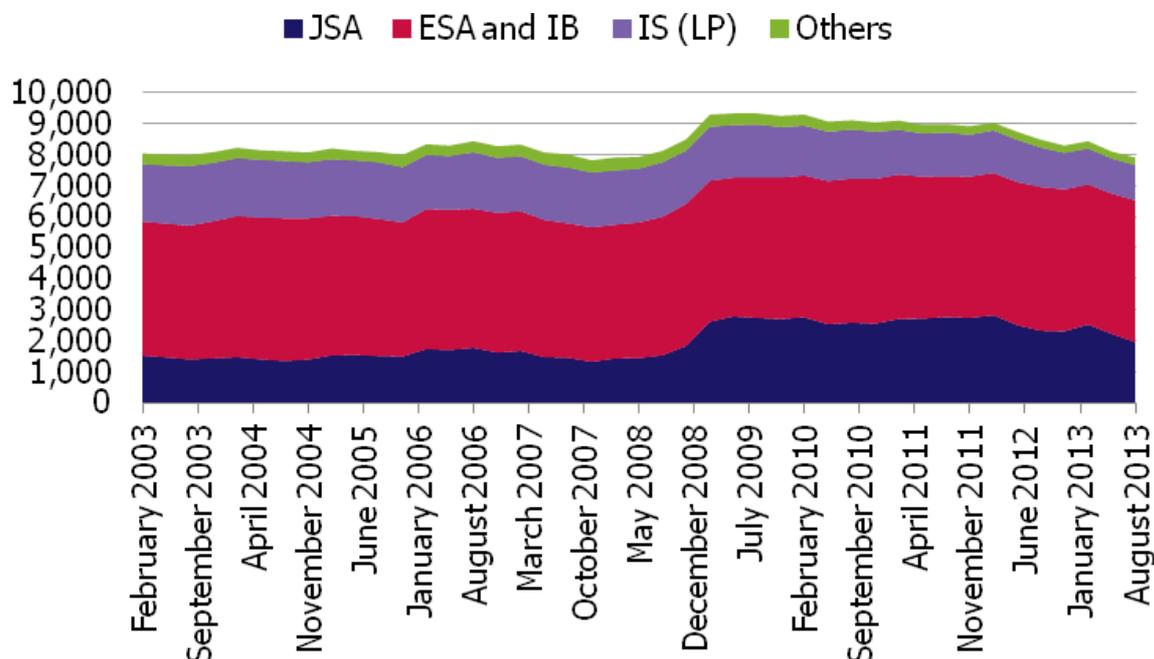
**Figure 2.4 – Oxford employment rate, Annual Population Survey estimate**



Source: NOMIS

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This labour market strength means that a relatively smaller proportion of residents claim out-of-work benefits than in many other cities, and a very small proportion of these are unemployed (claiming Jobseeker’s Allowance). However, one important consequence of this is that a very large proportion of those that are on benefit are claiming either Employment and Support Allowance or lone parent benefits. This is illustrated in Figure 2.5 below.

**Figure 2.5 – out-of-work benefit claimants in Oxford, August 2013**

Source: NOMIS

Overall, more than half of Oxford claimants are claiming ESA or incapacity benefits (IB), and nearly three quarters claim either these benefits or lone parent benefits. As a result, Oxford claimants that are out of work are likely to face greater challenges in returning to work – for example due to ill health or impairments, lack of recent work experience or other barriers to work. Those claimants are also likely to be disproportionately impacted by reforms that are particularly impacting disabled people and lone parents.

## A very hot housing market

Alongside this, Oxford continues to be among the most expensive places to rent property in the country – with an average rent of around £1,150 per month for the Local Authority as a whole (with city centre rents likely to be even higher)<sup>9</sup>, putting it in the top 5% of most expensive areas outside London. Average rents are fully one third more expensive than the wider South East. Average Housing Benefit for LHA claimants is £585 per month, rising to £795 with three or more bedrooms. This has a number of consequences.

<sup>9</sup> Source: Valuation Office Agency, Oct 2012 – Sep 2013

First, those living in the Private Rented Sector who are impacted by benefits reforms face significant cuts. For example on the Overall Benefit Cap, our analysis of census and rents data suggests that there are around 250 workless families with three or more children living in the Private Rented Sector, with average benefit incomes of around £530 a week. Clearly not all will be affected by the cap (as some will have incomes just below £500) but they likely make up a sizeable chunk of the 140 households in Oxford affected. Based on Local Housing Allowances, we estimate that the impacts of the Overall Benefit Cap for these families with three to five children would be between £50 and £200 a week.

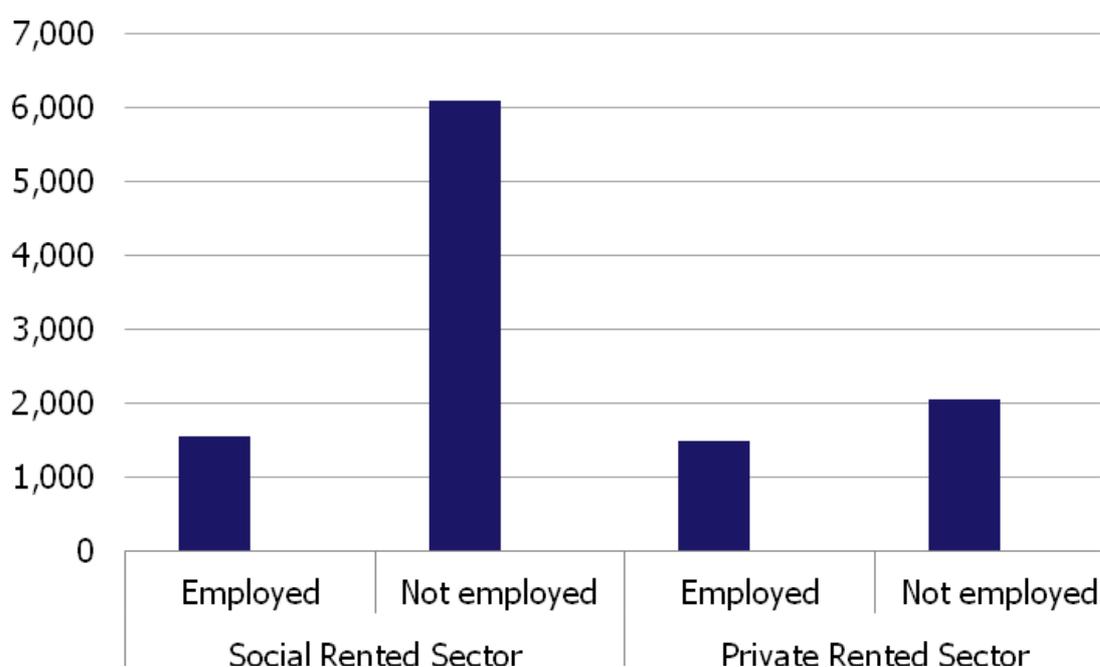
Secondly, high rents means that many more working households are drawn into the Housing Benefit system and then into welfare reform. In total there are 3,600 households in the Private Rented Sector in Oxford that are claiming Housing Benefit, with around 40% of these being working households.

Thirdly, the shortage of affordable housing in the Private Rented Sector is a contributing factor to entrenching disadvantage in the social sector – as those households in social housing cannot afford to move out, even where they work or are affected by benefit reforms.

Overall, as **Figure 2.6** below shows, Housing Benefit claimants are overwhelmingly in the social rented sector, and within this they are overwhelmingly out of work.

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**Figure 2.6 – Housing Benefit claimants by tenure and employment, Nov 13**



Source: DWP statistics

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Just under one in ten of these social sector households are impacted by the Social Sector Size Criteria, generally facing impacts of between £10 and £20 per week.

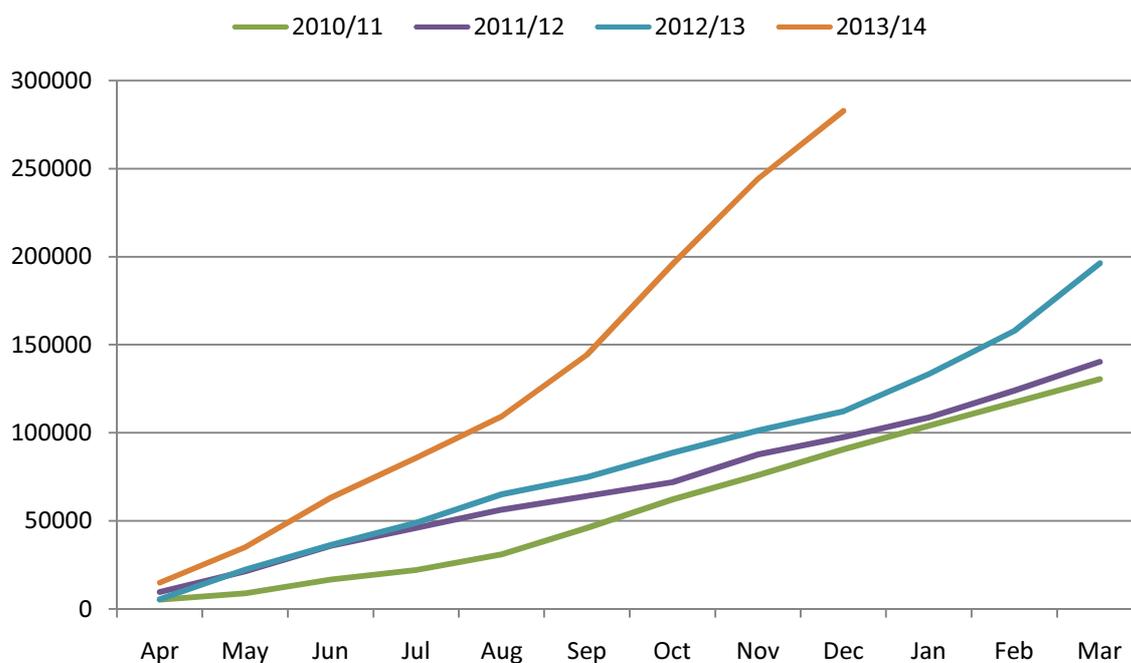
## The role of Discretionary Housing Payments

The use of Discretionary Housing Payments (DHPs) has increased significantly over the last year in particular, in response to the impacts of the Overall Benefit Cap and Social Sector Size Criteria. This is set out below.

