

The impact of the direct payment of housing benefit: evidence from Great Britain

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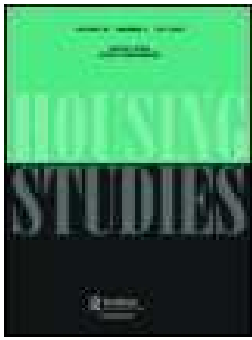
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The impact of the direct payment of housing benefit: evidence from Great Britain

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ABSTRACT

In recent years, a number of welfare reforms have been introduced in the UK by Conservative-led governments. The most high profile of these is Universal Credit (UC), which is currently being rolled out across the country. A key feature of UC is a change in the way the income-related housing allowance for social housing tenants (Housing Benefit) is administered, as under UC, it is paid directly to tenants (direct payment), who are responsible for paying their rent. This represents a step change for them as for more than 30 years landlord payment has been the norm in the UK. There has been little research into direct payment. This paper seeks to address this gap in knowledge by presenting the key findings of an initiative designed to trial direct payment. It finds that many tenants experienced difficulties on direct payment. Reflecting this, landlords' arrears rose markedly.

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1. Introduction

In most Western European countries, the most common way of administering income-related housing allowances has been to pay them directly to tenants. In effect, the same is also true in countries such as Germany and Sweden where social assistance recipients are not eligible for the housing allowance scheme, but instead receive help with their housing costs via an addition to their social assistance benefit.

However, in the UK – where the housing allowance scheme is called Housing Benefit (HB) – for the past three decades, payment to the landlord has been the norm for tenants living in social housing. Indeed, during this period, it has been a taken-for-granted assumption amongst landlords, tenants and scheme administrators that HB should be paid to social housing landlords and not to their tenants.

Nevertheless, in 2010, the newly elected Coalition Government in the UK announced a major reform of the benefits system (discussed below), one element of which was that, for social housing tenants, HB would be paid directly to them ('direct payment') and not to their landlord. The proposal to pay HB direct was highly controversial and widely condemned.

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Critics argued that it would inevitably result in increased rent arrears because many recipients would spend the money on things other than their rent. These tenants were seen as being too financially vulnerable (or alternatively, too irresponsible) to have their HB paid directly to them.

For both landlords and tenants, the shift to direct payment (DP) of HB represents a major change. For tenants, this is because many will have had no recent experience of paying their rent and some – for example, disabled people and the long-term unemployed – may have no experience whatsoever. For landlords, DP represents a challenge to their income streams. Under landlord payment, income from HB is guaranteed, which in turn is often reflected in their financial agreements with lenders, who have a degree of assurance about landlords' ability to service their loans. Under DP this will not be the case.

This paper assesses the impact of this change, drawing on data collected from the 'official' evaluation of a pilot programme designed to trial DP: the Direct Payment Demonstration Projects (DPDP). In doing so, it seeks to contribute to knowledge in what is a relatively under-researched area. There is a large international literature on income-related housing allowances and, in the UK context, a growing literature on HB and the impact of welfare reforms. However, there has been very little research into the administration of housing allowances and specifically the impact of paying them directly to tenants.

The paper seeks to provide answers to the following research questions: how do tenants manage on DP and what is their experience of it? Do rent arrears increase under DP, as its critics argue? Do some groups of tenants find it more difficult to manage on DP than others? Do tenants' approaches to money management affect their ability to manage on DP? Does DP make tenants more 'responsible', as advocates of the approach have argued? Finally, what is the overall impact of DP on social housing tenants and landlords?

The paper is divided into nine sections. Section 2 provides an overview of the HB and welfare reforms undertaken in the UK, while the following section explores the rationale behind them. Section 4 forms a literature review. Section 5 outlines the approach to the research. The subsequent three sections highlight the study's principal findings: the impact of DP on tenants (Section 6) and landlords (Section 7), and how the findings played out by project area (Section 8). Section 9 highlights the paper's contribution to knowledge.

2. HB and welfare reform

HB is a means-tested housing allowance that is paid to low-income social and private tenants to help them afford their rent. The scheme was introduced in 1982/1983 through the Social Security and Housing Benefit Act 1982 and replaced two different systems of income-related housing support (see Kemp, 2007, for details). HB is administered by local authorities under statutory regulations supplemented by guidance from the Department for Work and Pensions (DWP), the current name for the social security ministry in the UK.

About 6 out of 10 social housing tenants and 1 in 4 private tenants in the UK are currently in receipt of HB. The total number of recipients has risen since the global financial crisis, from 4.03 million in 2007 to 4.98 million in 2014, an increase of 24 per cent in just six years. Most of that growth in the HB caseload is accounted for by a very sharp rise in the number of claimants who are in low-paid work. The share of claimants in paid work has more than doubled and is now nearly a quarter of the total (HB caseload statistics at www.gov.uk).

