

**Department for Work and Pensions**

**Research Report No 521**

# **Social housing and worklessness: Qualitative research findings**

**Del Roy Fletcher, Tony Gore, Kesia Reeve and David Robinson with  
Nadia Bashir, Rosalind Goudie and Sonia O'Toole**

A report of research carried out by the Centre for Regional Economic and Social Research at Sheffield Hallam University on behalf of the Department for Work and Pensions

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# Summary

## Introduction

In his recent review of the future role of the social rented housing sector, John Hills (2007) observed that levels of worklessness within the social rented sector are disproportionately high, even when taking into account the relatively high levels of disadvantage apparent among the tenant base. This report presents the key findings to emerge from a study commissioned by the Department of Work and Pensions (DWP) that set out to explain the relatively high levels of worklessness apparent within the social rented sector.

Five key research questions focused the research effort:

- 1 Are social tenants able to recognise and realise the work-related benefits of living in the social rented sector?
- 2 Does living in the social rented sector expose people to area effects that serve to distance them from work?
- 3 Do difficulties moving within the social rented sector for work-related reasons serve to restrict the job opportunities available to tenants?
- 4 Does the current system of benefits and tax credits serve to distance social tenants from work and are these effects more pronounced than in the private rented sector?
- 5 Are there any barriers, operating in isolation or combination, that help to explain the high levels of worklessness apparent among social tenants, in addition to those that have been already examined by quantitative analysis of administrative and survey data?

The team's approach to addressing these five questions was to adopt a qualitative approach, involving the in-depth interviewing of 107 social tenants and 30 private tenants.

## Social housing as a work incentive

### Research question

- Are tenants able to recognise and realise the work-related benefits of living in the social rented sector?

### Key findings

- Being a social tenant was not recognised as presenting any unique or particular barriers to work.
- Significant work incentives were associated with being a social tenant. In particular, respondents referred to sub-market rents, the sympathetic and flexible attitude of social landlords and the stability provided by security of tenure.
- Work incentives associated with being a social tenant were less readily recognised by people who were not named tenants, people who had no experience of other tenures and people more distant from the labour market.
- Living in private rented housing was seen as presenting numerous barriers to work. These included relatively high entry costs and rent levels, and insecurity, linked to both tenancy conditions and the unsympathetic attitude of landlords to financial problems encountered upon entering or losing work.
- These findings suggest that levels of worklessness are high within the social rented sector, not because tenants do not recognise or realise these incentives, but because they do not overcome the breadth and depth of concerns that social tenants have about the financial viability and risks associated with entering low-paid and often insecure work.

## Geography

### Research question

- Does living in the social rented sector expose people to area effects that serve to distance them from work?

### Key findings

- Area effects were evident in a few case study areas. They were more prevalent in communities: suffering from persistent worklessness and poverty; displaying a strong sense of 'local identity'; with low levels of residential mobility; and exhibiting high levels of social contact between residents.
- They were least evident in the 'pepper potted' neighbourhoods with some respondents in these locations identifying advantages of living there for their prospects of securing work.
- Nevertheless, it would be a mistake to conclude that area effects are inevitably associated with, and likely to influence, levels of worklessness in areas of social housing.

- The main area effects were about 'people' and included: reported experiences of postcode discrimination; social norms and routines that result in peer influences resistant to formal paid work; and the narrow spatial horizons of some residents which serve to restrict the geographical extent of job search and travel to work.
- Residents in neighbourhoods where such effects were most pronounced were, however, embedded in locally-concentrated social networks which help them to 'get by'. Family and wider social networks provided a range of support including childcare, financial help, transport and job leads.
- There is no consistent evidence for the existence of cultures of worklessness in the case study areas. Residents have been affected by economic and social change in various ways. Some have never worked, others have had stable employment histories transformed by redundancy. Many others were caught in a 'revolving door' of low paid work and worklessness. However, economic marginality and poverty were common to all.

## Mobility

### Research question

- Do difficulties moving within the social rented sector for work-related reasons serve to restrict the job opportunities of tenants?

### Key findings

- No social tenants reported that restricted residential mobility impacted on their chances of finding work.
- Social tenants rarely suggested that relocating to another neighbourhood would improve their chances of securing employment.
- Very few social or private tenants were willing to contemplate moving to improve their job opportunities and only a small number reported they would move for a definite offer of work.
- The costs assumed to be associated with a move for work-related reasons (severing of social ties and loss of key resources) were reported to outweigh the benefits (low paid, insecure work).
- Some tenants were keen to move house and neighbourhood, but the common drivers of mobility were the desire to move to a 'better' neighbourhood or to move into more suitable accommodation.
- Few variations in perceptions, attitudes or experiences were found across the case studies, although social tenants in areas of concentrated social housing (particularly in Derby and Sheffield) tended to have stronger ties to their place of residence and were less likely to countenance moving.

## Tax and benefits

### Research question

- Does the current system of benefits and tax credits serve to distance social tenants from work and are these effects more pronounced than in the private rented sector?

### Key findings

- The effects of the tax and benefit system emerged as a significant issue for both social tenants and those in the private rented sector.
- It is clear that poor job quality is a significant labour market barrier for many residents with low human capital. Many interviewees highlighted the low paid, insecure nature of the available employment opportunities which meant that work did not pay.
- The financial consequences of entering work are not always clear (even after better-off calculations) and may take considerable time to become apparent. Groups furthest from the labour market are more likely to rule out work as 'unaffordable'.
- The complexity of the tax and benefits system may act as a work disincentive. It was clear that many had not got to grips with the complex interaction between earnings, tax credits and Housing Benefit.
- Many respondents raised concerns about the potential difficulties, in terms of both the inherent uncertainties and bureaucracy, of returning to benefits. Interviewees frequently highlighted a lack of communication between Jobcentre Plus and their landlord over the payment of Housing Benefit which had led to technical rent arrears and the accrual of other debts.
- Groups most distant from the labour market often contrasted the insecurity of available labour market opportunities with the stability of benefit.
- The interview team encountered some individuals who remained committed to seeking formal paid work despite the problems of low pay and chronic insecurity. The present research has highlighted the importance of several key 'resilience factors'. These include: the age of tenants; their level of financial commitments; their access to social networks predominantly composed of individuals in work; and the centrality of work in some individuals' sense of identity.

## Further barriers to work facing social tenants

### Research question

- Are there any barriers, operating in isolation or combination, that help to explain the high levels of worklessness apparent among social tenants, in addition to those that have been already examined by quantitative analysis of administrative and survey data by DWP?

### Key findings

- Six particular characteristics were found to inform the weak competitive position of many social tenants in the labour market: health issues; childcare responsibilities; debt; drug and alcohol dependence; criminal records; and multiple disadvantage.
- As well as shutting off particular types of work, these problems also affected many respondents' general employability; this was especially the case with mental health issues.
- Apart from childcare needs, most of these barriers represented personal difficulties faced by the respondents themselves but there were also some ill health and drug dependence cases where the problem was being experienced by another member of the household or wider family.
- Many interviewees reported that they faced more than one of these additional barriers, as well as lacking skills and qualifications and extensive work experience.
- In some cases these multiple disadvantages were severe in nature and sometimes hidden from the view of official agencies (e.g., undiagnosed mental health problems).
- The impact of these multiple barriers appeared to be additive, each disadvantage adding extra burdens and bringing a corresponding reduction in people's competitive position in the labour market.
- These severe, often multiple and unseen or denied problems are unlikely to be fully appreciated by traditional survey measures and point to why previous analysis has struggled to explain the relatively high levels of worklessness within the social rented sector.



# 1 Introduction

## 1.1 Background

The number of people in employment in the UK has risen over the last decade. At the same time the level of unemployment has fallen in terms of both the Jobseeker's Allowance (JSA) claimant count and the International Labour organisation (ILO) definition. However, not all groups have benefited equally from recent developments in the economy and labour market. Unemployment and economic inactivity (together termed as 'worklessness') have become progressively concentrated within certain groups and within particular geographical communities. Consequently, the targeting of particular groups and relatively small geographical areas ('neighbourhoods' or 'communities') has become a defining feature of the Government's emerging approach to tackling worklessness. Within this context, increasing attention has focused on levels of worklessness among social tenants and within concentrated areas of social housing.

In his recent review of the future role of the social rented housing sector, John Hills observed that nearly one-third of the 9.1 million people recorded as workless in spring 2006 were living in social rented housing and that the workless rate in the sector was nearly twice that in the private rented sector (Hills, 2007). However, relatively high levels of worklessness among social tenants should not come as a surprise. Access and choice within the housing market is largely determined by income, which, in turn, is closely related to labour market position. People disadvantaged in the labour market, therefore, often struggle to secure and maintain a position in the private sector. Many of these households turn, instead, to the social rented sector, which has been reconstituted over the last 30 years and increasingly serves as a safety net for households unable to secure or maintain a place in the private sector. Hills recognises this point but goes on to suggest that levels of worklessness within the social rented sector are still disproportionately high, even when taking into account the relatively high levels of disadvantage apparent among the tenant base. To support this assertion he draws on in-house analysis by the Department for Work and Pensions (DWP) that suggests that:

*'...where a social tenant is affected by one disadvantage, their rate of worklessness is much higher than for those with the same disadvantage... who do not live in social housing. Social tenants are more likely to have overlapping disadvantages in the labour market...But for any given number of overlapping disadvantages, those in social housing have lower employment rates.'*

(Hills, 2007, pp.100-102)

He concludes by observing that this finding is all the more significant given the positive work incentives associated with living in the social rented sector, which include sub-market rents, security of tenure and the ethos and actions of social landlords.

This report presents the key findings to emerge from a study commissioned by the DWP and Communities and Local Government that sought to explain the relatively high levels of worklessness apparent within the social rented sector<sup>1</sup>.

## 1.2 Key research questions

Three broad lines of inquiry defined the scope of the project:

- is there anything particular about the social rented sector that serves to distance people from the labour market or represents a barrier to work?
- do social tenants recognise, and are they able to realise, the positive work incentives associated with living in the sector?
- are there any factors too subtle to be picked up by traditional survey measures or that do not appear in administrative data, that help explain the relatively high levels of unemployment and labour market detachment found among social tenants?

These lines of inquiry were explored through attention to five key research questions, which served to focus the research effort:

1. Are social tenants able to recognise and realise the work-related benefits of living in the social rented sector?
2. Does living in the social rented sector expose people to area effects that serve to distance them from work?
3. Do difficulties moving within the social rented sector for work-related reasons serve to restrict the job opportunities available to tenants?

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<sup>1</sup> A separate report published by DWP provides a detailed review of the key policy messages to be derived from the research (Fletcher *et al.*, 2008). Discussion is organised around the same issues, but also includes reflections on models of integrated service provision and how they might be implemented at the local scale. The executive summary of the key policy messages is contained in Appendix E.

4. Does the current system of benefits and tax credits serve to distance social tenants from work and are these effects more pronounced than in the private rented sector?
5. Are there any barriers, operating in isolation or combination, that help to explain the high levels of worklessness apparent among social tenants, in addition to those that have been already examined by quantitative analysis of administrative and survey data?

### 1.3 The structure of the report

This report is organised around consideration of the five key research questions detailed above:

- **Chapter 2** considers whether or not social tenants are able to recognise and realise the work-related incentives of living in the social rented sector. To this end, discussion reflects upon the extent to which respondents recognise social housing as providing any work-related incentives and whether these benefits bring people closer to the labour market.
- **Chapter 3** considers the possibility that area effects associated with living in social housing can impact on individual labour market outcomes. Both 'place' effects, which stem from the characteristics of places, such as location and infrastructure, and 'people' effects, which relate to the damaging effects of living with many other workless people, are explored.
- **Chapter 4** explores the potential for limited options to move within the sector to serve as a disincentive to work. In particular, attention focuses on identifying any links between residential mobility and the chances of securing work; uncovering tenant attitudes toward residential mobility; and exploring the potential for work to prompt mobility.
- **Chapter 5** profiles the tax and benefit challenges associated with moving into and out of work and the degree to which such problems serve as a barrier to labour market engagement. In doing so, any distinctions between the attitudes and experiences of social and private tenants are explored.
- **Chapter 6** reflects upon additional barriers to labour market engagement encountered by social tenants that might not be recognised by the traditional survey mechanisms relied upon to try and explain relatively high levels of worklessness among social tenants.

Each chapter draws on interview data from across the case studies, which is employed to illustrate key points and to elucidate matters of particular importance. Detailed discussion in each chapter is prefaced by a bulleted summary of the key findings.

A final chapter provides concise answers to the five key questions and draws out conclusions of particular relevance to specific populations groups and neighbourhood types.

## 1.4 The research approach

The team's approach to addressing these five questions was to adopt a qualitative approach, involving the in-depth interviewing of social tenants and a smaller number of private tenants. This allowed the team to handle the complexities of motivation, behaviour and reaction with regards labour market engagement and the significance of social renting within the bundle of structural and personal factors informing patterns of engagement.

Interviews were conducted in eight neighbourhoods located in four case study local authority districts (LADs) (Derby, Islington, Peterborough and Sheffield<sup>2</sup>). The selection of these case study neighbourhoods was a three stage process:

- A shortlist of LADs was generated through a selection process that sought to ensure the inclusion within the sample of different types of LAD (inner London boroughs, competitive cities and new and growing towns). Broad indicators were assembled to provide an outline of housing and labour market conditions in a long list of 55 LADs. A range of more specific indicators were then reviewed to provide a profile of each LAD regarding location, housing market context, economy and labour market profile; urban form and administrative structure; and social rented stock profile. This process revealed certain LADs were unsuitable for the study, either overall or in relation to certain key indicators social rented stock; economic inactivity; working age economically inactive in social renting; jobs gap index). These LADs were, therefore, removed from the list, leaving a shortlist, from which the four case study LADs were selected.
- In each LAD a long list of neighbourhoods was generated that could be categorised as either concentrated areas of social housing or pepper-potted areas of social housing, the intention being the selection of one of each neighbourhood type in a bid to allow analysis of any area effects associated with living on an 'estate'. In addition, labour market context (unemployment and labour market detachment) were analysed and controlled for, ensuring all potential case study neighbourhoods were experiencing above average levels of worklessness in the context of ready access to major employment opportunities. Social and demographic factors were also analysed to allow attention to issues of diversity within the sample.
- A sample of respondents residing in the social and private rented sectors and living in different housing and household situations and with different relationships with the labour market was generated. Respondents were accessed through housing and employment-related service providers (including Jobcentre Plus and social landlords) and also through snowballing techniques. Particular attention was paid to ensuring the inclusion of key groups known to experience higher levels of worklessness – single young people, long parents, couples with children – and to ensure ethnic diversity within the sample.

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<sup>2</sup> A pen portrait of each case study is provided in Appendix B.

The target was to interview 15 social tenants in each of the case study neighbourhoods, a total of 120 in-depth, qualitative interviews with social tenants. In the event, a total of 107 relevant interviews were completed with people living in the social rented sector (31 in Derby, 30 in Sheffield, 31 in Islington and 15 in Peterborough). In addition, a further 30 interviews were conducted with private rented tenants, who were drawn from across the eight case study neighbourhoods and beyond, to allow the further analysis of tenure effects<sup>3</sup>.

An interview schedule (see Appendix C) was developed to guide discussions with social tenants. The aim was to enable interviewers to explore each respondent's personal and household situation and the range of issues that they faced. Insights from a review of previous research (see Appendix D) also helped to shape the type of information to be gathered. Overall the focus was on any matter pertinent to links between housing tenure and worklessness but with particular attention paid to three potential aspects of this relationship:

- do the costs of housing and the consequences of entering formal employment for the payment of housing costs (including the Housing Benefit implications/perceptions of working) impact on attitudes toward, and opportunities to enter, work?
- are people exposed to any area effects associated with living in particular neighbourhoods as a consequence of the issues of access to, and the allocation of, housing?
- do constraints on residential mobility within the housing system and associated with particular tenures restrict access to locations that provide more ready access to employment opportunities?

The same or similar issues were addressed in the interviews with private tenants, allowing comparative analysis of experiences, perceptions and attitudes. The following issues and considerations also informed design of the schedule:

- The importance of collecting longitudinal information, as a means through which correlations and linkages between housing and labour market situations could be exposed. To this end, descriptive information about a respondent's housing career and labour market career was plotted sequentially, along two distinct timelines. Analysis was limited to the last five years to limit the distorting effect of time on recall capabilities. Aspects of these careers, and linkages between them, were then pursued in more detail in subsequent sections of the interview.
- It was not possible to discuss each and every phase of respondents' housing and labour market careers in depth. Experience suggests that interviews should not last longer than 1 to 1.5 hours if respondents were to remain engaged and willing to continue with the interview. The schedule, therefore, focused on key points within a respondent's housing and labour market careers.

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<sup>3</sup> A profile of the 107 social tenants interviewed is provided in Appendix A.

The schedule was divided into six distinct sections:

- **Housing and labour market careers** – focusing on residential history (accommodation and neighbourhood) during the last five years and labour market history (work and worklessness situations) during the last five years.
- **Current/recent experience of worklessness** – focusing on experience of unemployment, job search strategies and experiences, barriers to securing employment, personal circumstances while out of work, activities while out of work, including training and informal work and life in the local neighbourhood.
- **Housing and work** – focusing on housing situations and circumstances when out of work, changing housing situations - reasons, motivations and consequences for work, housing circumstances as a barrier to employment.
- **Labour market transitions** – focusing on the process of securing work, factors enabling the move into work, changing housing situations before and during period of employment, hopes, aspirations and concerns when starting work, experience of work (positives and negatives), factors leading to the loss of employment.
- **Aspirations and plans** – attitudes toward employment, solutions to worklessness, possibility of removing barriers to work, strategies for coping with worklessness, housing aspirations and motivations for wanting to move, thoughts about consequences of residential mobility for work.
- **Profile information** – age, gender, ethnic origin, nationality, employment status, health, qualifications and training, previous occupations.

Wherever possible, interviews were recorded and subsequently transcribed into verbatim text, to facilitate analysis.

## 2 Social housing as a work incentive

### **Research question**

- Are tenants able to recognise and realise the work-related benefits of living in the social rented sector?

### **Key findings**

- Being a social tenant was not recognised as presenting any unique or particular barriers to work.
- Significant work incentives were associated with being a social tenant. In particular, respondents referred to sub-market rents, the sympathetic and flexible attitude of social landlords and the stability provided by security of tenure.
- Work incentives associated with being a social tenant were less readily recognised by people who were not named tenants, people who had no experience of other tenures and people more distant from the labour market.
- Living in lower cost private rented housing was seen as presenting numerous barriers to work. These included relatively high entry costs and rent levels and insecurity, linked to both tenancy conditions and the unsympathetic attitude of landlords to financial problems encountered upon entering or losing work.
- These findings suggest that levels of worklessness are high within the social rented sector, not because tenants do not recognise or realise these incentives but because they do not overcome the breadth and depth of concerns that social tenants have about the financial viability and risks associated with entering low-paid, and often insecure, work.

## 2.1 Introduction

The social rented sector has the potential to serve as a positive work incentive. The security of tenure and sub-market rents that the sector offers can support people seeking to make the transition into, and sustain work within, lower-paid segments of the economy. However, the low employment rate among social tenants has prompted concern that the sector is not realising this potential. This suspicion has been reinforced by analysis suggesting that high levels of worklessness among social tenants cannot simply be explained away by reference to the higher concentrations of disadvantage within the sector as a result of the priority given to people in need in the allocation process. Analysis of quantitative data undertaken by the Department for Work and Pensions (DWP) (see Hills, 2007) concluded that even when common factors which place individuals at a disadvantage in the labour market are taken into account (e.g., health status, lack of skills, childcare needs), social tenants are less likely than private tenants to be in paid employment.

A critical question raised by this analysis and posed by Hills is whether or not social tenants are able to recognise and realise the work-related incentives of living in the social rented sector. This question was explored during the in-depth interviews with social tenants and is the focus of this chapter. Discussion begins by reviewing whether or not respondents recognised social housing as providing any work-related incentives. In doing so, the more general benefits that respondents associated with living in the social rented sector are revealed, as well as three particular aspects of the social rented sector that were identified as serving to position tenants closer to the labour market: sub-market rents; the sympathetic and flexible attitude of social landlords; and the stability provided by security of tenure. These three factors are then each considered in detail.

## 2.2 Social housing as a work incentive

Many of the 137 respondents had experience of living in both social and private rented accommodation. One in four of the 107 social tenants had previously rented from a private landlord (a situation they had left at different points in the past and for a variety of reasons, including success in securing access to social housing) and almost half of the 30 private renting tenants surveyed had previously rented from a social landlord. In addition, some respondents had experience of different sectors of the rental market, from when they were living in the family home or staying as a guest with a friend or relative. Social tenants also frequently pointed to the experiences of friends and relatives when comparing and contrasting their situation with the opportunities available in the private rented sector. The majority of respondents were, therefore, able to offer an opinion when asked to reflect upon the differences and distinctions, and associated costs and benefits, of living in the social rented sector, compared to renting from a private landlord.

There was near universal agreement among all respondents that the social rented sector provides a superior residential offer when compared with the private rented

sector. Drawing on their own experiences or recounting problems encountered by friends or relatives, respondents often talked at length about the benefits of being a social tenant, which were frequently contrasted with the negatives of being a private tenant. These benefits can be summarised under eight key headings:

- **Security** – the private rented sector was commonly portrayed as providing short-term, insecure accommodation. This point of view was frequently explained with reference to the right of private landlords to repossess the property at the end of the tenancy term, which was reported by respondents to typically be six months. In contrast, the social rented sector was regarded as providing long-term, secure accommodation, assuming that tenants complied with certain conditions, which social landlords were often reported to be flexible and sensitive in applying, as we will see below.
- **Cost** – the vast majority of respondents suggested that rent levels were lower in the social rented sector. This was the reported situation across the case studies. There was some variation in the perceived savings associated with being a social tenant, however, some housing association tenants and some respondents in London reported that the difference in rent levels between the social and private rented sectors was marginal, perhaps reflecting the consequences of rent restructuring.
- **Landlord services** – overall the range and quality of the service provided by social landlords was compared favourably against that provided by private landlords. Respondents pointed to perceived or experienced problems getting private landlords to undertake, often basic, repairs and maintenance. In contrast, social landlords were reported to be relatively prompt in responding to reported problems and, even if there was a delay in their response, to undertake repairs to a high standard. Respondents also pointed to the additional services provided by social landlords, reflecting the ‘housing plus’ role of many social landlords.
- **Nature and type of accommodation** – in general, social landlords were reported to provide accommodation of higher quality than private landlords. Some social tenants pointed to improvements in their accommodation, indicative of landlords’ efforts to meet Decent Homes standards, including improvements in heating systems, replacement of windows and the fitting of new kitchens. A small number of social tenants also pointed to the responsiveness of social landlords to particular housing requirements, such as the needs of a family member with health problems or a disability.
- **Freedom and control** – some respondents suggested that the social rented sector afforded tenants greater freedom and control over the occupation of their home. In part, these comments were related to the issue of greater security in the social rented sector, which allowed people to plan ahead and gave them confidence to invest in their property, safe in the knowledge that they would probably be living there for years to come. An important aspect of this was the option that it gave to mothers, especially lone parents, to devote themselves to bringing up their children.

- **Access** – several social tenants reported that access to private renting was restricted by the requirement that new tenants provide a bond or deposit. The reluctance of some landlords to accept people claiming benefits was also reported to restrict the opportunities provided by the sector. In contrast, most people reported they were not barred from accessing the sector. In London, however, respondents reported the time that people now have to wait for an offer of a tenancy meant that the sector was rendered inaccessible to many people.
- **Opportunities to buy** – a small number of respondents identified the right to buy afforded to council tenants as a long-term benefit of residing in council accommodation. This point was most often made in the context of discussion about future plans and aspirations, people often linking long term goals around labour market activity with a move into home ownership and suggesting that the possibility of right to buy made this aspiration all the more realisable.
- **Community and sense of belonging** – a small minority of social tenants suggested that the greater security of tenure in the social rented sector gave greater stability to the local population and a greater sense of community than in areas of private rented accommodation, where they thought that there would be a much higher turnover of residents.

Respondents were generally quick to point to such benefits when asked about the pros and cons of being a social tenant. However, when discussion turned to consider the work-related benefits of living in the social rented sector, many respondents (renting both from social and private landlords) struggled to identify any advantages. Living in the social rented sector was not identified as a barrier to work by any of the 107 social tenants interviewed but the work-related benefits were not always obvious to them. However, upon closer examination, it became apparent that these respondents were typically either people who were not named tenants and therefore, not responsible for the rent (particularly adult children but also partners of the named tenant); had only ever been a tenant in the social rented sector and had little awareness of other tenures; or were very distant from the labour market, rendering the potential work-related benefits of residing in the sector insufficient to enable them to work or consider working.

In contrast, named (social and private sector) tenants who were closer to the labour market often made explicit reference to the work-related benefits of residing in the social rented sector. In particular, these respondents singled out three aspects of life in the social rented sector that served to bring them closer to the labour market and make work a more viable and realistic possibility: rent levels and affordability; security and stability; and the attitude and actions of social landlords. These three factors are explored, in turn, here.

## 2.3 Rent levels and affordability

Rent levels were a critical component of the assessment made by people closer to the labour market about the financial viability of work. Most of these respondents were aware that rents were lower in the social rented sector and frequently identified sub-market rents as a factor serving to make work a more financially viable proposition, in light of the low wages that many reported being able to command.

Michael, a 36 year old man, was currently living with his wife and young child in a property rented from Derby Homes. Like many of the social tenants who had experience of renting from a private landlord, he was aware that rents were lower in the social rented sector:

Interviewer: *'What about costs, how do the costs compare, do you know, compared by renting from the council?'*

Respondent: *'Er I think it's better 'cos every month we get a sheet saying what rent we're paying and what we've had done and that and it tells you the cost ... this council house a week, it's £74.'*

Interviewer: *'And how much were you paying in your flat?'*

Respondent: *'£560 a month, and that was private rented.'*

Interviewer: *'For a two bed flat, what size house have you got here?'*

Respondent: *'Three bedroom house and the rooms are bigger.'*

Michael's comments also hint at the issue of value for money, with the social rented sector providing access to larger and more suitable accommodation for less money, a point that was reiterated by Gary, a 42 year old single man in receipt of Incapacity Benefit:

*'...with private rented it's an arm and a leg, it's an arm and a leg for the rent, you're talking maybe 60, 70, £80 odd a week and with private rented you're only getting one room and with private rented the only way you'd be able to cope with the bills is if you get someone to live wi' you and go halves, like one of them would pay the rent the other one would pay the bills so I'd never go private rented, never.'*

(42 year old single man in receipt of Incapacity Benefit)

Rent levels within the social rented sector were often reported to be affordable. Nasreen, a 37 year old unemployed lone parent, for example, suggested that the rent charged by her housing association landlord compared favourably to the rents in the private rented sector, allowing her to contemplate coping with the partial or complete withdrawal of Housing Benefit that would be associated with a move into work:

*'To tell you the truth when I hear about the situation with people who are paying £4-500 a month I think we're very lucky 'cos the housing association's rents are fairly good. I think they're affordable and if we got off Housing Benefit it wouldn't be too bad, paying out about £60-70 a week considering how much people do pay it's not too bad so I won't be worried.'*

Nasreen went on to talk explicitly about how sub-market rents serve to make work a more financially viable option:

*'I think if you are in housing association it's easier to work because your rent is not so high, when it comes to private property it's harder because you know, I know a friend, they live in private property and £450 and... their landlord don't do nothing and they're just struggling to pay the rent. If they had a choice I'm sure they would turn round and rent a property from housing rather than private because there's so much benefits renting from housing.'*

In contrast, rent levels in the private rented sector were frequently identified as a barrier to work. Gary, for example, commented:

*'...say like you was living in a private rented flat, right, all your wages would be going on the rent, you wouldn't have none for electric, food or gas or 'owt like that. Here it's on 300 something quid a month to rent.'*

Respondents currently living in the private rented sector also frequently pointed out the rent differential between the social and private sectors, often drawing on personal experience of living in the social rented sector to validate their viewpoint:

*'...if I was in Derby Homes house the rent would be less and I would work full time that would be better for me. Rent-wise what I'm paying here I used to pay half of that on the council house and better standard as well.*

*It is a lot cheaper though, go on internet and bid and it's like £55 or £45 a week and it is a lot cheaper and you're guaranteed to get your repairs done and have a nice house.'*

Some private tenants, however, were still reluctant to consider living in the social rented sector, raising concerns about the residential offer available within the sector:

*'Definitely Council because it's cheaper rent. But, I mean, I was on the Council waiting list, and the properties they showed me...it was just scary and it was syringes and people just looked really frightening, and I felt scared to move to them areas. And because I lived around here and the house that I lived in, I just thought it's better just to find somewhere where I could just live and feel safe. I didn't wanna be in an environment where there's abuse around me and things like that because I was getting away from things like that.'*

A further observation made by a small number of respondents concerned the unpredictable rent rises in the private rented sector that could make it difficult to manage household finances when in work and responsible for partial or full

payment of the rent. In particular, concerns were raised about the reported tendency of private landlords to raise rent levels at short notice, as Diane, a 35 year old lone parent living in Derby observed:

*'...private landlords, I don't know, I've heard all stories of all sorts of things like, put the rent up at the drop of hat or something like that. ...If you were working and with a private landlord then I suppose if they put the rent up you'd have to think "right where's this rent coming from?"'*

Some social tenants who were looking for work – typically people who had no experience of the private rented sector – were unaware of rent levels in the private rented sector and were therefore unable to pass comment when asked about the work-related benefits of sub-market rents. In addition, it became apparent during interviewing that some social tenants were unclear or misunderstood the impact of work on the financial responsibilities of tenants in different sectors of the rental market. These misunderstandings were more frequently apparent among younger respondents and minority ethnic respondents. For example, Rashid, a Pakistani man who was separated from his wife and living alone in social rented accommodation, appeared to presume that partial Housing Benefit when in work was a payment made by social landlords and, therefore, a benefit only available to social tenants. On this basis, working was regarded as unfeasible if residing in the private rented sector:

*'With the private, it's like they charge you about almost £50/60/70 a week, and you know you have to pay that £50/60. So if I was paying £50/60 a week and I'm doing it private, I ain't gonna be left back with nothing. How am I gonna eat and everything, you know? It's a lot of things to survive. ...Social housing, at least they cover your back a bit, you know, they like pay for you or they pay for half, or something like that. It's just difficult to get it.'*

Meanwhile, Faiza, a 36 year old lone parent renting from a housing association, appeared to assume that upon entering work she would become financially responsible for repairs and maintenance to her property, which currently are paid for by her landlord:

*'I think it would be very difficult for me if I was in full-time paid work because then I would have to pay the rent, I'd have to pay all the bills for the house and I'd also have to pay council tax, I think it would be very hard to pay, it would be very difficult to pay the electricity bill, the gas bill and the water bill. If I was living in council housing and I was in paid full time work as well, if anything happened like there was a problem with the electricity or the boiler or anything and this needed to be sorted out then I would have to pay for that from my own personal wage and that would be difficult.'*

However, the majority of social tenants who were closer to the labour market were aware of the differential in rent levels between the social and private rented sectors and reported that sub-market rents in the social rented sector served to make work more financially viable. Yet, this is not to say that work was necessarily considered a realistic financial proposition by these social tenants. In fact, many

of the respondents who pointed to the benefits of lower rents reported that work remained unaffordable, for reasons explored more fully in Chapter 5.

