

# Staying put: the impact of the ‘bedroom tax’ on tenants in North Staffordshire

**Much has been written and said about the introduction of size criteria in the social rented sector (the ‘bedroom tax’). Indeed, few other changes to the benefits system have provoked so much comment from politicians, journalists, charities, landlords, advice providers and church leaders. Here, Richard Machin, Anna Tsaroucha and Liz Both describe new research from Staffordshire University examining the impact of the bedroom tax on a group of local housing association tenants.**

**T**HE SOCIAL WELFARE LAW, Policy and Advice Practice team at Staffordshire University has recently completed a small-scale piece of research with tenants of one of the largest housing associations in North Staffordshire, examining the ongoing impact of the ‘bedroom tax’ on tenants who have chosen to stay in their property, despite the reduction in their housing benefit. The focus of the research was not on policy or statistics, but to hear and record real-life stories. To what extent do tenants understand what the bedroom tax is? What has been the financial and emotional impact? And how have they managed to continue living in their properties some two years after its implementation? Ten tenants (eight women and two men) were interviewed in their own homes. Two housing association staff members were also interviewed.

## Lack of understanding

*‘I’ve lived here for 37 years and I thought I wouldn’t have to pay it.’*

*‘Is it paying money to the government for having a spare bedroom?’*

*‘The only information you do get is off the internet; nobody tells you anything.’*

Our conversations highlighted a lack of understanding about the mechanics of the bedroom

tax (how it works, its rationale, its exact financial impact). Its introduction seems to have caught some tenants by surprise and, although four tenants did say that they had received information and support from their landlord, none of the people we interviewed reported a high level of satisfaction with the advice they had received.

There is a mismatch between the efforts made by landlords to inform and advise tenants about the bedroom tax and the perception of tenants about the quality of this support. The housing association responsible for these tenancies had made concerted efforts to contact everyone affected (860 tenants in total), discussed their options with them and offered ongoing support. Indeed, research conducted by Ipsos Mori and the Cambridge Centre for Housing and Planning Research on behalf of the National Housing Federation found that landlords had invested a significant amount of time and money to work with tenants to minimise the impact of the bedroom tax.<sup>1</sup> A Department for Work and Pensions (DWP) report in July 2014 agreed with these findings, reporting that landlords were well prepared for the bedroom tax and that communication with tenants was generally good.<sup>2</sup> Despite these efforts, both the tenants and staff we spoke to indicated a straining of their relationship – this caused frustration for staff as they often bear the brunt of national policies over which they have no control.

Our research might have provided a voice for the dissatisfied and might not be fully representative, but politicians should note that even policies as well reported as the bedroom tax seem to be misunderstood by those affected. Perhaps tenants are unlikely to respond in the ways politicians would wish (find work, get a lodger etc) with such low levels of comprehension.

### Staying put

*'I brought my children up here, I don't want to be moved out of my own home. I like my neighbours.'*

*'I've lived here all my life.'*

*'Two of my grandchildren are disabled, that is the biggest reason why we have to stop here because they both need separate rooms.'*

A striking feature of our research was the extent to which the tenants we interviewed considered their accommodation a 'home' and not merely somewhere to live. The shortest period of time that any of the tenants had lived in their property was 26 years and the longest was 37 years. This might not be an accurate reflection of the average length of tenancy for this particular housing association or of the broader picture around the country, but these tenants spoke in powerful (and often moving) ways about their lives in their homes. These are places where children have been born and brought up, which have been shared with partners (some of whom have died), where neighbours are friends and provide support, where local shops and churches provide meaningful contacts. In short, places which people greatly value and are reluctant to give up, despite the financial cost of not moving.

Eight of the 10 tenants we interviewed were in their 50s or 60s, living in the family home from which their children had now left. All were on either disability benefits or carer's allowance and faced significant barriers in finding and obtaining work. According to the Institute for Fiscal Studies, this profile of people (low-income, working-age households) has lost the most as a percentage of their income from the tax and benefit changes introduced by the coalition government, mainly as a result of benefit cuts.<sup>3</sup> The New Policy Institute found that 70 per cent of tenants affected by the bedroom tax have also had cuts in their council tax support and that, although the numbers affected by the bedroom tax should drop in the coming years (in part, due to changes proposed in the Affordable Homes Bill), the numbers affected by reductions in council tax support will continue to increase.<sup>4</sup>

### Discretionary help is essential

*'It was by chance I was going on the internet and I saw you can apply for a discretionary payment.'*

*'It was a case of sinking down and relying on family and friends when I could.'*

*'I'm lucky because I've got backup from my family because my daughter helps me out with food.'*

This research focused on those tenants who have chosen to remain in their properties and meet the shortfall in their rent. How have they achieved this? The people we interviewed had not moved into work and none had taken in a lodger. Indeed, there was a strong rejection of the idea of taking in a 'stranger'. The views of the tenants is supported by DWP research, which also reported a very low take-up of lodgers.<sup>5</sup> Our research shows that these tenants are only able to remain in their homes because of discretionary support – local authority discretionary housing payments and the financial and practical support of family and friends.