Overall however, we estimate that DHPs are able to cover just £1 in every £7 of cash impacts from Housing Benefit reforms. This means that DHPs can at best provide bridging support for a small proportion of claimants impacted by benefit reforms.

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**Figure 2.7 – cumulative spending on Discretionary Housing Payments**



Source: Oxford City Council

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## The local impacts of welfare reform

At a local level, the impacts of welfare reform will depend both on the demographics of local areas and the extent to which residents claim benefits.

Figure 2.8 below shows the proportion of the population, to Ward level, that claim a DWP benefit (so an out of work benefit or DLA). The figures here range from less than 1% of the population (Holywell) to 19% in Blackbird Leys.

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**Figure 2.8 – proportion of population claiming a DWP benefit**



Source: NOMIS

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The largest proportions on benefit are in the south of the City (Northfield Brook, Blackbird Leys, Littlemore, Rose Hill and Iffley), with Barton and Sandhills in the North East of the City also high up.

Analysis of census data confirms that the same areas are also more likely to have disabled residents, lone parents and residents that live in social housing.

In **Blackbird Leys**, more than half of households (1,200) are in the social rented sector (with just one in ten privately rented), 60% of residents have a health condition or disability, and 9% are lone parents (400 lone parent households in total).

In **Northfield Brook**, there are similar proportions of households in social housing, with disabilities or health conditions and lone parents. As a slightly larger Ward, the total numbers in each category are slightly higher – with 500 lone parent households (just over half of which are in work) and 1,300 households in the social sector.

**St Mary's, St Clement's** and **Cowley Marsh** in the middle of the city, and Jericho and Osney in the West, stand out as areas with a very high dependence on the private rented sector – with between a third and half of all households privately rented. The larger impacts of welfare reform in the private rented sector are likely to be found in the three central Wards – where in each case between 7 and 9% of households are claiming a DWP benefit.

In **Barton and Sandhills** too, more mixed tenures means that there are likely to be many more households that are disadvantaged and affected by high rents in the private rented sector. Around one in five households are privately rented, but large numbers of disabled people and lone parents.

## The impacts of reform over time

Importantly, the impacts of welfare reforms are set to continue to grow – particularly as the impacts of existing measures ratchet up over time, as living costs (including costs of renting) continue to rise faster than benefits. In addition new reforms like the reassessment of DLA claimants will begin to take effect.

Our analysis for the LGA concludes that without additional support, only a very small proportion of households are likely to successfully mitigate their losses by finding work or moving home. This also reflects the emerging evidence on impacts of individual reforms so far, which suggest that very few claimants are successfully moving or working.<sup>10</sup> Our research below has similar findings.

Addressing these challenges over time, and particularly in the private rented sector, will continue to be critical.

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<sup>10</sup> See for example Beatty, C., Cole, I., Powell, R., Crisp, R., Brewer, M., Browne, J., Emmerson, C., Joyce, R., Kemp, P. and Pereira, I. (2013) *Monitoring the impact of changes to the Local Housing Allowance system of Housing Benefit*, DWP Research Report 838

## 3 The impacts of reform on residents

### Summary

We identify three key groups in our qualitative research:

- Households where one or more members were disabled. This group had some significant barriers to work and it was common for many to have been on long-term Incapacity Benefit. These households were generally older and more likely to be single with no children living at home.
- Lone parent families. Households with children were more likely to be struggling with generally rising costs of living. These impacts were felt most strongly among lone parent households. These were generally younger than couple and single households. Some participants also reported that they had a disability, and in some cases one or more of their children had a disability or ill health.
- Single earner households. This was a smaller and more diverse group of respondents. It included respondents of a range of different ages and housing tenures. These households were generally more resilient, but reforms increased the pressure to juggle and prioritise within family finances.

Across all of these, living in the Private Rented Sector itself was a key indicator of larger impacts of welfare reform. Respondents were often using a significant proportion of other income, including benefits income, to cover their rent.

Only six of those interviewed were claiming Jobseeker's Allowance, however almost all of them had been sanctioned at some point. The financial impact of sanctioning for all respondents was significant.

Overall, welfare reform has led to a reduction to the overall quality of life of residents interviewed. The changes have led to a great amount of stress and anxiety about their current financial situation. For many, this has had a knock-on effect on their health – particularly for those who are already experiencing health conditions.

Demand for services has increased markedly in the last three years. As a result there have been a number of changes in the way services are delivered to people affected by welfare reform. The most common approach has been for advice agencies to prioritise those in most need of support and signpost others.

## Mapping the impacts of welfare reforms

As Chapter Two sets out, we can make assessments of the impact of individual welfare changes on different areas and (to some extent) on people with different characteristics. However, simply describing the impacts on residents of specific welfare reforms misses two key points: first, that households can be affected by multiple different reforms; and second, that how reforms are experienced will depend on a range of factors – including family type (single or couple), whether anyone in their household works, whether there are children, housing tenure, whether anyone is disabled, and so on.

We have identified three key groups where impacts have been felt distinctly differently and where there appear to be different support needs, two of which are also identified in Chapter Two. They are:

- Families with one or more disabled person
- Lone parent families
- Single earner households

These three groups are taken in turn below. In addition, housing tenure – and specifically, living in the private rented sector – was identified as a key determinant of larger impacts of welfare reform. This is also set out below. The first part of this chapter explores the financial impacts of reforms, before assessing wider, non-financial consequences.

### Households where one or more members were disabled

Over half of those interviewed were either claiming or had tried to claim Employment and Support Allowance. This group had some significant barriers to work which were related to their health condition and it was common for many to have been on long-term Incapacity Benefit prior to their ESA claim. These households were generally older than others interviewed (usually over 45) and were more likely to be single with no children living at home.

Within this group, **being found fit for work** as a result of a Work Capability Assessment was a key cause of distress and financial hardship. Five of those interviewed had been found fit for work. As a consequence, their incomes had reduced typically by £29 per week, and they were now required to actively seek work and to attend regular meetings at Jobcentre Plus. Being found fit for work was associated with a sense of hopelessness and despair, highlighted by one respondent:

*"There's not much you can do, once they've made their mind up they just go ahead and do it." (330)*

Impacts were further exacerbated for disabled households also affected by the **Social Sector Size Criteria**. Often these respondents had spent long periods out of work, and this was the first time they have been confronted with a change to their income in a number of years. This alongside changes to disability benefits has caused stress, confusion and anger. For example one respondent stated:

*"I was in a terrible state, I was right depressed, I had no money, I was having to borrow money off my dad constantly. To be hit by getting near enough half your money [cut] and then the council put this [Social Sector Size Criteria] on me at the same time, it was depressing." (393)*

Many people were very concerned about leaving their family home or the local area within which they had built up a social network and had family. For instance, one respondent who has lived in her local area for over 30 years and has a strong network of family and friends reported:

*"It's really affected me, I didn't realise how much it would impact. But I've been here 30 years and I love it here, I can't move, it's the family home. It'd so upset me to leave this house." (387)*

The fact that many of the households impacted by the Work Capability Assessment and the Social Sector Size Criteria were older households is also consistent with the findings of the Department for Work and Pensions' Equality Impact Assessments for these reforms<sup>1112</sup>.

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<sup>11</sup> Equality Impact Assessment – Response to the Work Capability Assessment Independent Review (2010) [online]  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/70078/wca-review-response-eia.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/70078/wca-review-response-eia.pdf)

<sup>12</sup> Department for Work and Pensions (2012) Housing Benefit: Size Criteria for People Renting in the Social Sector – equality impact assessment [online]  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220154/eia-social-sector-housing-under-occupation-wr2011.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220154/eia-social-sector-housing-under-occupation-wr2011.pdf)

## Case study - Michael – Social Sector Size Criteria and Employment and Support Allowance regime



### Household

Michael is in his early fifties and lives in a two bedroom Council property. He has eight children, and two of them come and stay on a regular basis. Michael has multiple health problems. He has had three heart attacks and back pain and he also suffers from depression. He has been out of work for over twenty years and is unable to read and write.

### Welfare Reform

In March 2013 Michael attended his Work Capability Assessment and was found 'fit for work'. A month later he was told that because he has two spare bedrooms he would have to contribute up to £14 per week toward his housing benefit.

### Impact

Within the space of two months, Michael's income from benefits had reduced from around £250 per week to £99 per week in total.

*"I had to go to the council when my money was chopped in half from nearly £200 to £99 and there was no way they were going to chop it down by £14 a week".*

Michael was deeply distressed with the changes and as a result had to borrow money from family and friends.

*"I was in a terrible state, I was right depressed, I had no money, I was having to borrow money off my dad constantly. To be hit by getting near enough half your money and then the council put this on me at the same time, it's depressing."*

He did approach the Council to see what they could do about the reduction to his housing benefit. He found the Council really helpful and they gave him a Discretionary Housing Payment. However he was told that this was a 'year's grace' to work out how he would pay the extra £14 per week.

## Lone parent families

As a whole, households with children were more likely to be struggling with generally rising costs of living – due to having higher costs for food, heating and housing. Unsurprisingly, cuts to benefits on top of this were leading to larger impacts on these households.

These impacts were felt most strongly among the fifteen lone parent households that took part in the research. These were generally younger than couple and single households. Some participants also reported that they had a disability, and in some cases one or more of their children had a disability or ill health.

Lone parents were a more diverse group in terms of how they had been affected by welfare reform. Common reforms which had affected them included: the **Social Sector Size Criteria changes**, the **Overall Benefit Cap**, the **changes to Local Housing Allowance** and **sanctioning**. This combination of reforms and living costs was explained by one lone parent affected by the Overall Benefit Cap:

*"It's very, very hard, cost of food, children's clothes, even in second hand shops it's still gone up, it's so, so difficult.....the bus, it's so much, and this winter I can't go out, I always stay home. I haven't been in city centre for two years now, apart from when I had to see the council." (281)*

Lone parent households were also very likely to be impacted by multiple benefits reforms. Large lone parent households in particular were being affected by the Overall Benefit Cap alongside other varying changes to their benefits (including changes to non-dependant deductions and sanctioning).

## Case study – Adi – Overall Benefit Cap

### Household

- Lone parent
- Three children and one nephew
- Living in emergency accommodation

### Welfare reform

- Overall Benefit Cap
- Non-dependent deduction rate

### Impact

- Reduction to housing benefit
- Landlord threatening eviction
- Stress and confusion over changes

### Household

Adi is in her mid 30s and lives with her three children who are all under 12 years old. She also had a nephew living with her who is in his mid twenties. She has been a lone parent since October 2012 when she left a violent relationship with her partner and was placed in temporary accommodation. Adi is from South East Asia and English is her second language. As a result she finds it difficult to communicate with people and doesn't have the confidence to seek support. Adi has been in and out of work over the past two years but finds it very difficult to maintain a job because her three children go to different schools.