## 2.4 Security and stability

Social tenants were commonly of the view that the social rented sector provided a more stable, secure and safe residential situation than the private rented sector. The private rented sector tenants interviewed tended to agree with this observation. The only exception were respondents who had no point of reference against which to compare their current situation, knowing little or nothing about tenancy rights or landlord practices in other sectors of the rental market.

The security and stability offered by the social rented sector appeared to be a welcome anchor point in the lives of tenants, which were often characterised by turbulence, uncertainty and associated difficulties 'getting by'. Confident about their security of tenure, social tenants reported being free to focus their attention on managing other challenges in their life. For people closer to the labour market, this included finding and maintaining formal paid employment. In particular, people who had previous experience of insecure housing situations or turbulent lifestyles reported that the security of tenure available within the sector provided a position of stability and confidence from which they could think about finding work. As Rosa, a 29 year old lone parent from Peterborough, explained:

*'Now I have my house here, I feel I can have more chance here than I have at the hostel. I have more chance here, if you put down either the hostel or the house, of course in my house I have more chance because you're more settled, not flitting off somewhere.'*

*You can't do a job that kind of situation [homelessness]...I couldn't focus on a job while I had so much to sort out. It was too hectic...It was only when I moved into my place that I could think about that [work].'*

(27 year old female lone parent, Barnsbury area, Islington)

For social tenants more distant from the labour market, the security provided by the sector was reported to allow them to focus their efforts on managing other challenges in their life such as ill health and disability, caring for children and looking after a sick relative. Laura, a 23 year old lone parent from Peterborough saw it as enabling her to pursue an alternative option to work:

*'It [living in social housing] gives me the choice, if I don't want to work I don't have to...so your housing rent's paid and the Council Tax, not having to worry about getting chucked out, which gives me the freedom to stay at home and look after the children, definitely.'*

Three particular dimensions of the security and stability associated with being a social tenant were identified as rendering work a more feasible proposition: security of tenure; the maintenance and repair service provided by social landlords; and the relevance and appropriateness of accommodation and support in the

social rented sector. Most comments focused on the security of tenure provided by social landlords, in sharp contrast to perceived practice in the private rented sector. The common perception was that private landlords frequently exercise the right to terminate or to not renew shorthold tenancies:

*'You see the thing with private housing is sometimes they say that someone else wants to have a look or someone else wants to rent, just let us come at short notice, then they want you to leave the house. When they give you this sort of trouble then in my mind I'm thinking "well I'm going to have to run from place to place" and you see with the company now they're not like that because as long as you continue to give them the rent they're not going to throw you out, they'll leave you there for as long as you carry on paying the rent. You see with the private landlords it's all about their own choice; whenever they want to they can ask you to leave. I don't think it's very safe having a private landlord.'*

(36 year old unemployed married man with one dependent child, Austin, Derby)

*'...with the Council and stuff they give you a long-term contract. With a private landlord, the most you ever get out of them is twelve months. But mine was always a six-month contract. After six months he'd renew the contract, if he was satisfied...after six months he could turn round and say, "Get out, I ain't renewing it," and you're stuck.'*

(36 year old unemployed married man with one dependent child, Austin, Derby)

*'...private rent they could charge you over I don't know £100, £200 a week and expect his money there and if there was no money there he'd have the bailiffs come along and chuck you out the property...if you rent privately you know you don't have a house because they can kick you out any time but with social they, you know you've got longer term.'*

(27 year old woman, unemployed lone parent, Austin, Derby)

Of course, social landlords can also seek to evict tenants for rent arrears but the point was that private landlords were considered more likely to follow such a course of action. Life as a private tenant was, therefore, characterised as being full of uncertainty, making it difficult to plan for the future. In contrast, renting from a social landlord was presented as providing stability and certainty:

*'Yeah because from tomorrow we're secure tenants because for a year we was introductory tenants and then tomorrow we're secure tenants. Where we were in the [private rented] flat it was only like a short term thing 'cos he was selling up and stuff like that. ...but here we know that we can stop here for good.'*

(Michael, a 36 year old married man, Derby)

*'I know that you can buy a council house and you can live pretty safely and securely and you get lots of other support facilities with it, my children are young and what if something goes wrong, and also the council doesn't force you out. I mean if you're renting privately then they can just throw you out any time, they just have to give you a bit of notice and ask you to leave, that's the thing with council house, they don't do that, I mean they don't do they? I always needed to feel secure because of the children, not somewhere where you've got six months and then you've got to get out and then I've got my children and I've got to find somewhere to live. I know that if I'm in a council house it's a secure tenancy.'*

(27 year old woman, lone parent, Austin, Derby)

Interviewer: *'Do you think there's any particular benefit to Council housing over private housing?'*

Respondent: *'Yeh, it's fifty per cent cheaper at least, and you've just got no landlord, no-one's gonna come in your house and say this, that. It's your place effectively until you mess it up, basically. It's not somebody else's flat that you're looking after, it's like you're looking after somebody else's flat if you're renting it from a landlord. After the six months is up he could say, "I don't want you there no more", you've gotta change flat. It's like owning it really, except you've just gotta pay the rent. After a couple of years you can buy at a discounted rate.'*

(Andrew, 23 year old single male, Barnsbury area, Islington)

Consequently, social tenants reported being able to turn their attention to matters other than their residential situation, including the challenge of accessing and maintaining work. On this basis, social tenants frequently focused on the issue of security of tenure when asked whether living in different housing situations makes it harder or easier to think about working. This point was forcefully made by Salima, a lone parent who was working part-time and had recent experience of renting from both private and social landlords:

Interviewer: *'So you've got experience of living in private rented accommodation and social rented, so what do you think, which is better in terms of thinking about getting work?'*

Respondent: *'Well the thing is, now, in the housing that I'm in I'm settled so I can start thinking about working now. Now I don't have to think about being thrown out, where am I going to go or anything like that, now I can focus on looking for work, working and then buying my own home. I think life's better now. Now I can start thinking about working, about having an education, my children can be educated too. I can look for work.'*

Interviewer: *'So if you were living in private rented accommodation do you think that your situation would be different in any way?'*

Respondent: *'Then I think I'd just be thinking about the house, when am I going to be thrown out, because in that situation they can take their home back whenever they like and there's no safety then.'*

It was also suggested that employers would look more favourably on job applicants with a more stable residential history:

*'I think it's more security in a sense that I'm on the record for that address so people can check that, so I'm more accountable than if I was living in a flat at 173 x, y, z road, because people know that I can up and go from there, that's my last known address. I don't have a difficulty with that here because I can give my address, that's my address and I think I'm more socially accountable.'*

(52 year old man, long-term sick, Austin, Derby)

Interviewer: *'Do you think that living in different housing situations can make it easier to think about working or not working?'*

Respondent: *'I think social housing is better because you have peace of mind and, you know, there's no pressure, whereas if it's a private landlord you don't know when the tenancy might end, or he might wanna sell the house or something like that, and you have that at the back of your mind that I've got temporary accommodation, whereas with the social housing you know you're there to stay as long as you like.'*

(40 year old man, separated from wife)

Another important dimension of the security and stability prized by so many social tenants was the confidence they had in their landlord to repair and maintain their home:

*'I think with the council you know where you are, whereas I think if I was with a private landlord if anything goes wrong they can just kick you out on your ear and you probably wouldn't have a leg to stand on...with the council, being there 15 years as well, I mean anything goes wrong with the property I know the council'll fix it whereas a private landlord, you would have to wait for this that and the other, I don't know if I could go through that.'*

(Diane, 35 year old lone parent in receipt of Incapacity Benefit)

Diane's suspicions about the practices of some private landlords were confirmed by the reported experiences of respondents with a current or recent experience of renting from a private landlord. Faiza, for example, reported a catalogue of problems with her private landlord:

*'I got the house through the private landlord and in this house I had a lot of problems. When it would rain the water would come into the house, it was in very bad condition and the boiler didn't work very well, all of the furniture, the fixtures, everything was my own, the landlord didn't provide anything but even when I asked the private landlord if I needed anything doing or I needed anything he never did anything, he was very busy, he had his own takeaway, he was just, he never paid attention to anything that needed to be fixed or sorted out, the landlord would always reply "well I'll do it tomorrow or I'll do it the day after" he never resolved any of the problems, and then one day all of my belongings were drenched, there was so much rain that there was a flood and it led to all of my belongings being destroyed and then I had to clean everything up and I had to try to use buckets full of water to try and clear the house but all my belongings were destroyed.'*

Faiza contrasted this experience with the repairs and maintenance service provided by her social landlord:

*'...it's much better. I had a three bedroom home and at least I knew that no matter what happened, if any repairs needed to be done then the council would sort them. I felt very secure and I knew that they would help me. I don't tell lies, I tell the truth, the council did help me, they even gave me a new kitchen, they took four weeks but they provided me with a new kitchen. They even fitted new doors and they gave me £45 to spend on paint so that I could decorate the house. They even offered to send somebody to decorate the house but I decided to do it through my own personal contacts. Recently they've just fitted the house with a new boiler. Whatever's wrong, any repairs that need to be sorted out, if there's a problem with the ceiling or the water or the electricity it's always sorted by the council. The council operates a 24 hours emergency scheme so if I was to contact them they'd be here as a matter of urgency and sort out any problems that need to be...'*

This experience had left Faiza in no doubt that living in social housing made it easier for her to think about working:

*'...living in council housing can be more helpful when you're looking for work because I'm much more settled here and I haven't had the difficulties that I had when I was living in the private rented accommodation.'*

Two factors appeared to explain why social tenants, like Faiza, identified the repairs and maintenance service provided by social landlords as rendering work a more viable proposition: First, people reported being free of the worry and concern of having to try and get their landlord to undertake repairs and maintenance. Social landlords were commonly regarded as providing a reasonable service and were certainly considered to be more responsive to reported problems than private landlords. Social tenants were, therefore, not required to spend time either chasing up their landlord or sorting out problems themselves. Secondly, social tenants pointed out that they carried no financial responsibility for repairs and maintenance, costs being covered by their rent. Although this might also be the formal contractual position in the private rented sector, some respondents

suspected that sometimes the only way to get work done in the private rented sector is to pay for it yourself, a suspicion confirmed by the experiences of some of the private tenants interviewed.

The final dimension of security and stability reportedly provided by the social rented sector, that served to make work a more feasible option for some social tenants, was the support and assistance provided by social landlords. Different forms of support were identified as serving to bring people closer to the labour market, including advice and assistance about benefit entitlements and the financial consequences of entering work. A small number of social tenants also pointed to the form and nature of their accommodation. For example, Robert, a 36 year old unemployed man in Derby, reported only being able to contemplate a return to work because his landlord had moved his family into a property adapted to his wife's particular needs. Safe in the knowledge that his wife could now manage at home on her own, Robert reported being able to contemplate returning to work:

Interviewer: *'Can you think of any way your current housing situation can make it easier to think about working?'*

Respondent: *'Yeah. With my wife being disabled, I can actually leave her and know she's going to be safe, where at the old house I couldn't, she could fall downstairs and I could be at work, I used to work, well I never used to know how long I'd be working, she could fall down the stairs when I went out, ten minutes after I went out to work and she could still be there when I came back a day or so later.'*

Interviewer: *'So that kind of confidence that you've now got in the situation frees you up a bit more thinking about going out and getting a job with long hours?'*

Respondent: *'Yeah, because I know she's got the stair lift, she can get up and down the stairs no problem, she's got a walk in shower, before we had a bath where she couldn't get in and out the bath on her own, I was always terrified if I was out of work, I thought "if she's had a bath and she's fell", you know...and if I was at work and I rang her, if I rang twice and nobody answered the phone then it was like "oh God what's happened". Okay, she's probably on the toilet or whatever, she's nipped to dustbins but it's "oh God she's fell, gotta get home, gotta get home". Where now I can ring three or four times and not answer the phone and I don't panic.'*

A small number of respondents from the Tollington estate in Islington took a more negative stance with regard to the links between their housing and work. This was closely associated with two factors: the poor condition of their dwellings; and the adverse social environment in certain parts of the estate. Two lone parents illustrated these feelings well:

*'Right now I am not gonna go to work and work all hours and have nothing at the end of it just to pay to live in that crappy little flat there.'*

(Janet, 25 year old lone parent)

*'It isn't the most particularly nice area, I mean I don't walk around the estate at night. As soon as I get my kids from school if I haven't got to go anywhere I go home. It's getting worse, people getting stabbed and it is terrifying to go out so I would no way, if I was still living here, do any night time work, it would have to be during the day because I wouldn't leave.'*

(Pauline, 27 year old lone parent)

However, all those who expressed such sentiments wished to remain in social housing: they were looking to transfer to other areas rather than a move to a different tenure.

## 2.5 Attitudes and actions of social landlords

Respondents with direct experience of living in the social rented sector and some knowledge of the private rented sector (from lived experience or second-hand accounts) reported that social landlords were more sympathetic and flexible than private landlords when faced with late payment of rent or accumulation of rent arrears, problems that respondents commonly associated with the move off benefits and into work. This point was made by Tom, a 36 year old unemployed man living with his wife and young daughter on the Austin estate in Derby:

*'It's easier with – I'd probably say it's easier security with the council because they can be a bit lenient when you first go to work. Because of getting paid and that they can be a bit lenient. They can carry your Housing Benefit on and that for a bit until you get paid, and then you're sort of – or they'll say, "Pay half your rent for the first few weeks" and you'll probably pay an extra tenner a week thereafter, til you've caught up. But with a private landlord, you know, the only way you can talk to them is with a shot gun and persuade him that way to say, "Look, can you just be a bit lenient, I'm starting work. You ain't gonna get your full rent for a few weeks because I ain't gonna get paid for so long". And he's gonna say, "No, I want it now, so there's the door".'*

Mary, a 58 year old female with grown-up sons still living at home on the Tollington estate in Islington, was of the same view:

*'Oh yeah the council's good for security and they do let you know when you're in arrears, they don't let it go up too high, 'cos they phone up, or send me a text saying "your arrears, can you please pay 'em up" and they give you time to pay...'*

Like Tom, many social tenants were of the belief that private landlords would not tolerate late or delayed payment of rent and expressed concern about the speed at which private landlords move to evict tenants for rent arrears:

Interviewer: *'If you were renting from a private landlord, do you think that might help your situation in terms of working?'*

Respondent: *'It makes it more difficult, I think it does.'*

Interviewer: *'In what way?'*

Respondent: *"Cos renting from them – if I was working, I wouldn't stop working, would I, 'cos once you miss the payments they're on your case, you're in arrears and all that, basically. But like the Council, with respect to the housing association, I mean, if I was working I'd make sure the money was there every week and if I slip up they're not gonna harass me for having arrears and things or kick me out or summat like that.'*

Interviewer: *'Do you feel secure with the housing association?'*

Respondent: *'I feel safe with them basically.'*

Interviewer: *'Does it provide you with quite a good basis to think about going into work?'*

Respondent: *'Well, yeh, it does, it's true. Not worried about the rent, you know what I mean, if that's part-time or whatever, I'll be all right.'*

Leroy, a 42 year old man who was married but living alone and a part-time student, went on to explain how his social landlord had helped him resolve a problem with his Housing Benefit payment, which was the cause of mounting rent arrears. In contrast, he suggested that in the same situation a private landlord would have given him *'two weeks notice or something like that to get out, or a month's notice or whatever, kick you out'*.

The more understanding approach of social landlords was reported to allow tenants to consider work that would be deemed too risky if they were living in the private rented sector. This was particularly the case for people considering short-term contracts and other temporary work opportunities, where payment can sometimes be sporadic or delayed. However, one or two respondents suggested that the benefits of being a social tenant had been reduced following stock transfer, the perception being that the new transfer housing association was increasingly focused on financial priorities and beginning to behave more like a private landlord. As Sheila, a 44 year old lone parent from Derby, argued:

*'While you're on benefits you feel relatively safe because you know they can't come and take your roof from over your head, they're not going to be banging on your door threatening you with eviction, because when it was run by... City Council, you could run up £500 worth of arrears, people did and eventually because they had no way of getting them back they had to write the arrears off, not me I didn't do it but other people I know have. Now that it's [transfer association] it's run as a business so they're interested in getting their pound of flesh the same way as everybody else is, so they'll let you get to a certain level which is nowhere near the amount they would let you at... City Council, it's probably a couple of hundred quid and you get a letter, you either come to us and explain to us why you're not paying, or we're going to apply for an eviction notice. ...it's run as a business now, they do want their pound of flesh the same way as everybody else does nowadays because a lot of them have been privatised and turned into money making business and because they're money making businesses now and not run the way they were before, they're profitable organisations and they want the money.'*

## 2.6 Conclusion

The social and private renting tenants interviewed did not recognise living in the social rented sector as presenting any particular barriers to work. In fact, many respondents, particularly named tenants who were actively looking for work, pointed to benefits associated with living in the social rented sector that serve to render work a more viable and sustainable proposition. These included sub-market rents, the security and stability of tenure and the attitudes and ethos of social landlords. In contrast, social tenants perceived the private rented sector to present multiple barriers to work. Private rented tenants focused their comments on the impact of the higher rent levels in the sector on the viability of work.

In conclusion, however, it is important to point out that that these benefits, although bringing people closer to the labour market, did not necessarily serve to make work a viable option in the eyes of many social tenants. Social tenants reported that sub-market rents serve to make work a more financially feasible proposition. Yet, as will be revealed in Chapter 5, many of these tenants remained concerned about the affordability of work. Social tenants also reported that security of tenure in the sector and the flexible and sympathetic attitude of social landlords both serve to reduce fears about the financial problems and associated threat to residential security that can arise when entering work. However, as also revealed in Chapter 6, many of these social tenants remained concerned about debt problems and the prospect of rent arrears when moving off benefits and into work.

These findings go some way to answering the question posed by Hills (2007) as to why levels of worklessness are so high within the social rented sector, despite the apparent work-related incentives associated with living in the sector. It is not because these incentives are not recognised or realised by social tenants, but because they do not overcome the breadth and depth of concerns that social tenants have about the financial viability and risks associated with entering low-paid, and often insecure, work.



## 3 Geography

### Research question

- Does living in the social rented sector expose people to area effects that serve to distance them from work?

### Key findings

- Area effects were evident in a few case study areas. They were more prevalent in communities: suffering from persistent worklessness and poverty; displaying a strong sense of 'local identity'; with low levels of residential mobility; and exhibiting high levels of social contact between residents.
- They were least evident in the 'pepper-potted' neighbourhoods with some respondents in these locations identifying advantages of living there for their prospects of securing work.
- Nevertheless, it would be a mistake to conclude that area effects are inevitably associated with and likely to influence levels of worklessness in areas of social housing.
- The main effects were about 'people' and included: experiences of post-code discrimination; social norms and routines that result in peer influences resistant to formal paid work; and the narrow spatial horizons of some residents which serve to restrict the geographical extent of job search and travel to work.
- Residents in neighbourhoods where such effects were most pronounced were, however, embedded in locally-concentrated social networks which help them to 'get by'. Family and wider social networks provided a range of support including childcare, financial help, transport and job leads.
- There is no consistent evidence for the existence of cultures of worklessness in the case study areas. Residents have been affected by economic and social change in varied ways. Some have never worked, others have had stable employment histories transformed by redundancy. Many others were caught in a 'revolving door' of low paid work and worklessness. However, economic marginality and poverty were common to all.

### 3.1 Introduction

A possible explanation for the high rates of worklessness (unemployment and economic inactivity) found amongst social tenants in some communities is that they are subject to 'area effects'. Once residents live in a neighbourhood with many people out of work, their chances of finding employment may be reduced simply because of where they live. In this report area effects refer to the effects (independent of a person's characteristics) that living in an area with many other people out of work has on individual outcomes, such as their chances of entering the labour market. The ways this can happen include:

- 'place' effects, which stem from the characteristics of places, such as their location and infrastructure, for example limited training opportunities or variation in the quality of local services; and
- 'people' effects, that relate to the damaging effects of living with many other workless people, for example a lack of information about job opportunities or area stigmatisation by outsiders.

### 3.2 The significance of area effects

Reference to area effects were largely absent from the personal accounts of most interviewees. The exception was the Manor estate in Sheffield where two-thirds of respondents thought that there was something about the area in which they lived that made it more difficult for them to get work. The main issues reported by respondents were about 'people' and included:

- experience of 'postcode discrimination' by prospective employers;
- social norms and routines that result in lifestyles or peer influences resistant to formal paid work;
- the narrow spatial horizons of local residents which serve to restrict the geographical extent of job search and travel to work.

This finding chimes with the picture painted in the Jobcentre Plus (2003) Sheffield district local worklessness pilot approach document, which details the design of the Manor Working Neighbourhoods pilot and maintains that area effects, such as a lack of childcare, were important features of the Manor estate.

The most frequently cited area effect was the poor reputation of particular neighbourhoods which underpinned reported experiences of 'postcode discrimination'. This was not unique to the Manor estate but was also mentioned by some of the interviewees in the Austin and Normanton areas of Derby, the Tollington estate in Islington and the Welland estate in Peterborough. Respondents highlighted the association between their community and high levels of drug misuse and criminal behaviour. Residents of Austin in Derby felt, for example, that they were often stereotyped as trouble-makers or 'druggies'. A few of those interviewed on the Manor estate appeared to be proud of their reputation as a

'hard' community. A 45 year old female from the Manor estate declared that:

*'Everyone knows that this is a bad area. Even the repair men are scared.'*

Personal accounts in these areas were littered with references to being stereotyped as untrustworthy or even criminal. A 26 year old Manor resident told how former work colleagues joked that they needed to: *'watch your stuff, he's from the Manor'*. These stereotypes had widespread currency and were thought to underpin employer discrimination. One woman in Peterborough said:

*'When you say to people you live on the Welland estate, they do look at you and think, "Oh God". Employers look at that and think, "No, I don't want to employ you".'*

The view was expressed that job applicants from the Manor estate had to be at least twice as good as their rivals from other communities to get job offers. Although stigmatisation and discrimination appeared to be part of the everyday lives of some people, it is notoriously difficult to secure definitive proof of employer discrimination. It is worth noting, however, that the widespread perception in some communities that postcode discrimination is a reality may serve to curtail the aspirations and job search behaviour of residents even where little discrimination exists. An 18 year old had recently moved to the Manor estate reported that:

*'I found it much easier to get job interviews when I lived on't Stradbroke [a nearby estate].'*

Similarly, John from Islington observed:

*'Anne Widdecombe actually came onto the estate and made a major eruption [with a TV programme] and now we've got, as soon as you put the postcode down, I live on N4, "isn't that near Andover, are you Six Acres" no, no way, you're either a druggie, you've been in prison, you're anti-social, you're this, you're that.'*

Many respondents on the Manor estate highlighted the importance of social norms and routines that result in peer influences which are resistant to the changes that might be brought about by formal paid work. This was usually discussed with reference to local 'street culture' which encouraged some young people to drop-out of school, take drugs and become involved in crime and anti-social behaviour. Many of the young people interviewed on the estate had left school early with no qualifications, several had been affected by heroin addiction and a couple had been imprisoned. Consequently, drug and alcohol abuse is a key labour market barrier for many individuals (see Chapter 6). The indications are that hard drug use became a problem in the community from the early 1980s with the result that drug gangs now thrive on the Manor estate.

Two lone parents had also developed family routines that were resistant to the changes that would be brought about by formal paid work. They had been out of work for 15 and 28 years respectively and during this time had developed routines that focused on caring for other family members. A 45 year old woman was, for

example, apprehensive about the thought of undertaking formal paid work and felt its acquisition would cause complications, reporting *'I fill my days in around them'* [her three children who were by now adult daughters]. In contrast, the other lone parent reported that she would have no problem getting a job in local supermarkets, commenting that: *'The Co-op and ASDA are always looking for people'*. However, she maintained that it was necessary to stay at home because her 14 year old child kept getting excluded from school. The same individual was also strongly of the opinion that she would be no better off in work.

Most lone parents in the other case study areas – both concentrated and pepper-potted – had similar outlooks, with any paid work having to fit around their childcare responsibilities. Often these responsibilities continued through the child's teenage years and, in some instances, into adulthood. As Helen, a 42 year old lone parent in the Barnsbury area of Islington, whose children were in their late teens, remarked:

*'I'm still their mum and I still want to be there for them, even though he's 17 and she's 15, they're still my kids and I still want them to do well, so at the end of the day I'll never stop being a mum.'*

In other words, Helen's parental responsibilities are central to how she organises her life and, as such, continue to impact upon her availability and attitude toward work. However, as the examples quoted in Section 5.5 illustrate, some lone parents are more adept at juggling work and childcare, irrespective of the age of their children.

The perceived narrow spatial horizons of local residents emerged as a significant issue in the Manor and Normanton case study areas. This is important because the likelihood of finding a job tends to be related to the distance that an individual is prepared to travel to work, since this widens the pool of available job opportunities. Manor respondents frequently highlighted this as a key problem for local youth who were territorial. A 22 year old female reported: *'They don't like to travel out of the area even to Wybourn'* [a neighbouring council estate]. However, it must be remembered that the low wage earning capacity of many residents serves to confine them to a smaller geographical search area. This is because the relative costs of commuting are higher for people in low wage jobs.

Willingness and capacity to travel to work are also constrained by transport availability (including its affordability and reliability) and other household responsibilities including childcare. This was borne out by the much lower frequency with which respondents in Islington and Peterborough alluded to difficulties in travelling to areas where jobs might be available. Several people in both localities made reference to the generally good accessibility offered by public transport links and the few problems that were reported related more to lack of early morning or late night buses (Peterborough) and overcrowded and unreliable services (Islington). Indeed, ready access to employment opportunities was a major factor in the positive perception of their neighbourhoods for a majority of Barnsbury respondents and for a smaller number of those from the Tollington estate.

A few women in the Normanton case study (pepper-potted area) in Derby were also unwilling to travel much beyond their own neighbourhood. Three interviewees exhibited what might be termed as a 'neighbourhood citizenship', which served to restrict their job search and travel to work areas. They were all lone parents and were looking for part-time work to fit around childcare responsibilities. Interviewees expressed a close connection and strong commitment to the area, pointing to their reliance on local social networks and detailing day-to-day routines rooted in the neighbourhood. All indicated that they were reluctant to travel into the city centre, two of them referring to health or mobility problems and one to issues of confidence and security when venturing outside the area. It is in this context that they all expressed a preference for working close to home. This need could have been accommodated in the past when local factories secured much of their labour force from the neighbourhood:

*'You could work in factories doing machine work, you could do packing work. Now you could find work in town...but in those days you could work in factories. In those days there were lots of factories, but they've closed now. And it was in these factories that all the girls and the women worked.'*

(47 year old woman, lone parent)

Nevertheless, most respondents indicated a willingness to travel beyond the confines of their local neighbourhoods to find employment. Furthermore, the accounts of many of those who had worked during the past five years often revealed that they had made significant commuting journeys including difficult travel involving two buses or a change of transport mode. Some had worked in neighbouring towns. This is a little surprising given the low paid nature of work that most residents had undertaken. However, many highlighted the difficulties experienced by those lacking private transport. Case study areas usually had good public transport links to the city centres. The infrequent nature of bus services in early mornings, late evening and at weekends was, however, reported to render shift work unfeasible in Derby. It was also pointed out that the growth of new employment opportunities in industrial, commercial or retail parks had often taken place on the periphery of cities that are often not well serviced by public transport or require a change of bus.