Unlike other Western European countries, the UK HB scheme has more of an income support function than a housing finance one (Kemp, 2007); it aims to ensure that net incomes after housing costs do not fall below the social assistance benefit level. Hence, many claimants who are in receipt of social assistance benefits have all of their rent covered by HB (often referred to as 'full HB'). In these cases, therefore, social housing tenants do not themselves pay their landlord any rent: the HB is sent to the landlord on their behalf and the tenant has nothing to pay. Where HB covers only part of the rent ('partial HB'), it is sent to the landlord and the tenant has to pay the amount of rent not covered by HB.

2.1. Welfare reform

In July 2010, the newly elected centre-right Conservative-Liberal Democrat Coalition Government published a consultation document setting out proposals for a major reform of the benefits system (Department for Work and Pensions, 2010a). The existing system was perceived to be too complex and created disincentives for working-age claimants to move into paid work. The result, it was argued, had been rising costs of welfare support and persistent 'welfare dependency' (Ferrari, 2015). The principles and proposals set out in the consultation paper were detailed further in the White Paper, *Universal Credit: Welfare that Works* (Department for Work and Pensions, 2010b), and enshrined in law when the Welfare Reform Act 2012 (Department for Work and Pensions, 2012) received royal assent in March 2012.

The flagship feature of the Coalition Government's proposed reform was the merger of six existing out-of-work benefits for people of working age: Jobseeker's Allowance; Working Tax Credit; Child Tax Credit; income-based Employment and Support Allowance; Income Support; and HB. The new integrated benefit to replace these six benefits was called Universal Credit (UC). Therefore, instead of being a separate benefit, HB was to be incorporated into, and paid, as part of the new UC. In other words, instead of being paid to the landlord, HB (the housing component of UC) would henceforth be paid directly to the tenant. This meant that recipients would be responsible for paying all of the rent to their landlord.

The way in which HB for social housing tenants was to be calculated in UC was, with two very important exceptions, the same as for existing HB scheme. The two exceptions were themselves highly controversial features of the Coalition government's package of welfare reforms. The first involved the introduction of very tight accommodation size criteria that matched those that already existed for private tenants in receipt of HB. Under this reform, social housing tenants who were deemed to be under-occupying their home were penalised with a reduction in their HB: by 14 per cent for claimants with one 'spare' bedroom and by 25 per cent for those with two spare bedrooms. Critics of this cut referred to it as the 'bedroom tax', a term that was widely used in the media to describe the reform, though the government referred to it as the Removal of the Spare Room Subsidy. The second change was the introduction of the Benefit Cap in which a limit was placed on the total amount of welfare benefit that could be paid to claimants per year. Where claimants were affected by the new Benefit Cap, the excess amount above the limit was to be deducted in the first instance from their HB.

2.2. *The direct payment demonstration projects*

The proposal to shift from landlord payment to DP was almost universally criticised. It was not just landlords and landlord organisations that criticised the reform, but also groups representing tenants and disadvantaged people. The idea that claimants should be given responsibility for managing their HB and paying their (full) rent was seen as almost incomprehensible. It was claimed that claimants on DP would inevitably spend the money on other things and hence fall into rent arrears (discussed in Irvine *et al.*, 2007).

However, the government was able to point to a reform of HB for private tenants that had been successfully introduced nationwide in 2008 following a two-year pilot in 18 local authority areas. The main feature of this reform was a change in the way HB entitlement was calculated, which was referred to as the Local Housing Allowance (LHA) as it was based on average rent levels in the local market area. One additional feature of this reform was that HB was to be paid to the tenant and not the landlord. An exception was made for claimants who were deemed to be 'vulnerable', unlikely to pay their rent or at least 8 weeks behind with the rent.

The 'official', independent evaluation of the LHA pilot conducted in 9 of the 18 local authority areas found that the proportion of claimants whose HB was paid direct to the tenant increased from 1 in 2 to 9 out of 10. Moreover, this marked increase in DP had not resulted in a significant rise in rent arrears. The evaluation team concluded that, 15 months after the reform in the pilot areas, rent arrears was not a problem affecting HB claimants or their landlords (Walker, 2005). Thus, despite the fears expressed by private landlords, mortgage lenders and consumer groups, the great majority of private tenants in receipt of DPs were successfully managing their HB and paying their rent (Kemp, 2007).

