

Notes from Manchester Bedroom Tax Event

Eileen Herden, LSE Housing & Communities

Findings from research titled *“Work and welfare reform: impacts in the South West”*

Funded by the HAILO group

Interim report available: <http://sticerd.lse.ac.uk/dps/case/cr/casereport81.pdf>

Introduction to the research

- Nine housing associations in SW (the HAILO group) commissioned us to look at benefit changes from tenants point of view.
- Spoke to 200 social housing tenants in SW in summer of 2013 and asked questions about their work histories, knowledge of welfare reform and financial management strategies

Overview:

- 71 out of 200 households had dependent children.
- 96 out of 200 had already been affected by welfare reform
- 43 affected by the bedroom tax
- Over half of the 43 were paying both bedroom tax and council tax

Who is affected by bedroom tax:

Age:

- The majority of tenants affected by the bedroom tax are in their 40's and 50's - 77%, compared to 0% in their 20's, 14% in 30's and 9% in 60's
 - Usual scenario was parents with children who had recently moved out to go to college etc.

Dependents:

- 47% have dependents in household
- Of households with dependents, 70% are single parent households
- In several cases, adult children had moved back into the house – cover costs, reduce severity of under occupation

Ill health:

- 63% households hit by bedroom tax said someone in household had ill health or had a disability.
- 33% of those affected by bedroom tax mentioned mental health including depression etc.

Work and bedroom tax:

- Almost $\frac{3}{4}$ of households affected by bedroom tax are unemployed and living primarily on benefits

- Child care – parents calculate little difference between staying with children and receiving benefit or working low wage and paying child care costs. Opt to stay home

Coping strategies

- The 200 tenants described a range of coping strategies that demonstrate their resilience in covering their costs with fewer resources, but give an indication to how children might be affected by welfare reform:
 - 164 cut back on food
 - 144 cut back on utilities
 - Household goods (internet, phone, tv)
 - Selling belongings
 - Buying second hand
 - Dipping into savings
 - Borrowing money (108)
 - Resort to family (107 borrowed from family)
- These strategies are clearly wearing on tenants, many said they didn't know how long they could hold out.

Consequences of bedroom tax for the family:

- Putting tremendous strain on family life
- Increased resort to extended family and friends for financial and in-kind support
- Many cases where families feel it is easier to stay and pay, especially if someone in the household has a disability or if children are just under 10.
- Fewer resources available to the children - travel, trips, clothes, food, worry about additional expenses at school
- Food insecurity. Cutting back on food is the most popular coping strategy– eating less, poor nutrition, relying on school meals
- Spare rooms allow for family activity – grandchildren stay with grandparent, children of divorced parents living in both homes, children in residential care coming home etc.
- Sense that bedroom tax is unfair- more than half affected said they would like to move but that no properties were available, but only 3 out of 43 had found an alternative property to move to.