### Welfare reform

In the autumn of 2013 Adi was subjected to the Overall Benefit Cap – this means she was expected to pay just under £50 a week toward her rent.

Alongside this she is also expected to pay toward the rent because of changes to the non-dependant deduction rate for her nephew.

In addition, at the time of the interview her Jobseeker's Allowance had been stopped for reasons unknown to Adi. Her only sources of income were Child Benefit and tax credits.

### Impact

Adi's landlord has threatened her with eviction because she has failed to pay her rent. The reduction to her benefits has caused her great stress and worry and when she was interviewed for the research she was very concerned about how she was going to pay for the bills:

*"Today I got my child benefit but they cut it for the water bill, and so I don't have nothing now and I'm thinking, if my gas is going to finish, what am I going to do in a few days, because I can't leave my children to sit in the darkness, that is why I'm stressed."*

She had recently been awarded a Discretionary Housing Payment, but her landlord was still asking for the arrears she had accrued up until this point.

Adi's health and well-being had been severely impacted by welfare reform and the worry had caused her to be unable to sleep:

*I can't sleep since my benefits stopped, I'm so worried."*

## Single earner households

The final key group were respondents who lived in households with one earner. This was a smaller and more diverse group of respondents compared to those where no-one worked. For instance, it included respondents of a range of different ages and housing tenures. None reported having a health condition or disability. The one common characteristic however was that most had at least one dependant child. Generally, single earner households were on low incomes, either due to working part-time hours or work that paid National Minimum Wage. The fact that their benefits and wages had not increased in line with their costs of living was also a key contributor to financial hardship.

The main impact for single earners who were interviewed had been a reduction to their Housing Benefit, due to **changes to Local Housing Allowance regulations**, which were intended to reduce expenditure on Housing Benefit for those in the private rented sector. The impact of welfare reform was somewhat different for these households. These households were generally more resilient, but reforms increased the pressure to juggle and prioritise within family finances. However, many of them had been coping with growing gaps between rents and Housing Benefit since 2011 and so had become accustomed to managing this.

There was a strong sense of frustration and anger from these households. It was clear that families in this situation felt undeserving of reductions to their benefits at a time of rising living costs. This was summarised by one respondent whose husband was working full-time as a caretaker, yet they were still struggling:

*"To be honest it's like a kick in the teeth... We're a decent family, we've got work, we're not on all the benefits, and we're in private rented accommodation... If we were in a council house we'd be laughing, but I refuse to work for nothing, so I'll*

*stay at home for now. We really did struggle when my husband started working, and it feels like there's no help for us."* (141)

## **The impact of housing tenure and tenancy type**

Unsurprisingly, given the evidence from Chapter Two, living in the Private Rented Sector (PRS) itself was a key indicator of larger impacts of welfare reform. Very high rents combined with cuts to the Local Housing Allowance (from 2011) and the introduction of the Overall Benefit Cap (in 2013) meant that Housing Benefit was no longer covering a considerable proportion of rents. Therefore, respondents were often using a significant proportion of other income, including benefits income, to cover their rent.

In total seventeen residents who took part in the research were private renters affected by LHA reforms. They were a very diverse group, as noted above – including lone parent families, working families and couples with older children. Twelve of the participants were in households where no-one was in work. Advice agencies identified this housing effect as “the cumulative impact of local factors [i.e. rents] plus [welfare] reforms”.

## **Sanctioning**

Alongside impacts of changes to benefit rules, we also found incidences of sanctioning. Only six of those interviewed were claiming Jobseeker's Allowance. However, almost all of them had been sanctioned at some point.

The reason for sanctioning was not always clear to respondents, but it was mainly related to either not attending their Jobcentre Plus signing on appointment or not attending a mandatory Work Programme appointment.

The financial impact of sanctioning for all respondents was significant. The length of time they had been sanctioned for obviously also had influence on the financial impact and their income. For interviewees who had strong social networks of family and friends, the main way of coping with the loss of benefit was to borrow money throughout the duration of their sanction period. Those who did not have social networks reported that they applied for hardship payments and also made use of local food banks.

One case of sanctioning was revealed by a respondent living in shared privately rented accommodation. She had her Jobseeker's Allowance stopped for six weeks. During this time she had to utilise a combination of financial support from her social networks, Jobcentre Plus and the local food bank:

*"I needed money for gas and electric and I had to borrow yet again off my mum's partner. But he could only do it for a week or so. Then I had to get a food bank voucher to go to the church up by Hollow Way...then I had to apply for a hardship payment but you had to wait for two weeks before you got paid". (RH006)*

Respondents were extremely concerned and stressed about the process of being sanctioned and often felt that their only option throughout the duration of their sanction was to survive on the support of social networks and available support within the local community, such as food banks. Again for this group there was a strong sense of hopelessness about their current situation. Often respondents felt that there was very little they could do about the sanctioning; rather they just had to utilise other means of financial support from family or friends to get by whilst their money had been reduced.

One particular respondent who had very few social contacts within their local area revealed a concern that while they had been able to rely on food banks for food during their latest sanctioning, they were aware that they could only use this support up to three times a year., After this they revealed that crime would likely be the next option:

*"You're only allowed that three times a year. So foreexample if you have one in January and two in February you have to wait for the next year....so when you go back into that situation or the Jobcentre has not paid your money. When you've used up all of your food bank allocation and you've got no money or you've got no friends that's when certain people turn to crime". (focus group one)*

## **Understanding the wider impacts of welfare reforms**

### **Impacts on health, wellbeing and living standards**

Alongside the negative financial impacts of welfare reform, our research found that there was a set of wider impacts taking place. This included an impact on health and wellbeing and changes to respondents' living standards and lifestyle.

Residents were asked how the reforms had made them feel. The most common feeling was **hopelessness** – that the reduction to their benefits was a situation out of their control. This was often combined with **stress, worry and fear** regarding the impacts and effect welfare reform had on their lives. For example, one respondent who had been through the Work Capability Assessment and been placed in the Support Group had had no financial impact from that reform but had found the process stressful. A few months later they were affected by the Social Sector

Size Criteria, and despite being granted Discretionary Housing Payments she was still very concerned for future changes:

*"You just worry about it. When the brown envelope comes through the door your stomach turns over."* (307)

One lone parent who was experiencing personal and health difficulties was due to have her eligibility for Employment and Support Allowance assessed at the same time as trying to pay rent arrears. As a consequence her health was being affected:

*"Stressed out of my mind, it's been just another thing to have to deal with. I had a lot of personal difficulties last year as well as my eyesight packing up, and that stuff as well is just horrible. It's worrying, because I don't live lavishly".* (301)

Concerned feelings were not exclusive to those out of work. Another respondent who was working full-time, on a low income and received partial Housing Benefit, was also worried and finding it hard to cope. When asked how she felt about her situation she responded:

*"It's all very worrying, and makes me feel absolutely crazy".* (158)

Alongside the pressure that welfare reform appears to have had on health for some respondents, it was also having a direct impact on wellbeing. It was common for respondents across all key groups to say they were skipping meals and not heating the house to reduce their outgoings (discussed in more detail in Chapter Four). Those who had children reported that they skipped meals in order to ensure that their children were able to eat normally. For instance one lone parent who had been affected by the Social Sector Size Criteria explained how she had started going without food to ensure her children were able to eat a healthy diet:

*"I've lost weight which ain't a bad thing because obviously I go without for my kids. Even though I do shop cheaply and do cheap meals, you know we're not a chip lover [family] anyway and it isn't very healthy to have those meals. So I do try and give them fresh and healthy food every day. Three days we'll have any food and then four days we'll have good and healthy food – you know good meat and veg".* (AS004)

Another respondent who was found fit for work and was waiting for the decision on her appeal, reported that the reduction to her benefits meant that she was not able to heat the house efficiently or eat as often as she used to. This was then having a detrimental effect on her health and well-being:

*"You can't afford to heat the house, you can't afford to feed yourself, which is hard especially with my illness...sometimes I don't eat for days."* (AS003)

Overall, welfare reform has led to a reduction to the overall quality of life of residents interviewed. The changes have led to a great amount of stress and anxiety about their current financial situation. For many, this has had a knock-on effect on their health – particularly for those who are already experiencing health conditions. In general, our research has found that residents feel a general sense of hopelessness and lack of control over the financial impact of welfare reform. This is summed-up by one respondent:

*"My standard of living has gone right downhill. It gets really depressing, but at the end of the day, you've got to live with it."* (330)

### **Increases in demand for support**

Oxford has a wealth of advice and support agencies. The three main advicecentres – Agnes Smith, Barton and Rose Hill and Donnington– and the Citizens Advice Bureauall contributed to this research. In addition an online survey was opened to all agencies, while more specialist organisations were interviewed separately.

Findings from the in-depth interviews and the online survey indicated that demand for services has increased markedly in the last three years. For example, one advice agency reported that they were often operating significantly beyond their capacity:

*"We're absolutely overloaded. We have a limit of the number of cases we take on and in the summer we were just under 50% above this... It's fair to say the need for our service has increased".* (Local advice service four)

Another advice agency also suggested that along with an increase in demand there has also been increased complexity of cases residents are presenting them with:

*"The numbers have gone up 500 a year each year over three years and what we've seen alongside that is the complexities of the issues that people are presenting and the fragility of their issues".* (local advice service three)

As a result there have been a number of changes in the way services are delivered to people affected by welfare reform. The most common approach has been for advice agencies to prioritise those in most need of support and signpost others who they feel will they think will be able to deal with less intense support. This is highlighted clearly by two of the local advice agencies who were interviewed and responded to the survey:

*"What we do, we'll deal with those in most difficulty. We'll prioritise those who need the support the most and those who can do it themselves we will signpost...we will refer a bit more ruthlessly so we can meet the greater need".* (Local advice service two)

*"Our work is more targeted and less universal. We have increased our work with partner organisations to help meet the increased demand. Also better communication between organisations will help our clients more".* (Online survey respondent one)

One advice agency has equipped advisors with debt advice training so they are able to deal with the increased demand for advice and support residents need with debt.