It is important to acknowledge that neighbourhoods in which area effects were most pronounced were also rich in the key resources upon which people rely to 'get by'. The strength of family and social networks are crucial in terms of anchoring respondents to particular communities and can be invaluable, particularly to people experiencing severe deprivation. The present study found, for example, that a range of support (looking after children, financial help and transport) was often provided through these networks. As a 21 year old woman in Peterborough said:

*'We've got family here, we've got family just across the road there, over there, down there, up there, they're all round. I live next door to my sister, she's basically here every day, she helps out with the kids when I need it or I do with hers.'*

Such networks allowed some individuals, especially those with caring commitments, to return to the labour market. A good example is provided by a 47 year old lone parent on the Manor estate whose mother took care of her children whilst she worked in catering. However, the ongoing redevelopment of the estate meant that the respondent was rehoused much further away from her parents. As a result they are no longer able to fulfil this function and the individual has been forced to look for part-time work to fit in with school hours.

Despite the formalisation of the recruitment process in recent years, there was evidence that some residents secure low paid work (formal and especially informal) through these networks. A 49 year old Manor male, for example, began a series of informal jobs through contacts in his local public house. Similarly, the uncle of a friend enabled a 26 year old Lower Walkley male to undertake informal work in the construction industry in London. Another 26 year old male from the Manor estate used his position as the deputy manager of an off-licence to get his girlfriend a job:

*'She got made redundant and because I was trained up to be deputy manager I got her a job at my place.'*

Other respondents in Islington and Peterborough had also undertaken occasional work to help out friends with cleaning jobs or to cover for staff absence in local shops. Andrew, a 23 year old single man in Islington, was filling in his time before completing his NVQ2 training by carrying out casual plumbing tasks for people who heard about him through his friends and acquaintances. Another 20 year old Islington man had in the past found occasional work through his brother:

*'...when the trains were out 'cos of their engineering work, we covered the buses and made sure people got on the right buses and everything, all stuff like that...(I did that) for about six and seven months over two years in total.'*

Several respondents had actively sought to move to deprived estates where area effects were most acute so that they could draw upon family and social networks. A 45 year old lone parent on the Manor estate had, for example, left the estate as a youngster but moved back when she became pregnant with her first child to be near her parents. She felt that: *'You should be around family if you can'*. Similarly, the poor health of a 45 year old married woman claiming Disability Living Allowance was the spur for her to personally arrange to swap homes with another individual to get onto the Austin estate in Derby. She reported:

*'I knocked on the doors. What it was, I was in the 'ouse that I was in, I was not very well at the time and I was really not well, I thought people was coming in to get me and stuff like that and I couldn't handle it so I sent my kids on the street and I knocked on doors and I got to this lady wanted an exchange and I said "well come back and 'ave a look" I says "and see what it's like" but it was a big massive house and erm she jumped at the chance and I moved on, we just swapped...I was poorly and got a house near me family 'cos it were too far for me family to come and see me and I moved around 'ere and I've been round 'ere ever since.'*

In contrast, some respondents from both the Welland and Tollington estates admitted that the area would not have been their first choice and that they had only moved there because that was what they had been offered and that the 'single offer' system left them with no choice but to accept. There was a feeling on their part of being unfairly treated: *'basically I've just been dumped here like a lot of people have.'* In the case of the Welland estate, many were now keen to escape the stereotype, either by a change of lifestyle or, more commonly, by seeking a move to another part of town. The poor condition of many of the dwellings meant that those Tollington residents who were keen to move emphasised the importance of finding more suitable accommodation.

At the same time, John, a long-standing resident in the Tollington estate in Islington, felt that the allocation system had made the area worse:

*'I've lived round 'ere 38 years, and it's got from knowing every single person in your block to not even knowing your neighbour. We have a lot of people that have got some difficulty in some way and the Government suddenly think "put them on a big estate and they'll cope" no, they don't...'*

There were also a limited number of respondents who said that their local social networks were restricted or non-existent. Two of these had moved to Peterborough from other places in search of a 'fresh start' and previous problems had made them wary of mixing with people who might tempt them back down the same path. Colin, a 28 year old former drug addict, felt that his isolation was providing the spur for him to find a job:

*'I recently split up with my girlfriend, we was together three years. I'm sort of struggling a bit with that at the moment. Friends and family, I haven't really got none around here, I keep myself to myself, I've got my dog, and more or less just me and him. That's why I'm desperate to get back out to work again.'*

Most interviewees felt that they were not exposed to area effects. Such effects were least evident in the 'pepper-potted' neighbourhoods with some respondents in these locations identifying advantages of living there for their prospects of securing employment. Interestingly, these included good public transport and the close proximity to the city centre and/or other employment opportunities, factors also present on the Manor estate but not recognised as an advantage by most interviewees. There appears to be a clear contrast between certain social housing estates, such as the Manor, the Welland and Tollington estates, and other areas in terms of labour market discrimination. In the former, the negative external image of the area emerges as a significant perceived barrier, whilst in the latter it was reported that employers were more likely to discriminate against particular groups (such as the long-term unemployed or minority ethnic people) rather than on the basis of residential location. This may partly reflect the more racially diverse nature of these case study areas.

Another important distinction to emerge lies between the three concentrated areas that have a poor external reputation. In the case of the Manor, this appeared to have had more of a cohesive effect on what was already a fairly tight-knit community. This has resulted in much stronger identification with the area on the part of many residents, with some actively seeking to be rehoused there. In contrast, both the Welland and Tollington estates seemed to have been subject to a higher turnover of tenants, with many being placed there unwillingly, and subsequently labelled negatively by association. The response of many in this situation has been to seek ways of obtaining a transfer to a 'better' area and to actively disassociate themselves from the estate and its connotations. However, the same factors can also make this difficult. As a mother of two in Peterborough observed:

*'If you look at the council's list where people try to get an exchange to, there's nothing, people put everywhere but Welland.'*

It would, therefore, be a mistake to conclude from this that area effects are inevitably associated with, and likely to influence, levels of worklessness in areas of social housing. Despite sharing many similarities (including poor external reputations and high concentrations of deprivation), only one of the four concentrated social housing estates in the study (the Manor estate) revealed the full range of area effects noted in the Hills (2007) report.

### 3.3 The characteristics of neighbourhoods where area effects were strongest

The present study suggests that area effects are more likely to be apparent in communities:

- suffering from persistent worklessness and poverty;
- displaying a strong sense of 'local identity';
- characterised by low levels of residential mobility;
- with high levels of contact between local residents.

The persistence of worklessness and poverty in some communities appears to be a key factor. The Manor estate has, for instance, become synonymous with high levels of worklessness and poverty over the past 25 years which culminated in its designation as a Working Neighbourhoods Pilot. The scale of the problem is indicated by the fact that the Manor ward has less than half of its residents economically active and an unemployment rate three times in excess of the national average (according to figures from the 2001 Census of Population). During the early 1980s it was identified as one of the city's worst areas of poverty (City of Sheffield Metropolitan District Council, 1983). This assessment was based on data compiled from the 1981 Census and a survey of council members and fieldworkers. The report found that the number of households receiving welfare

benefits had reached 60 per cent and that poverty was endemic and not confined to the unemployed (City of Sheffield Metropolitan District Council, 1983).

Evidence from the present study suggests that area effects are also more likely to be apparent in large estates (i.e. areas of concentrated social housing), with a strong sense of 'local identity'. Some of the case study areas had strong communities and identities but others, especially those with a high turnover of residents, did not appear to have much sense of a local identity at all. In contrast to respondents living on the Tollington estate in Islington, for example, those on the Manor estate tended to express more of a distinctive shared outlook and identity.

The geography of such areas may also be relevant. Although many social housing estates that share these characteristics may be rather isolated or peripheral, the Manor itself lies between two and three miles south east of major employment concentrations in Sheffield city centre and the Lower Don Valley, both of which are accessible by public transport. The estate is, however, surrounded by a number of other large social housing estates. This contrasts with some of the other areas of concentrated social housing where we undertook interviews. The Tollington estate is, for example, situated in close proximity to markedly different neighbourhoods, in terms of both tenure (e.g. private or mixed tenure areas) and urban form (e.g. non-estate layout).

Area effects were most apparent in communities characterised by a relatively high degree of stability – low turnover, and high 'internal' demand as the population reproduces itself from within – and very limited housing demand from elsewhere. Virtually all of the Manor respondents had long-standing and multi-generational links with the community and were firmly embedded in close, locally-concentrated family and social networks. Most had lived all their life on the estate and had deep roots in the community which often could be traced back several generations. Consequently, many were reluctant to consider moving away from the estate. A 26 year old male echoed the views of many:

*'You don't just up and leave all your family and everything else just to get a job. That's a bit stupid isn't it? Because I've got family around here, she [girlfriend] has got family you know.'*

The indications are that the degree of contact between individuals and their neighbours varied significantly between different case study areas and for different social groups. People effects are more likely to be apparent in communities characterised by high levels of contact between local residents. Many of those interviewed on the Manor estate remarked on the closeness of their relationships with neighbours and other local residents. A 45 year old lone parent felt, for example, that: *'People stick together around here'*. Another 45 year old lone parent reported that: *'I am happy where I am. I can trust all my neighbours'*.

Some of these characteristics are likely to lead to such estates gaining a poor 'external' reputation amongst employers, service providers and others. The Manor has a tough image and has regularly been featured in the national tabloid press. It

has recently been widely publicised, for example, that a major vehicle breakdown recovery company has declared it to be a 'no-go zone' after dark following attacks on their patrol officers. The TV programme about the Tollington estate has also been cited as entrenching the stereotype. These negative external perceptions were also detected in other areas of concentrated social housing (e.g., the Welland estate in Peterborough) but the impact on local residents appeared to be quite different. The indications are that some residents on the Manor feel proud of their tough reputation which forms part of the 'local identity'. In contrast, several respondents from the Welland estate felt that the area had recently improved but that they were still treated as guilty by association. Some admitted that they had only moved there because that was what they had been offered. They were now keen to escape the stereotype, either by a change of lifestyle or, more commonly, by seeking a move to another part of town. Despite these differences though, interviewees from both areas felt that this notoriety may underpin 'postcode discrimination'.

### 3.4 Cultures of worklessness

There has been a long standing debate about the existence of 'cultures of worklessness' in some neighbourhoods. For example, the Working Neighbourhoods Pilot was established in April 2004 to tackle concentrations of worklessness in 12 localities across Great Britain by offering intensive support to help people move into and retain jobs that were available in the local area. It was predicated on the view that

*'Rising concentrations of worklessness have led to the emergence of communities in which worklessness is no longer the exception, but the norm. Households that have experienced generations of unemployment often develop a cultural expectation of worklessness.'*

(HM Treasury, 2001: 76)

The culture of worklessness theory suggests that unemployment cannot be understood simply in terms of individual barriers to work but also encompasses the attitudes and behaviour of families and communities.

In some areas a culture of worklessness or poverty of aspirations has developed, locking people into cycles of worklessness (HM Treasury and DWP, 2003: 46).

The present study has found no consistent evidence for the existence of cultures of worklessness in the case study areas. A key finding is that residents have been affected by the transformation of their local economies in different ways. It follows that experiences of work and worklessness have been highly variable. At one extreme we have interviewed people who have never worked or have been out of the labour market for over 30 years. Some young residents were also struggling to make the transition from education to work. However, the main problem for many residents was not finding work but keeping it. They were caught in a 'revolving door' of low paid, insecure work and worklessness. At the other extreme, some

older male residents with stable employment histories in, manufacturing industry have had their prospects transformed by redundancy. Economic marginality and poverty are, however, common to all respondents.

A substantial number and wide cross-section of respondents stated that they were very keen to move back into work. For most this was not just a matter of providing rehearsed responses but part of a consistent series of statements that underlined a strong and enduring work ethic. The issue that often emerged was the nature of the jobs that they could realistically secure. A persistent theme raised by respondents in all areas was that such jobs involved some combination of: low wages; short-term contracts or lack of prospects; menial tasks that would not use a person's skills; timings that did not fit with other responsibilities (especially for lone parents); and in some cases irregularity or unpredictability of hours (and hence, weekly wages). Casualisation and insecurity were the norm for many. The former was particularly associated with agency work, with deductions made from wages a particular point of complaint. There were a number of interviewees who had tried this route but were reluctant to do so again:

*'...agency is problem, many problem, one month, two month you work, finish, again you call in, "give me a call", you try, "we got nothing"...*

(Tollington male, aged 45)

Another respondent who had got a road-sweeping job through an agency was becoming frustrated by the lack of security:

*'I think it's sad though that you've been with the firm about a year, if you're no good they should sack you simple as that, but if they don't sack you then why not just take you onto their own books automatically? So I could come in and the man say "I haven't got no work for you today", well it's not right if you've been there so long.'*

(Barnsbury male, aged 44)

Residents are not separated from the rest of society but followed a value-orientation in which material dependency upon the wage relation is seen as natural and necessary to personal identity. However, the roles and complex responsibilities of some groups, such as some lone parents, can limit their engagement with the labour market. It was evident that many led busy lives, given meaning by a host of roles and responsibilities, including caring for children (as a parent or relative) or for a family member with health and mobility problems, educational and training activities and, in a number of cases, voluntary work. The latter was most evident on the Tollington estate in London, where a third of respondents reported some involvement in this type of activity.

The proponents of cultural explanations of economic marginality suggest that the persistence of worklessness across several generations may create a situation where undeclared work and criminal activity are viewed as acceptable ways of making ends meet. In particular, undeclared work when combined with benefits can act as a disincentive to leaving welfare for regular employment. Previous research has

suggested that a lack of opportunities in the formal labour market can lead to participation in the informal economy. Leonard's (1988) research in Belfast found that 49 per cent of unemployed men and 27 per cent of economically inactive women interviewed on the Newbury estate had some type of informal work. Smith (2005) also discovered widespread participation in undeclared employment amongst residents of the St Helier estate in London.

A fair number of respondents across the seven case study areas reported that they had undertaken cash-in-hand work at some point over the past five years. The types of work undertaken included bar work, cleaning, domestic painting and decorating, demolition, gardening, shop work, catering and helping a friend at car boot sales. It was usually secured through family and local acquaintances and was undertaken in order to make ends meet or to provide the resources for family treats. A 26 year old Manor male resident reported that: *'It just helps at the time when you've got nowt basically'*. A few likened it to a favour. A 21 year old Manor male indicated: *'Well I've done painting and decorating jobs just to help people out'*. For some of those with serious drug problems or criminal records it was probably the only sort of work that they could sustain.

Despite the widespread participation in the informal economy it was clear that for most it was a last resort rather than a substitute or alternative to paid work. It was typically used to supplement benefits and was intermittent and short-term rather than a major source of income. Many were acutely aware of the disadvantages of undertaking informal work. A 21 year old male noted that; *'I don't like doing it because if I get caught that's my benefit stopped'*. Many talked about the recent focus on benefit fraud and a few of the sample had been prosecuted. Consequently, some were discouraged from undertaking cash-in-hand work because: *'Too many get done for it'* (Manor female, aged 19 years); *'I had to pay it all back, so yeh, I won't do that again'* (Welland female, aged 33 years). Others stated that they would refuse to accept any offers of such work on principle, either because they would be exploited, it gave a bad example to their children, or simply because *'it's illegal'* (Alex, Barnsbury woman, aged 54).

Respondents also highlighted the episodic and unreliable nature of such work, the lack of career progression, the inability to obtain financial products like bank accounts and small loans and the danger of becoming confined to the informal labour market. Furthermore, the indications are that it was mainly undertaken by groups that had some recent contact with the formal labour market rather than those who had never worked.

### 3.5 Conclusion

This chapter has considered whether living in the social rented sector exposes people to area effects that serve to distance them from employment. A key conclusion which emerges from the research is that area effects are an insignificant part of the explanation for the high rates of worklessness found amongst social

tenants. Reference to area effects was largely absent from the personal accounts of most interviewees. Such effects were least evident in the 'pepper-potted' neighbourhoods with some respondents in these locations identifying advantages of living there for their prospects of securing employment. There was a marked contrast between those estates subject mainly to a poor external reputation and those where this stigmatisation was overlain with a strong identification with the local area.

Indeed, the indications are that area effects may play a part in one of the four concentrated social housing estates in the study: Two-thirds of the respondents on the Manor estate in Sheffield felt that there was something about the area in which they lived which made it more difficult for them to get work. The main effects were about 'people' and included: postcode discrimination; social norms and routines that result in peer influences resistant to formal paid work; and the narrow spatial horizons of some residents which serve to restrict the geographical extent of job search and travel to work. The present study suggests that such effects are more likely to be apparent in communities: suffering from persistent worklessness and poverty; displaying a strong sense of 'local identity'; with low levels of residential mobility; and exhibiting high levels of social contact between residents.



## 4 Mobility

### Research question

- Do difficulties moving within the social rented sector for work-related reasons serve to restrict the job opportunities of tenants?

### Key findings

- No social tenants reported that restricted residential mobility impacted on their chances of finding work.
- Social tenants rarely suggested that relocating to another neighbourhood would improve their chances of securing employment.
- Very few social or private tenants were willing to contemplate moving to improve their job opportunities and only a small number reported they would move for a definite offer of work.
- The costs assumed to be associated with a move for work-related reasons (severing of social ties and loss of key resources) were reported to outweigh the benefits (low paid, insecure work).
- Some tenants were keen to move house and neighbourhood but the common drivers of mobility were the desire to move to a 'better' neighbourhood or to move into more suitable accommodation.
- Few variations in perceptions, attitudes or experiences were found across the case studies, although social tenants in areas of concentrated social housing (particularly in Derby and Sheffield) tended to have stronger ties to their place of residence and were less likely to countenance moving.

### 4.1 Introduction

It is difficult for tenants to move within the social rented sector for work-related reasons. As Hills (2007; 20-21) points out, the rationing system that prioritises access to social housing on the basis of need means that people who want to move for job-related reasons are often forced to choose between staying put or moving into the private rented sector and giving up the advantage of sub-market rents. On this basis, limited options for moving within the sector might be considered a

disincentive to work. This possibility was explored during the in-depth interviews with social tenants. In particular, attention focused on identifying any perceived links between residential mobility and the chances of securing work; uncovering tenant attitudes toward residential mobility; and exploring the potential for work to prompt mobility.

## 4.2 Residential mobility as a barrier to work

Residential mobility was not recognised as a barrier to work by the social or private rented tenants interviewed. No respondents in any of the case studies reported that problems with residential mobility had in any way impacted on their chances of securing work. It was also rare for respondents to suggest that moving to another neighbourhood within the same town or city would improve their chances of securing work. Even respondents who suspected that people from their neighbourhood were the victims of postcode discrimination did not report that their job prospects would be significantly improved by moving to another area.

The shared scepticism of respondents regarding the employment-related gains of moving to another neighbourhood was not rooted in any deep-seated reluctance to move house or area. In fact, almost half of respondents currently residing in the social rented sector had moved house at least once in the previous five years. In addition, a large minority of respondents currently residing in the social rented sector across the case study neighbourhoods were keen to move house and leave their current area of residence. Some of these tenants reported frustration with the limited opportunities for mobility within the sector. However, the common drivers of mobility were the desire to escape anti-social behaviour, problem neighbours or drug-related problems in the area or to secure more appropriate or better quality accommodation.

The absence of any apparent relationship between mobility and labour market engagement was reinforced by analysis of the residential mobility and labour market transitions of respondents during the previous five years. First, relatively high levels of mobility were apparent among people living in social housing who were both in and out of work. Second, no obvious relationship was evident between a change in labour market situation and residential mobility.

Mobility problems were not identified as a barrier to work by the social tenants interviewed because place of residence was rarely recognised as a critical determinant of their relationship with the labour market. Supply-side barriers to work identified by respondents included health problems and disabilities, caring responsibilities, low educational attainment and few qualifications, limited work experience, limited English language skills and worries about managing financially when in work. Mention was also made of the extent of competition for the limited number of suitable vacancies, which in Peterborough was reported to include recent European Union Accession State migrants. Demand-side barriers to work were reported to include the instability and uncertainty of work, income levels and

associated affordability concerns, inflexibility of employers toward working parents, age discrimination and race discrimination. Moving to another neighbourhood would not remove these barriers. In addition, the majority of respondents reported that they already had access to local centres of employment, by virtue of where they were living (all case study neighbourhoods were within close proximity of local centres of employment) and because of the ready availability of public or private transport.

### 4.3 Moving for work: possibilities and willing

Having established that social tenants did not consider difficulties moving within the sector to be a barrier to work, discussion went on to explore the willingness of respondents to move for work. One in four social tenants indicated that they would consider moving to improve their job opportunities or to take up an offer of employment. No distinct differences in the willingness to move for work were evident between respondents in the concentrated and pepper-potted areas of social housing or between respondents across the four cities.

Three factors, alone or in combination, emerged as critical determinants of whether social tenants were willing to consider moving for work-related reasons: household situation; ties to current area of residence; and links with other locations (neighbourhoods, towns and cities). These three factors explained why a minority of social tenants were willing to consider moving for work, while the majority were not.

#### 4.3.1 Willing to move

Social tenants willing to consider moving for work tended to be single or separated and to not have dependent children. These respondents were able to reflect on the possibility of moving house without having to worry about the implications for other household members or consider how to deal with complications, such as moving children to a new school. Andrew, a 23 year old single man currently staying with his mother in Islington, exemplified this attitude well:

Interviewer: *'How would you feel about the prospect of moving somewhere different to find a job?'*

Respondent: *'I'd give it a go, I'd be up for it, I don't know, like Liverpool or somewhere for a grand a week, yeh, I'd put up with it straight away. I'd rather go to Australia or somewhere like that, for a year or so and see what's happening out there.'*

Most tenants willing to move could only contemplate relocating to another neighbourhood within the same city but a small minority of respondents in Derby, Sheffield and Peterborough suggested that their job opportunities could be improved by moving to another town or city and were willing to consider such a move. Sheila, for example, reported discussing the possibility of leaving Derby with her new partner:

*'Yeah I would consider it [leaving Derby], I have considered it, my partner's asked me if I'll move 'cos he doesn't actually come from Derby and he's asked me a few times if I'd consider moving.'*

She also identified job-related benefits of moving, which was considered a more realistic prospect as her daughter approached school leaving age:

*'I've 27 years cleaning experience, I've had 27 years' bar work experience right, I've run pubs for people, now with those kind of skills in a place like Skegness or seaside resorts or anywhere like that there's loads of unskilled work there...there's more opportunity in those kind of places than there are in inner city places for unskilled but I think part of it is I'm just getting to that stage in my life now where my children are of an age, my daughter's nearly 15, she's got another year, two years left at school and then I'm free really to do whatever I want to do.'*

Respondents indicating that their job prospects might be improved by moving to another town or city tended to have a personal experience of living elsewhere or, as in the case of Sheila, to have a partner/spouse who was from another town or city. This, and the prospect of being able to progress via work, appeared to make it easier for them to consider relocating.

*'If it's a career then I really would not mind moving at all because I don't really have any more ties, it's just my daughter, so hopefully if I do get into a job where I do have the chance to move around because of work I'd love to.'*

(Pauline, 27 year old lone parent, Islington)

Contact with friends and relatives living in other towns and cities also provided respondents with information about the employment opportunities available elsewhere. However, in most cases, the information on which respondents based their optimism about job opportunities in other towns and cities was largely impressionistic, rather than based on any firm details about specific job opportunities. Martin, for example, a 49 year old single man living in the pepper-potted area of social housing in Sheffield, reported that his home town had changed dramatically in recent years as a result of the opening of the new M1-A1 link road. New retail businesses had opened in the area and he reported that family members had recently managed to get work:

*'I'm from...a little mining community. It's grown up in the past few years because they put that A1/M1 link road in. It goes straight through our village, and there's Morrison's and DIY places, and factories and stuff springing up all over. And all the people in my village all seem to be working. They're joiners and plasterers, because they're old buildings. Me sisters work in supermarkets, making money that way.'*

In contrast, he reported that work was increasingly hard to find in Sheffield:

*'Sheffield's changed a hell of a lot, it's not the place – I mean, when I first came to Sheffield, there were no work where I come from, so I came to Sheffield, and there was loads of work. I could go from one job – they'd have one for you on Friday afternoon. Go to the jobcentre, get another job, start on Monday if you didn't like it, and that's how it went on, it were that easy.'*

A slightly different motivation was reported by two minority ethnic respondents in Sheffield, who reported that they would consider a move to a more multi-ethnic city, such as Birmingham or London, where they thought work would be easier to access.

The general consensus among respondents willing to contemplate moving for work was that they would only move for a definite job offer, not merely to improve their chance of getting a job. As Ian, a 59 year old married male from Islington, commented:

*'My pal actually is moving to Cornwall very shortly, in the next few weeks. Now he's retired and he's gonna go down there. Now, if I went down on holiday, for instance, and there was a job down there that I can fall into, it wouldn't stop me taking it. It's four hours away from here and I can come home at weekends, or my wife can come with me. My daughters are sufficient age now where they can look after their selves, to a point.'*

This conclusion was explained through reference to the costs and benefits that would be associated with such a move. The benefit was access to work. The costs were reported to include the cutting of social networks, the severing of familial and friendship ties and the potential loss of good quality, secure accommodation. In response, respondents often reported that they could only imagine living out such a scenario if they were offered a good job (secure, well paid and, one respondent observed, with a 'decent pension'), an observation that appears to provide at least a partial answer to the DWP's recent questioning of what constitutes 'good work' (DWP, 2007a). The prerequisites of such a move were also reported to include good quality housing and the opportunity to move closer to family.

### **4.3.2 Reluctant to move**

A reluctance to move for job-related reasons was common among residents of the social rented sector of all ethnicities, ages and household situations in all cities and in both concentrated and pepper-potted areas of social housing. The private rented tenants interviewed also expressed a reluctance to move for job-related reasons. The majority of respondents concluded that the costs of moving (loss of social networks and resources) would outweigh any potential benefits (opportunity to enter low paid, insecure work).

There was a general reluctance among the social tenants interviewed to leave behind the arena of predictable encounters (Kearns and Parkinson, 2001) that was represented by their local neighbourhood. As already acknowledged, some

respondents did report problems with their local neighbourhood and were keen to relocate elsewhere in the city. Most, however, had developed an affinity and grown accustomed to life in their current area of residence:

*'There's no need to move, I don't need to move anywhere. I'm happy where I am, I am. My views, I've got a good view, everything round me is local, friends down the road. I am happy in my position, basically. If work came along and said to me, "You have to move for this job", I would say "no, I wanna stay where I am, I'm not moving for a job, for one job, no".'*

(Leroy, 42 year old, unemployed man)

Familiarity with the local environment, facilities and amenities, the existence of established social networks and nearness to friends and relatives all served to tie respondents to the neighbourhood. This was especially the case for those who had experienced disrupted lives previously, as Alex, a 54 year old single woman in Islington, explained:

*'There's no reason for me to move again really. I moved into a supported house with a view to independent living again [after being in hospital] and that has worked out quite well actually...My friends are here, my social network's here, everything's here, I know where I am, I want to stay here.'*

Drawing on locally available resources (provided by statutory and third sector services, as well as friends and relatives), respondents had managed to negotiate a situation whereby they were able to cope with most of the difficulties and associated insecurities that life had thrown at them. Moving, for what might turn out to be a short-term job opportunity, could isolate an individual or household from this important support infrastructure and thereby put at risk their long-term security and well-being. Perhaps not surprisingly, this was commonly deemed a risk not worth taking. Sam, for example, was a 26 year old single man living with his mother in a house rented from a social landlord, who had a history of numerous short contract jobs. Reflecting on whether he would be willing to move to be closer to job opportunities, he initially reported that he would, at least for a definite offer of work:

*'...yeah if someone said, but I wouldn't want to move if it's [job] not really there, cos someone might say "oh there's loads of jobs in this place" you move there and you still don't get a job. If someone said to me "oh we've got a job for you but you're gonna have to move" I'd go straight, I would but cos it's the opportunity...'*

However, reflecting further, Sam started raising concerns about the practicalities of moving:

*'I suppose it would be quite hard really 'cos I live at my mum's at the minute and then I'd have to go and find accommodation, 'cos I'm unemployed I'd have to get all that sorted out and if someone offered me a job then I'd have to go and find accommodation and get rent and all of that, so I reckon it would be a bit difficult.'*

He then raised concerns about moving away from family and friends and managing without the support they provide:

*'...yeah, moving away from your support network, just being in a place where you don't know no-one and you haven't got no support, obviously I'm a pretty adaptable person, I can make friends, I can approach people and make friends but I'd still miss my family and that and my network of people I've known over the years.'*

Such worries and uncertainties were expressed by many respondents in social and private rented accommodation and led most to rule out the possibility of moving for work-related reasons. Diane, for example, a 35 year old woman who was a lone parent renting from a social landlord and currently in receipt of Incapacity Benefit, explained that under no circumstances would she be prepared to move to a new area to be nearer to job opportunities:

*'It's going to a new area, I don't think I could cope with that as well as a new job, whereas I know I'm settled, I'm happy and I know my way round, not like back of my hand but I know most of it whereas if I moved to a new area it's like you could be learning a new job, new friends, whatever, and then you've got to learn all new housing estate or whatever.'*

Added to this, Diane questioned, like many other respondents, why she should bother moving for job-related reasons when work is accessible from her current area of residence. She also spoke for many respondents when she expressed concern about the practicalities and resource implications of moving house, as well as the problems it might raise for other household members:

*'I wouldn't know how to go about it, finding a new house, moving, packing everything up and just going, I'd have to sort all that lot out, then there's my children as well, I mean would they want to move with me?...I mean [name of daughter]...would she want to move further away from university. If it was closer she'd be all right with it, but then she's got a boyfriend on the estate which would be another problem, so there's complications.'*

Several other respondents linked their existing proximity to job opportunities to the needs of their children. Helen, a 42 year old lone parent in Islington, was adamant:

Interviewer: *'Would you be prepared to move in order to be closer to job opportunities?'*

Respondent: *'No, 'cos I feel like I'm already close to the job opportunities. No, I wouldn't do that.'*

Interviewer: *'Any other reason why you wouldn't want to move?'*

Respondent: *'I'm settled, my boy's settled, his school's good like I said, it's very much about my boy getting on in school now and coming out with the right grades, so I wouldn't want to be uprooting him just so that I could get a job. I don't think that's fair. I'd rather stay where I am and he did well at school. That's important to me.'*

*'I probably would but she would have to be a lot older 'cos I couldn't – I mean, maybe it would be easier to do if I was given the opportunity now, to do it now so that she won't remember obviously, and having to leave family and whatever. But I don't know, I think she'd have to be older, 'cos I've moved twice since she was born and I don't think I could face moving again.'*

(19 year old unemployed woman, lone parent renting from a private landlord)

The reverse side of the coin for many respondents, particularly those in London, was that they didn't think that other places had much to offer in terms of employment opportunities. As Ian from Islington explained:

*'...one of the ministers once said, "You've gotta get on your bike". Well yeh, let him get on his bike and try and get a job. There is no more opportunities. If you can't find a job in London, then by moving to somewhere like Oldham, you ain't gonna be able to get a job. If you can't get one in London you ain't gonna get one in Oldham, so there's no point.'*

Many respondents were connected to their local area by family ties. Leaving the neighbourhood would involve leaving behind this important resource. Strong family ties to the local were most apparent among residents of the concentrated areas of social housing in Derby (Austin), Peterborough (Welland) and Sheffield (Manor), who frequently pointed to long-standing family ties to the neighbourhood and the existence of dense local networks of kith and kin when explaining why they could not contemplate moving for work-related reasons:

*'I thought about it [moving], I think I've lived here all me life, I've got me kids here, even his are on the estate you know what I mean so, and my grandma was on the estate and my mum's on the estate, all the family so this has been me 'ome.'*

(Sheila)

Similar comments were also forthcoming from some private tenants:

*'It depends on what was going on at that time, family that was about. I've always stuck by me family, I've never moved too far away ... I think now you're asking that I'm thinking no I couldn't move for me job, I think I'd have to stay around me family, I think the job'd have to come to me and work for me.'*

(31 year old single woman, with long-term health problems and renting from a private landlord)

*'I have too many family here'* was a common refrain among tenants on the Manor estate in Sheffield. Bobby, a 26 year old married man with two young children who was currently unemployed, reported that he would like to move off the estate, pointing to social problems in the area. However, he was only interested in moving to a neighbouring area and was certainly not interested in moving the longer distance that would be required in order to open up new job opportunities.