However, the proportion of HB claimants whose rent was being paid direct to their landlord was much lower for private tenants before the LHA pilot (60 per cent) than it was for social housing tenants prior to the UC reform. Indeed, all HB claimants renting from local authorities were on the landlord system, as were 92 per cent of housing association tenants on HB (Irvine *et al.*, 2007). Thus, far more social housing HB claimants would be affected by the switch to DPs than had been the case for private tenants when the LHA was introduced. Moreover, critics also pointed out that far more social housing tenants are vulnerable – and therefore likely to have difficulty paying their rent – than is the case for private tenants. Indeed, the reason why they had been accepted for social housing was precisely because they were in some way vulnerable.

In response to critics, the government announced in September 2011 that the DP of HB for social housing tenants would be tested in six DPDPs. They were to be evaluated by an independent research team, with the findings informing the development of the housing component of the new UC prior to its introduction. Social housing landlords were invited to take part in the programme. The six successful projects were Oxford, Shropshire, Southwark, Torfaen, Wakefield and Edinburgh.

These areas were selected because they are very different in terms of their characteristics – the UK government wanted to ensure that the areas selected represented a range of social housing landlord types with representation from England, Scotland and Wales. It is important to acknowledge, here, that the socio-political, legal, cultural and housing policy and practice contexts in three territories differ markedly.

In line with the approach taken to UC, tenants under the DPDP programme experienced two changes to how their HB was administered: (1) HB would be paid directly to them; and (2) they would receive it every four weeks, broadly in line with monthly payments under UC, instead of weekly or fortnightly as was previously the case. As with UC, only working-age claimants would be eligible for DP. Those tenants who encountered difficulties with DP and fell into arrears would be switched back to landlord payment. The projects went live in June 2012, with the roll-out of the programme being completed in March 2013, by which time 7004 tenants had gone onto DP. The DPDPs ended in December 2013.

The roll-out of the new UC programme began on a very small scale in 2013. It was piloted in only four locations across England; was confined to new claimants only; and did not include claimants with dependent children. The roll-out of the programme has not progressed at the speed that the government had anticipated. When it went live, it was anticipated that it would be completed by 2017, but by July 2016 only 280,000 claimants were receiving UC. At that point, the UK government announced that the roll-out would not be completed until 2022 (Butler & Walker, 2016).

3. Understanding benefit and welfare reforms in the UK

The introduction of UC (incorporating DP of HB) and the other changes highlighted above are part of a broader suite of welfare reforms that have been introduced in the UK. Their introduction is consistent with neoliberal thinking, a philosophy which became increasingly popular with Western governments from the late twentieth century (Stonehouse, 2015).

There is a large literature on conceptualising and understanding neoliberalism. However, it has (legitimately) been problematised for being imprecise and for over-reaching itself; for misusing the term ‘neoliberal’; and, for providing an over-simplified and (sometimes) biased interpretation of the behaviour of the state (Storper, 2016). Notwithstanding this, and accepting that the term is, to some degree, contested, there is widespread agreement that neoliberalism has three key features: extending market relationships and reducing state intervention; welfare state roll-back; and, an emphasis on the responsibilities of citizens to maximise their opportunities within markets, thereby reducing the level of risk to the state, a concept which is known as ‘responsibilisation’ (Peck & Theodore, 2012; Stonehouse, 2015; Trnka & Trundle, 2014). DP is a prime example of responsibilisation policy in practice.

The hegemony of neoliberalism has seen the emergence of a new welfare paradigm in many countries across the world including the UK: the new welfare state model (Peeters, 2013). The approach, which has become increasingly prevalent over the last two decades and which was given momentum by the 2007–2009 financial crisis (Taylor-Gooby *et al.*, 2015), emphasises the responsibility of citizens to prevent social risk (Peeters, 2013), while at the same time reasserting one of the key tenets of neoliberalism: state withdrawal. The model has taken different forms in different countries and Taylor-Gooby *et al.* (2015) have devised a typology of approaches. In the UK, they argue, a ‘liberal’ approach has been employed, which is characterised by initiatives to make work pay and incentivise people into work, with UC being highlighted as one such initiative.

The model places particular emphasis on responsibilisation (Peeters, 2013). To some extent, responsibilisation is a fuzzy concept: it has taken on many meanings and, to an extent, has been ‘colonised’ (Trnka & Trundle, 2014; Lemke, 2001). Furthermore, its form may vary (Stonehouse, 2015). However, there is agreement that at its heart lies the notion

of emphasising the role of citizens as agents while down-playing the role of structure (the state), an emphasis that has been criticised within Foucauldian critiques of neoliberalism (Stonehouse, 2015)

In the UK, the notion of responsibilisation has gained considerable traction and has driven housing and welfare policy since the turn of the century; and particularly since 2010 when the Conservative-Liberal Coalition came to power and subsequently under the 2015 Conservative Government. However, in the context of social housing in the UK, the notion of citizens having responsibilities is nothing new. Indeed, in the late nineteenth century, the social reformer Octavia Hill was very clear about the responsibilities of tenants (Haworth & Manzi, 1999). The notion of responsibilisation began to gain traction under the New Labour governments of the 2000s. Informed by the work of David Garland (see Garland, 2001), they introduced a number of initiatives designed to increase the ‘rights and responsibilities’ of welfare recipients.