## **Changes in those seeking support**

Alongside this, there has also been a change in the type of resident who have presented themselves for advice and support. In particular, reinforcing the findings from the interviews with residents, more disabled people are seeking support and more people from the social rented sector.

One advice agency highlighted that they have seen an increase in the number of people coming for support because of debt problems as a result of the Social Sector Size Criteria change, often with no history of debt:

*"Welfare reform, particularly this year, the bedroom tax has caused a lot of debt particularly for people who have never had debt before".* (Local advice agency one)

Advice agency interviewees revealed that there has been a strong sense of anger from residents affected by the reform. One respondent went so far as saying that the reform was breaking up communities:

*"They are very angry about the bedroom tax - it is breaking up communities. Part of our advice is not just to get them Discretionary Housing Payments for now, but to actually trying to do something about it which is like moving or trying to find work. Rose Hill and Donnington are what we'd called family estates and people have always lived there. So there is a lot of support in the area and now they have to move out of it to move into smaller properties".* (Local advice agency one)

The reassessment of Incapacity Benefit claimants had also led to changes in the characteristics of those seeking support, with many more disabled people seeking support to navigate their way through the Work Capability Assessment, the appeal process and mandatory reconsideration of decisions. One interviewee described it as: *"helping people deal with bureaucracy".*

In some instances advice agencies were also supporting residents who had had their benefits stopped while a decision was being made about their claim. Residents in this situation were presenting themselves in desperate need of money in order for them to buy food and pay utility bills. As a result, advice agencies were working with local charities and local parish churches that were providing residents with one off

payments when they were in crisis with no income. This one off payment system appeared also to be being used to support some residents affected by the Social Sector Size Criteria.

## 4 Responding to welfare reform

### Summary

Respondents have coped with welfare reforms in three main ways: economising; borrowing money from family and friends and claiming Discretionary Housing Payments. The most common approach was to economise. Where this was not possible residents often borrowed money from trusted family and friends. This was often small amounts of money that they knew they'd be able to pay back.

Discretionary Housing Payments were common among affected by the Social Sector Size Criteria and the Overall Benefit Cap. At the time of the research, none of those who had received the payment had done much to change their circumstances, and some residents had had their award terminated for not complying with the conditions attached to it – increasing risks of rent arrears and homelessness.

Residents had gone to a range of organisations to access support as a result of welfare reform. The most common places visited were local advice centres and the Citizens Advice Bureau.

Those who had not accessed financial support from the Council (i.e. Discretionary Housing Payments) were not averse to seeking support in the future. The general consensus from respondents was that if they were made more aware of what financial assistance was available they'd be more likely to seek support.

Finally, there are a number of support needs identified by respondents and others which have emerged from the research. Some residents need more employment support – even those who are on inactive benefits feel they may be able to work if they had specific support. However, the biggest fear is that they would move into insecure work which may result in less income than they receive currently on benefits.

Others also need support with housing. Those who were accessing DHP were doing very little to move accommodation or move home, and those in the Private Rented Sector were very keen to find cheaper, more secure accommodation.

The last support need was for help navigating the complicated benefit system. Some participants were very confused about the changes and often felt it would be useful if they could access support from someone who could explain the changes clearly.

## **External factors affecting the impact of reforms**

Our research found a clear set of drivers that had a bearing on respondents' abilities to cope with welfare reforms. These are summarised below.

### **Rising costs of living**

Almost all respondents reported that the rising cost of living was driving them to reduce expenditure quite apart from the additional impacts of welfare reform. Rising costs of food and utility bills were most commonly cited; with households reporting that they were already struggling with making ends meet prior to reductions to their benefits. In some instances, participants had made the decision not to pay certain bills (particularly water bills) to ensure that they were able to eat and have a warm home.

These costs of living impacts were reported widely, but seemed most acute among families with children (as set out in Chapter Three).

### **Social networks**

Participants who had little to no networks of family or friends in the local area felt very isolated, were less likely to understand impacts, more likely to be struggling to cope with impacts, and more likely to report negative impacts on their health and wellbeing. In particular, participants who were new to the area, or had separated from partners were less likely to have strong social networks.

Conversely, participants who had strong networks – and in particular family connections or strong peer networks – often called upon them to provide financial, emotional and advisory support. Networks seemed particularly important for providing 'bridging' support during financial crises.

### **Language and literacy**

For some participants, poor levels of literacy (including, in one case, not being able to read or write) meant that communications about changes to benefits were either not understood or not fully understood. As a consequence, these participants were often not clear on what reforms they had been affected by, were unsure where to go for help, and did not have confidence in seeking help or communicating about their needs.

For those participants where English was their second language, there were often similar barriers around comprehension and the confidence to seek support.

However, these participants were often additionally nervous about their ability to explain their situation verbally, if they did seek support.

## Drugs and alcohol and other dependencies

A number of participants reported that they had dependencies which they were dealing with. This often had an impact on how they dealt with the changes to their benefits. For some, this meant they did not feel they could also cope with reforms that they were being affected by. In some cases, this meant ignoring letters or communication from the Council or other statutory organisations who were trying to notify them of the changes to their benefits.

Many of those who reported drug and alcohol dependencies were on Employment and Support Allowance and had been migrated from long-term Incapacity Benefit.

## How residents are responding to welfare reforms

Respondents were asked what they were doing to manage the impact of welfare reform and cope with the reduction to their benefits and tax credits. We found a clear set of ways respondents were coping with the reductions. These were:

- Economising and trying to make their reduced income stretch further
- Borrowing money from family and friends
- Claiming Discretionary Housing Payments

The research also explored whether people were making more significant changes to their lives as a result of the reforms – such as moving to cheaper accommodation or finding work. While some residents had done this, on the whole these two options were not felt to be viable options. This is also set out in more detail below.

## Economising

In response to the rise in the cost of living and the reduction to benefit claimants' income, almost all respondents reported that they were economising and making what they were now receiving in benefits, tax credits and wages go further. The main way in which people did this was to **spend less money on food and utility bills; less on themselves and their family;** and in some cases **not paying some bills.**

The most common way households were economising was through spending less money on food and utility bills. Often interviewees revealed that this was their only option in response to the reduction to their income. Respondents revealed a variety

of approaches to reducing these outgoings. These involved maintaining a tight budget for food and utility bills; some were skipping meals and not heating their home or using electricity as often as they used to; and some respondents reported deciding not to pay certain bills. For instance, one respondent highlighted how he economises due to the rise in cost of living alongside cuts to his Housing Benefit (from LHA changes):

*"I've learnt to be really quite ruthless with how much everything costs. I reckon my food bill alone is 10 per cent more than it was 12 months ago.... you shop cheap, you go in at 4 o'clock when the remainders are there, and life is frugal, there's no perks."* (296)

Another lone parent, affected by the Social Sector Size Criteria, who has three children and is also currently in custody of a grandchild explained how she copes:

*"I am now adding up as I'm going round the shop; sometimes I only have £20 to spend for two weeks".* (AS003)

As outlined above another common form of economising that respondents revealed was to spend less money on themselves and their family. This was particularly relevant for those who had children, and most significantly respondents who were lone parents. For example, one respondent who was living in temporary accommodation mentioned that she was having to wear the same clothes every day because she was unable to afford anything new. It was more important for her to provide food for her children:

*"I can't buy myself new clothes or anything like that, I just wear the same clothes all the time, but it is more important to have food on the table for the children".* (RH005)

### **Food banks**

One of the main ways residents were working toward reducing their food bills was by using the local food bank. This was not the case for all respondents and it is important to note here that the wide majority of those who said they had used it were those who were engaged with local Children Centres and advice agencies. Therefore, it is difficult to ascertain whether this source of food and support was being used by those most in need or those who were most aware that the support was available.

Nevertheless, respondents who had used the food bank, and particularly those who had experience of being sanctioned, suggested that it was a vital source of food during a period with which they had no income. For instance one lone parent stated:

*"I don't like it; it's not nice is it? But they are there to help so it is ok and I have used it a few times when I'm desperate". (RH005)*

### **Using one benefit to supplement another reducing benefit**

In some cases, some residents subsidised the reductions and changes to their benefits by using other elements of their income from benefits. For example, lone parents who had been sanctioned or had a large reduction to their housing benefit reported using child benefit and child tax credits to pay for food and utility bills. Similarly those with a disability or health condition reported using Disability Living Allowance (DLA) to supplement the day to day household income, rather than use it for its intended purpose.

*"Because I've got bad eyes I sometimes have to get taxis and that's what DLA is supposed to cover. But my DLA pays bills and buys food. It pays for everyday living stuff. Even now it doesn't get used for stuff to do with my disability."(301)*

## Case study – Peter – Local Housing Allowance regulation



### Household

Peter lives alone in a small one bedroom flat in the Private Rented Sector. He has two children who are at school and University and occasionally stay with him. Peter has a severe mental health condition. In 2013 he also had a serious car accident which caused him to stay in hospital for 11 weeks.

### Welfare Reform

Due to Peter living in privately rented accommodation, his Housing Benefit does not cover all of his rent. As a result Peter has to contribute £60 per month towards his rent.

In 2013 Peter had to undergo a Work Capability Assessment. He found the experience very stressful, but with the support of Mind he was successful in his claim.

### Impact

Peter has learnt how to economise with the money he has left once he contributes to his rent. He had been contributing toward his rent for over two years but has noticed that the rising cost of living has made it even more difficult to manage his outgoings.

*"I write everything down. I have to know how much my water, my gas, my tv, my internet to keep me in the real world".*

He has taken a number of steps and techniques to ensure he is able to live on his new income.

*"You shop cheap, you go in at 4 o'clock when the remainders are there, and life's frugal, there's no perks."*

## Borrowing money from family and friends

For respondents who had networks of family and friends in the local area, borrowing money was a key way to cope with the reduction to their benefits. This was often cited by respondents as a regular way of accessing small amounts of money when they had run out of money. There were only a small number of cases respondents had borrowed large amounts of money from family and friends. In these instances it was often for a deposit for accommodation in the Private Rented Sector, and in one case a resident's ex-partner had paid her rent arrears to stop her being evicted.