Two other residents of the Manor estate in Sheffield reported moving off the estate and living elsewhere in Sheffield but soon returning. One respondent reported moving back to be close to her mother when she became pregnant and another returned to the estate because she felt isolated having moved to accommodation three miles away. She reported vowing upon her return never to move off the estate again. A similar experience was reported by Sheila, a 44 year old lone parent who was living on the Austin estate in Derby:

*'I'm a home bird, I like what I know, I've lived round here for 26 years and I like what I like. And I did try it, I went to Liverpool to live for three month and I didn't like it one iota and I came back and the council give me house back and everything, I really just didn't like it, woke up in a blind panic thinking "this isn't for me, what am I doing?".'*

A final point of note that emerged when people were discussing the importance of family in tying them to the area, was the observation that it was the social resources available locally which allowed them to consider working. This was particularly true for people with caring responsibilities (for children and for sick or disabled relatives). Work was often reported to only be a realistic proposition because of the support and assistance (for example, with childcare) provided by friends and relatives living nearby. Moving would, therefore, serve to distance them from the labour market.

Valued aspects of the neighbourhood, in addition to the presence of family and/or friends, included locally available services and facilities (for example, shops, health care provision, schools). The relative peace and quiet of the area was also an important asset that might be put at risk by moving, as a 49 year old single man in Sheffield observed:

*'I've lived here my whole life, I mean I don't want to be moving on, its quiet where I am, I've got a nice field at the back where I can go for a walk.'*

Another important dimension of the residential settlement that social tenants were fearful of losing if they moved was satisfactory and suitable accommodation. Social tenants with specific housing needs who had managed to secure a tenancy appropriate to their particular requirements were concerned that moving house could result in a significant deterioration in their accommodation situation. For example, Robert, a 36 year old unemployed man in Derby whose case was discussed in Chapter 2, reported that he was living with his wife and daughter in a house that had been specially adapted to his wife's needs.

*'...my wife's disabled and they [council] moved us 'cos the house we're in now is disabled adap, adapted...because the other house we was in they couldn't do anything 'cos it wasn't big enough. There was no room to put a downstairs toilet in the old house, we were going to put a stair lift in, the bloke from the stair lift company came to measure up for the stair lift and laughed, the stairs weren't wide...if you'd put the stair lift in nobody else would go up and down stairs.'*

The family were subsequently offered an adapted house by the council. Robert viewed the property with his wife and her social worker. After being reassured by the council housing officer that if anything was not quite right it would be sorted out, Robert and his family moved in at short notice:

*'This one came up so they said "right move, you've got a week to do it" yeah... She needed a downstairs bathroom with what's called a wet room, walk in shower, stair lift, what else have we got? Wheelchair ramp, that's about it at the moment.'*

Robert was full of praise for the support and assistance received from the council housing department and reported that additional adaptations had been carried out:

*'I'll tell you something, they've been absolutely brilliant, the things they've done, it may take a bit of time to get it done but it does get done...we just extended the ramp, the wheelchair ramp, they extended that for us and we've now got video door entry system put on. She can look to see who's on the door to see whether "oh I don't know them" and then if she don't know them she can press the button, picks the hand machine up and she can talk to them without opening the door...she can do it all from her armchair "oh no, sorry I'm not interested, bye bye" sort of thing, off we go, she ain't got all...you know.'*

As discussed in Chapter 2, Robert reported that he was now confident about leaving his wife on her own at home, allowing him to think about working again. Having negotiated this situation, he was understandably reluctant to consider moving, reporting that he could only begin to think about moving if suitable and appropriate accommodation was available:

*'I've got to be able to get a place like we've got, I've got to make sure the wife's safe for me to feel safe at work, there's no point in me getting a job wherever else if we're living anywhere else that's not got the facilities we've got here 'cos I'll be on egg shells all the time.'*

Robert's case is an extreme example, but it is illustrative of a more general concern among respondents about whether or not they would be able to satisfy their preferences and meet their housing needs if they moved. A 52 year old married woman in Sheffield spoke for many when she observed:

*'...a job's a job but your home is your life, and you build on that. And it's not only yourself you have to think about but the rest of your family whose living with you.'*

A final point of note is the fact that the jobs which many respondents were seeking, were qualified for or were most likely to succeed in securing, were low paid, often unskilled and insecure. This was likely to remain the case wherever they lived and it simply did not seem worthwhile to most respondents to go through the disruption of moving house and area in order to access this type of work. The same considerations also meant that some respondents were unwilling to expand their travel-to-work horizons very far, since prospective wage levels would

be insufficient to cover an increase in travel costs. Respondents also cited time considerations as well as distance and cost, particularly in terms of fitting in with commitments and routines around family and (to a lesser extent) friends.

#### 4.4 Conclusion

Difficulties moving within the social rented sector do not appear to be a major barrier to work. The vast majority of social tenants interviewed did not think that moving to a different area would improve their chances of getting work. Tenants were both also reluctant to move for work-related reasons, suggesting that the costs (severing of social ties, loss of associated resources and risk of an inferior residential settlement) outweighed the benefits associated with even a definite job offer, which it was assumed would involve low paid and insecure work. This situation was apparent in social and private rented sectors and across the case studies, the only subtle distinction being evidence of stronger and deeper ties to the local neighbourhood in the areas of concentrated social housing in Derby, Peterborough and Sheffield. These findings suggest that efforts to facilitate greater mobility within the social rented sector for work-related reasons are unlikely to have any significant impact on levels of worklessness among social tenants.



## 5 Tax and benefits

### Research question

- Does the current system of benefits and tax credits serve to distance social tenants from work and are these effects more pronounced than in the private rented sector?

### Key findings

- The effects of the tax and benefit system emerged as a significant issue for both social tenants and those in the private rented sector.
- It is clear that poor job quality is a significant labour market barrier for many residents with low human capital. Many interviewees highlighted the low paid, insecure nature of the available employment opportunities which meant that work did not pay.
- The financial consequences of entering work are not always clear (even after better-off calculations) and may take considerable time to become apparent. Groups furthest from the labour market are more likely to rule out work as 'unaffordable'.
- The complexity of the tax and benefits system may act as a work disincentive. It was clear that many had not got to grips with the complex interaction between earnings, tax credits and Housing Benefit.
- Many respondents raised concerns about the potential difficulties, in terms of both the inherent uncertainties and bureaucracy, of returning to benefits. Interviewees frequently highlighted a lack of communication between Jobcentre Plus and their landlord over the payment of Housing Benefit which had led to technical rent arrears and the accrual of other debts.
- Groups most distant from the labour market often contrasted the insecurity of available labour market opportunities with the stability of benefit.
- The interview team encountered some individuals who remained committed to seeking formal paid work despite the problems of low pay and chronic insecurity. The present research has highlighted the importance of several key 'resilience factors'. These include: the age of tenants; their level of financial commitments; their access to social networks predominantly composed of individuals in work; and the centrality of work in some individual's sense of identity.

## 5.1 Introduction

The present study has explored the barriers that social tenants face in gaining and sustaining employment in the contemporary labour market. The effects of the tax and benefits system was not a specific line of enquiry since it was not deemed to be a tenure-related issue. This view was borne out by experience. The workings of the tax and benefit system emerged as a significant issue for both social tenants and those in the private rented sector. Many respondents highlighted:

- the low paid nature of the available opportunities which meant that work did not pay;
- the complexities of the tax and benefit system which can act as a work disincentive;
- job insecurity which gave rise to concerns about returning to benefit.

## 5.2 The affordability of work

A key finding is that the low-paid, precarious nature of the work available to many social and private rented tenants is a key labour market barrier. It is significant that many of the respondents identifying problems with the financial remuneration from work had poor school experiences. They had often left at the earliest possible opportunity with few qualifications and their entry to the labour market was primarily motivated by the desire for financial independence rather than notions of developing a career. Many lacked direction and clear long-term goals. Some had changed jobs several times in a short period of time. Others reported working long hours in order to earn a 'decent living wage'. A 21 year old Manor male had, for example, routinely worked 70 hours a week as a bar supervisor. The availability of substantial amounts of overtime was, therefore, often an important consideration for many young people engaged in entry-level jobs.

The indications are that individual perceptions of the labour market change over time. Respondents in their mid-20s often expressed a desire for employment which is better paid and has some longer-term prospects. Interviewees had become familiar with the restricted range of opportunities available to those with few qualifications and had become disenchanted. Some had formed personal relationships and had children to support. The result is that many of those with low human capital come to view employment as unaffordable. Respondents explained the consequences of entering work in the following terms:

*'I was working all week for nothing, just to pay my bills and my house.'*

(21 year old Manor male)

*'One of the things is that we had to pay more rent basically...they give it to you in one hand and take it out the other don't they!'*

(26 year old Manor male)

*'I have noticed, you look through the paper at some jobs, sometimes it doesn't work out that you're better off working than you would be on benefit... I wouldn't mind even if it [the take home wage] was exactly the same, but you've got to be earning £200 to £250 to be covering what you're sort of getting on benefit.'*

(Colin, Peterborough)

Many lone parents also felt that the financial gains from paid work were not sufficiently attractive for them to leave benefit. Some cited negative experiences of undertaking paid work. These included: low pay; insufficient or inconvenient hours; problems managing household incomes; routine or mundane duties; and difficulties returning to benefits.

*'I'll take anything that will pay the rent and that I can live properly on, not having to worry about the rent, and then having £50 left over for your gas, electric, water rates and things like that, 'cos that's what usually happens, isn't it? You don't get enough money to live on, and then you have to give up your job and go back onto benefits.'*

(35 year old female lone parent, Peterborough)

Others tended to dismiss the opportunities out of hand as exploitative or unsuitable. The sharp sexual division of labour between work and family life characterising some case study areas such as the Manor estate may be significant contributory factors. This is because generational influences, which are formed during childhood, are crucial in determining attitudes to labour market participation. It is possible that experiences of long-term unemployment may reinforce traditional gender roles. It is in this context that roles within the 'core economy' of family and social networks had become more important than sustaining formal work for some of those interviewed.

UK policy makers have increasingly sought to make work pay. The payment of working tax credits has, for example, become an important part of the Government's attempts to persuade parents back into the labour market. The present research has suggested that tax credit and in-work benefit entitlements were poorly understood by many interviewees. This is illustrated by the following exchange:

Interviewer: *'Are you aware of the benefits that you would still be entitled to if you get this job?'*

Respondent: *'Well, I know through hearsay through people. Apparently you are a little bit better off, not that much but, you know, with that you can cover all your bills and everything.'*

(32 year old female lone parent, Islington)

Tax credits to cover items like childcare were often absent from the balance sheet of costs and benefits that respondents highlighted when discussing the financial implications of entering work. In the same vein respondents were also often not

aware of Housing Benefit as an in-work benefit or the specifics of what assistance they might be able to receive. A private rented tenant believed that you could only qualify for Housing Benefit if you lived in social housing, questioning *'why aren't you entitled to Housing Benefit in private rather than council?'* (43 year old male, private renter). For many the conclusion that work was unaffordable was not rooted in fine grained analysis of credits and debits on the balance of household income. Rather, respondents pointed to first hand experiences of struggling to 'get by' when in work as proof of the financial difficulties involved. As Michael from the Austin estate in Derby commented:

*"Cos at the moment 'cos me wife's on sick we get housing and council tax paid and we'd have, don't get me wrong, I'd love to pay rent and that but like we have to look at the situation. Like say like I only came out with £500. it's £400 and something a month for the rent, then you've got food, gas, electric, your water rates and everything else on top of that and out of the £500 you wouldn't have nowt left.'*

Jobcentre Plus are increasingly carrying out 'better-off calculations' to show benefit claimants how much they will gain if they get a job and claim tax credits. The present study highlighted a number of problems with the provision of such calculations. Respondents complained that they were too difficult to understand, others highlighted errors and omissions. A few reported, for instance, that their calculation had not included childcare costs. As lone parent Pauline from Islington observed:

*'I went to the job centre once and they gave me a better-off calculation sheet so I calculated what I'd earn on minimum wage and what I get now and they calculated that I'd be £30 better off but me and my mum sat and worked it out, they take away quite a lot of your benefit and then you end up having to pay for things you didn't have to pay for before like council tax and childcare and health care and things like that. My mum was like "you're mad because you're going to end up getting in a lot of debt and end up falling flat on your face" so it's better just to stay on Income Support.'*

A few felt that Jobcentre Plus' perceived role in pressuring claimants into 'any job' meant that calculations were not impartial and fair. In contrast, some reported that the process had confirmed their belief that they would not be better off in work. Michael, a 36 year old married man in Derby, reported:

*'...we sat down and calculated what I'd have to earn if I wanted a job and stuff like that and me adviser turned round and goes "you're better off on the dole"...he turned round and goes "I'm not being funny [name of respondent] but you're better off because you know you're going to get your rent paid, your council tax paid, water rates are paid".'*

Nevertheless, not all respondents who reported that work was unaffordable were under the impression that there were no financial gains associated with formal paid employment. A small number recognised that, financially speaking, work does pay. However, they suggested that the financial gains were not enough to

make employment seem a worthwhile venture given the risks involved. As Sheila from Derby commented:

*'The way I see, this has been my opinion for a long time and I've worked on and off in part-time jobs, and to me you're not given many incentives. They claim this lone parent support network thing to put you back into work and all this and you get £250 one-off payment when you first get a job and they pay four weeks' rent and all that carry on but really the amount of tax credit you get and child tax credit you get they're not being realistic in terms of that you're responsible for near enough all the council tax. I worked 16 hours a week when I did that cleaning job and I used to get £26 rebate on the rent which my rent's £60 which means that I had to pay £30 odd in that, I'm not going to say, it worked out that I was £40 a week better off but it doesn't feel right.'*

During the course of some interviews, it became clear that respondents were either not responsible for paying the rent or were able to draw upon other sources of income such as payments for informal work. The financial calculations made by many respondents often incorporated consideration of the circumstances of all members of the household. Decisions are often influenced by other family members. Household incomes were sometimes made up from a range of sources including benefits, formal work, payments for education and training, informal work and work 'in-kind' such as childcare.

### 5.3 The complexities of the tax and benefit system

The current benefit system has evolved over time and has become very complex, mixing means-tested, contributory and universal elements, as well as entitlement based on individual circumstances. Many benefits are composed of one low basic rate with additions to provide extra help for certain groups. Some are paid by Jobcentre Plus, others by the Disability and Carers Service and others by local authorities. Tax credits, meanwhile, are administered by HM Revenue & Customs. Claimants are also subject to varying obligations to seek formal employment. Those on Jobseeker's Allowance are, for example, required to be available for and actively seek work, while those in receipt of lone parent or Incapacity Benefit must attend Work Focused Interviews at specific points during their claim. This will change with the introduction of the Employment and Support Allowance and the proposals for lone parents.

The present study suggests that the complexity of the benefits system may act as a work disincentive. It was clear that many respondents had not got to grips with the complex interaction between earnings, tax credits and Housing Benefit. This had not stopped many from concluding that work was unaffordable. This conclusion was typically based on the assumption that the wage level that they could command in the local labour market would not offset the sum total of income lost from the withdrawal of benefits and the financial obligations assumed upon entering employment. As Robert, a 36 year old unemployed man in Derby, observed:

*'If I get a job I lose my Housing Benefit and all Council Tax Benefit right. If I get a job I've got to make sure I can cover that, me rent, me council tax, the gas, the electric, food. It all depends whether, it's bus fare or diesel for the car or bus fares, and we've got to live and they're trying to get you into a job that's minimum wage, it ain't happening because I know there's Child Tax Credit and all that but you know...I need to be earning £250, £300 a week.'*

In some cases this view was rooted in the experiences of other family members or close friends, as lone parent Helen from Islington confirmed:

*'It's not worth it, you're left with less money in your pocket than what you were given on Income Support. My sister's in Six Acres and she works part-time, she has so much debt on her head now it's unreal because they want her to pay three-quarters of the council tax, three-quarters of the rent, and she's only on part-time. She is struggling big time, she wished she'd never gone back into work.'*

*"Cos my sister, she started full-time work as well and she's had to pay more than what she said she got on the social.'*

(18 year old female private renter)

This viewpoint was particularly common among respondents for whom entering work posed additional complications in terms of managing other responsibilities in their life such as arranging child care or looking after sick or disabled relatives. It was also a common opinion among the lone parents interviewed who expressed a preference for part-time work. For example, Salima, a lone parent from Derby, reported taking on a second part-time job, which took her earnings above a threshold that resulted in the financial gains to work becoming negligible. In response she left her second job:

*'I started working for a different company as well, but when they [Jobcentre Plus] found out they said they were going to stop my money so then I had to leave that job because it meant that I actually had to take money out of my pocket because I just couldn't afford it...they said I'd have to give half, I'd have to pay for half the rent and I'd have to pay for the council tax on top of that. I had to pay for the usual, the food, pay for the children's dinners and when I worked it out at the end of the month I actually lost out by being in work.'*

Some respondents expressed a degree of scepticism that the payment of Housing Benefit as an in-work benefit and tax credits would proceed smoothly. Some respondents reported problems receiving incorrect amounts of Housing Benefit when in work, which undermined the relationship with her landlord. Diane, a 35 year old lone parent from Derby, reported:

*'...the thing like the wage slips, if you didn't get them on time and occasionally I'd get a letter saying "You're in arrears" and I'd phone them up and say "Why am I in arrears when..." and they'd say "It's been paid now don't worry about it" but it was worrying when you get one of them letters through the door like...it was when I was on part-time wages...'*

The complexities of the present system were also mentioned as a stumbling block to entering self-employment by one respondent in Islington. They were a particular issue for vulnerable groups such as those unable to read or write and individuals suffering from poor mental health. The effect was often to compound the risk-averse nature of such groups. These respondents were often unwilling to consider employment because of very real concerns over their ability to cope with it and the uncertainties regarding their future benefit entitlement. One Incapacity Benefit claimant interviewed on the Manor estate, for instance, suffered from obsessive compulsive disorder. He explained his predicament:

*'I'm on Incapacity Benefit at the moment, if I were to leave that I would fall back to Jobseeker's Allowance which means the bills I'll have to pay would be a big, big struggle. ...If I'm not absolutely confident that I can do what I'm asked to do then perhaps it's best that I leave it alone. It's better the devil you know.'*

(49 year old Manor male)

## 5.4 Returning to benefits

The work available for residents with low human capital is often of a short-term or temporary nature. Consequently, the main problem for many is not finding work but keeping it. Many appear to be caught in a 'revolving door' of insecure employment and worklessness. It is in this context that many respondents raised concerns about the potential difficulties of returning to benefits. A private rented sector interviewee echoed the concerns of many:

*'Yeah, I mean if it doesn't work out and you want to sign on again you have to go for an interview, then it takes time for your benefit to come through, so you're just living off nothing...with a child I can't live off nothing.'*

(19 year old female private renter)

These anxieties may have been heightened by changes to benefit regulations which penalise those leaving employment.

*'If I got a job and then left it that means for two weeks I'm not allowed no benefit. That means for them two weeks I have to cover my rent and my living expenses, and Council Tax.'*

(29 year old female private renter)

There were no significant differences between the areas of concentrated social housing, 'pepper-potted' communities and private rented tenants. Rather, the issue was more important for groups closest to the labour market. In some cases,

negative previous experiences were now deterring them from pursuing new employment opportunities.

A 34 year old male in the Lower Walkley area of Sheffield felt that the problem with taking short-term employment contracts was:

*'...then you've got to go through the rigmarole of making a fresh claim, then you've got to wait ages because its bureaucracy and red tape.'*

This was often compounded by a lack of communication between the social landlord and Jobcentre Plus. He went on:

*'It's an absolute nightmare because it takes at least two or three months to sort it out. And it can be stressful because, on one hand you've got your landlord saying "where's your rent?"...and the benefits who pay the rent say "well we're looking into it".'*

This individual currently has technical rent arrears of £600 and reported that they were being threatened with suspended possession. This was a common experience amongst respondents. However, even where suspended possession is obtained, the tenant is unlikely to be evicted. This is a key difference between social and private renting. Consequently, no one reported being evicted for technical rent arrears. Nevertheless, interviewees frequently referred to them as, at best, a headache they could do without and, at worst, a perceived threat to their residential security.

Respondents expressed particular anxieties about delays in the payment of Housing Benefit which could result in rent arrears and the accrual of other debts. A 27 year old lone parent renting from a housing association in Austin reported problems renegotiating the payment of full Housing Benefit when she became unemployed. This had resulted in rent arrears which she is now paying off at £5 per week. This experience raised real concerns about the consequences of entering work in the future. The main fear was that her family's residential security could be put at risk if she was to re-enter employment, subsequently lose her job and then encounter similar problems with the payment of Housing Benefit to her landlord. She commented:

*'...when I got the all clear to go back on the DHSS in March, I thought it was the DHSS money that give you and everything was being paid for again because they'd said it's ok, I'd signed papers and they'd said "you're back on the DHSS", that's when...the council's [Housing Benefit team] saying I'm not on the DHSS and I had to row and say yes I was on the DHSS and they should have been paying [social landlord] but they never had confirmation through the post, so it's like four different ways of people telling me where I was coming from and it was a nightmare because it made my living state worse which [social landlord] took me to court and...I agreed to pay at £5 per week which I've been doing ever since.'*

Ian from Islington recounted similar problems:

*'Once you get into Islington Council with the [rent and] benefit system, you have one side of it who's ultra-efficient, they're the ones who collect it, but the ones who give the benefit are so bad and so drawn out, that you run into debt with your housing association because it takes so long for them to process your money. Now, that might take four, five, six weeks. All the time you're running up your rent. When I was unemployed it was four months before I realised that the council wasn't actually paying my rent because the forms that I'd got filled in was mislaid, they'd lost all me forms, and then I had to go through all the procedure again, copies of this, copies of that. Once the system gets up and running, then you're okay, but you've still got to check it now and again just in case they've dropped off.'*

More generic comments about the problems raised by losing work and reapplying for benefits tended to focus on the complexities and uncertainties of the process. For some respondents, negotiating the complexities of the benefits system was a work disincentive. The amount of form filling and bureaucracy was especially daunting for those lacking basic skills. A 19 year old Manor female could not read or write and was concerned about having to make fresh claims because: *'I can't read all the papers'*. A 36 year old lone parent in Derby contrasted the difficulties of reapplying for benefits with the limited complications raised by moving in and out of informal work whilst receiving benefits:

*'I had to fill in so many forms and go through such a long procedure, it's so difficult, it gave me an headache, it's so unfair because those people who work in secret, they get away with it and nobody cares, but those who want to work genuinely they make it so difficult. I thought about it and I realise that's the reason why so many people don't want to work, because the Government's not helping them...I can't fill all of these forms in again and again, go to the jobcentre and other places, with three children it's very difficult. Sometimes I've gone to the jobcentre and I've had to stay in the queue for one hour. I can't stand up because my health is so bad.'*

Many interviewees drew attention to the insecure, casualised nature of work available to them and contrasted this unfavourably with the apparent stability of benefits. In the words of a 45 years old Manor lone parent: *'At least with benefit you now what's coming in each week'*. Thus, for some it was the prospective insecurity of moving from benefits to work which was a key barrier to labour market engagement. Concerns about leaving the relative security of benefit were particularly acute for people who had been out of the labour market for some considerable time and for lone parents.

*'There's plenty of jobs that you can get but it wouldn't make sense financially. I'd still be struggling and possibly need two or three jobs.'*

(32 year old Lower Walkley female)

*When my partner was working it was fine, we loved being off benefits, well I don't want to be, but then I do feel comfortable on benefits, I do get comfortable because your rent's paid, your council tax gets paid, you get free school meals, they don't come round your house and say "get off your arse we've found you a job".*

(27 year old female, Peterborough)

## 5.5 Resilience factors

Nevertheless, the research team encountered some individuals who remained committed to seeking formal paid work despite the problems of low pay and chronic insecurity. Further analysis has highlighted the importance of six key resilience factors:

- the age of respondents;
- their level of financial commitments;
- the access of individuals to social networks composed of individuals in work;
- the importance of positive role models;
- a focus on good quality work;
- the centrality of work in some individuals' sense of identity.

First, it was apparent that many young people were enthusiastic about paid work. This is because employment may provide a recognised source of esteem and meaning which is more important than financial remuneration. It allows individuals, for example, to make their entry into the adult world and confers a degree of financial independence from parents. It is also the case that these respondents may not have yet acquired enough experience of the labour market to fully appreciate how limited the long-term prospects are for those with few qualifications. Furthermore, job quality and the desire to develop a career may also not be important considerations for those desperate to leave education.

Second, those groups with limited financial responsibilities found the pecuniary benefits of entering work most attractive. In particular, people living with parents reported that the financial benefits of entering work were often clearer and significant. This reflects the limited responsibility of those who are not named tenants for outgoings such as rent. Many indicated that they undertook some household chores instead in order to 'help pay their way'. There can, however, still be implications for the household budget when a person in such a situation enters work. The second adult rebate on council tax may, for example, be lost. However, such implications were not always recognised or declared by respondents.

*'So yeah I will help, if I get a job full time or even if I'm earning quite a bit of money I would start contributing to the house, I'd probably be paying £20 a week or whatever, my brother is working and he pays £30 a week to my mum for the rent.'*

(18 year old single male, Islington)

*"Cos I don't really have to pay rent, I've just got a room so I give my mum about £30 or whatever. But yeh, it does make it easier, I ain't gotta worry about nothing really.'*

(17 year old single male, Islington)

Third, it is clear that the informal support made available through the social networks of some respondents helped to make work a viable option. Some lone parents were, for example, able to enlist the support of family members for childcare whilst they went out to work. Other respondents were able to turn to family members to help them negotiate the financial difficulties caused by the switch from benefits to paid work. It is perhaps significant that the social networks of such individuals were often predominantly composed of individuals in paid work. This meant that they were able to access jobs that are often not advertised and since formal paid work was part of their every day lived experience they were often reassured about their ability to cope when in work. Examples of this are quoted in Section 3.2.