Seven of the respondents had applied for a discretionary housing payment, with all but one receiving a payment. The variation in the length and level of awards reflects the differing nature of the respondents' circumstances, but also indicates the often arbitrary administration of this central government funding stream. It was also clear that neighbouring local authorities (Newcastle-under-Lyme Borough Council and Stoke-on-Trent City Council) had quite different policies when it came to awarding discretionary housing payments. Newcastle-under-Lyme Borough Council was generally viewed as being fair, and willing to award payments on a long-term and ongoing basis. Conversely, Stoke-on-Trent City Council was seen as being more difficult to deal with, and awarded lower levels of payments. In 2014, the local media reported that the DWP had strongly criticised Stoke City Council for an underspend of £103,928 on its discretionary housing payment budget in 2013/14, while in the same period evicting 25 tenants affected by the bedroom tax.<sup>6</sup> The council now appears to have addressed this position for the financial year 2014/15, but it shows that discretionary housing payments are subject to a 'postcode lottery' and political decisions made at a local level.

Our conversations with housing professionals in North Staffordshire support the view that many tenants are only able to stay in their properties as a result of the award of discretionary housing

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payments. However, again there was a discrepancy between the tenants' views on how well these payments were publicised and the support offered with applications and the position taken by the landlord (which had allocated significant staff and financial resources to supporting discretionary housing payment applications).

The close proximity of family and friends was seen as not only an important reason for why tenants did not want to move, but was also significant in terms of having a support network nearby which could offer practical and financial support. Seven of the ten people (all female) we interviewed told us that it was essential that their grown-up children lived within a short distance, as they offered a range of support, including help with paying for and buying shopping and dealing with correspondence. These respondents considered it important that there was space in their home to be able to host their family during the day and/or night.

### Struggling financially and emotionally

*'I mean, I wasn't always agoraphobic. I don't want to go out now and it just added onto everything.'*

*'When I get my money I think, "should I pay that or should I get some food in?" But I think if I don't pay it, you get more into arrears.'*

*'It's a viscous circle – it's not just the bedroom tax, it's the impact it's had on health, the other finances, the stress and upset it causes the family.'*

*'You're skint all the time and when you are on a low income every day drags, especially these long nights. It's horrible.'*

The decision not to move has come at a financial and emotional cost for all the respondents. Although only one respondent in our research had fallen into a significant level of rent arrears, a common theme was the struggle to pay for food and utility bills. Six of the ten respondents reported that they have cut back on the amount they spend on food. One tenant stated that she hides this from her grandchildren by saying that she is not hungry when she skips meals. Another said that she had to go without adequate levels of food to ensure that her seriously ill partner maintained a satisfactory diet. One of the tenants has had to rely on a food bank. The housing association which manages these properties recognises food poverty as an issue and provides a surgery at a local food bank and helps to collect donations.

The experiences of tenants in this study is consistent with the findings of other research. A Joseph Rowntree Foundation study found that social tenants face higher costs and reduced income and are commonly making significant cuts to food and energy bills.<sup>7</sup> An article in the *Journal of Public Health* reported on the impact of the bedroom tax in the North East of England and concluded that 'the bedroom tax has increased poverty and had broad-ranging adverse effects on health, wellbeing and social relationships within this community.'<sup>8</sup> Evidence provided to the All-Party Parliamentary Inquiry into Hunger in the United Kingdom in 2014 from a wide variety of organisations consistently found that benefit changes were a major factor leading to people needing emergency food assistance.<sup>9</sup>

What is evident from our research is that the bedroom tax did not change the lives of tenants overnight. However, the people we spoke to were already living on low incomes and coping with the impact of disability and/or providing care to family members. We received a very clear message that the bedroom tax has had a massive impact on their emotional and financial wellbeing, and that they are worried about how they will cope in the future. Whatever benefit changes lie ahead over the course of this Parliament, the 'behavioural change' that the government seeks will not be a reality for many claimants, who will instead continue to live with the financial and emotional costs. ■

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