Borrowing money from family and friends **was often felt to be the last resort**, and not particularly what people wanted to do. However, those that did so suggested that they would not have been able to cope without the financial support from their friends and family. This common practice of borrowing money from family and friends is highlighted by one Oxford resident who explained that she felt comfortable borrowing money from her children, as they know she'll pay it back. Moreover the whole family, who rely mainly on benefits and tax credits as income, have a network of loaning each other money when different members fall into financial difficulty:

*"I've got that buffer with the fact that I would never be without because I could take a loan off my children and they know I'd always pay it back. We do an internal family 'I'm short this week' and we help each other. And I think if we couldn't we'd all be in a bit of a fix...we all help each other". (304)*

Another lone parent who had been sanctioned three times during her pregnancy and was currently homeless and living temporarily with her father and step mother revealed how she felt about borrowing money from family and friends:

*"I borrowed money from my dad, friends, my nan and gramps. It made me feel like crap to be honest. I don't like borrowing money. It makes me feel like a scrounger so I would only ask close family and friends because I don't want people to think bad of me". (RH002)*

It was clear however that people were not borrowing money on a regular basis; rather they were borrowing it at point when they were either without their regular benefit payment – due to sanctioning or reassessment of their benefit; or when they needed to finance something specific. For example, one focus group respondent explained that she had gone to her parents to ask for up front funding to get a taxi to her Work Capability Assessment as this was something she could not afford without their help. Here she emphasises the important of having the financial backing of her parents:

*"Next week I have my interview, I've had to request to get their permission to get a taxi. It's about 20 minutes and that works out £20 one way. I've got to find the money for that, who do I go for that? I've gone to my parents again. But the point is what if I didn't have my parents? what am I meant to do". (focus group 2)*

For those interviewed who had experienced a prolonged reduction to their benefit – particularly due to the Social Sector Size Criteria changes, Overall Benefit Cap and Local Housing Allowance changes – **borrowing small amounts of money to get by was not a sustainable option**. Our research found that this group had either learnt to deal with the reduced income through economising or were claiming Discretionary Housing Payments (DHP).

Most residents suggested that they only borrowed an amount that they could repay once they had received their own benefit payments. One resident who had to contribute toward his housing benefit due to the Local Housing Allowance regulations explained that he was borrowing money from family and friends, but was always paying it back:

*"Nobody gives you anything; there have been times when I had to ask for money. I had to borrow, but I had to pay it back. Every little helps".(296)*

Borrowing and lending money between close networks of family and friends appeared to be a cyclical process that respondents were using to bridge temporary and usually small gaps, rather than providing regular financial support – described by one as "swapsies without the interest".

### **Other financial assistance**

In only a very small number of instances, interviewees reported taking out bank loans and payday loans to support themselves. This was reported by those who had little to no social networks within Oxford. For instance, one interviewee in her late 40s, who had no children and had recently split from her partner and had been homeless for six months, had taken out a loan to pay for a deposit. In order for her to access her own Privately Rented flat she felt like the only option was to take out a loan in order to pay for her deposit:

*"I had to take a loan for five years to get a deposit from Barclays Bank. I was looking for a place without a deposit and it was too hard, I asked the council and they say they couldn't help me. So I helped myself and now I have to by £80 a month over 5 years". (158)*

## Discretionary Housing Payments

Just under half of the respondents who had been affected by either the Social Sector Size Criteria or the Overall Benefit Cap had received a Discretionary Housing Payment (DHP). Those that were given a DHP were provided with between £14 and £75 per week.

**For respondents who were in receipt of DHP it was welcome support** as many of them were not sure how they were going to be able to afford the shortfall in their Housing Benefit.

A small number of DHP recipients had their payments stopped after the first six months of payment. For example, one lone parent who had been affected by the Overall Benefit Cap and was now expected to pay £72.93 per week had been receiving DHPs from August 2013 and was told that this would be stopped from February 2014. She said that she had been told she would not be eligible to receive it anymore:

*"I was getting a top-up for the Council and then it stopped and now they've told me there is nothing I can do. They told me it was means tested and I had to go in and give them information on all my outgoings, and now they've told me 'no more'".*  
(374)

In this case, it did not appear that the participant's income had improved in the time since their initial claim – so it appeared that their DHP had not been renewed for other reasons (and potentially, because they had not met the conditions attached to the original award).

Another interviewee who had been affected by the Social Sector Size Criteria and had a severe disability, had her DHP stopped in October 2013 because she was told that the Council had been notified her circumstances had changed (although she said that she had reported no changes to her personal situation).

Overall, respondents who had received DHP were largely happy with the support they were getting to cover the shortfall in their housing benefit. However, most of them **had done very little to change their circumstances** during the year or six months for which they had received the payment. For most, this payment had merely sidelined the problem of a reduced income rather than given them additional time to find alternative means of paying their outstanding rent which was no longer covered by Housing Benefit. Respondents who were yet to have their DHP renewed were hopeful that this would happen, and **had not thought about the consequences of not having a DHP**. For example, a couple who were close to State Pension Age and had been affected by the Social Sector Size Criteria were

hoping they could continue to get their DHP renewed until then (as once they reached pension age, they would be exempted from the Size Criteria):

*"What I'm asking for is could they cover it [with discretionary support] until I get my full pension. If not then we've got to carry on finding this money. We've got nowhere to move to and no one to help." (307)*

In August 2013 Oxford City Council started attaching conditions to DHP payments – which means that residents are expected to start finding ways to cover the shortfall in housing benefit through seeking smaller accommodation or finding appropriate work. The two examples above where DHP had been terminated and not renewed could have been where residents had not met these conditions, or could be cases where they were made awards prior to conditions being attached. However, neither really knew why they could no longer receive a DHP, and generally residents did not report of knowing that their DHP came with terms and conditions.

### **Moving home or finding work**

Our research found **very little evidence of residents moving**. Only one person (a lone parent) had moved house and downsized to mitigate the reduction to their Housing Benefit as a result of the Social Sector Size Criteria:

*"I was affected by the bedroom tax. What happened, when it all came though last year, I had a three bedroom house and my daughter had moved out with her boyfriend and I had the letter come through the door saying you're going to have to pay for this room. And I just thought I can't do it, so I exchanged and I'm now living in a two bedroom. I was very upset about it at the time, I just thought what if my daughter came home."*

It **was common for participants to be aware of the ways in which they could move home** – for example home swapping websites or the bidding system within the Council. However, there was very little evidence of residents proactively engaging with these systems and it was apparent that there was a perception that trying to move was going to be difficult. Many of the residents affected by the Social Sector Size Criteria had been in their home for long periods of time – in some cases up to 30 years. These were family homes which were still being occasionally, and in some cases regularly, used by their children and grandchildren. As a result many of the people we spoke to were reluctant to move to smaller accommodation. For example, one interviewee was living in a three bedroom property that she had raised her children in. Over the last four years she had developed a disability which meant she had to leave her job and start claiming ESA. From April she had to start contributing £26.12 for her two spare rooms. While she understood that other

families might need the house she explained that she had a lot of social networks in the local area and wanted to stay:

*"I understand people need it, but on the other hand, 30 years, I love it here. All my friends live round here." (387)*

Another respondent had a similar attitude toward moving home. She had already downsized a number of years ago when her children had moved out of the family home. In April 2013 she had been affected by the Social Sector Size Criteria and had to pay £14 per week toward her housing benefit. Although this was a change to her benefit she explained that her house was very energy efficient so she had not felt the additional impact on her outgoings that significantly. She explained that she had already moved once and was not prepared to move again because she was settled:

*"I moved from a five bedroom house to come here so I've done my bit... "If not I'll just pay it. I never wanted to live here but now I am and I'm settled here, and the cats are too." (385)*

Finding work was also not considered an option for most of those interviewed who were not in employment. Many people were facing significant barriers to work – mainly centred on disability and childcare –and were either lone parents or older disabled people. For example, one lone parent had had a number of jobs but struggled to maintain them at the same time as caring for three children who were all attending different schools:

*"I'm a lone parent without help from anybody, and a problem for me is that every single time I find a job, one of my children is ill, or by the time I get to work I'm late, 15, 20 minutes, half an hour because of taking my three children to different schools. That is a problem for me, and I'm very stressed." (355)*

## **Where have residents gone for support?**

Outlined above are the main ways residents were coping with the impacts of welfare reform. Alongside this, some interviewees revealed that they had sought advice, guidance and support from local agencies to help them deal with changes. It is important to note that **those who had accessed support from outside agencies were often those who had strong social networks** and close links within the community. Others who **appeared to be more isolated– particularly those with English as a second language or those with mobility-limiting disabilities**–reported less incidences of seeking support. These respondents were the most likely to present a strong sense of hopelessness about their current

financial situation, and are groups that should be a priority for engaging and supporting.

## **Local advice centres**

Some participants had visited one of the three local advice centres in the City or the Citizen Advice Bureau (CAB). Advice centres were used for a number of different reasons. Some had used them to help understand the changes to their income, while others had used advice centres for support to appeal decisions, such as being found fit for work. There were also instances where local advice centres were used to support participants with debt problems. For most that had used the advice centres they were very positive about the support they were given. For example, one was very grateful of the support she had been given by her CAB advisor:

*"She's been like my lifesaver". (opt in 1)*

Another respondent who was being provided with support by a friend who worked in the local advice centre explained how she would not have been able to navigate her own way through her Employment and Support Allowance application form:

*"I'd never be able to do it without her, because they're like books, aren't they, those forms". (387)*

As outlined in Chapter Three, a small number of respondents had accessed financial support through local advice agencies. Some participants had received one-off payments to support them during a crisis – for example, a few people reported receiving between £20 and £50 from their local church. One lone parent who had had her benefits stopped reported:

*"The local church did help me. It was the local advice centre that spoke to them and they gave me £50, it was a one off payment which I really appreciated". (AS004)*

## **Local charities and other support agencies**

Alongside local advice centres, there were also some cases where participants had been in touch with local charities for support. This was particularly the case for participants who had specific and specialist needs. For instance, interviewees who had mental health problems reported that they had been supported through the mental health charity Mind. Often this support was to help respondents complete Employment and Support Allowance and Disability Living Allowance application forms.

## **Jobcentre Plus**

For the small number of participants who were claiming Jobseeker's Allowance, they reported that they were engaging regularly with their advisor to help them look for work. There were also a few incidences where respondents had gone to Jobcentre Plus to ask how they might appeal being found fit for work.

## **Family and friends**

Family and friends were cited as one of the main places respondents sought support, advice, as well as financial assistance. This was often due to them trusting family members and only feeling comfortable asking people they felt close to for support. As discussed above, often financial support from family or friends was very small. Participants felt very guilty as they were borrowing money from other benefit claimants or their elderly parents as they reported they had very little money themselves.