Fourth and related to the last point, some individuals appeared to have an innate optimism about being able to cope when in work. This optimism was explained with reference to friends and relatives who had managed to 'get by' in employment. People with working parents often dismissed questions about the affordability of working by pointing to their parents' experiences. A 20 year old single man living with his mother in Austin highlighted her as a positive role model:

*'My mum, she's a single mum, paying it [the rent] herself, so I know it's gonna be hard, but it should be alright....It's gonna be hard, but I'm gonna have to go through it out there, stand on my own two feet, see what happens.'*

For others it was associated more with their general upbringing, as the following exchange with Vicky, a 25 year old lone parent from Peterborough reveals:

Interviewer: *'What was your experience like when you were on benefits?'*

Respondent: *'Oh shit, hated it, absolutely hated it, couldn't deal with it, 'cos I'm one of these people that likes to work and I'm very independent, practically as soon as I was born I started working in hairdressing, it's not like...do you see what I mean, I'm one of these people that likes to work and want children to be independent, not some of the time, all the time, that's how I was brought up.'*

There were also cases where parents wanted to set a good example for their children, like Helen in Islington:

*'Also, I really wanna do it for myself obviously but for my daughter as well, because she's going to big school now and when they ask, "What do your parents do?" she hasn't got her father around and I'm unemployed. It's not very nice though, is it? So I'd like her to say, "Oh my mum does this". That's one of the big reasons as well, I'm ready for it now.'*

However, some of those that were most optimistic about the viability of work appeared to be less well informed about the financial consequences of entering employment for the receipt of benefits. One respondent, for example, was under the impression that he would continue to receive Housing Benefit as long as he worked less than 40 hours per week, regardless of his income. A few appeared to believe that the Government would help to ensure that work would pay. A 43 year old lone parent interviewed in Normanton expressed an unshakeable faith in the system to provide for her:

*'Anyway I don't think these white people are going be that bad that they're going to say "Well you can't make ends meet so we're going to take everything away from you". I still think that they're going to give me some help, they're going to look at my work situation and weigh everything up and help me that way...if I'm earning £200 or £100 they're going to know how much I'm earning and they know that I can't survive on £200 so they are going to help me regardless, I've got faith that they will help me.'*

Fifth, some respondents only regarded employment as a viable option if it involved undertaking 'good work'. However, this meant that they were effectively ruling out a move back to work because they lacked the skills and experience necessary to gain such employment. The reservation wage of these individuals appeared to be unrealistically high. A lone parent on the Manor estate reported that £350 per week for a retail job might tempt her back into employment. The quality of employment was defined in two main ways. Most interviewees tended to define a 'good job' as one that would allow them to meet their financial obligations and live more comfortably than on benefits whilst a few emphasised security:

*'I am so like "how much I'll be paid" because I do have some outstanding debts and what have you, which if you're unemployed, you know it's easy to talk to them whereas if you're working then people tend to come down on you like a tonne of bricks...the rent is quite high, which I've got to pay myself, and the other, you know, bills and what have you, and we also have water meters, so it doesn't help. It's just extra outgoings, I've got to find a job which is adequately paid to sustain all these things.'*

(40 year old Derby male).

*'Yeah I thought about that [costs and benefits of work], yeah, but that's why I always look for like a good job yeah, because a good job is that they're going to keep you as well if you get paid like £6 per hour and because I would prefer to work like long, like 12 hour shifts for example so I can get like a certain amount, like even weekend work, I don't mind that as long as I'm getting paid that all the time. Weekly pay all the time and get overtime as well as keep my job.'*

(23 year old male, Derby)

*'Well how I do it, I don't think I'd mind about the wages too much, it's the job is the important thing, number two is the actual training in the job and the actual prospects and the guarantee that wages would rise with inflation and not only inflation but on a yearly basis.'*

(53 year old single male, Islington)

An associated issue here was the difficulty that those aged 25 or over had in accessing or financing suitable training. As lone parent Rosa from Peterborough observed:

*'I mean, it's come to the point now, I'm almost 30, I want to work, I don't want to be on benefits all the time, but it's very very difficult, just knowing where to get the help and support from. Even if I walk into the adult learning centre, they say, "Well, no, we can't offer you anything because it's the age bracket".'*

*'Well that is the thing, that's the trouble, it's just trying to get the skills to do it, so of course I go over the unemployment and go "have you got any training to do this?" and it's "no, not really". And then well you think "you're asking me to get a job but you're not giving me any chance to get a job because you're not training me" but if you want to train yourself, yeah go out and do it but it's a question of where do you get the money to do some of these courses.'*

(35 year old single male, Islington)

Finally, it appears that work is a more important part of the identity of some respondents. These individuals often identified the role of work in generating social and psychological benefits. For example, some respondents felt that it helped them to meet new people or to temporarily escape the trials and tribulations of family life.

*'It's like it gimme time to get out of the house as well. And I met new people who worked there and they were proper pleasant and nice.'*

(18 year old female private renter)

A 47 year old Manor lone parent of three children regarded herself as a 'grafter' and reported: *'All I've ever known is shop work and catering'*. She complained bitterly that her recent experience of worklessness was having a detrimental effect

on family life. *'My children have not got the luxuries. They are finding it hard'*. Many talked about the self-respect that comes with working. A few talked about money earned being more 'valuable' than benefits:

*'The money that you earn yourself is worth a lot more, even if you earn a little amount it always goes a lot further. The money that you get through benefits, it comes one way and it's gone the other, you just don't know where it's all gone. Money that you earn yourself you have more regard for and you appreciate so you're more likely to think about where you're spending it and where you're not spending it and not wasting it, throwing it away.'*

(43 year old lone parent in Austin, Derby)

*'I prefer to be working, I'd feel useful with something, working, doing something different, I'd have my own money – oh, I don't have money now because the benefits slowly paying whatever they need. It's like, you know more what you can count with money from a job.'*

(Vicky, 25 year old lone parent, Peterborough)

These individuals often sought to distinguish themselves from those deemed to be dependent upon benefits. A few of those that had been out of the labour market for a long time would point to 'genuine reasons' such as poor health. They were often acutely uncomfortable with the categorical identity ascribed to people out of work. Many people spoke about the stigma associated with claiming benefits:

*'I hate being on it and I have such a strong objection about being on benefit. My daughter doesn't even know I'm on benefit, I would never even tell her, because my daughters think that's not the way to go, you have to work for your money...You're not just born for yourself, you're born to make a difference...work in a supermarket or if you're working in high positions, you're there to make a difference, and if you're just sitting around all day cashing your giro how can it influence your children, your friends, anybody you come in contact with, how can you be on benefit?'*

(38 year old lone parent in part-time work interviewed in Austin, Derby)

*'I want to be off benefits. It's not just about money, I want to be happy [in my job] too, but I really want to be able to pay my own way, pay my own rent. I really want to come off benefits.'*

(Pauline, 27 year old lone parent, Islington)

*'I'll be better off, you see I always say ok you may be a little better off with £3, £4, £5 a week, but motivation wise you're better off, socially you're better off, you've more self-esteem, if you're hanging around with people who are on Income Support and you're sitting around all day with your cups of tea...don't tell me that's inspiration, that would bore me silly.'*

(38 year old lone parent, Austin)

## 5.6 Conclusion

This chapter has considered whether the current system of benefits and tax credits serves to distance social tenants from work. The effects of the tax and benefit system were found to be a significant issue for both social tenants and those in the private rented sector. Furthermore, the present study suggests that the complexity of the benefit system may act as a work disincentive. It is clear that many respondents had, for example, not got to grips with the complex interaction between earnings, tax credits and Housing Benefit.

Poor job quality is a significant labour market barrier for many residents with low human capital. Many interviewees highlighted the low paid, insecure nature of available employment opportunities which meant that work did not pay. For many this conclusion was not rooted in fine grained analysis of credits and debits on the balance of household income. Rather, individuals pointed to first hand experiences of struggling to 'get by' when in work as proof of the difficulties involved. Groups most distant from the labour market often drew attention to the insecure, casualised nature of work and contrasted this unfavourably with the apparent stability of benefits. Thus, for some it was the prospective insecurity of moving from benefits to work which was a key barrier to labour market engagement.



# 6 Further barriers to work facing social tenants

## 6.1 Introduction

A key issue that this research study set out to address was the extent to which there are characteristics of social housing tenants that act as barriers to work, but which have not already been picked up by previous analysis of secondary data such as that cited in the Hills (2007) report. Detailed analysis of the interview data suggests that there is a range of issues that social housing residents face in attempting to access labour market opportunities, beyond those that can be identified via the variables contained in quantitative data sources like the Labour Force Survey (LFS).

However, these problems are a familiar feature of most studies of barriers facing people who have difficulty in obtaining work, irrespective of their tenure. Given the relatively small scale of the social tenants interviewed in this study and the limited comparability afforded by the additional 30 private rented sector interviews, it is difficult to be definitive about the extent to which they are more prevalent in the social rented sector than other housing tenures. Having said that, most of these additional barriers relate to the very types of disadvantage which are taken into account when assessing people's eligibility for social housing, so there is a strong likelihood that they will be found in greater concentrations there than in other housing sectors.

Detailed analysis of the available evidence from the interviews indicates that there are six additional characteristics that have a strong bearing on many social tenants' relative position with respect to the labour market:

- health;
- childcare;
- debt;

- drug and alcohol dependence;
- criminal records;
- multiple disadvantages.

Each of these topics is examined in turn in the rest of this chapter. The intention is not to try and piece together a comprehensive picture of barriers to work facing social tenants, as many of these (e.g., lack of skills or qualifications) are either shared with marginalised people living in other tenures or have already been covered by quantitative analysis of existing survey data (Cannizzaro and Percival, no date). Rather, the aim is to spotlight any further barriers that appear to be more common amongst social housing residents and which have not been fully addressed in previous sections of this report and are unlikely to be picked up by official surveys.

## 6.2 Health

The problems facing those experiencing ill health or some form of disability are well known and widely acknowledged. Indeed, increasing attention has been given to providing help to the large numbers of workless people who are claiming some form of Incapacity Benefit. This has taken the form of both new activation measures at local level and legislative changes to the benefits system itself. In terms of the Department for Work and Pensions' (DWP's) statistical analysis (Cannizzaro and Percival, no date), there is a section examining LFS figures for those experiencing some form of disability. This includes those covered by the Disability Discrimination Act 1995 (DDA), and those who report that their impairment limits the amount and/or the type of work that they can do. Significantly, the analysis shows that the vast majority (~75%) of those living in social housing fall into the 'DDA disabled and work-limiting' category, compared to around half in owner-occupation and 60% in the private rented sector. The paper also acknowledges the above average incidence of mental and behavioural disorders amongst social housing residents and their much lower propensity to be in work in general. The higher proportions of people with disabilities that make it much more difficult to access labour market opportunities is likely to be a major factor behind the reported inter-tenure differentials in their employment rates.

However, there are further reasons why the analysis may not have captured the full extent of the problem of ill health within the social rented sector: First, the initial LFS 'health problem' question explicitly excludes those who have had the problem for less than 12 months. Secondly, some of the follow-up questions about work limitations are open to different interpretations, particularly about the exact timeframe to be considered by the respondent. In particular, answers that focus on their current situation may well mask the possibility of returning to work after appropriate treatment, whilst the opposite (answers focusing on future possibilities) may give a false impression of what somebody is capable of doing at the present time. Finally, it is unclear how respondents who think that they will

never work again because of disability or ill health are likely to answer questions about limits to the work that they can do.

The importance of health issues as a labour market barrier to social housing residents was underlined by the in-depth interviews. Many of the survey respondents referred to some kind of health issue that affected their ability to compete or even participate in the search for work. These effects may be summarised under five main themes:

- direct impact on employment;
- the severity of the problem;
- health issues and employability;
- interactions with other barriers;
- ill health of other household members.

A number of respondents reported that they had lost their job because of a health problem. In turn the enforced inactivity has generated mental health problems, as John, a 38 year old single male from Islington, reported:

*'Yeah I'd worked all my life, I'd never ever been unemployed, I'd always been in [book]shop work and things like that and my back just went one day and that was it...[Since then] I haven't worked for five years unfortunately..., I've had big surgeries on it but also unfortunately since I've had the back problem I've got a mental health problem because I suffer with depression because of the back, and not being able to go to work...'*

Eva, another Islington respondent now in her 40s, had struggled on in work as long as possible:

*'...all of a sudden they realised the situation I was in, so 'cos I just didn't go to work for a month or so, got my sickness certificate and then the occupational therapist for the school, she said "I don't know how you've been working" because at the end of every day I couldn't even bend over and touch my toes and that sort of thing they wanted me to do, so that's when they said "you can't work any more"...'*

Even temporary difficulties can cause people to lose their jobs. A 25 year old single male in Peterborough who had found work after successfully completing a spell of drug rehabilitation provides a good example:

*'I got into X [local engineering firm]... I was there for about three weeks,... and I had this accident with my wrist. Now, what it is, it's a trapped nerve that runs along here and it'll just come back in its own time. I'm just starting to get the movement back in it. I got all me sick notes here off me doctor, took 'em all in to Y [training and employment agency], went in there yesterday to take my most recent sick note in, they turned round and says that I haven't got a job no more.'*

The interview team also encountered some individuals who had relatively stable employment histories that had been transformed by redundancy. The experience of redundancy and subsequent long-term unemployment had been traumatic and had often intensified pre-existing mental health problems. A 49 year old Manor resident reported:

*'There's something wrong with my nerves, it's something I've had all my life. But since the last seven years since I was made redundant I don't know what to do.'*

One of the key difficulties in assessing the impact of poor health on the employment prospects of social tenants is the question of severity. As with the LFS questions, there was a clear distinction amongst survey respondents between conditions that meant they were unlikely to be able to work again and those that affected the amount and/or type of work that they could undertake. As an example of the former, Eva from Islington said that her condition had now deteriorated further:

*'I have a job to walk around now, I can only walk so far and then I've got to stop and sit down and then if I sit down too long I've got to get up because I've got arthritis of the spine as well so it doesn't do me any favours. I can't see what job I could do now, to be honest...'*

Others had reached the same conclusion, as this 27 year old male in Peterborough confirmed:

*'I left school at 15 and I went to straight working on the land, and like I say, I used to earn good money,...but I can't any more,...because of me disability, because I ain't fit and that, I can't control things and that..., so I'd have someone watching me most of the time. And some other things bother me but I really don't want to go into them.'*

While one or two respondents seemed to have accepted without question the medical experts' diagnosis as being unable to work, for the majority it was clear that their impairment would preclude any type of sustained work. For another group, however, the nature of their ill health acted more as a restriction on what they might do. Respondents also expressed doubts whether employers would be able to accommodate their individual requirements. Sometimes this was just a question of the physical aspects of the job, as John from Islington explained:

*'No, full-time, I really do want full-time. But the only trouble is that I would need a job that would understand that I can't sit all day but I can't stand all day and there is going to be days and I walk in and I look, I'm lopsided and things like that because I literally lean to one side, today's a pretty good day that I'm upright but there's no jobs out there that will accept things like that.'*

For others, it might be a question of the nature of the work or even the physical environment of the workplace, as Anne from Peterborough outlined:

*'But my biggest problem is working for another company, I won't be able to control my physical environment because going to somewhere where they've just sprayed or polished or whatever, that's gonna bring on an [asthma] attack...[or] set me off in a great big rash which makes my chest tight... So, I mean, I couldn't work in a factory. Even though it'll be a job and I'll be happy to take a job, any job, to start me off while I'm – it's just physically I know that I couldn't do it.'*

For others, it was a question of the limits imposed by the learning difficulties that they faced, as Vicky from Peterborough stated:

*'I feel intimidated because I'm dyslexic and they [most employers] don't want people like that, that's why I choose the work with children, I know I can't read to them but they don't criticise you. But I don't know how I'll get qualified...or cleaning, I love cleaning...I clean my friend's house top to bottom and to me cleaning's, I love going into a house and doing everything up perfect...'*

At the same time, several respondents mentioned that, although they were unable to consider working at the current time, they were recovering from surgery or receiving some form of treatment that should allow them to look for appropriate work in the future. Anne from Peterborough was thinking along these lines:

*'Yeh, so I'm getting counselling at the moment, and that's all part and parcel of getting help...I'm thinking about retraining, that might be the best step, 'cos there's no way I can do catering now, physically, the hours and that...'*

For others the prospect of returning to work might appear to be more difficult but nevertheless remained a distinct possibility in their minds:

*'I've had to have two brain operations,...I was fighting for my life but I made it, had too much to live for, I'm a fighter, I'm a Leo...but then I can't work for two months you see 'cos I still can't bend over, they won't let me and if I sit and talk to you for too long and try and move my neck it'll be agony...'*

(48 year old female lone parent, Islington)

*'And the reason why I'm not working at the moment, the last couple of years I've had medical problems, and I'm now going back into hospital next month to have an operation, and once that's over with, I need to go out and get a nice job, and get back on track again.'*

(Helen, 42 year old lone parent in Islington)

Several people who expressed a desire to work wondered whether their health problem was impinging on their employability. This in turn may well have discouraged them from being as active in their job search as they might have been. This is understandable where people feel that they will be unable to meet employers' requirements.

*'If you're bad one day there's a chance that you'll miss...they just don't want that, do they, they want reliable workers.'*

(42 year old married male, Peterborough)

*'Yes, I have a problem with my hands. I had polio when I was a child in Bangladesh, it's a third world country and I got the wrong treatment, the other problem was it was late, it happened when I was four years old. Maybe because of my disability maybe, people think I can't do the job.'*

(30 year old married woman, Islington)

*'So the stigma of going to try and get a job, a lot of firms now put on their forms "have you got a mental health problem?" and they won't employ you, it's just depression, the depression is because I can't work, it's a vicious circle. If I can get back to work I'd be fine...'*

(John, 38 year old single male, Islington)

Health problems that limited the type of work respondents could do combined with other labour market barriers to pose severe difficulties. In particular, a lack of skills and qualifications (and the nature of their personal aptitudes) either excluded them from many job vacancies or from their preferred line of work.

*'Yeh, I am [looking for work] 'cos the disease I've got, you can't cure it what I've got, COBD [child onset bipolar disorder] but you can obviously – I can't think of the word – you know, the medication can help control it...I have worked as a volunteer with [X] for retired greyhound animals, I do love animals...that's the road I'd go down, but I obviously need qualifications.'*

(27 year old female, Peterborough)

*'I don't believe that because you have a disability that you can't work, I don't think that's right. That's not the ethics that I was brought up with... because I didn't study in this country as well, I studied in Nigeria, basically I don't have the qualifications and the skills that will enable me to work here, so that's why I decided to go to college,...right now I'm looking into doing some training as a carer...so that I can get into care [work].'*

(34 year old female lone parent, Islington)

A number of other respondents shared a long history of physically demanding work but were unable to continue because of mobility problems caused by physical injuries. These then prevented them from considering similar work in the future but in most cases they also lacked the experience or qualifications to enter alternative occupations. Many were also unhappy with the idea of office work, as Tom from Derby made clear:

*'I can't jump in and out of lorries and what I used to, because of my knee now, so...If it involves a lot of standing up and moving around, and stuff like that, then I'm gonna struggle to do it, but if it's one where sitting down or something like that, it's not gonna be so much of a problem, so, you know... Not really office work but, you know, I can't be sticking with working in an office, but anything else. I'll have a crack at owt, me.'*

Similarly, those facing severe mental health issues often faced difficulties with regard to standard employability criteria, such as time-keeping, attendance, reliability, and team-working ability. This makes it hard for them to obtain, let alone hold down, a job, however hard they might be looking. Diane, a female Incapacity Benefit claimant in Derby, had left her job as a school lunchtime supervisor after a year of illness followed by an occupational health assessment. She was keen to return to work but recognised that doing so would represent a major challenge because of her mental state:

*'I am looking to go back to work, I'm wanting to go back to work cos I don't like being stuck in the house which is basically what I have been for the past year, I haven't been out, I haven't been going anywhere cos it just frightens me. I couldn't walk up here, I know it's not that far, it's only a five minute walk but I couldn't walk up here, I've had to be dropped off and somebody's picking me up so as to going back to work or not I don't know...I've got to overcome all me fears but I am looking. I want to go back to working with children again.'*

Further evidence emerged in some interviews of apparent mental health issues that had not been diagnosed by a health professional or recognised by official agencies but which were impacting on a respondent's ability to consider working. These problems related especially to a lack of confidence going out to work and concerns about leaving the house and going out alone. A good example of this was Faiza from Derby, who reported that despite being judged fit to work, her insecurity and worry about going out alone poses a huge barrier:

*'I told the job centre that I take medication and that I've got health problems and that I get dizzy sometimes and so...there was a meeting and there were a lot of people sitting there and they decided that I was fit and that I was ok to work... They suggested factories on the outskirts of Derby and travel would also be available by the company, there are various coaches and taxis that can pick you up... Well if I tell you truthfully then sometimes I get dizzy spells, my blood pressure gets very high and I also take medication and the fact that I'm on my own, I get very scared sometimes so really I don't really want to work.'*

Others stated that they thought other characteristics compounded their health issues to reduce their competitive position in the labour market even further. For example, those over 50 generally felt that their age was against them. Alex from Islington added her gender to what she saw as an insurmountable mix, prompting her to look at alternative ways of finding work:

*'I've had a lot of problems in my life,...that tends to put people off because I've had mental health problem, a breakdown, panic attacks and so on, so with my age and being a woman, they're three kind of big barriers, if you like, and people don't want you in the workforce... Because of all that I want to at least have a bit of enjoyment towards the end of my life now...[so] I'd like work that's part-time and I'd like work that's self-employed.'*

Another clear message from the interviews was that some respondents were prevented from considering formal work by the poor health of a family member, for whom they had taken on caring responsibility, sometimes on a full-time basis. In most cases respondents were caring for a member of their household, though in a few it involved a relative who lived nearby. This responsibility led some respondents to only consider part-time work (which was subsequently deemed 'unaffordable') or to rule out the possibility of working altogether. No-one had taken up the possibility of receiving formal help or assistance with caring for their relative as a means of allowing them to consider entering work, one in Derby even turning down Carer's Allowance payments. Rather, respondents were very much of the mind that caring for their relative was their role and duty and that work could, therefore, not be considered at the present time.

*'I want to [find a job] eventually because I love to be out but it's hard at the moment with the two boys, one's four and one's five and they've both just been diagnosed with ADHD [attention deficit hyperactive disorder]. I'm not happy to leave them anywhere, I can't even take them to the park myself because they fight other kids, it's difficult at the moment, so until I get some more help than what I'm getting now to cope with them...it's hard to see how I could fit a job round that...'*

(48 year old female lone parent, Islington)

*'[A major thing] I have to take into consideration is "is my mum all right?", "if I go out to work is there going to be somebody there I can rely on to look after her?''.'*

(John, Islington)

However, it was clear that this was not necessarily going to be a permanent state of affairs, particularly where children were concerned. As lone parent Pauline from Islington recounted:

*'...the baby...she's got tumours on her heart and obviously there's a lot of hospital appointments, they said she could have a condition called tubular cirrhosis, which causes epilepsy seizures and learning difficulties, so at present we're at hospitals a lot, at Whittington and Great Ormond Street,...so I'm just doing courses and working round hospital, getting my other little boy to school and doing voluntary so when she's old enough to go to nursery I can go back to work, that's the plan.'*

Others told of similar experiences:

*'But I had a poorly child at the same time,...he was constantly sick, constantly, and they thought he had reflux, it took me four years to find out he had, his stomach was upside down,...so I was dealing with that...he was in and out of hospital constantly...I had to get a second opinion from Leicester. Then it was me like "well I'm going to have to stay on social, look after him"... basically I was his [full-time] carer.'*

(29 year old married female, Peterborough)

Finally, a small number of respondents reported that they had relocated to their current area of residence and into social housing, specifically in order to access specially adapted accommodation. This accommodation was then seen as tying them to their current accommodation, area of residence and tenure.

In conclusion, it is perhaps not surprising that so many of the social rented sector interview respondents reported such a wide range of health problems and disabilities. Certainly, ill health or disability can represent grounds for being granted priority need in the allocation of social housing. At the same time, such problems clearly distance people from the labour market and, therefore, from the financial resources required for home ownership. In addition, this study has revealed a preference for social housing among vulnerable and disadvantaged households because of the stability and security that it provides, particularly compared to private renting (see Chapter 2).

### 6.3 Childcare

The provision of accessible and affordable childcare remains a key priority within the Government's pledge to '*eradicate child poverty by 2020*' (DWP, 2007b), with high quality facilities available in every neighbourhood. As a result there has undoubtedly been a major expansion in childcare places, allied to targeted financial support via the childcare element of Working Families' Tax Credit. However, as a recent evaluation report on Sure Start commented, such provision needs to be more inventive and creative if it is to find ways in which the full range of disadvantaged groups can be reached (National Evaluation of Sure Start, 2007).

Indeed, the interviews with social housing residents highlighted the fact that in several cases issues around childcare act as a barrier to work. Around a third of respondents overall reported some form of problem linked to this. These had arisen in a number of ways, including a lack of affordability; restricted availability (particularly with respect to timing); the complexities of arranging different forms of provision for different age groups; and perhaps, most significantly, a reluctance to make use of formal childcare and an associated desire to undertake most of the child-rearing themselves. These aspects are generally intertwined with one another, rather than operating independently. It is also noteworthy that the majority who identified childcare as a barrier to work were lone parents, although some married mothers also expressed similar views.

The majority of respondents appeared to have considered the possibility of making use of childcare provision, suggesting that they were at least vaguely aware of its availability locally. However, some had quickly rejected the possibility, so may not have had detailed knowledge of what they might have been able to access. For example, one young lone mother was about to move from the Tollington estate in Islington to her own flat in another part of the borough, so was still at the stage of considering the possibilities:

*'[If I go full-time] I might have to get a child minder just to do the extra hour in the evening before I get in,...pay someone to pick her up and take her home for an hour before I get in and things like that...this is one of the things I've got to take into consideration, and six weeks holidays, making sure I get a job that works in with that, where I can get the time off really for half that time, and the other three weeks is going to be play centre or [somewhere]...so yeah, it's all the things I've got to look at.'*

Similarly, Becky, a 26 year old lone parent with a two-month old child living in the same area, said that she would find out more about what was available in due course:

*'At the moment I'm not really thinking about that, but...I do have a friend who's a nursery nurse and she knows all the really good [places] within west London so...she's always saying "whenever you're ready to put her into nursery then give me a call and I'll find out all the good ones around your area".'*

Becky was confident that she would be able to cover the cost involved, partly on the basis of the tax credits on offer and partly because she was fairly well qualified so should be able to find a reasonably well-paid job:

*'I should be able to afford it, 'cos you do kind of get help from working tax credit and child tax credit, I think it's £175 for your first child so if I can find somewhere to put my child for a week under £175 or isn't that much more than £175 which I can top up [from my wages] that's absolutely fine.'*

For many other respondents, however, the cost of childcare was balanced against the wages that they might receive from work and the reduction in their other benefit entitlements (linked to the issue of financial implications of being either on benefits or in work, explored in Chapter 5). Some were adamant that it was not feasible, with Janet from Islington simply stating that *'childcare, too much, can't afford it'*. The interaction between childcare costs and the low wages paid for the type of work people would be likely to obtain was explicitly recognised by many. A 26 year old lone parent on the Manor estate, for example, explained:

*'Well it's [childcare] expensive for one. Obviously I've not got many qualifications so when I go out to work it's for minimum wage...so in one way I would be working just to pay the childcare.'*

Similar sentiments were expressed in other case study areas:

*'I'd have to get a good job to afford to live and look after my two kids and that's what the big problem is, I think people are scared to go to full-time 'cos they're not earning enough...I think it's mainly with childcare costs as well, that is expensive so unless you can look around and find someone to look after them...it's not on.'*

(Pauline, Islington)

*'I've looked into the playschemes and stuff and even that is gonna cost me quite a bit, because, I've got the divorce and everything and I've been left in debt...I don't want to fork out a lot of expenses, because by the time my bills come in everything just disappears in the blink of an eye, especially when there are holidays...'*

(Laura, Peterborough)

While formal childcare might be more widely available now than previously, some respondents thought that it would be difficult to align the hours that they would be at work with the times that they could make use of such provision. While this was mainly connected with everyday term-time arrangements, there were also some limitations around the more extended provision required during school holidays. There were also some respondents with two or more children of different ages (often a mixture of school and pre-school) who thought that arranging different types of childcare would be too complicated and expensive and even more difficult to fit around work.

At the same time, many mothers living in social housing have organised their lives primarily in terms of a moral imperative to act as a *'good parent'* and to *'be there for their children'* (see also Chapter 2). Part and parcel of this was their widespread reluctance to make use of formal childcare as a vital support mechanism in enabling them to go out to work. While this was a reflection of the strength of such respondents' parenting instincts, it was also a matter of lacking trust in the people providing the care. For example, several said that they would be uncomfortable with the idea of 'strangers' looking after their children, being unwilling to run the unstated risk implied by the term. They would be happy for family members (mainly mothers, grandmothers or sisters) to look after their children now and then but their driving force was to take prime responsibility for their children's care. It also provides them with a sense of purpose and self-worth.

*'[I didn't go back to work] mainly because of my boy, I want to bring him up myself, and because I'm single, I haven't got a partner or anything. Sometimes my mum looks after him occasionally but I tend to not rely on people that much. It proves that I can do it myself, not rely on other people. I wouldn't feel comfortable with someone I didn't know looking after him and bringing him up. I'd rather bring him up my own way.'*

(25 year old woman, lone parent, Peterborough)

*'And now that I'm a mother, it's given me some kind of responsibility to show that I'm well respected in the community that I live in as a mother. At least I'm bringing up a child of my own and I'm doing it single-handedly, so therefore I'm doing it well. So that is the role for me and that is something fulfilling that I'm doing.'*

(44 year old female lone parent, Islington)

Bringing up the children, thus, provides the main structure to that person's life. This would include being at home before and after school and to be there when they fall ill so that any job would have to fit around these commitments.

*'I'm not looking for work because I have very young children and if I was to work who would look after them? I haven't got anybody to look after them...if my children were to become ill then I'd have to leave work and look after them, I have other commitments like I have to go to my relatives if there's an accident or a problem or anything like that, I wouldn't be able to go because I'd be working. All the shopping, looking after the home, all that responsibility falls on my head. So how can I do both things, it's not possible.'*

(27 year old female lone parent, Derby)

There were two main difficulties in trying to sort out child-rearing and work: the general lack of job opportunities available at these relatively restricted times; and the low levels of prospective take-home pay from the short hours and the types of work available on this basis. Many in this position still expressed a desire to find a job but their childcare responsibilities usually took precedence. A few reported having worked night shifts in the past as a way of getting round the problem but eventually the lack of sleep meant that they were unable to sustain it.