## **Experiences and perceptions of Council support**

### **Experiences of financial support**

Almost all respondents had had contact with the Council in one way or other. This was usually as part of claiming Housing Benefit claim, but also included where the Council was the landlord for social tenants.

Financial support was largely sought by those who had been affected by the Social Sector Size Criteria (and the small number who had been affected by the Overall Benefit Cap) and this was primarily to secure a Discretionary Housing Payment (DHP). Respondents found out about DHPs in a variety of ways. Some had gone to local advice agencies who explained they were eligible; others were either directly contacted by the Council or approached them themselves. Often, residents only applied for support at the point where they were already in financial difficulty and in rent arrears. However this was not always the case – one interviewee decided to call the Council when she first heard about the changes to her Housing Benefit, and had a very positive experience of the support:

*"I phoned up the council when the bedroom tax was coming in and spoke to a really nice lady who said she'd send me the form to get the grant." (387)*

Another respondent who had also been affected by the Social Sector Size Criteria reported a positive experience of support from the Council. The Council

representative had spent time listening to her explain her current situation and responded to her needs:

*"It was just that he had the time to go through things, and he gave us a bit of reassurance and looked at how one thing might have a knock on affect on another, and even offering us the food bank voucher as he could see that we were struggling at the time."* (414)

There was a small group of respondents who found dealing with the Council more difficult. The main complaint by participants was that the Council provided confused information and in some instances residents felt Council representatives had quite negative approaches to supporting them. Not being able to understand the Council correspondence was mostly a problem for residents who spoke English as a second language, however not exclusively so. For instance, a focus group respondent explained that he had to visit the CAB and ask them to explain what the Council letter was asking of him:

*"The letters that the council send you regarding the council tax and Housing Benefit is very confusing to lots of people, they don't understand. I don't understand them. So that's why I went there [CAB] and even he [the adviser] couldn't understand it".* (focus group 2)

Only a small number of residents reported negative responses or unhelpful attitudes from Council staff. In one of the instances where this was reported, the respondent stated that she asked the local advice centre to discuss her problems with the Council on her behalf. Another respondent who has been affected by the Overall Benefit Cap explained that she did not feel adequately supported:

*"I don't feel like they try and help me. Last time I was there I had a fall out with the Council".*

## **Attitudes to financial support in the future**

Respondents were all asked whether they would be likely to seek financial support in the future from the Council, if they knew it was available. Aside from those who had applied and successfully secured DHP support, most interviewees had not considered seeking financial support from the Council. For some, they were not averse to seeking this type of support but explained **they were not aware of any support available** and in some cases felt communication about support available could be undertaken with more clarity. A number of respondents highlight this:

*"It's quite hard to get any information, to be fair, unless you talk a lot and have friends and family around you, then you don't know. Because they [the Council] don't tell you." (374)*

*"They could support you more by letting you know what support you could get or should get." (171)*

*"Just make things a bit easier, be more accessible as a council. You feel like you're being really awkward when you go in there." (432)*

Most respondents had **never considered approaching the Council for financial support**, and as a result found it very difficult to say at which point they would seek this type of support in the future. One particular resident who had been affected by the Social Sector Size Criteria, and had not received DHP, revealed she would approach the Council when her situation got really bad, but only if she knew that they were able to provide financial support:

*"I didn't know they could give support. It would never cross my mind; if I knew that they'd done that then I would go and ask. If things were bad, I wouldn't just ask. I'm quite independent and I've got pride. But it did get really bad and I thought I was a terrible mum because we had no food in the freezer". (AS004)*

This was common for most respondents who took part in the research –**it was very difficult for people to quantify the length of time or at which point in a difficult situation they would seek financial help from the Council**. However, they all cited that the likelihood of them seeking this support was based on the information and knowledge on what support was available from the Council.

## **Feedback from advice agencies**

Overall, local advice agencies were very positive about the Council's approach to supporting people affected by welfare reform. One respondent stated that they were impressed that the City Council had been trying to support residents and that the Council had thought about it from the client's perspective:

*"I'm quite impressed with the City Council...they're taking it very seriously from the client side and understand what is happening to people"*

All support agencies, particularly the local advice centres, were generally pleased with the information they were given regarding the Council's approach to welfare reform and felt that they were doing the best they could with 'limited funds' to support Oxford City residents.

## Experiences of the welfare reform pilot

Our research included **four households** who were being supported by the Local Authority-led welfare reform pilot. All four had either been affected by the Social Sector Size Criteria or the Overall Benefit Cap.

While these households reported that they had been supported by the Council either face-to-face or by telephone, none reported that they were being helped specifically to manage the impacts of welfare reform. Three of the respondents had been supported to make an application for a Discretionary Housing Payment. However, one respondent's claim had already come to an end, and none were actively putting plans in place to deal with future shortfalls.

One respondent was very happy with the support that they had received as a result of the welfare reform pilot. They were particularly pleased with the fact that they had explained their financial difficulties and that these were resolved quickly by the Council after their first meeting. Three of the four still reported that Council support, and what is available, could be made clearer still.

## What support do residents say that they need?

Research participants were asked what support they felt they needed as a result of welfare reform. We found that support needs depended on household circumstances, but there were clear common themes.

### Help with finding work

There were a group of residents who were looking for work – some of these were already accessing support through the Work Programme and from Jobcentre Plus. Barriers to work were often specific to residents' needs – for example lone parents found work difficult due to childcare commitments; and disabled residents often said they did not think employers would be accepting of their access needs. However, the most common barrier was a concern that there was little or no work available that was both secure and more financially rewarding than being on benefits. This echoes findings from other research, that has found that experience of employment in deprived neighbourhoods is often poorly paid, insecure and can make it harder to manage family life.<sup>13</sup>

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<sup>13</sup> Crisp, R. Batty, E., Cole, I. and Robinson, D. (2009) *Work and Worklessness in Deprived Neighbourhoods: Policy Assumptions and Personal Experiences*; Joseph Rowntree Foundation

Part of this concern about employment prospects came from a deep scepticism about work after many years out of employment. For instance, one focus group respondent, who had a number of health conditions which affected his mobility, explained that while he would like a job it would need to provide him with financial security and the offer of regular hours:

*"Employers have got the run of it haven't they, zero hours contract, what's that about? I want to have a job where I know I will have a income...either you're being employed or you're not being employed".* (focus group three)

Many residents stated that they wanted to work, however, and many were claiming 'inactive' benefits that meant that they were outside mainstream support (particularly lone parents with younger children, and older disabled people).

### **Help with reducing housing costs**

As discussed above, one of the key coping mechanisms for residents affected by the Social Sector Size Criteria and the Overall Benefit Cap has been Discretionary Housing Payments. Our research found these were welcomed by residents, but little had been done by the resident to consider how they were going to pay this additional housing benefit payment once their grant had finished.

Those in the Private Rented Sector were often most keen to move to cheaper accommodation because of the high rent they were paying in their properties. However, there was less systematic support to them to do so than existed for those affected by the Social Sector Size Criteria. One of their main concerns raised was the insecurity of living within the Private Rented Sector – often residents did not feel like it was a long-term solution to live in this type of accommodation.

### **Navigation through the benefit system**

There were a number of residents who reported that they had been **very confused by welfare reform**. This was particularly the case for those who had been affected by multiple changes. Common issues were overcomplicated forms and confused correspondence—often from the City Council.

These participants in particular were residents who were not accessing any formal support from advice agencies or the local Council. However, there were some respondents who had sought advice and support from local advice agencies and felt that they still had been unable to understand the respondent's situation. For instance, a focus group participant who had been found fit for work under the Employment and Support Allowance regime reported that generally people were

confused. Furthermore, in his particular experience even a local advice agency had not been able to understand and support him with his current situation:

*"The letters that the council send you regarding the council tax and housing benefit is very confusing to lots of people. They don't understand. I don't understand them. So that's why I went there [to a local advice agency] and even he [the adviser] couldn't understand it."* (focus group two)

This was magnified by those who spoke English as a second language. For example, one particular respondent – a lone parent affected by the Overall Benefit Cap – had English as a second language and was really struggling with understanding the letters and other communication from the Council. She explained that she did not feel confident going to the Council to seek support because her English was not good enough to give explanation of her problems:

*"I don't know, my English is poor to be able to communicate and too difficult to put my point across, but I really want to get more information but the problem is my English is very poor".* (355)

She also revealed that often she would use Google translate when she did receive letters from the Council to try and better understand the correspondence. Other respondents also cited that English was a barrier to understanding and then corresponding to Council communication about welfare reform.

## **Budgeting support needs?**

All research respondents were asked if they would like support with budgeting their money as a result of the reductions to their income. Most people **felt that they were actually already very good at budgeting** their money as they had lived on a low income for most of their lives.

*"I'm 45, I know how to deal with my bills, I know how to juggle it well, get things down to the minimum payments. It might not be the best way but it's the only way I can do it."*

*"I'm quite good at budgeting anyway..I know what's important you know gas, electric food for the kid"*(AS004)

While residents suggested that they were very good at budgeting money on their current income, all residents – apart from those involved in the Direct Payment pilot – has been receiving their income on a fortnightly basis throughout the time they had been on benefits.

The changes with Universal Credit (direct payment, monthly payment) were discussed within the focus groups. Participants were asked what they thought would be their main support needs under a monthly payment system. Most respondents felt (unsurprisingly) that budgeting support would be very important under Universal Credit. For example, one participant who had been out of work for a number of years explained that the temptation to spend money for people who were not used to a lump sum would be very difficult to avoid:

*"Imagine you've been claiming benefits for years and then someone lumps a big sum of money in your hand and some people get scared and just spend it."*

### **Wider support needs**

Finally, a number of participants had wider support needs that were affecting their ability to budget effectively, to prepare for or seek work, and/ or to reduce their housing costs. In particular, these related to:

- Childcare accessibility and affordability – particularly for lone parent households. Concerns around childcare made it harder to consider returning to work; while in one case, having children in different schools was making it far harder to deal with the impacts of reform.
- Transport costs – these were particularly felt among disabled participants, who often had to rely on public transport and where costs appeared to act as a barrier to travelling to and from the city centre.
- Health, including mental health – many participants appeared to have low level health problems and often poor mental health (particularly anxiety and stress). Most were not seeking support from health services, while there were no clear referral routes from advice services to health support.
- Addictions and dependency – a small number of participants reported having drug and alcohol dependencies. Those who reported these issues appeared to be in contact with appropriate recovery services.