Some mothers living with partners adopted similar attitudes, reflecting the persistence of the 'male breadwinner' approach to the economics of couple households.

*'If I had to go out to work it'd only be part-time and in the mornings while the kids are at playschool,...I'd do more hours, but I've spoken to my partner about it and he's not keen on the idea. He's one of these men where, "You stay at home and look after the kids and cook. I'll bring home the money and I'll support us all". He's not keen on a woman going out to work.'*

(22 year old married woman, Peterborough)

However, such views were not shared universally, with one respondent reporting that a mixture of formal childcare and shared responsibility at home had allowed her to take part-time jobs in the past. Sheila from Derby had been in this position before splitting up with her partner and being left to raise the children on her own:

*'I had part-time work again and I'd got no child cost 'cos my husband looked after the kids, if he went out to work I had the kids so you, in the sense of that, I've got no child care, I've got to pay a babysitter where at one stage I was working two jobs but four times a day, I used to go to one cleaning job twice a day, morning and evening and I used to go to the pub dinner time and night time, I was knackered but I did it, but like I said I didn't have childcare costs then so I was reasonably better off.'*

Overall, then, for most respondents childcare issues rested on a combination of their relatively poor competitive position in the labour market and prevailing social attitudes in many working class communities about raising children. Adopting this line of thinking was not without its tensions for many mothers, since part of the ethos of being a 'good parent' was also to 'do their best' for their children. There was a recognition by many that greater success in the labour market would enable them to improve the material conditions in which they all could live as a family. The great difficulty they faced was being able to chart an effective course from where they are now to where they would like to be, taking into account all of the complexities and requirements that the dual role of parent and worker involves for those in this segment of society.

## 6.4 Debt

The fear, previous experience or ongoing challenge of managing debt emerged as a common barrier to employment. Around a third of respondents referred to debt problems, either now or in the past, when discussing barriers to employment. Three main sources of debt were apparent from respondents:

- self-generated;
- work-related (low wages or job loss); and
- tax and benefit system mix-ups.

As well as problems in one of these spheres causing difficulties in another, some respondents faced multiple debts, often from more than one of these sources.

A number of respondents had incurred debt by spending more than could be covered by their current income, usually via some form of credit. This was essentially a means of balancing the full range of household and family commitments, and might mean missing rent and other payments to keep afloat. Vicky from Peterborough was in this position:

*'I am in debt I will admit,...I got a loan and...with all my other bills I do have problems with paying them all, [but] if it's putting food on the table for my children or [paying out] 20 quid, I'm sorry I'll choose my children... It's the way you've got to work it. If you don't feed your children and pay your bills you get social services on your back and then you get paid but you ain't got your kids.'*

Others thought they were doing this so that they could cover the cost of new clothes and shoes for their growing children (for example, school uniforms) or to cover the cost of Christmas or birthday presents. Other unforeseen developments, such as a partner leaving the household, could then disrupt these plans, as Laura from Peterborough reported:

*'I was trying to make ends meet, and if we didn't have any clothing I would use the catalogue. I could pay bit by bit without having to pay the whole lump. But it was having to use the cheque book, and going £3 over, and having to pay the overdraft...Then the Working Tax Credit, they actually paid, and my ex-husband, he didn't say anything, he just took it and left, went on holiday with it and just left. So I'm having to pay back that tax, 'cos it was a joint claim.'*

Janet from Islington had a similar complaint:

*'I've debt but who hasn't, I'm on my own with three children, I'm trying to keep them clothed, fed, bills as well, and their father doesn't give me a penny, doesn't even see them.'*

For others the problems were more to do with difficulties in keeping track of personal or household finances and managing an independent tenancy, regardless of whether or not they were in work. This could also be linked to other issues, such as drug dependence, which in itself is an additional drain on available income. As Helen from Islington recalled:

*'...when I first left home way back in the 1980s,...I was a teenager, reckless, I didn't pay my rent ever, and...then I moved, thinking that was the end of that...I went to another property, which again I didn't pay my rent, and I moved again thinking that was the end of that. And then when I got to the property that I live in now, they put all the rent together over all the years going back about 20 years, and billed me £7,000. So I'm having to pay that back...an extra £10, £40 a month on top to try and get my arrears down, but that's gonna take a long time.'*

Alex from Islington had a similar story:

*'Well, it was basically when I moved in, I wasn't aware that the Housing Benefit weren't paying my full rent. This didn't occur to me, that I would have to pay [some of the] rent. And then I set up a standing order and for some reason the bank didn't fulfil the standing order, it got cancelled. And because I was using drugs at the time as well, you know, I ended up getting in debt and not spending my money correctly and so on, so I got into some – it's not very big, it isn't massive money but then, you know, I'm still catching up basically.'*

Debt also arose in connection with being in, or moving into and out of, work. A small number stated that the money they had been earning was not enough to cover the amount they needed to spend to keep their house and family functioning properly, so they had been forced to give up the job. Others had lost their jobs and then suffered a temporary reduction in income due to outstanding wages

or Statutory Sick Pay entitlements remaining unpaid. This had then resulted in an inability to meet existing financial commitments, which were geared to the amount being earned when in work. Most had eventually managed to get these debt repayments rescheduled but in the meantime they had escalated because of additional interest charges. A few had also incurred debt when moving into work, associated with an immediate reduction in benefits and a delay in receiving the first pay packet. In some cases these jobs did not last long, with the result that people had not earned sufficient to erase the original debt.

This transition between work and benefits receipt had for many respondents been a critical point in the origin of their debts. Long delays and frequent administrative errors in starting or amending Housing Benefit and Council Tax Benefit payments created either rent arrears or demands for benefit repayments.

*'We did have rent arrears, it was about five years ago, but [then] they find out, they charged us about £2,000 or something,...took everything and they decide it's not our fault. What happened was that we paid our part but they didn't pay [theirs], so after that we have to go to the court so they say sorry it is our mistake,...it's gone now but at that time I was pregnant and stressed and confused...'*

(30 year old married woman, Islington)

*'The rent arrears...they're still going actually...when I fell pregnant I couldn't work 'cos I kept collapsing and obviously I was pregnant at the time..., so my doctor wrote a letter to them saying that I couldn't work because of it and they still haven't backdated it, it's just a nightmare. I'm still trying to sort it out now...I'm paying I think it's about £1 extra a week as well so obviously I'm going to lose out in the long run I'd say, even if they wipe the slate clean...'*

(Pauline, Islington)

Similarly, some respondents had experienced overpayment of Working Families' or Child Tax Credits from Her Majesty's Revenue & Customs (HMRC) (see Chapter 5). The complexities of the system often meant that people were unaware of this until they received a subsequent request for repayment. This was not always the case, however, as explained by Rosa from Peterborough:

*'I stopped work in February, [but] the Revenue work tax claims department, they still put the work tax credit in the bank. I said to them, "I don't want the work tax credit. Cancel this, I need my benefits because I have my house in arrears". They just give me an answer that, "You are to wait"...I'm with Housing Benefit now, they pay me the Housing Benefit from the 1st of June. But they still put the money in my bank, I don't touch the money because I have to pay [it] back again, that money's not mine...But I worry they can stop the [benefit] payments because I've lots in the bank...and I'm not allowed to receive benefit if I have money...'*

In trying to find solutions to their debt problems, there was little evidence of people accessing debt advice services. One woman in Peterborough had contacted CAB, but found that they couldn't really help with her specific case (and she wasn't passed on to anyone who could). She is now pursuing matters through the courts. A similar route is being taken by another woman who is being declared bankrupt as a way of clearing her debts. For both, dealing with their debt problem has taken up a lot of the time that they might have devoted to job search. Both were keen to get back into work in the near future but had postponed any moves to do so until their debt issues were sorted out. Another respondent working part-time had been fortunate that her employer was understanding and allowed her to take time off sick at the height of resolving her problem.

*'They tried to do me for fraud because they claimed I didn't tell them that I was working and they had all the paperwork that I was working but they'd lost it all...I had to go in and they said my partner lived with me which he didn't, [asked] all sorts of questions...I've been off the social two years now I think,...they then say "actually we overpaid you, you now owe us £1,000",... I've got seven letters to prove that [they knew] I was working and now they turn round and say "no you actually owe us this money" so it took me back to square one again, just because of their stupidity...[Eventually] they dropped it because they realised that I had not lied to them,...[but] the stress meant I was off for six weeks, I couldn't do anything...'*

(29 year old married female, Peterborough).

It is clear from the interview evidence that not all respondents are as resilient as the last one quoted. For many, debt (or the prospect of incurring debt) acted as an important disincentive to work. Several claimed that finding a job would not be worthwhile, since it would alert creditors to ask for an increase in debt repayments, and any additional income from working would hence disappear. Many other respondents frequently associated the onset of debt with work. As has already been explored in discussing the difficulty of making work pay for many respondents (see Chapter 5), a common assessment is that managing the household finances and getting by when in work is likely to be very difficult, if not impossible. Frequent moves into and out of work may also cause mounting debt problems, as the evidence presented earlier in this sub-section reveals. In contrast to the financial predictability and stability of being on benefits, work was commonly regarded as an uncertain and unpredictable situation that presented numerous financial complexities that the household was required to manage. Some people did not believe that these complexities could be successfully navigated, and were, therefore, concerned about the possibility of getting into debt. Sheila from Derby expressed this well:

*'...if I'm totally honest I don't think I've ever felt secure when I've been working in a financial situation, not, I know that it's like a false sense of security when you're on benefits but it does give you peace of mind 'cos you know you're getting that set amount of money each week, that you've got to do this, this, this and this with and you do it.'*

By extension, the link between work and debt was often regarded as a source of residential insecurity. In other words, entering work raises uncertainties in terms of a household's finances (particularly given the complexities of in-work benefits and tax credits outlined in the earlier discussion in Chapter 5). Difficulties might be encountered paying partial rent and Council Tax, putting in jeopardy (or at least raising concerns about) the household's residential security. Such problems might subsequently be compounded as and when a person is made unemployed - the common assumption being that any work will be short-term - because of the complications of signing back onto benefits and the consequent accrual of rent arrears and other forms of debt. This logic was particularly apparent among social tenants, when compared to the private renters interviewed. This finding appears to reflect the fact that social tenants had managed to secure a position of greater residential security, by virtue of residing in the social rented sector and, therefore, had more to lose.

These various dimensions of debt and its association with working were often intertwined and together represented a major barrier to work for some respondents. This is well illustrated by the case of a 27 year old woman in Derby who was a lone parent living in housing association accommodation. She recounted how she got into financial difficulties when she was working part-time and was nearly evicted from her home, for a combination of reasons that included her own uncertainty about the relationship between her earnings and in-work benefits, confusion about the role and responsibilities of different agencies (Jobcentre Plus, local authority Housing Benefit department), the actions of these agencies and her landlord. After a series of court hearings, a repayment package was agreed and is now going ahead but the experience has served to make her reluctant to consider work in future.

## 6.5 Drug and alcohol dependence

Given the nature of the qualitative survey work, in which social housing residents essentially volunteered for interview, it was unlikely that we would pick up many respondents with current drug or alcohol dependence. However, a small number had been in this situation in the past, having then passed through a rehabilitation or recovery programme. They were all now looking to rebuild their lives, although their past history had often left scars that continued to pose formidable barriers to resuming paid work.

It was notable that three of the four in Peterborough who mentioned such problems had moved there from another town to make a 'clean break' or 'fresh start'; the other was looking to move to another part of town with their new partner for the same reason. Similarly, a Sheffield respondent had previously moved away from the Manor estate as a form of escape from her past but eventually a lack of support locally from family and friends led her to move back to the Manor estate where this was more readily available. Relative isolation and weak social networks were apparent amongst those who had moved. Indeed, for one *'keeping himself to himself'* was a definite choice.

In a few communities drug misuse, particularly amongst young people, was felt to be endemic. Respondents on the Manor estate, for example, often reported that young people were put under strong peer pressure to take drugs. Many of the young women interviewed on the estate that were struggling to make the transition from education to work had been affected directly or indirectly by heroin addiction. All had disrupted school careers, had left school early and disclosed mental health problems such as depression and anxiety. A former youth worker highlighted drug-induced paranoia as a possible contributory factor behind the reluctance of many young people to venture out of the Manor, even to neighbouring estates.

Addiction was linked directly to previous loss of employment by some of these respondents. It also prevented them from moving back into and retaining a job. As Colin from Peterborough explained:

*'I left there because I was offered a better job at another company, in a factory, and then I worked there for about three and a half years, and that was when the drugs started getting a bit of an issue. And then I ended up losing that job through the drugs...When I had a drug problem it affected it [working] hugely. I couldn't work because I had a habit and I thought – I couldn't do anything if I didn't have them drugs...it just wasn't feasible. But I'm totally clean off the drugs and that now,...but yeah, it was very difficult to try and hold down a job and support a habit as well.'*

There were also cases where the drug or alcohol dependence of other family members prevented the respondent from considering formal work. Thus, one female respondent from the Manor estate felt that she had to be on hand to provide care, support and help to her daughter, who lived in another house nearby. Other respondents had been badly affected by their experiences with abusive partners; one of these had been a drug user herself, the other a victim of an alcoholic.

*'I still got hassle after I left so it's been ongoing, since I was 15. Yeah, when I left, I thought that was the end of it, then the Council put me in a house round the corner from him, so it just went on and on and on. Maybe because of the drugs and that, yeah, it just sent me down that road of drugs, and voluntary put my children into care...I still get hassle off him, I just went down that wrong road...It was through him really, when I was with him, him getting me on it, a way of control and getting me out earning money. I'd rather not really talk about it [any more].'*

(29 year old woman living with partner, Peterborough)

*"Cos what happened was, I had a partner, I wasn't married to him, he used to beat me up and everything right, and I had to flee from Southend,...cos he was an alcoholic, and then I was put in a refuge,...we were there for six months and then I got offered [the maisonette] so I had to take it.'*

(Mary, 58 year old woman, Islington)

The instructive aspect of this subset of respondents was that, while they had overcome the primary barrier facing them, they were now faced by others in terms of getting back into work. These included disability, ill health, young children or impending maternity, lack of qualifications, recent bad experiences with insecure and unreliable agency work and debt. This issue of multiple barriers is examined further in Section 6.7.

## 6.6 Criminal records

A report by the Social Exclusion Unit (2002) acknowledged that this issue is more prevalent in deprived communities such as social housing estates, in particular amongst young men. Having a criminal record is also strongly associated with several other barriers such as drug and alcohol problems, poor skills and mental health issues. The same report also suggested that work could reduce re-offending rates by between a third and a half. It also found that the low skills of ex-prisoners fed into low employability, with only half of prisoners possessing the reading skills, one-fifth the writing skills and less than a third the numeracy deemed necessary for 96 per cent of all jobs.

A small number of respondents in social housing (but only one of the PRS interviewees) indicated that they had been involved in criminal activities in the past, with most of these having spent time in prison. Andrew from Islington claimed that during his youth it seemed a good choice:

*'...the honest truth is I didn't need to work until I was nineteen, twenty, do you know what I mean? I'd committed loads of crimes, and they sent me to prison for about £50,000 worth of goods, so money come a lot easier in them days.'*

Now a more reformed character, the same respondent reported that he had recently stopped looking for work because he had been evicted from the Housing Association supported flat that he had obtained through his probation scheme. He was currently living at his mother's, sleeping on the sofa.

*'I got a flat in St. Martin's through the probation after I came out [of prison]... But really I shouldn't have done that, I should have waited for one of the new generation schemes, and I would have definitely got something,... they've just evicted me, and told me the property's up for auction, and now I don't think I qualify for the other one no more...They're gonna do a home visit at my mum's house, and...see how I'm living and that and maybe see if they can give me any more points or give me a flat or something...So I don't really wanna go and get a job right now, I'm just gonna wait on getting a flat sorted.'*

Other respondents reported on the difficulties that having a criminal record posed in finding work, even though employers were no longer supposed to take it into consideration. Maxine, a lone parent from Peterborough, outlined her situation:

*'My criminal record and my image, tattoos and things like that, doesn't go too well. I've got a long criminal record,...in trouble for over five years, so they look at that and make a judgement, yeh...I've tried at Sainsbury's, that's where my mum works, but because of my criminal record, they wouldn't have me, even though it's spent now.'*

Respondents in some case study areas highlighted the popular association between their community and high levels of drug misuse and criminal behaviour. Some felt that residents of such communities were often stereotyped as untrustworthy or even criminal. A 21 year old Manor male reported:

*'My main barriers in not getting work? Probably when people hear that I'm from Manor...I made some mistakes in the past and I went to prison and so they look at that.'*

While the number that talked frankly about their criminal past was fairly small, others may also have been in this position, particularly those involved with drugs, but were unwilling to disclose the fact to the interviewer.

As with drug and alcohol dependence, the evidence from our interviews highlights strongly the association of having a criminal record with a range of other barriers. Thus, having a record might not necessarily be the main barrier to work, particularly for those whose conviction was 'spent'. Rather, these respondents focused on other issues, such as disability, childcare responsibilities, drug-related problems and debt. Maxine from Peterborough thought that as well as her criminal record, she was just as hampered by her address and then her appearance.

*'I've been for jobs, and people say "Oh, you're from the Welland", and then they see the tattoos all over my face, and you can see them decide before I've even said anything.'*

In turn, a lack of success in obtaining formal employment may have pushed some respondents into informal economic activity. This was highlighted especially by some of those living on the Manor estate who had criminal records.

Another issue to emerge was the way in which rehabilitation through training and work operated in some prisons. Thus, one respondent chose to train as a hairdresser because it offered the highest financial reward within the prison, rather than any interest in such work. She now has little desire to make use of her qualification in searching for a job.

## 6.7 Multiple disadvantages

The Freud Report (2007) showed that different disadvantages often work together and reinforce each other. A lack of qualifications often combines with other indicators of disadvantage to depress employment rates. Harder to measure barriers, such as addiction, criminal records, and homelessness, are thought to lower employment rates even more. However, it felt that the Government's 'client group' approach meant that multiple disadvantage does not receive the attention

it deserves. Nevertheless, a great deal of attention has been given in recent years to the joining up, co-ordination and integration of public services. This has occurred at both strategic and operational levels and as a result, partnership working between different policy domains is now widespread.

As many of the quotes in the preceding sections illustrate, the social tenants interviewed in this qualitative study tended to face multiple disadvantages, often mentioning other related issues when talking about their health or debt problems, for example. These multiple barriers were often severe in nature and sometimes hidden from the view of official agencies. For example, denied problems with drug or alcohol or a criminal record or an undiagnosed physical and mental health problem were reported by many to be affecting their functional well-being. The specifics of these multiple problems varied from individual to individual but included mental health problems (especially depression and anxiety); physical health conditions; substance misuse; low skills; lengthy spells out of the labour market; family problems; debt; and criminal records. On top of these personal issues, many also had some form of caring responsibility, most often for children, but also, in some cases, for other family members. For most respondents facing this wide range of problems, the impact appeared to be additive, each disadvantage adding extra burdens to their lives and bringing a corresponding reduction in their competitive position in the lower paid segments of the labour market. Put together, all of these factors made it even less likely that they would be able to hold down a job.

## 6.8 Conclusion

This chapter has reviewed, in detail, the multiplicity of additional problems experienced by interviewees. Some of these problems were often of great severity and occasionally were hidden from, or denied, to official agencies. In sum, they are indicative of complex personal situations likely to inhibit labour market engagement but at the same time unlikely to be fully identified or acknowledged by traditional survey measures. This finding helps to add a further layer of explanation to the question why the employment effects of living in social housing are being masked. Although the interviews did not explicitly set out to explore the extent to which respondents had tried to make use of relevant support services, it was apparent that the availability and awareness of these was patchy at best but often non-existent. This points to the importance of providing a wider and more easily accessible range of assistance at local level, preferably via some model of integrated service provision, in order to ensure that the support that such disadvantaged people need to return to work is readily available where it is most needed. Further discussion of what such a model might include and how it might be implemented at the local scale can be found in Chapter 7 of our companion report on key policy messages (Fletcher *et al.*, 2008).



# 7 Conclusions

## 7.1 Introduction

This concluding chapter summarises some of the key messages emanating from the research. The implications for policy are not developed here but are the focus of a separate report (see Fletcher *et al.*, 2008). To begin with we briefly review our interview research findings in relation to the five key questions posed in Chapter 1, before highlighting some of the wider issues that have emerged as consistent threads.

## 7.2 Key research questions

### 1. **Are social tenants able to recognise and realise the work-related benefits of living in the social rented sector?**

Living in the social rented sector was not identified as a barrier to work by any of the 107 social tenants interviewed. Furthermore, no evidence was uncovered to suggest that there are any unique or particular problems maintaining employment when living in the sector. Levels of labour market attachment were not found to be affected by a move into social housing, comparative analysis of respondents' work situations when living in the private sector (typically renting) with their situations after moving into the social rented sector revealing no clear or distinct patterns of change. In a number of cases there was an association between a move into social rented housing and a change in labour market status and these can be divided into two types.

- A few reported a positive link, in the sense that the achievement of a degree of stability and security in their housing situation allowed them to engage successfully with work opportunities.
- For those whose labour market participation reduced or disappeared on moving into social housing, there was almost always an accompanying change of personal circumstances (parenthood, illness, family problems and such like).

This finding reflects the fact that personal circumstances were a far greater and more direct influence on tenants' behaviour than their housing situation. Detachment from the labour market was typically related to personal disadvantages, which were often severe and multiple in nature (see Chapter 6). It was also closely linked to individual identities and associated roles and responsibilities that were often not compatible with work (for example, parenting and caring) and to concerns about the viability of the work available to them (low paid and insecure).

## **2. Does living in the social rented sector expose people to area effects that serve to distance them from work?**

Area effects are not inevitably associated with, and likely to influence, levels of worklessness in areas of social housing. Reference to area effects was largely absent from the personal accounts of most interviewees. Nevertheless, they were evident in some case study areas. The main effects were about 'people' and included: post-code discrimination; social norms and routines that result in peer influences resistant to formal paid work; and the narrow spatial horizons of some residents which serve to restrict the geographical extent of job search and travel to work. There was a marked contrast between those estates subject mainly to a poor external reputation and those where this stigmatisation was overlain with a strong identification with the local area.

The present research suggests that area effects were more prevalent in communities suffering from persistent worklessness and poverty; displaying a strong sense of 'local identity'; with low levels of residential mobility; and exhibiting high levels of social contact between residents. However, respondents in neighbourhoods where such effects were most pronounced were embedded in locally-concentrated social networks which helped them to cope with poverty. Family and wider social networks provided a range of support including childcare, financial help, transport and job leads. This partly explains the reluctance of many to move away from 'notorious' estates.

## **3. Do difficulties moving within the social rented sector for work-related reasons serve to restrict the job opportunities available to tenants?**

Restrictions on moving house within the social rented sector were not reported as a major barrier to work. Most social tenants interviewed did not think that moving somewhere else would improve their chances of getting work. Many were also loath to move even for a definite job offer, suggesting that the financial and social costs of doing so would outweigh the potential benefits. The assumption was that any such job would involve low paid and insecure work, and would entail the severing of social ties, the loss of associated resources and the risk of poorer quality housing. This situation was apparent amongst both social and private renters and across the case studies, with any variations being a matter of degree. Thus, respondents in some areas of concentrated social housing emphasised the importance of their strong and deep ties to family and friends in their local

neighbourhood. The principal reasons that interviewees expressed a wish to leave their current area was to move to a 'better' neighbourhood or to move into more suitable accommodation for the family.

**4. Does the current system of benefits and tax credits serve to distance social tenants from work and are these effects more pronounced than in the private rented sector?**

The tax and benefits system emerged as a significant issue for both social tenants and those in the private rented sector. UK policy makers have introduced the national minimum wage and tax and benefit changes intended to 'make work pay'. Nevertheless, it is clear that poor job quality remains a significant labour market barrier for residents with low human capital. Many highlighted the low paid, insecure nature of the available employment opportunities which meant that work was 'unaffordable' or 'too risky'. In terms of the latter, many raised concerns about the potential uncertainties and delays of returning to benefits following employment. Interviewees also frequently highlighted a lack of communication between Jobcentre Plus, the local authority and their landlord over the payment of Housing Benefit which had led to technical rent arrears and the accrual of other debts.

The complexity of the tax and benefits system may act as a work disincentive. It was clear that many respondents had not got to grips with the complex interaction between earnings, tax credits and benefits. Perceptions of the financial gains from work were often rooted in everyday experience rather than 'paper exercises'. Many did not understand 'better-off calculations', highlighted errors and omissions or felt that they were not impartial or fair. The complexities of the system were a particular issue for vulnerable groups such as those with literacy and numeracy problems and individuals suffering from poor mental health. The effect was often to compound the risk-averse nature of such groups.

**5. Are there any barriers, operating in isolation or combination, that help to explain the high levels of worklessness apparent among social tenants, in addition to those that have been already examined by quantitative analysis of administrative and survey data?**

The interview transcripts contain extensive evidence that points to there being six additional characteristics that have a strong bearing on many social tenants' weak competitive position in the labour market. These are: health issues; childcare responsibilities; debt; drug and alcohol dependence; criminal records; and multiple disadvantage. In varying ways, each of these acted as a deterrent or disincentive to participation in the labour market, although this was generally in a contingent way, relating to the nature of the jobs that people could reasonably be expected to obtain. Although some private sector respondents faced similar problems, their extent and severity appeared to be much greater amongst residents of social housing.

What was noteworthy was the large number of social housing residents who reported facing more than one of these disadvantages, often in conjunction with other common labour market barriers such as lack of skills and qualifications. Some of these, especially mental health issues, might be denied, undiagnosed or hidden from official agencies. While the specifics of these multiple problems varied from individual to individual, the overall impact appeared to be additive. Each additional issue served to reduce their competitive position in the labour market, sometimes to the point where they were completely detached from the world of work.

### 7.3 Contrasting experiences of worklessness in the social and private rented sectors

The research was framed by one fundamental question; is being a social tenant an independent predictor of worklessness? On the basis of the evidence presented in previous chapters, the unequivocal answer reached by this research is no. This conclusion is reinforced by reflecting on the similarities and differences in the situations and experiences of the 107 respondents living in the social rented sector and the 30 private tenants interviewed.

There were no clear distinctions or differences between the narratives of worklessness recounted by social tenants and by private tenants. The same essential barriers to work – in particular, low human capital, roles and responsibilities antithetical to work, multiple disadvantage and concerns about the financial viability of work – were revealed. Private tenants, however, were found to be generally less well placed to manage and overcome some of these barriers. For example, the complexities of the tax and benefit system were found to serve as a disincentive to work for both social and private tenants. The financial consequences of entering work were frequently unclear to tenants in both sectors. Social and private tenants commonly associated work with financial insecurity and risk. However, private tenants often went further and associated financial insecurity with residential insecurity. Respondents living in the private rented sector referred to the difficulties they would likely encounter when in work paying the full market rent and feared how their landlord would respond to the accrual of rent arrears. Private sector tenants pointed to the possibility of their landlord commencing eviction proceedings or refusing to renew their lease. In contrast, some social tenants talked about the sympathetic and flexible attitude of their landlord, recognising the financial difficulties that tenants can face moving into and out of work and often working with tenants to resolve rent arrears problems. Social tenants also pointed to the confidence that came with security of tenure, that made it easier to contemplate moving into work. Sub-market rents were also identified as making work a more financially viable proposition.

Social tenants were revealed to have access to a series of work-related incentives by virtue of residing in the sector. No unique disadvantages related to worklessness were found to be associated with living in the social rented sector. In contrast, no

work-related incentives were revealed to be associated with living in the private rented sector; even greater opportunities for residential mobility within the sector failed to emerge as a work-related incentive, the private tenants interviewed tending to share with social tenants an unwillingness to consider relocating in a bid to access work. Unique work-related disincentives, however, were found to be associated with living in the private sector, in particular, the tendency to link the financial risk associated with entering work with residential insecurity.

## 7.4 Wider issues

### 7.4.1 The role of social housing

The social rented sector was identified by the vast majority of respondents as providing a superior residential offer to the private rented sector. For these respondents, social housing was regarded as a tenure of choice and a preferred destination. In contrast, private renting was frequently considered a tenure of compromise. Various benefits were reported to be associated with living in social housing, compared to renting privately, including security of tenure, the attitude and ethos of social landlords, the quality and appropriateness of accommodation, freedoms and control and the sense of community and belonging apparent in areas of social housing. Of course, many people also expressed dissatisfaction with social housing, for example, reporting problems with their accommodation, the quality of repair and maintenance services and difficulties in and around the home because of the behaviour of neighbours. The social rented sector, however, was commonly reported to be a source of certainty and stability in lives that were often in a state of flux.

This stability appeared to give people the confidence to turn their attention to addressing other challenges in their life. For people more distant from the labour market, this involved, for example, seeking help with health or mobility problems or exploring education and training options. People closer to the labour market, meanwhile, reported that the residential stability associated with living in the social rented sector was a source of confidence that served to bring them closer to the labour market. This is not to suggest that this sense of stability, together with the other positive work incentives associated with living in the social rented sector (sub-market rents and the flexible and sympathetic attitude of some social landlords), served to make formal paid work an inevitability. People typically had other barriers to labour market engagement that they had to overcome. These incentives did, however, make work a more viable proposition, giving people the confidence to contemplate 'taking the risk' of entering the labour market. For these people, living in the social rented sector clearly represented a positive work incentive.

### 7.4.2 The labour market context

The present study has explored the particular barriers that social tenants face in gaining and sustaining employment in the contemporary labour market. However,

the past 30 years have witnessed profound changes in the nature of work available to social tenants. Manufacturing employment decline has been paralleled by the growth of service sector work. This has been associated with the growing 'feminisation' of the labour force. At the same time there has been a major shift away from blue collar (manual) to white collar (non-manual) jobs. There has also been a rise in low paid work, in part-time and flexible employment and in the growth of the informal economy.

These marked economic changes have transformed the prospects of social tenants in the labour market. However, not all groups have been affected in the same way. Individual experiences of worklessness were, thus, extremely varied:

- Some middle-aged males have had stable employment histories in manufacturing transformed by redundancy. For some, this has been a traumatic experience and has led to other problems such as marriage break-up, mental ill-health and loss of home.
- Many young residents have become caught in a 'revolving door' of low paid, insecure work and worklessness. The main problem for these individuals was not gaining formal work but keeping it and progressing in the labour market.
- Some lone parents have prioritised roles within the family. This is partly because the available opportunities to those with low human capital fail to provide the necessary value and esteem. It may also reflect the enduring legacy of sexual divisions of labour in some white working-class communities.
- Some young tenants are struggling to make the transition from education to work. Many had left education early and some had become involved in drug misuse.

# Appendix A

## Profile of the 107 respondents living in social housing

**Table A.1 Number of interviews, by local authority**

Area	Frequency	Valid percent
Sheffield	30	28.0
Derby	31	29.0
Peterborough	15	14.0
Islington	31	29.0
Total	107	100.0

**Table A.2 Number of interviews, by case study neighbourhood**

Area	Frequency	Valid percent
The Manor, Sheffield (c)	15	14.0
Lower Walkley, Sheffield (p)	15	14.0
Austin, Derby (c)	16	15.0
Normanton, Derby (p)	15	14.0
Welland Estate, Peterborough (c)	15	14.0
Tollington Estate, Islington (c)	15	14.0
Barnsbury Area, Islington (p)	16	15.0
Total	107	100.0

Note: c = concentrated area of social housing; p = pepper-potted area of social housing.

**Table A.3 Age profile**

Years old	Frequency	Valid percent
16-24	19	17.8
25-34	26	24.3
35-44	33	30.8
45-54	24	22.4
55-59	5	4.7
Total	107	100.0

**Table A.4 Gender**

	Frequency	Valid percent
Male	42	39.3
Female	65	60.7
Total	107	100.0

**Table A.5 Ethnic origin**

	Frequency	Valid percent
White British	57	53.3
White Irish	4	3.7
Other White	1	.9
British or Black Caribbean	15	14.0
British or Black African	7	6.5
Other British or Black	2	1.9
Indian	2	1.9
Pakistani	9	8.4
Bangladeshi	1	.9
Mixed White and Black Caribbean	2	1.9
Mixed White and AsianBlack African	0	0
Mixed White and Asian	1	.9
Other mixed race	1	.9
Somali	1	.9
Other	4	3.7
Total	107	100.0

**Table A.6 Employment and economic activity**

	Frequency	Valid percent
Currently employed	11	10.3
<i>Full-time</i>	6	
<i>Part-time</i>	8	
Unemployed and looking for work	68	63.5
Student	8	7.5
Looking after the home?	24	22.4
Permanently sick or disabled?	19	17.8
Full-time carer?	12	11.2
Retired?	0	0
Working informally (cash-in-hand)	6	5.6
Voluntary work?	10	9.3
Employment or youth training scheme?	5	4.7
Doing something else	7	6.5

Note: in some cases, respondents could answer yes to more than one question, so the total does not add up to 100 per cent.

**Table A.7 Marital status**

	Frequency	Valid percent
Single	61	57.0
Married/in long term relationship	29	27.1
Divorced	8	7.5
Widowed	1	0.9
Other	7	6.5
Do not wish to say	1	0.9
<b>Total</b>	<b>107</b>	<b>100.0</b>

**Table A.8 Household composition**

	Frequency	Valid percent
Not stated	1	.9
Live alone	31	29.0
With partner	5	4.7
With partner and children	17	15.9
Lone parent - with dependent child(ren)	32	29.9
Lone parent - with non-dependent child(ren)	3	2.8
With family	17	15.9
With other adults (not related)	1	.9
<b>Total</b>	<b>107</b>	<b>100.0</b>

Note: Some people who were lone-parents with dependent children responded that they were 'living with family'.

**Table A.9 Are you a lone parent?**

	Frequency	Valid percent
No	68	63.6
Yes - with dependent children	37	34.6
Yes - with non dependent children	2	1.9
<b>Total</b>	<b>107</b>	<b>100.0</b>

**Table A.10 Number of children for whom you are legally responsible and who live with you?**

	Frequency	Valid percent
None	51	47.7
1	21	19.6
2	22	20.6
3	9	8.4
4	4	3.7
<b>Total</b>	<b>107</b>	<b>100.0</b>

**Table A.11 Current housing status**

<b>Tenure</b>	<b>Frequency</b>	<b>Valid percent</b>
Renting from the council	57	53.3
Renting from a housing association	42	39.3
Homeless (incl. staying with friends/family)	7	99.1
Something else	1	.9
<b>Total</b>	<b>107</b>	<b>100.0</b>

Note: it emerged during interview that some respondents were unaware that their housing was no longer managed by the local authority, following stock transfer.

**Table A.12 Type of tenancy**

	<b>Frequency</b>	<b>Valid percent</b>
Not stated	1	.9
Sole tenant	75	70.1
Joint Tenancy	13	12.1
Tenant - unclear if sole/ joint	1	.9
Family member is holds tenancy	12	11.2
Girlfriend/boyfriend is the tenant	1	.9
Staying as a guest	3	2.8
Staying as a guest but paying rent	1	.9
<b>Total</b>	<b>107</b>	<b>100.0</b>

**Table A.13 Previous experience of homelessness?**

	<b>Frequency</b>	<b>Valid percent</b>
No	72	67.3
Yes	19	17.8
Missing	16	14.9
<b>Total</b>	<b>107</b>	<b>100.0</b>

**Table A.14 Change in housing tenure in the last five years**

	Frequency	Valid percent
No	58	54.2
Yes		
Yes - multiple changes	49	
16	45.8	
14.9		
Total	107	100.0

**Table A.15 Change in labour market situation (into or out of formal paid work) in the last five years**

	Frequency	Valid percent
No change	48	44.9
Change	59	55.1
Total	107	100.0

# Appendix B

## Profile of the case study neighbourhoods

### 1. Derby

The case study neighbourhoods within the Derby context were required to satisfy four particular concerns:

- they had to be located within close proximity of significant employment opportunities;
- they had to be within the most deprived areas (20 per cent) of areas, according to the Index of Deprivation (employment domain);
- they had to be have an ethnically diverse local population;
- they had to be one area had to be characterised by a diverse tenure base, with the local social rented stock situated in amongst other tenures (pepper-potted area), while the other neighbourhood was characterised by relatively high levels and local concentrations of social renting (concentrated area).

Analysis revealed a number of possible case study areas, on the basis of tenure profile, employment deprivation and proximity of employment opportunities. However, the requirement that the Derby case study should be alive to the issue of ethnic diversity and respondents should be drawn from different ethnic backgrounds served to point the study team to two particular locations:

- **Austin estate** (concentrated area of social housing) – a clearly defined neighbourhood, about three miles from the city centre and bordering Normanton. The area has a relatively large social housing sector and is frequently referred to as the 'Austin estate', although some of the stock is owner-occupied and privately rented, as a result of tenants exercising the right-to-buy. The minority ethnic population is smaller than in Normanton but pockets of minority ethnic settlement exist within the area. The unemployment rate for both men and women is above the city average. The majority of stock on the estate is managed by Derby Homes, the transfer housing association in Derby.
- **Normanton** (pepper-potted area of social housing) – a deprived inner city neighbourhood, located adjacent to the city centre. The area has a relatively large minority ethnic population – 39 per cent of the minority ethnic population of Derby City live in the area, according to the 2001 Census. The area has a relatively large private (rented and owned occupied) sector, while the social rented sector accounts for 18.1 per cent of the housing stock within the Normanton and Pear Tree housing market area (as defined in the Derby Housing Market Study 2003). The social rented stock in the area is managed by a number of landlords.

The selection of these as the broad 'search areas' from which to draw the two case study neighbourhoods was discussed with officers from Derby City Council. The feedback received was that the two identified areas were the only locations within the city likely to meet the team's selection criteria. In particular, they confirmed that, as analysis of secondary data had suggested, few minority ethnic residents are to be found living in concentrations of social housing, other than in the areas adjacent to Normanton, the major area of minority ethnic settlement within the city.

## 2. Islington

Profiling activities and discussions with local stakeholders resulted in the selection of the two Islington case study neighbourhoods:

- **Tollington estates** (concentrated area of social housing) – the estate is located in Finsbury Park ward and represents an area of concentrated social housing experiencing high levels of worklessness and deprivation, while being located in close proximity to employment opportunities. The Tollington Estates comprise the Andover Estate, Six Acres Estate and Haden Court. The Andover is a high density estate providing 1,034 homes, built in the early 1970s and comprising a mix of high and low rise blocks. Six Acres, a 1960s estate, comprises 356 units in medium rise flats and maisonettes. Haden Court is a small estate of one high rise and several low rise blocks built in the 1960s and comprising 189 homes. The estates are managed by Homes for Islington (the ALMO). Tenants rejected stock transfer in 2003. Although these three estates are distinct, they are collectively referred to as the 'Tollington Estates', have a joint community centre and residents association and are reportedly perceived and referred to by local residents as 'a neighbourhood'. The three estates are situated in very close proximity to one another: the Andover and Six Acres estates, for example are divided only by a small side road.
- **Barnsbury** (pepper-potted area of social housing) – the Barnsbury ward has a relatively high proportion of social housing, much of which is pepper-potted. It is one of the most deprived wards in Islington, despite being well connected to employment opportunities (it is situated just to the North East of Kings Cross). Mapping the tenure profile of all output areas falling within the ward revealed a neighbourhood bounded by Copenhagen Street to the south, Liverpool Road to the east, Offord Road to the north and Hungerford Road to the west. Further consultation with the local housing manager revealed that the social housing within this area is a combination of very small blocks of flats (the largest providing 32 homes and the smallest providing just six homes), houses and bungalows managed by different social landlords.

## 3. Peterborough

Most of the urban parts of the Peterborough City Council area have good access to places with concentrated employment opportunities. Thus, few areas were likely to be ruled out on this score. This was endorsed in our initial meeting with local representatives, who underlined the high quality of transport links in the city (by car, bus and bicycle) and hence, the ease of access to most areas. Mapping of the Census Output Area Classification and the deprivation indices revealed a number of possible localities for the case study work. Discussions with local stakeholders revealed these possible study areas to be going through a process of change driven by migration. It was noted that some second generation Portuguese people are beginning to experience unemployment levels that mirror those of poorer white

groups and that wage levels may have dropped in sectors such as agriculture, due to competition from eastern European groups. It was felt that the study would benefit from trying to capture some of these dynamics and that the Central and Welland areas would illuminate the contrasts:

- **Welland estate** (concentrated area of social housing) – consists largely of a white working class and a Portuguese community. It is an area of high deprivation – including the only Lower Super Output Area (LSOA) in the city that falls within the worst five percent nationally on the overall Index of Multiple Deprivation.
- **Central Ward** (pepper-potted) – the neighbourhood has a mix of social and private rented housing. Living within the area is a relatively large and settled Pakistani population and (more than half of the population belong to a minority ethnic group. Stakeholders also reported that the area is attracting eastern European migrant workers employed in local agricultural industries and living in houses in multiple occupation. However, there are also established white working class households living in the neighbourhood. Cross Keys Homes have approximately 300 properties in the area.

#### 4. Sheffield

Profiling and discussion with contacts in the city resulted in the identification of two case study neighbourhoods:

- **Manor estate** (concentrated area of social housing) – The Manor estate is situated between two and three miles east of Sheffield City Centre on a hill rising to 600ft above sea level. It was built in the 1920s and 1930s and the population of the estate had reached 16,000 by then end of the 1930s. The design incorporated principles of the 'Garden City' movement and was distinguished by its geometrical street patterns and tree-lined avenues. Most homes had two or three bedrooms and were grouped in twos, fours and sixes. However, by the 1980s the estate was viewed as a 'sink estate' and had acquired a notorious reputation. Residents are predominantly (over 95 per cent) white. High rates of worklessness and poverty have become defining features of estate life. The Manor ward has less than half of its residents economically active and an unemployment rate in excess of three times the national average (Census of Population, 2001). It was also ranked within the top one per cent of deprived wards in England (Index of Multiple Deprivation, 2004). During the past 20 years some of the worst dwellings have been demolished and new private and social housing has been built. The estate has also become the focus of a number of regeneration and employment initiatives culminating in its designation as a Working Neighbourhood pilot in 2004.

- **Lower Walkley** (pepper-potted area of social housing) – this area is located to the north-west of Sheffield City Centre, towards the Hillsborough area of the city. Although much of the area is characterised by relatively recently built social housing (for example, low-rise units that replaced a large flat development – Kelvin flats), there is also a substantial presence of both owner-occupied (25 per cent of households) and private rented (17 per cent) stock in the area. The resident population is 85 per cent White British. The area has close proximity to employment opportunities in the Upper Don Valley, the Universities/Hospital quarter and the City Centre.



# Appendix C

## Interview schedule overview

Stage	Focus	Aim
Housing career	Residential history (accommodation and neighbourhood) during the last five years, starting with current housing situation and working back in sequence: <ul style="list-style-type: none"> <li>• location (neighbourhood/ street)</li> <li>• property type</li> <li>• tenure size and design</li> <li>• who else lived in the property</li> <li>• reasons for moving in and reasons for moving out</li> <li>• key changes in life and circumstances</li> </ul>	<ul style="list-style-type: none"> <li>• generate sequential history of residential situations during the last five years</li> <li>• pinpoint housing transitions, including tenure changes and shifts in accommodation security</li> <li>• generate a residential geography</li> <li>• explore the rational narratives used to explain residential mobility</li> </ul>
Labour market career	Labour market history (work and worklessness situations) during the last five years, starting with current situation and working back in sequence: <ul style="list-style-type: none"> <li>• nature of work or training or worklessness situation</li> <li>• duration of situation</li> <li>• location of employment or training</li> <li>• reasons for leaving</li> <li>• residential situation</li> </ul>	<ul style="list-style-type: none"> <li>• generate sequential history of labour market situations during the last five years</li> <li>• pinpoint labour market transitions, including movement between different forms of employment and worklessness</li> <li>• generate a geography of employment and training</li> <li>• explore the rational narratives used to explain labour market engagement</li> </ul>

Stage	Focus	Aim
Current/ recent experience of worklessness	<ul style="list-style-type: none"> <li>• experience of becoming unemployed</li> <li>• attitudes and experiences of looking for work</li> <li>• job search strategies, including the role of social networks in looking for work and/or the development of perceptions of local job opportunities</li> <li>• barriers and constraints to securing employment</li> <li>• personal circumstances while out of work</li> <li>• activities while out of work, including training and unpaid and informal work</li> <li>• life in the local neighbourhood</li> </ul>	<ul style="list-style-type: none"> <li>• spotlight attitudes toward work and awareness of opportunities</li> <li>• uncover rational stories of unemployment</li> <li>• understand the role of social networks in helping to find work and local narratives about the job market</li> <li>• reveal barriers (including disincentives) to employment and efforts to overcome (or not)</li> <li>• expose the realities of day-to-day life, including commitments, responsibilities and activities</li> </ul>
Housing and work	<ul style="list-style-type: none"> <li>• housing situations and circumstances when out of work</li> <li>• changing housing situations – reasons, motivations and consequences for work</li> <li>• housing circumstances as a barrier to employment</li> </ul>	<ul style="list-style-type: none"> <li>• establish the detail of (changing) housing situations when out of work</li> <li>• explore the significance of housing to work and worklessness</li> <li>• establish links between changing housing situation and efforts to gain employment</li> <li>• explore links between changing employment situation and changing housing situation</li> </ul>
Labour market transitions	<ul style="list-style-type: none"> <li>• process of securing work</li> <li>• factors enabling/constraining the move into employment</li> <li>• changing housing situations before and during period of employment</li> <li>• hopes, aspirations and concerns when starting work</li> <li>• experience of work (positives and negatives)</li> <li>• factors leading to the loss of employment</li> </ul>	<ul style="list-style-type: none"> <li>• understand pathways out of worklessness, including the role of social networks in pathways to work and exclusion from work</li> <li>• reveal how barriers were negotiated or removed</li> <li>• spotlight the relationship between different personal situations and circumstances and the escape from worklessness (including housing)</li> <li>• explore experiences of and attitudes toward work and associated challenges</li> </ul>

Stage	Focus	Aim
Aspirations and plans	<ul style="list-style-type: none"> <li>• attitudes toward employment</li> <li>• solutions to worklessness</li> <li>• possibility of removing barriers to work</li> <li>• strategies for coping with worklessness</li> <li>• housing aspirations and motivations for wanting to move</li> <li>• thoughts about consequences of residential mobility for work</li> </ul>	<ul style="list-style-type: none"> <li>• explore likely future survival strategies and the relevance of work and area of residence to these plans</li> <li>• establish aspirations regarding housing and employment and barriers that might impact of the achievement of these objectives</li> <li>• establish changes required to secure work and to access preferred housing situation (if any)</li> <li>• establish any links between achieving labour market and housing aspirations</li> </ul>
Profile Information	<ul style="list-style-type: none"> <li>• age</li> <li>• gender</li> <li>• household structure (lone parent, etc)</li> <li>• age of youngest child</li> <li>• ethnic origin</li> <li>• nationality</li> <li>• employment status</li> <li>• health</li> <li>• qualifications and training</li> <li>• previous occupations</li> </ul>	<ul style="list-style-type: none"> <li>• to contextualise situations and experiences</li> <li>• to facilitate analysis of commonalities and particularities within pathways associated with class, ethnicity, nationality, gender, health status, household structure, etc.</li> </ul>



# Appendix D

## Social housing and worklessness – Findings from a review of the literature

Rosalind Goudie and Tony Gore

### 1. Purpose

One of the first stages of the research was a focused and 'light-touch' review of academic and 'grey' literature exploring links between the housing system and the labour market. The aim of the review was to supplement the existing knowledge base with additional insights and conclusions emerging from this literature. This in turn would serve to identify further questions and emerging issues to inform the design and content of the interview schedules to be used during the qualitative interviewing in the main phase of the research.

The review built upon the evidence already compiled by the DWP, and thus a key criterion for including material in the review was the extent to which it provided additional findings or insights regarding the linkages between work, worklessness and housing.

A detailed list of over 100 items was compiled from online bibliographic sources such as Google Scholar, IDOX, Accompline and the British Humanities Index, as well as by 'snowballing' via other works cited in these publications. All entries were initially assessed in terms of relevance and usefulness. The focus was primarily on empirical evidence, rather than conceptual or theoretical insights, although of course there was some overlap between these. The main messages from all those that passed this screening test were then captured by means of a standard pro forma. This paper provides a structured summary of these messages, drawn principally from the references cited in the final section.

## 2. Key themes from the literature

Six main themes emerge from this review of the literature:

1. Residualisation of social renting and the characteristics of social housing tenants.
2. Residential mobility.
3. Incentives and disincentives to work.
4. Social networks.
5. Area effects.
6. The interaction of multiple factors.

Each of these themes is examined in turn in the remainder of this appendix, concluding with an overall summary of the messages that emerge.

## 3. Exploration of the themes

### 3.1 Residualisation of the social rented sector and the characteristics of social housing tenants

While there is a wide range of texts examining the nature and extent of 'residualisation' of social housing in the UK and elsewhere, there are only a few selected pieces that deal directly with the labour market dimensions or implications of this process. These tend to deal with particular aspects or places, rather than providing a full overview of these linkages.

#### 3.1.1 *Who lives in the social rented sector and why?*

- Residential sorting: The process whereby '*richer households seek areas with higher concentrations of other rich households with better amenities and services, and outbid poor households*' is discussed by Ritchie *et al.* (2005, p49) in their review of geographical concentrations of worklessness. They summarise the debate in the literature on the direction of causation linking poverty and where people live. '*Those in public sector housing are least able to relocate to suburban areas where job opportunities may be greater.*' (Ritchie *et al.*, 2005, p49).
- The differing role the social rented sector plays in the housing market in different areas: Watt (2005) discusses the middle-class living in social housing in London and how for this group of people, living in social housing is the tenure of choice because of its geographical convenience (because of its location), for financial reasons (because this group of people are not in stable jobs and they cannot afford to live elsewhere) and because they were, in effect, buying into the 'ethos' of social housing. However, it is not certain that similar patterns exist elsewhere, given the distinctive features of the housing and labour markets in London.

- **Benefits and choice of tenure:** Young tenants prefer social housing to private rented accommodation because they harbour concerns that if they should find a job they would no longer be able to pay the rent (note: this study had a very small sample size) (Carlisle, 2002).

### 3.1.2. *Characteristics of social housing tenants - prevalence of factors which impact on labour market prospects*

- **Prevalence of rent arrears:** A study of Black Housing Association tenants found that rent arrears were common: over half had rent arrears and a further four interviewees had previously had rent arrears (Third, 1995). However, it is not clear how far this is replicated in other groups, nor is the place of rent arrears in wider issues of debt examined in any detail.
- **Social rented sector is a factor in lone parenthood:** The availability of social rented housing in itself acts as a contributory factor in the formation of lone parent families, but the overall effect is small when compared to other influences (Rowthorn and Webster (undated). Rather, insufficient opportunities and insecure positions in the manual labour market for both males and females prompt a 'falling back' on lone parenthood and hence eligibility for social housing for many females (see also Section 3.6).
- **Different profile of large stock voluntary transfer (LSVT) tenants:** LSVT tenants tend to be older, with lower employment rates and higher economic inactivity, than those in other types of housing association (BMG Research, 2006).

### 3.1.3 *Concentrations of those in a poor labour market position*

- **Labour market conditions in London:** Buck *et al.* (1986) argue that (in London) *'above average rates of unemployment reflect residential concentrations of groups in a weak competitive position in the labour market, rather than spatial variations in labour market conditions, and are associated with areas of rented accommodation, high population density and large proportions of manual workers'* (quoted in Smith, 2005, p.28).
- **Attractiveness of social housing to those with a precarious footing in the labour market:** Job insecurity and low wages mean that some young people see social housing as a kind of 'safety net' – lower rents and security of tenure offer a degree of stability in the domestic sphere that is lacking in the world of work (Carlisle, 2002).

## 3.2 Residential mobility

There is a large body of literature on residential mobility, written from a number of different disciplinary perspectives. However, much of it relates to middle class professional and managerial people or households living in, or entering, owner-occupation. There has been far less attention paid to manual workers and unemployed people living in social rented housing and the mobility/immobility of people living in this tenure and their relationship with processes in these segments

of the labour market. This means that evidence on residential mobility in the social rented sector is partial and patchy.

- **Residential mobility within the social sector:** The largest group of movers within the social sector comprise older economically inactive single person households, rather than those seeking or already in work (Burrows, 1997).
- **Residential mobility between the housing association (HA) and local authority (LA) sectors:** In 1993/04 moves from LA to HA outnumbered moves from HA to LA but the sample size for this study was too small to draw general conclusions about the characteristics of all those people who moved between the two (Burrows, 1997).
- **Moving for job reasons:** Only 1% of HA tenants planning to move home in the next two years cited '*a lack of job opportunities where I live now*' (BMG Research, 2006). Similarly, in a study of rental housing in Melbourne and Sydney (Australia), Hulse and Randolph (2004) found that, '*when presented with a choice between remaining in their own area with the prospect of no job or moving to get a job, a higher percentage of public renters said that they would prefer to remain in their own area, compared to private renters and sharers... This is not surprising since they were older, more likely to live with family members and had lived in their current accommodation for longer, all factors which were found to lessen willingness to move to get a job.*' (p16)
- **Market for manual labour:** This tends to be spatially rigid, whereas non-manual labour has greater flexibility and is more geographically integrated (Dohmen, 2000). Lower-skilled jobs tend to be advertised locally (DTZ Consulting and Research, 2006). However, a Danish study of 'problem' estates found that more than a quarter of individuals receiving education and training moved in the course of a year (Graverson *et al.*, 1997).
- **Unemployed movers:** Using data from the British Household Panel Survey, Boheim and Taylor (2002) suggested that the unemployed are more likely to move than the employed. Although there was some variation between different tenures, this was not particularly large. However, the study also found that the probability of inter-regional migration declines with duration of unemployment.
- **Mixed results from social tenant dispersal programmes:** A review of evidence by Johnson *et al.* (2002) revealed that attempts to increase employment rates in the US by moving social tenants to more mixed income communities have achieved variable results. Thus, Rosenbaum (1993, 1995) found improved employment rates for suburban and non-college youth movers, as against those that moved to the city; Ludwig *et al.* (2000) found reductions in welfare receipt among some movers but not others; Katz *et al.* (2001) uncovered no differences in either employment or welfare receipt amongst movers in Boston; and Goetz (2002) found that, while 15% of unemployed movers obtained a job after the move, likewise 15% of those previously employed were out of work afterwards, with a large majority actually seeing no change.

### 3.3 Incentives and disincentives to work

Literature on the interactions between State benefits, wages from work and other sources of income is more plentiful, with a fair amount of this explicitly related to people living in the social rented sector. This provides stronger evidence on the factors influencing them in terms of their participation in the formal labour market.

#### 3.3.1 *Financial incentives, role of Housing Benefit and 'better-off' calculations*

- **Housing Benefit:** Stephens (2005) explains two ways in which Housing Benefit may act as a work disincentive: the unemployment trap and the poverty trap. *'The unemployment trap presents itself when in-work incomes are insufficient to encourage people to take up paid work, and is linked to the loss of benefits and the Housing Benefit taper. Similarly the poverty trap arises when people in low income jobs are deterred from increasing their earnings because of the potential impact of the loss of Housing Benefit and other benefits. Both 'traps' are closely linked to the loss of other benefits and liability to income tax, and the interactions between these different systems.'*
- **'Fixed costs' perception problem:** It was found that many people think that they will lose all entitlement to benefit payments once they enter paid work. This view applies particularly to Housing Benefit, especially with regard to part-time work (Bingley and Walker, 2001).
- **Administration of benefits:** One study showed that people were deterred from taking up temporary work, as they had experienced difficulties in the past with the changes to their Housing Benefit payments that moving into employment had necessitated (Ford *et al.*, 1995). Elsewhere respondents reported confusion and frustration in navigating the benefits system (Alcock *et al.*, 2003). Also Stoker and Wilson (2006) argued that in the US many individuals do not take up all the benefits that they are eligible for, so are not lifted above the poverty line.
- **Tax/benefit system interactions:** Phased withdrawal of benefits may occur over a different timescale to liability for income tax – this can mean a very high marginal tax rate at certain wage levels. Although in-work benefits and tax credits should offset this problem, it may also add to the perception that there is a 'benefits/tax trap' (Hulse and Randolph, 2004).

#### 3.3.2 *Importance of incentives and disincentives*

- **Gender differences in work incentives:** A review of empirical evidence suggests that women are more responsive to work incentives than men (Bingley and Walker, 2001). However, Dilnot and Webb (1988) argued that *'there is remarkably little evidence that these incentive "problems" cause any change in behaviour'*.

- **Not an homogeneous group:** There is considerable variation in how residents of poor/low income areas respond to circumstances and opportunities (Friedrichs, 2002).
- **Disincentives to work:** A study of 400 unemployed renters in Australia revealed a complex interplay of structural and behavioural factors acting as a disincentive in seeking work. As well as financial calculations involving wage levels, tax liability, housing assistance and other benefits, respondents also factored in social and psychological benefits of having or not having a job, as well as issues around the relative locations of home and job opportunities (Hulse and Randolph, 2004).
- **Other social and economic considerations play a part:** For example, people's 'reservation wages' often fail to take in-work benefits (including Housing Benefit) into account, but also that an individual's 'work ethic' might reduce what is acceptable (Wilcox, 1993; Ford *et al.*, 1996). Stephens (2005) also draws attention to the limited awareness of the Housing Benefit system, in particular, finding that most thought they would not be entitled to Housing Benefit if they returned to work (see also Section 3.3.1).
- **Reservation wage:** Barceló (2002) argues that '*the reservation wage for job offers coming from their local area does not depend on housing tenure*'.
- **Better-off calculations:** A qualitative study of 44 social rented tenants suggested that many had a better-off calculation performed. For some of those who have, the potential financial advantage may be over-ridden by other considerations in the decision whether or not to work (Ford *et al.*, 1995).
- **Employment-related services:** There are examples of on-site provision of such assistance on social housing estates in Australia and the USA, in some cases with participation built into the tenancy agreement. However, their effectiveness in increasing employment rates appears to be fairly low (Dalton and Ong, 2005; Ziersch and Arthurson, 2005).

### 3.3.3 *Employment experiences, prospects and attitudes to work*

- **Lower wages among social housing tenants:** Tenants in paid employment had substantially lower wages than occupants of other tenures (Giles *et al.*, 1996).
- **Additional costs associated with working:** These include school meals, travel costs, prescription charges, childcare costs. Third's research on tenants in Black Housing Associations found that a critical issue was the need to overcome multiple barriers simultaneously: for example, housing and childcare costs (Third, 1995).