### **Reaching the limits**

Many households were concerned about their ability to deal with impacts in the longer term, and about future cuts tipping them over the edge. This was particularly the case for households where no one was in work, as they have no means of additional income to support them. One particular participant highlighted this well:

*"The council want to dock my money by about £80 a month when I don't have any income to offset it." (301)*

As a result many households felt vulnerable and concerned about how they were going to cope. As one respondent who had been out of work for six years suggested:

*"It's much harder to cope with things that go wrong. And also having been out of work for some time, as you can see, most of life before, life was quite comfortable, and the trouble is, that after time stuff starts to wear out and you can't afford to replace it." (210)*

In principle, local welfare assistance schemes are expected to support residents to meet these additional costs. This funding has been devolved to upper-tier authorities, so in this case Oxfordshire. The 'Oxfordshire Support Fund' is available to provide emergency support, usually in the form of goods and services rather than cash, however there are a number of restrictions on this support (including a maximum award of £100).

## 5 Facing the future

Our research identifies extensive impacts from welfare reforms and strong indications that those impacts will grow over the coming years.

We find particularly strong impacts for disabled households and lone parents, and larger impacts for those in the private rented sector. Many of these are below the radars of advice agencies – for example low income working households, who are managing to cope through their personal networks and resilience.

Many others are requiring new and more intensive support. Often these are households that are experiencing cuts to their income for the first time (particularly those in the social sector), with impacts that are relatively not as great as for others but where they have limited resilience to cope.

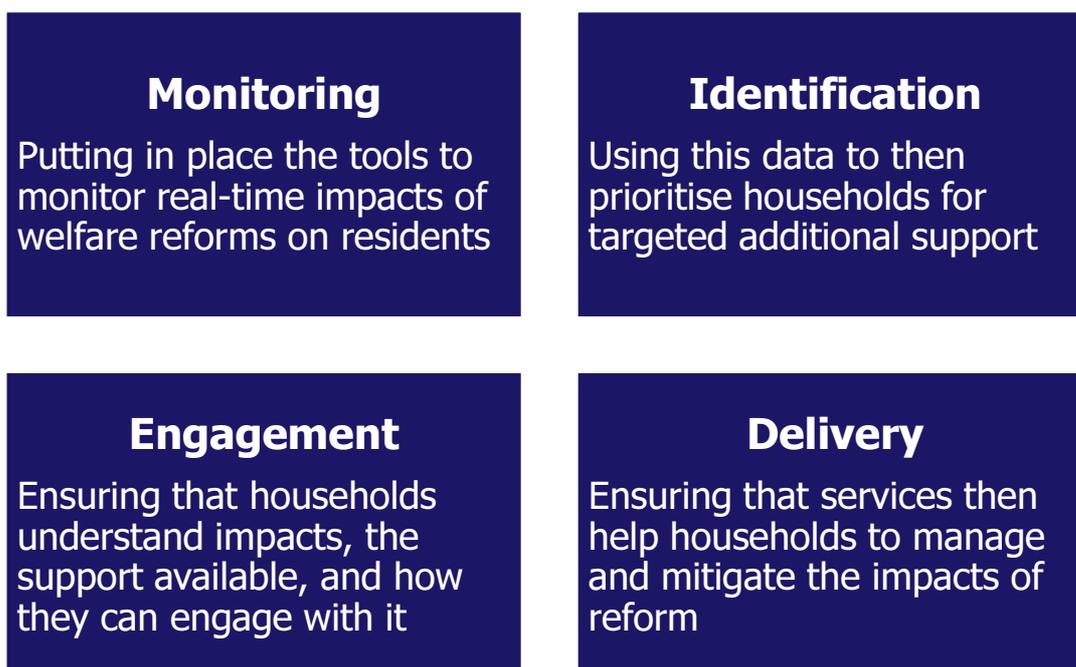
We consider that it is highly likely that without preventative measures to support residents, reform impacts will ratchet up in the future – with growing numbers needing support to manage debt and financial crises, combined with claimants impacted by new reforms. We consider that there are two key pressures:

- **Growing gaps** – between household finances and living costs, particularly in the private rented sector but also as arrears and debts increase for those in the social sector. The needs here are likely to be around financial management and building resilience.
- **New reforms** – particularly with Universal Credit and rollout of the Personal Independence Payment. These are complex administrative changes and likely to be stressful and disorientating. Support needs here will be around navigation and understanding.

At the same time, we identify that many residents are a long way from being able to take steps to actively mitigate the impacts of reform – through finding work, moving home or improving financial management. In large part these are structural problems (in the economy, labour market and housing markets, as well as the support available) but in part they reflect issues around resilience and abilities to cope.

We consider that there are four key areas where the Council and partners should focus efforts in developing their strategy for welfare reform, set out in **Figure 5.1**.

**Figure 5.1 – developing Oxford City Council’s welfare reform strategy**



These four areas are taken in turn below. The findings and proposals presented here build on our research findings and draw on input from participants in the options appraisal workshop of 10 April.

In our view, it should not be the responsibility of the Council alone to develop and implement these proposals, if they are accepted. Most or all of them would require buy-in from a range of organisations, as well as their active involvement – and some are clearly the responsibility of wider partners. We would therefore recommend that for those proposals that are taken forward the Council establishes small ‘task and finish’ group involving relevant lead officials and partners (housing associations, Jobcentre Plus, advice agencies, etc) to lead their development.

## **Monitoring**

### **1. Explore the scope to develop a monitoring ‘dashboard’**

The Council and its partners have been mainly focused on monitoring and managing the impacts of the social sector size criteria and of the Overall Benefit Cap. This is understandable, as these two reforms came in together in 2013 and led to immediate and new impacts on those households affected. However, our research has identified wider impacts from a range of reforms that are likely to continue to grow. There is a strong case therefore to monitor these impacts in ‘real time’.

We would therefore recommend exploring the scope to develop a dashboard and monitoring system to ensure that the right data is being collected and assessed in order to understand and respond to welfare reform impacts.

Ideally, a local monitoring tool would be able to aggregate into a small number of headline indicators data from a range of sources – Jobcentre Plus, the benefits system, the Single Housing Benefit Extract (SHBE), the City Council (for example on DHP applications and awards) and local advice agencies. The tool should be focused on monitoring the impacts of a range of welfare reforms, by identifying the best proxies for specific reforms. For example these could include:

- Gaps between the levels of Housing Benefit paid and a household's rent for different household types in the Private Rented Sector – this should be possible from the SHBE
- Evictions from the Private Rented Sector – which may be available from the Housing Department
- Trends in homelessness and Temporary Accommodation – with some data available from public statistics and likely more detailed data collected locally
- Housing arrears in the social rented sector – which should be available from the Housing Department and from Housing Associations
- Trends in ESA applications, those found 'Fit for Work' and appeals – where limited data is available through National Statistics and more detailed data may be available through Jobcentre Plus/ DWP
- Applications, decisions and waiting times for the Personal Independence Payment – which is not currently available but may become available in the near future from DWP
- Trends in sanctions referrals, decisions and levels of sanctioning – available through Stat X-Plore
- Trends in residents accessing advice services, food banks and other local supports (including the reasons for accessing these services) – a number of local organisations stated that they collect this data

Ideally a tool would also allow for more detailed analysis beneath the headline indicators, of the characteristics of groups being impacted and the areas in which they live.

## Identification

### 2. Build on existing triage tools to assess residents' needs across all welfare reforms – the INTRO model

Clearly, organisations will need to prioritise how they support residents affected by reforms. So monitoring data on its own is not enough – we also need tools that can then identify amongst those impacted which residents are priorities for additional support.

The Council has gone to great lengths to identify those most likely to be impacted by reforms, and to contact those affected by specific reforms. They have also done extensive work to develop a triage tool for prioritising support as part of its welfare reform pilots. This tool was used to identify residents affected by the Overall Benefit Cap and the Social Sector Size Criteria who may be in need of more intensive support (identifying 224 such residents). Prioritising amongst those affected by wider welfare reforms will likely require assessment against a different and wider set of considerations. This research, and discussions at the workshop on 10 April, point to five key parameters for a new assessment tool, which we summarise as the INTRO model:

**Impact** – understanding what reforms residents are impacted by and the financial impacts on them and their household

**Needs** – what support residents may need to manage or mitigate impacts, including support with housing, debt, managing health, improving skills, securing employment, increasing earnings

**Type of family** – our research suggests that lone parents and disabled people are likely to be priorities for support, other potential priorities could include families with children in local schools, those with adapted homes, low income workers

**Resilience** – families' ability to cope varies significantly even where other factors were similar, so assessing resilience is critical – specifically including their access to support networks

**Options** – a key message from the workshop was that for some families, even with intensive support, their options may be quite limited (particularly those who cannot afford to live in their current accommodation) – so assessment may need to prioritise or differentiate support depending on what options are realistically available (for example identifying where employment, housing or financial/budgeting support is most appropriate)

An assessment or triage approach would need to be sophisticated enough to prioritise households against these different parameters and then use this as the basis for appropriate signposting or referral to more specialist support.

So for example, **a low income working household in the private rented sector** may face high impacts, have clear needs to increase earnings and/ or find alternative housing, be a priority family if they have children in local schools, but be relatively resilient and realistically have quite limited options – around increasing employment and/ or moving home. So in those circumstances, it might be most appropriate to signpost to third-party skills, employment and/ or housing support in the first instance, and then follow up in 1-2 months.

On the other hand, **a workless household in the social sector** may face relatively smaller financial impacts, have specific needs around raising income and/ or financial management, be a relatively lower priority family for support, but have limited resilience and clear options for how issues could be managed and resolved with support. So they may be a priority for more intensive, short-term engagement.

We recommend that the Council builds on this research and its previous work on triage tools to develop a new triage model – based on the INTRO principles above – to identify those areas and groups who are impacted by reforms, have the greatest needs and are least resilient – with a focus on identifying options.

Part of this should be area-based, as now – with a focus on those areas with high concentrations of worklessness, social housing and ill health and disability. However, this should also bring in identifying large families in hotspots with high housing costs, particularly lone parents, and those single earner households who may be less able to cope.

Many of these will also be households without strong family or social networks, with drug or alcohol dependencies, and/ or with English as a second language.

### **3. Explore whether a common approach can be developed across agencies to identify priority groups, underpinned by data sharing**

Residents impacted by reforms can come into contact with different parts of the City Council – the welfare reform team (where impacted by the Overall Benefit Cap or Social Sector Size Criteria), Customer Services (where they have arrears), housing services, Children's Centres and schools; as well as a range of advice agencies, employment services, food banks and so on. This creates a range of potential opportunities to identify and refer individuals for support – i.e. to apply the 'INTRO'

model described above – but also risks of duplication and even confusion and disorientation.

The workshop raised two linked issues: first, the need to ensure that staff in different organisations in frontline roles knew how to assess needs and then take appropriate action; and second, the need for this to be underpinned by effective processes for data gathering and sharing. This means moving on from using aggregate data to monitor impacts, to using individual contact and data to target support.

In order to address these issues, the Council and partners should look at the scope for developing a common approach across agencies – local government, Jobcentre Plus, health, housing, advice agencies and so on – to identifying households in need of additional support. This could work as a ‘front end’ and lighter-touch assessment of need as part of the INTRO model above when residents come into contact with services and have clear impacts as a result of welfare reforms, in order to identify those that should be referred on for a fuller needs assessment or additional support.

Alternatively (or alongside this), there may be scope to develop a ‘No Wrong Door’ model, as has been applied in some other local areas. These typically involve some co-location or close working between different agencies and/ or Council services, so that where residents come into contact with services and have wider support needs they are assigned a single ‘key worker’ who can then co-ordinate and join up that support.

## **Engagement**

There were common concerns from those involved in our research that residents only engage with services when they have reached a crisis point – and many do not engage for cultural or other reasons (including poor health, poor mobility, language and literacy issues). This has been found in similar research in other areas.

Finding ways to engage earlier and more effectively is clearly critical. However, the most effective ways to engage – face to face and through networks or peers – are also the most time and resource intensive, and may have quite limited returns.

## **4. Develop an information sheet with key contacts for support services**

One clear and quick win however, which a number of organisations raised, would be to develop a factsheet with key organisations that can support with different issues

or problems – housing, debt and financial support, employment support, training, family support, health and so on.

This could then be used by a wider range of services and agencies, as well as by local authority staff and on the doorstep by Councillors, as a relatively light-touch way of signposting residents to additional support. There may be scope to build on existing databases that have been compiled for the Thriving Families programme or by Jobcentre Plus.

## **5. Work through communities and local services to engage those further from support**

Those involved in the workshop also suggested that communities themselves – as well as VCS organisations and local services like schools, libraries, Housing Associations and Children’s Centres – should take more responsibility in engaging residents affected by wider welfare reforms. Many have regular contact with residents and would be well placed to provide information and basic signposting to services or early warning to other agencies.

There may be scope to learn from examples where community champions and peer mentors have been used to disseminate information and engage vulnerable groups (for example in Manchester City).

In addition to this, there may be scope to link up efforts with the Council lead who is looking at how to engage communities that do not access Council services – and ensuring that communications around welfare reform impacts is central in this work.

Linked to this, a further way of engaging residents could be through closer linking between regeneration activity (which is targeting seven disadvantaged areas in Oxford) and welfare reform. This could include for example looking at the scope to target employment and skills support on those who may be able to increase their incomes in order to mitigate reform impacts.

## **6. Build on ‘Benefits in Practice’ to reach those with health conditions and disabled people**

One key group that does not get regular support from Jobcentre Plus and is generally not in contact with Council services is those with health conditions and disabilities – including those that claim Employment and Support Allowance.

The ‘Benefits in Practice’ model was raised as a potential way of reaching these groups. Through it, the CAB has been funded by Oxfordshire Clinical Commissioning

Group to provide benefits advice in GP surgeries. There was a general view that doctors and health professionals themselves were generally not well placed to identify those impacted by reforms and/ or to engage residents. However, co-located services could.

We would recommend exploring the scope to build on this model in current and future health commissioning. This is likely to be a key group for engagement, particularly with the prospect of the rollout of PIP, and Benefits in Practice may provide a straightforward model to build on.

## **Delivery**

### **7. For priority groups, explore the scope for integrated case management through a 'key worker' model**

Finally, on delivery of services, we consider that there is a strong case for looking at how support can be more effectively co-ordinated across services – including housing, family support (including Thriving Families), Jobcentre Plus and local advice agencies. Many respondents were in contact with at least one agency, but had multiple issues or barriers. They were generally not positive about the quality of support that they received, including from the Council – often a result of receiving multiple letters with difficult to understand or different information, speaking to different people and not getting co-ordinated support. Those that reported better quality support were often in Council housing, and had a support worker who was able to provide more personalised and holistic support.

So better integrated provision could include for example greater joint working and planning with DWP and local colleges, co-location of advisers, joining up between health services and employment services, and working in partnership with housing associations.

This could be done most easily for residents that are already engaged with services (for example Jobcentre Plus, Thriving Families or housing services) through a 'key worker' approach that then looks to join up and pull in wider support as needed. This could build on the good practices within the City's welfare reform pilot – around holistic support and bringing together different services.

For those not engaged with services, there would be greater resource implications and therefore may be limited scope to implement or fund in the short term. This is explored in more depth under proposal 14 below.

## **8. Try to build in follow-up activity as well as signposting and referral**

Residents are often signposted to other services where issues like debt, housing or employment are identified. However, these signpostings are not generally followed up to identify whether issues have been resolved or actions taken.

We would advise that particularly for those identified as priority groups for support, the Council builds in light touch follow-up with agencies to identify whether claimants have received support and/ or resolved their issues. If not, then they should be prioritised for case management support.

## **9. Jobcentre Plus should look to provide case-managed adviser support to residents who claim JSA and have significant welfare reform impacts**

Jobcentre Plus is in regular contact with those households impacted by reforms that also claim Jobseeker's Allowance (and either have claimed for less than a year or have been through the Work Programme). In many cases they are best placed to lead on providing case-managed/ key worker support through their specialist personal advisers – as many of these residents will likely be relatively closer to work and would be able to manage impacts more effectively by finding a job.

It therefore makes sense for Jobcentre Plus to lead on case managing those impacted by reforms who are also within the JSA regime. This would require some re-prioritisation of resource, within the delegated flexibilities that JCP have. It would also require close co-operation and working with the City Council. We would therefore recommend exploring the scope to provide this support through JCP, where claimants are identified as being high priorities for support.

## **10. Build on existing employment and support and focus this on residents impacted by welfare reforms**

Very few of those interviewed were actively engaged in employment support and most were a long way from work. However, there is a range of activity going on within the City, including engaging older people in Barton through Jobs Clubs, engaging lone parents with 'better off in work' calculations, and work by advice agencies to support residents to stay in work. In addition the Council is considering the scope to engage recruitment agencies in the future.

Many of those targeted for this support will also be priorities for support with welfare reform impacts. Therefore there is potentially scope to more closely target this support on those residents identified as being priorities for support to deal with welfare reform.

### **11. Explore the scope to work with City College to provide short, focused training as part of the offer to residents**

It was suggested in the workshop that City College were ready to provide support through Adult Skills Budget activity. This funding can be drawn down to provide accredited training to claimants of JSA and ESA.

Given that there is potential funding and the will to provide support, we would recommend exploring the scope to work with the College to provide short, focused training to priority residents on employability, confidence and motivation, jobsearch techniques, budgeting and financial management and other areas that may support employment and generally greater resilience. This could have a particular focus on those most likely to benefit from this support – such as older residents in social housing; those with health conditions and lone parents.

### **12. Ensure that links are made with wider strategy and policy work within the Council**

The workshop identified a plethora of strategies and policy areas where there were likely to be links across to supporting residents affected by welfare reforms. These included health and housing, wellbeing, mental health, transport and regeneration. It will be important to consider within each of these both the impacts of welfare reform, and the scope to support affected residents through those strategies.

In particular, there are areas where residents reported barriers and issues that extended beyond jobseeking, skills and housing – for example in access to flexible childcare, affordability of transport, managing health conditions, and so on. Addressing these will require that other strategy work takes into account the needs and priorities for those affected by welfare reforms.

### **13. Explore the scope for integrated casework for debt and arrears**

One specific issue raised in the workshop was around how the Council can take a fragmented approach where residents have issues (including arrears) across Housing Benefit, rent collection, Council Tax and other debts.

One potential quick win, which would likely save the Council in the longer term, would be to have a more integrated approach to case managing those who are flagged as having multiple debts across Council services. This should be a priority for the City's Financial Inclusion Strategy. Doing this would also send an important message about the value in taking a holistic approach to supporting residents.

#### **14. Develop the cost-benefit case for additional investment in managing reforms**

In our view there is likely to be a clear fiscal case for engaging more systematically, through a 'key worker' approach, with those facing larger reform impacts. By avoiding evictions and expensive rehousing in Temporary Accommodation, and by supporting residents to move into work and stay in work, interventions can deliver clear savings that could exceed the costs of intervention.

There are opportunities to engage with central government on this through its work on public services transformation and localism, and clear(er) processes for how costs and benefits should be captured and estimated. Given the funding constraints around 'doing more' for residents, and the potential impacts down the line as gaps grow between benefits and living costs, we consider that there would be a strong argument to develop a cost-benefit case for greater local control over funding to support case managed support for residents.

#### **15. Take the opportunity of the Local Support Services Framework**

Oxford is ahead of many other authorities in considering and preparing for the impacts of Universal Credit. Our research suggests that many of those impacts – around digital inclusion, financial inclusion and different support needs – are likely to be felt most keenly by those with the greatest impacts from wider welfare reforms. As part of its medium term work, the Council should continue to explore how it can make the most of the Local Support Services Framework, as an opportunity to join up support services across agencies and support residents most likely to be impacted by reforms.

#### **16. In the longer term, ensure that the need for affordable housing for low-income workers is a clear part of the planning cycle**

At root, many of the most pressing issues identified in this research are a housing problem – city centre housing is unaffordable for those on low incomes including low

earners, and as Housing Benefit continues to fall behind rents this affordability problem will spread. Many of the steps above will help residents to manage these impacts in the short to medium term. However, in the longer term, there needs to be a clear focus on how housing strategy and the planning cycle can increase the supply of affordable units for low-income working families.

### **17. Develop the 'Oxford offer'**

Finally, it is important to note that we found very strong buy-in to support residents affected by reforms across Council services, the voluntary sector and other agencies. We also found many examples of good practices and a strong commitment to testing and improving services. In the longer term, there is scope to pull all of these elements together – across monitoring, identification, engagement and delivery – into a compelling 'Oxford offer' for residents that claim social security benefits and that need support to move on and move up.