- **Tenant attitudes to work and progressing to 'better' employment:** Low income owner-occupiers were more likely than social rented tenants to work, even though it does not make them better off, because they believed that having a job was a pathway to another (and by implication 'better') job (Kempson, 1994). But others found that there was little evidence that '*low-paid work subvented by in-work benefits leads people on to higher paid employment*' (Bryson and Marsh, 1999 referred to in Dean and Shah, 2002).
- **Difficulty breaking out of the cycle of temporary or insecure employment:** A study of vulnerable young men in the West of Scotland found that their main problem was not finding work, but keeping it. Their willingness to accept almost any opportunities to work or train for new jobs showed that they were not 'feckless' or preferred to live on benefits (Furlong and Cartmel, 2004).
- **Adjustment to job loss:** Bailey and Turok (2000) discuss how low-income groups find it harder to adjust to the job losses encountered in British cities because low paid manual workers face greater barriers to migrating and commuting (high housing relocation costs, travel costs, lack of job information).

#### 3.3.4 *Working from home*

- Some Asian women expressed a preference for home-working, because for religious reasons it would be unacceptable for them to mix with men (Third, 1995). At the same time, there are difficulties in starting or running a business from home as an HA or council tenant, especially around contractual restrictions. Other barriers include lack of a fixed telephone line and no spare room for working (Dwelly, 2002).

#### 3.3.5 *Informal work and alternative sources of income*

- **Access to other resources:** Smith (2005) comments that some of the unemployed and economically inactive individuals and households on the London estates discussed in his book have access to resources which led to them having incomes in excess of the 'working poor'. Here, people tended to use income from informal work as a supplement to the low wages received in a formal job, rather than as an addition to benefit payments.
- **'Kudos' of informal working:** In their study in the West of Scotland, Furlong and Cartmel (2004) found that many young men achieve more credibility amongst peers from undertaking informal work and claiming benefits at the same time than they did from taking insecure low-paid jobs.

- **Informal economic activities:** Williams and Windebank (2002) relate the relative prevalence of different types of informal work: 'self provisioning', 'mutual aid' and 'paid informal work' (includes monetary and in kind) to the affluence of areas (in Sheffield and Southampton). They found that mutual aid was used more in lower income neighbourhoods than in affluent areas; informal paid work was used more in affluent areas than in lower income areas (especially Sheffield); formal avenues were more prevalent in Southampton generally, but particularly in affluent areas; and self-provisioning was marginally more prevalent in affluent areas. The findings also suggested that residents of affluent areas are involved in informal paid work to a disproportionate extent and that those in affluent areas typically received twice as much for the work they undertake than those in lower income areas. The types of tasks carried out on an informal paid basis differed between affluent and lower income areas, and there were strong gender differences, with more women involved in lower income areas. There was a qualitative contrast in the exchange relationship, with those in lower income areas more likely to be helping out a friend or relative in a way that avoided any connotation of charity or dependence, whereas those in affluent areas involved more of an undeclared commercial-style transaction that saved money over having it done through formal channels.

### 3.4 Social networks

There is a growing body of literature around the importance of social networks in shaping people's attitudes, behaviour and decision-making. One strand of this has focused on the links between people's social sphere and the nature and extent of their participation in the labour market. Some of this has focused on different types of housing situation, as the summary below illustrates.

- **Differences within type of social housing:** Tenants in **community housing** in the USA tended to fare better in terms of the development of employment-conducive social networks than those in **public housing** (Ziersch and Arthurson, 2005, p443).
- **Mixed tenure and social networks:** Kleit (2002) '*compared clustered and dispersed public housing tenants, finding that dispersed residents drew on more diverse job search networks, used more formal job search methods and tended to look for jobs of higher prestige. In contrast, clustered residents tended to use more limited social networks consisting of other public housing tenants and informal job search methods.*' (p.433). Evidence from this American study shows that whilst residents in scattered site public housing had more socially diverse social networks, they were less likely than those in clustered social housing to use them to discuss jobs (Kleit, 2001). Also, Briggs (1998) found that dispersing social housing tenants to non-poor areas did not result in '*contact with non-poor neighbours, social support remained within poorer social networks and no 'social leverage' was gained in terms of employment opportunities.*' (NB: the latter was drawn from Atkinson, 2005)

- **Bridging social capital:** Also, Forrest and Kearns (1999) found that *'social networks were dominated by bonding ties with others who had few employment relevant resources to exchange...'* Wacquant and Wilson (1989) conclude that *'...it is not simply about how many people you know, or the quality of the relationship you have with them. Rather, it is also about where your network members are situated within the social structure that determines access to resources such as employment opportunities.'*
- **Role in accessing employment:** Ziersch and Arthurson (2005) summarise some of the research undertaken on the positive and negative roles that social networks may play in finding employment. They can provide access to information about job vacancies (Schneider, 1997); they have a bearing on the status of jobs obtained (Lin, 1999); they can serve to exclude non-network members (Waldinger, 1995 and Kasinitz and Rosenberg, 1996); they can offer role models (positive or negative), as well as providing emotional support or practical assistance such as childcare (Schneider, 1997). One study in the West of Scotland interviewed 32 vulnerable young men and among their sample, those who did enter stable employment had more qualifications and access to strong social networks (Furlong and Cartmel, 2004).
- **Not facilitating access to employment:** There is some evidence to suggest that living in a deprived area is a source of disadvantage because the social networks are disconnected from jobs and other opportunities. Experience of long-term joblessness leads to some people falling back on very localised 'action spaces', restricted everyday mobility, a reduction in social leisure activities, and hence a self-attributed social status that depends on comparison with other similar people in the same area. This contributes to the development of *'inward-looking, negative and even deviant social norms as responses to concentrations of poverty'* (Pawson and Kintrea, 2002, p646, describing the work of 6, 1997).
- **Social networks and informal work:** Smith (2005) reports that *'although spatially close, they [the unemployed and workless] were socially distant and remained largely absent from the pubs, social clubs and houses of certain locals that acted as forums for the exchange and distribution of information and openings to make money'*. (p7) Many of the residents who were interviewed during his research displayed *'work patterns increasingly characterised by short-term, low paid jobs'*, and he describes them as being *'sheltered from the realities of their labour market location through the support of family and local networks that provided alternative sources of employment in the unregulated economy.'* (Smith, 2005, p95).
- **Perceptions of opportunity:** These were found to depend on the sources of and filtering of information through social networks (Galster, 2002).
- **Work-related skills:** There is also literature which considers the role of social networks in facilitating work-related skills, soft skills and issues of work acculturation; the absence of role models due to social housing allocations; and the role of housing association staff in social networks (all referred to in Ziersch and Arthurson, 2005).

- **Length of time in poverty:** For some poor people (but not all), social networks shrink over time; they become more reliant on family members and a small number of close friends and welfare institutions, with less contact with neighbours for social support (Friedrichs, 2002).

### 3.5 Area effects

A recurrent theme in housing and regeneration literature is around the nature and extent of 'area effects' – how much does where someone lives have an influence on how they behave? Again, one strand of this work has focused on the links between the characteristics of places where people live and the nature and extent of their participation in the labour market. One of the key characteristics that has been examined in a number of studies is the structure of housing provision in that area.

#### 3.5.1 Peer group effects and culture of worklessness?

- **Culture of worklessness:** The argument here is that living in an area where being out of work is the norm combines with peer pressures and the strong pull of the informal economy to make people view worklessness as unproblematic (Ritchie *et al.*, 2005). However, their review of the evidence suggested that *'...the causes of persistent worklessness transcend individual...(and social) characteristics...(T)he objective barriers...to taking work are...complex, multi-faceted, deep-rooted and individually varied.'* (p.4). Similarly, in an historical study of the Manor estate in Sheffield, Fletcher (2007) found little evidence of a lower cultural commitment to work among residents (predominantly social housing tenants). Rather, the problem resided in the type of jobs that the local labour market could offer to those living there, and their relatively marginal position with respect to the bulk of those opportunities.
- **'Estate effects':** Page (2000) carried out research on three housing estates, and identified an 'estate effect' where attitudes to work, welfare, crime, drugs and education were influenced by peers on the estate (reported in Ritchie *et al.*, 2005). Similar findings were reported by Smith (2005) from the large St. Helier estate in south London. However, he did emphasise that people displayed a range of responses to their situation that were influenced by different sets of peers, rather than there being one universal approach. On the other hand, Atkinson and Kintrea (2001) found no evidence for the 'estate as a universe' across the social rented sector as a whole (reported in Ritchie *et al.*, 2005).
- **Peer group effects:** *'Peer group aspirations based on ties established in the neighbourhood and in school provided the more immediate goals and concerns that shaped early attitudes towards work.'* (Smith, 2005, p95).
- **Intergenerational worklessness:** Parental expectations impact on the employment choices children make (Ritchie *et al.*, 2005). However, both the 2001 Census and other survey evidence suggest that the majority of workless people, including social tenants, have had a job at some point in the past (BMG Research, 2006; Smith, 2005).

- **Social housing breeding worklessness:** Ong (1998) found no evidence that public housing is a breeding ground for '*dysfunctional work-related behaviour*'.

### 3.5.2 *Reputation and stigma*

- **Reputation of the area:** A wide range of literature referring to this is mentioned in Ritchie *et al.* (2005). Ziersch and Arthurson (2005) also refer to the issue that some employers will not employ people from 'bad areas'. However, this accusation of 'postcode discrimination' has never been satisfactorily demonstrated, although many estate residents perceive it to be the case.
- **Recruitment processes:** Watt (2003) examines how Camden tenants did not benefit from 'new' job opportunities (banking and financial services), not just because they did not have the skills and qualifications required for these jobs, but because the employers did not use the borough's job centres when recruiting.

### 3.5.3 *Spatial mismatch*

- **Spatial mismatch:** Individuals are unable to take up employment opportunities in other areas because childcare responsibilities or the nature of transport networks (and associated costs vis-a-vis likely wage levels) limit the geography of their employment (Ritchie *et al.*, 2005). This means that they are less able to respond to changes in the locational distribution of suitable job opportunities (e.g., the decentralisation of warehousing and transport activities to motorway corridors at some distance from both social housing estates and public transport routes). Houston (2005) suggests that this may be more than just an 'area effect'; rather, it should be seen as a separate 'spatial interaction' effect. However, little research has been conducted as yet that seeks to assess the possible magnitude or nature of such effects.

### 3.5.4 *Geographical clustering*

- **Role of geographical clustering/direction of causation:** Musterd (2002) argues that whilst social processes may manifest themselves in social segregation or local spatial concentrations of poverty, this does not necessarily mean they are caused by the housing stock or neighbourhood composition.
- **BME occupations:** A Housing Association tenant survey shows that BME households are more likely than non-BME tenants to be employed in higher-order occupations (BMG Research, 2006). However, other work suggests that '*the highest minority ethnic concentration areas also have the lowest percentage of individuals in professional and managerial occupations.*' (Clark and Drinkwater, 2002).

### 3.5.5 *Other area effects*

- **Education:** 58% of schools with high proportion of students attaining no GCSE passes are located within two miles of a large deprived social housing estate (Social Exclusion Unit, 1999, referred to in Campbell *et al.*, 1999).

### 3.5.6 Regional differences

- **Within region differences:** *'There are significant variations in the employment rates of people living in social housing within a region. Within local authorities in the North East, the employment rate of people living in social housing ranges from 20 per cent in Chester le Street to 66 per cent in Durham, and in the South East it ranges from 20 per cent in Elmbridge to 86 per cent in Winchester.'* (ODPM, 2004, p.46).

## 3.6 The interaction of multiple factors

Although many authors acknowledge the complex interactions between different factors that act to determine different labour market responses to individual circumstances, only a few studies have explored these in any great depth. However, these have revealed a number of interesting insights.

- **Combined competitive disadvantage:** Gregg (2002) suggests *'three reasons why the occupation of social housing may reduce employment probabilities and increase the likelihood of non-employment: specifically (a) reduced residential mobility; (b) neighbourhood effects that include poorer social networks; and (c) 'residualization' effects based on the residency of individuals in peripheral locations. These combine to act as an overall competitive disadvantage that reduces an individual's chance of being employed and increases their chance of being either unemployed or economically inactive'* (quoted in O'Leary et al., 2005, p20-22). Women with children also face additional constraints in terms of the availability and relative cost of childcare (when set against their likely earnings in work).
- **The role of residential context in life outcomes:** The opportunities (not only in labour market engagement) open to individuals stem from the interactions between the opportunity structure: the array of markets and institutions that provide goods and services; individual characteristics (race, gender, qualifications, etc); and perceptions of opportunity. Common to all these themes is residential context which plays multiple roles (e.g. with respect to accessibility, availability of public goods, social networks, housing conditions, security of tenure, tenure choices, etc.) (Galster, 2002).
- **Unemployment and lone parents:** Rowthorn and Webster (undated) argue that male worklessness has been a major causal factor behind the rise in female lone parenthood. On the one hand this is related to the persistence of the 'male bread-winner' ethos on many social housing estates; on the other, it stems from the large reduction in the number of skilled and unskilled manual jobs for males. Indeed, Gallie (2004) has suggested that changes in the economy and labour market (and the persistent worklessness associated with them for certain groups in the population) have actually led to such attitudes becoming more, rather than less, entrenched (see also Section 3.1).

### 3.7 Summary

This review of literature has highlighted four central threads that have relevance for our further qualitative investigations:

- **Social variability:** the social housing sector displays great heterogeneity, particularly in terms of the population groups represented amongst its tenants. This is manifested in a wide range of individual and household characteristics, varying attitudes and behaviours with respect to the labour market, access to and composition of social networks, and experiences of work and unemployment or inactivity.
- **Geographical variability:** the sector is also characterised by differences between places at local, town/city, regional, national and international scales. Some of this relates to the variable mixes in terms of the structure and composition of social housing provision. It is also linked to the varying roles that the constituent parts of the sector play in relation to local economies and labour markets.
- **Labour market marginality:** many people who live in social rented housing appear to occupy a marginal and fragile position with respect to the contemporary labour market. This results from the interplay of individual education levels, group attitudes to work and the types of job currently generated by the modern economy.
- **Financial calculation:** most people in social housing do make financial calculations to ensure that they maintain a certain level of welfare but income from work may not form the primary input into these. Moreover, decisions about labour market participation or non-participation appear to be conditioned as much by non-economic factors, such as childcare and other family commitments.



# Appendix E

## Executive summary of the policy messages report

### Introduction

This report presents the key messages for policy to emerge from a study commissioned by the Department of Work and Pensions that explored possible explanations for the relatively high levels of worklessness among tenants in social housing. The study was undertaken by a team from the Centre for Regional Economic and Social Research at Sheffield Hallam University. In addition to a review of relevant literature and secondary data, the research approach centred on in-depth, qualitative interviews with social tenants with a recent or ongoing experience of worklessness. One hundred and seven interviews were conducted with tenants living in concentrated and pepper-potted areas of social housing in four local authority districts (Derby, Islington, Peterborough and Sheffield). Interviews were also completed with 30 people with a recent or ongoing experience of worklessness living in the private rented sector. All respondents were living in neighbourhoods located close to major centres of employment.

Discussion is organised around six key themes:

### Social housing as a work incentive?

#### **Policy context**

The Hills Review (2007) recognises that the operation of the social housing sector is structured in such a way that it should act as a potential work incentive. The security and sub-market rent it offers have a key role to play in supporting livelihoods and providing the opportunity for people to move into work in lower-paid segments of the economy. He concludes, however, that full advantage is not being made of this potential and goes on to outline various ways in which the sector might be reformed to play a more effective role in supporting employment.

## **Key research findings**

The vast majority of respondents reported that living in the social rented did not present a barrier or disincentive to work. In addition, there was no evidence that levels of labour market attachment shifted when respondents moved between tenures. Some respondents explicitly referred to social housing bringing them closer to the labour market or making work a more viable option. For example, the security of tenure available within the sector was referred to as providing a position of stability and confidence from which people could think about entering work. Comments were also forthcoming about the relatively low (sub-market) rents within the social rented sector, making work a more financially viable option and less of a threat to residential security. Social landlords were also perceived as more sympathetic and flexible than private landlords, for example with regard to late payment of rent.

## **Policy messages and recommendations**

Sub-market rents represent a potential work incentive, but the social housing system is not run in a way that seeks to maximise this potential benefit. However, there is significant potential for social landlords to support greater labour market participation among their tenants. This support might take two forms: the direct provision of training and employment opportunities; and support to help tenants secure and sustain employment.

Realising this potential will demand attention to two fundamental questions. First, why should social landlords bother? The core housing management objectives of maximising rental income and minimising rent arrears, minimising re-let times and reducing voids, and protecting the asset base, do not appear to be served by providing employment support. Of course, some landlords will regard this function as a responsibility. Indeed, there are landlords already involved in programmes designed to support tenants into work. Some others, however, might need a good reason to become involved. Whatever the motivation (commitment or compulsion), there is still the question of how such initiatives will be resourced. Second, what role will social landlords play? Social landlords cannot deliver on their potential to assist tenants into work by operating in isolation. They will need to enter into collaborative arrangements with other agencies, but it is still not clear which agencies might be involved and what form partnership arrangements might take.

## Geography

### **Policy context**

The number and proportion of people in employment in the UK has risen for a decade. At the same time the level of unemployment has fallen. However, there remain concentrations of unemployment and economic inactivity (or 'worklessness') among certain groups and within particular geographical

communities. Consequently, the targeting of relatively small areas has become a defining feature of the government's emerging approach to tackling worklessness. At the same time, planning and housing policy has promoted efforts to change the local geography of places through the creation of more mixed-income communities. The aim of this strategy is to minimise potential area effects such as stigmatisation, deteriorating service quality, and poor links to economic activity.

### **Key research findings**

This research found no consistent evidence of cultures of worklessness in deprived areas. However, some concentrations of worklessness were characterised by strong communities and local identities and relatively low levels of population turnover. The strongest evidence of area effects was apparent in the largest estate in the study, which had a strong local identity and a committed resident population. Three particular area effects emerged in this area: postcode discrimination by prospective employers; social norms and routines or peer influences that result in a lifestyle resistant to formal paid work; and the narrow spatial horizons of local residents. However, this area was also rich in the key resources upon which people rely to 'get by'.

### **Policy messages and recommendations**

It is questionable whether interventions intended to diversify the social mix in existing areas of social housing will have a substantial impact on levels of worklessness for two key reasons. First, there are various practical challenges associated with the creation of more mixed-income communities. Second, it is questionable whether the promotion of social mix will effectively address social polarisation and concentrations of worklessness in areas of social housing. Disadvantage in the labour market was far more commonly associated with personal disadvantages and roles and responsibilities that were incompatible with work, rather than anything intrinsic about where people were living. This is not to suggest that gains might not be forthcoming from the promotion of social mix, but to point to the importance of such activities being complementary to efforts to improve the incomes and support the livelihoods of existing residents of disadvantaged areas.

## **Mobility**

### **Policy context**

One of the four explanations provided in the Hills Review (Hills, 2007) for the high levels of worklessness in social housing is that the rationing system that prioritises access to social housing on the basis of need means that people who want to enter or move within the social sector for job-related reasons tend to have low priority and are forced to choose between staying put or moving into the private rented sector and giving up the advantage of sub-market rents. On this basis, limited options for moving within the sector are considered to be a disincentive to work. CLG has brought forward suggestions to address the issue of mobility

within social housing, including the introducing a reasonable preference within the allocation process for people moving for job-related reasons.

### **Key research findings**

Very few respondents reported that the difficulty of moving house within the sector acted as a barrier to securing work. Indeed, a common perception amongst respondents was that moving would not improve access to job opportunities and so did not represent a sensible option. A key aspect of this was that the jobs which many respondents were seeking, were qualified for, or were most likely to succeed in securing were low paid, often unskilled, and insecure. This was likely to remain the case wherever they lived, and hence it simply did not seem worthwhile going through the disruption of moving house and area in order to access this type of work. Some did report that their views on moving house might shift if they had a firm offer of a well paid and secure job. More commonly, however, respondents reported that the costs of moving (loss of social networks and resources) would outweigh the benefits (opportunity to enter low paid, insecure work), an observation that appears to provide at least a partial answer to the DWP's recent questioning of what constitutes 'good work'.

### **Policy messages and recommendations**

The findings from this study suggest that restricted opportunities for mobility in social housing are not a key barrier to work, and are unlikely to account for the high levels of worklessness apparent within the sector. As long as the employment opportunities available to social housing tenants remain concentrated in the low paid, insecure segment of the labour market, the incentive to move for work-related reasons is likely to remain low. There are also considerable practical problems to the promotion of greater mobility within the social rented sector for work-related reasons. This said, there are a number of specific ways in which increasing mobility might improve the prospects of social tenants who are already 'close' to the labour market.

## **Tax and benefits**

### **Policy context**

The current benefit system has evolved over time and has become very complex, mixing means-tested, contributory, and universal elements, as well as entitlement based on individual circumstances. Many benefits are composed of one low basic rate with additions to provide extra help for certain groups. Some are paid by Jobcentre Plus, others by the Disability and Carers Service and others by local authorities. Tax credits, meanwhile, are administered by Revenue and Customs. Claimants are also subject to varying obligations to seek formal employment.

The Freud Report cites international evidence which suggests that this level of complexity in the benefit system may act as a disincentive to entering work. He

concludes that there is a strong case for moving to a single system of working age benefits, ideally a single benefit (Freud, 2007). He also argues that that awareness and understanding of Housing Benefit (HB) as an 'in-work' benefit is low (Freud, 2007). In response, the Housing Benefit reform strategy has focused on improving administration and simplifying the system.

### **Key research findings**

The complexities of the benefit system were found to act as a disincentive to entering work for some respondents. Some of those caught in a cycle of insecure work and worklessness, for example, identified problems returning to benefits (Housing Benefit was most frequently referred to) in between periods of employment. The combination of delays in processing claims and a lack of communication between those administering the benefits system was a cause of severe financial hardship for some respondents.

The complex interaction between earnings, Housing Benefit, tax credits and resulting net income makes it difficult for tenants to fathom the financial consequences of entering work. Difficulties understanding this interaction and being able to compare net income in work compared to out of work were apparent among the people interviewed. Few respondents appeared to be aware of the operation of Housing Benefit as an in-work benefit, raising concerns about their ability to cover housing costs when in work. This uncertainty expressed by some respondents about the income implications of entering work was in stark contrast to the certainty of their current situation, which allowed the development of personal strategies for 'getting-by'. Many also drew attention to the insecure nature of the work available to them and contrasted this unfavourably with the stability of benefits.

### **Policy messages and recommendations**

Any reforms to the tax and benefits system should aim to make the ways that 'work pays' more easily understandable to social tenants. The present research supports the case for moving to a single system of working age benefits, ideally a single benefit, to achieve this goal. In terms of more focused reforms, respondents' concerns about meeting housing costs if they take a job suggests that the Housing Benefit regime should be a prime focus of attention. Reform of Housing Benefit is more feasible and easy to administer than alternative approaches to 'making work pay' and changes to the in-work entitlements to Housing Benefit are also likely to be easier to communicate and more readily understood by tenants. The introduction of extended entitlement to Housing Benefit would appear to be a productive way forward.

Any reform of the tax and benefits system to provide stronger work incentives will need to take account of the fact that for many social tenants the assessment of whether they might be better off in work is made in relation to the household unit, not as an individual; that attitudes towards paid work are not merely governed

by economic rationality, but can also be structured through moral considerations (for example, of being a 'good parent'); and many people are too distant from the labour market for clearer messages about why work pays to have any impact upon their ability to consider looking for or finding work.

## Further barriers to work facing social tenants

### **Policy context**

A key question that this research study set out to address was whether there are any additional characteristics of social housing tenants that act as a barrier to work, but which have not already been picked up by previous analysis of secondary survey data conducted by DWP. Initial analysis of the interview data suggests that this is indeed the case, and that these characteristics may be summarised under six headings: Health; Childcare; Drug and alcohol dependence; Debt; Criminal records; and Multiple disadvantage. The existing policy context for each of these matters is examined briefly in Chapter 6.

### **Key research findings**

The social tenants interviewed tended to face multiple disadvantages that were often severe in nature and sometimes hidden from view (for example, problems with drug or alcohol or a criminal record that people kept hidden from service providers or an undiagnosed physical or mental health problem that was reported to be impacting on functional well-being). The specifics of these multiple problems varied from individual to individual, but included mental health problems (including depression and anxiety); physical health conditions; substance misuse; low skills; lengthy spells out of the labour market; family problems; and criminal records. For most respondents facing such problems, the impact appeared to be additive, each disadvantage adding extra burdens which made it even less likely that they were able to secure and maintain a job.

### **Policy messages and recommendations**

The multiplicity of, often, severe problems experienced by interviewees, some of which were hidden or denied, are indicative of complex personal situations likely to inhibit labour market engagement and unlikely to be fully appreciated by traditional survey measures. This finding appears to help explain why the employment effects of living in social housing are being masked. It also points to the importance of promoting integrated service provision in order to help support people into work.

## Multiple disadvantage and integrating services

### **Policy context**

In recent years there has been a strong emphasis on improving the extent to which policy making and service delivery in different domains are complementary or 'joined up'. This has been pursued through various developments - the work of Local Strategic Partnerships the introduction of co-ordinating mechanisms at local and sub-regional levels, including the City Strategy, the establishment of Skills and Employment Boards and the launch of Local Employment Partnerships. Partnership working at the local level is also seen as a vital pre-requisite for tackling the low employment rates apparent in social housing. The Hills review found that although housing and employment support tend to operate separately, often problems in one can have its roots in the other. The Housing Green Paper (CLG, 2007) also recognised that there is significant potential for social landlords to support greater labour market participation among their tenants and DWP are currently working closely with the CLG to explore how best to achieve a more joined-up approach to the provision of employment and housing advice by social landlords and employment services.

### **Key research findings**

The social tenants interviewed faced, often severe, multiple disadvantages that were sometimes hidden or denied. The lives of many of these individuals were found to have been made more difficult by the fragmented way in which public services operate. This can often worsen the financial difficulties faced by individuals and compromise their return to the labour market. On the other hand, the interviews did not indicate that widespread dependency was readily apparent within the lives, experiences, attitudes and actions of respondents. Rather than assuming that the state would sort out all aspects of their lives, respondents were typically making their own arrangements to 'get by'. State benefits were only part of these survival strategies, which commonly also called on assistance (financial and in-kind) from family and friends and, in some cases, involved informal, cash in hand work.

### **Policy messages and recommendations**

The extent of multiple disadvantages amongst the respondents, and the apparent lack of readily available help to overcome these barriers, underlines the pressing need for linked interventions targeted at residents in social housing. Such activities need to display a number of common features: the organisations charged with providing employment support must have some credibility with and be able to engage with local residents; to this end, local residents might be recruited to client-facing roles; there is a need to tackle all of the issues that an individual faces; and social landlords have an important role to play in local partnerships to tackle worklessness.

## Key policy messages and recommendations

The final chapter of this report reiterates the principal messages for policy that can be taken from this discussion, by providing a summary overview of the key recommendations presented in previous chapters. To summarise:

- social housing as a work incentive – sub-market rents represent a work incentive, as does the security of tenure provided by the sector, but social housing system is not run in a way that seeks to maximise this potential. Yet, there is significant potential for social landlords to support greater labour market participation among their tenants. This support might take two forms: the direct provision of training and employment opportunities; and support to help tenants secure and sustain employment. Realising this potential will demand attention to at least two fundamental questions. First, why should social landlords bother, when their primary management objectives are not directly served by the resourcing or delivery of employment support? Second, what role will social landlords play and what partnership arrangements will be required to facilitate their contribution?
- geography – it appears unlikely that efforts to diversify the social mix in existing areas of social housing will have a substantial impact on levels of worklessness, without also taking effective steps to improve the incomes and to promote the livelihoods of existing tenants. This will need to involve outreach work to connect workless residents with services and the local provision of training and job opportunities.
- mobility – restricted opportunities for mobility in social housing are not a key barrier to work and are unlikely to account for high levels of worklessness within the sector. People whose employment opportunities are limited to low paid, insecure work see little reason to move for work-related reasons. However, greater assistance with moving might be appropriate in places which are isolated from employment opportunities or where transport links are very poor. Also, efforts to widen tenants' geographical horizons with respect to the local labour market might make sense in some places, such as large estates in large conurbations.
- tax and benefits – any reforms to tax and benefits should aim to make the ways that the system 'makes work pay' more easily understandable to social tenants. The research findings would appear to support the case for moving to a single system of working age benefits. Any such reforms will need to recognise that people often assess whether or not they can afford to work in relation to the household unit, not as an individual; that for some people (such as lone parents) attitudes toward paid work are not governed by economic priorities, making them less likely to respond to economic incentives; and that some social tenants are too distant from the labour market for clearer messages about why work pays to impact on their ability to consider looking and entering work.

- further barriers to work facing social tenants – the complex personal situations found to be inhibiting labour market engagement among the social tenants interviewed point to the importance of promoting integrated service provision in order to support these people into work. The range of services included in the provision of such support will need to include health and social care, childcare providers, financial and benefit advice services, and offender support and probation services.
- integrating services – the linked interventions targeted at residents in social housing will need to display a number of common features, including the involvement of agencies possessing credibility with local residents, whose role is to enable, rather than police, which employ local residents in client-facing roles. It will also be important to recognise the need to tackle the multiple challenges that some people face before being able to consider entering work. Social landlords will have a role to play within such local partnerships.



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