The introduction of DP should be seen in this light. It was not introduced because there was compelling evidence demanding its implementation. Indeed, the evidence base on the issue is relatively small and under-developed, as will be explored later in this paper. DP was introduced because it was seen as a better way of delivering HB and, crucially, by responsibilising tenants, would secure behaviour change amongst them. Specifically, it was believed that its introduction would help tenants to become more effective money managers and thereby be better able and more incentivised to find paid work (IPPR, 2010; Keohane & Shorthouse, 2012). And it was the latter that appears to be the principal rationale behind the introduction of DP.

The desire to secure behaviour change is another hallmark of neoliberal thinking, the new welfare state and, importantly, responsibilisation – directed by the government (Peeters, 2013), citizens should be nudged and incentivised to behave in certain ways. This has been the approach of recent UK governments who have embraced behavioural economics and concepts like nudging, incentivising and MINDSPACE, an approach to influencing behaviour change through public policy. In 2011, the Cabinet Office produced a good practice guide on how to implement MINDSPACE to facilitate behaviour change (Cabinet Office and the Institute of Government, 2011).

4. Literature review

There are a number of literatures that are relevant to the focus of this paper, although as will be explored below, they shed very little light on the impact of administering HB directly. First, there is a growing literature on responsibilisation and it has been researched in a number of contexts including: education (Peters, 2001); crime (Barry, 2013; Bennett, 2008; Kemshall, 2002), poverty (Dean, 1992), unemployment (Wiggan, 2012), health (Beckmann, 2013; Greco, 1993) and homelessness (Dobson & McNeill, 2011). Of most relevance to this paper is the work of Flint (2003, 2004a, 2004b, 2006) who explored responsibilisation in the context of social housing, and the regulation and management of anti-social behaviour specifically. He argued that, while the focus on responsibilisation in this context was not new, its nature and scope has been broadened (Flint, 2004b).

Second, there is an international literature on income-related housing allowances in the context of social housing. Studies in this area have focused on a number of issues including comparing national systems (Agiro & Matusitz, 2011; Kemp, 1990, 2007) and eligibility,

degree of choice, incentive mechanisms and ‘extent of oversight’ (Priemus *et al.*, 2005). However, the issue of how subsidies are administered, specifically whether they are paid to tenants (DP) or to landlords (*landlord payment*), and the consequences of adopting these payment approaches have received very little attention.

Third, in a UK context, there is a literature on HB, which has examined a number of issues including: the efficacy of the HB system as a whole (Kemp, 1998, 2000; Kemp *et al.*, 2002; King, 1999; Stephens, 2005); comparing systems (Kemp, 2000; Priemus & Kemp, 2004); the impact of changes to the system (Gibbons & Manning, 2006; Fenton, 2011); and its cost (Johnson, 2015; Phillips, 2013; Wilcox & Perry, 2014).

The reconfiguration of the HB system for private renters with the introduction of LHA in 2008 renewed interest in HB amongst academics. There have been numerous studies on LHA, many of which have been produced by members of the study team responsible for undertaking the national evaluation of the programme (Beatty *et al.*, 2012; Beatty *et al.*, 2014a, 2014b, 2014c). While a key element of LHA is DP, the outputs from the national evaluation of the programme are relatively silent on its impact as the study team was not tasked with exploring the issue. And taken as a whole, the UK literature on HB provides very little insight into DP.

Fourth, there is a growing literature on the impact of welfare reforms. There have been studies into: the ‘bedroom tax’ (Department for Work and Pensions, 2015); the impact of the introduction of a cap on benefits (Clarke, 2014); the likely impact of removing the automatic entitlement to the HB element of UC from some new 18–21 year-old claimants from April 2017 onwards (Cole *et al.*, 2015); and the overall financial impact of welfare reforms (Beatty & Fothergill, 2016; Beatty & Fothergill, 2013a, 2013b, 2013c; NHF, 2012, 2014).

There has been very little robust research into the government’s key welfare reform, UC. This is primarily because, unlike the case for the DPDP and ‘bedroom tax’ initiatives, the government decided not to commission an independent evaluation of UC. And there has only been one comprehensive study of the impact of DP: the national evaluation of the DPDPs (Hickman *et al.*, 2014), data from which are explored in this paper. However, three publications do shed some light on the issue, albeit in a limited way: Donaldson (2004); Irvine *et al.* (2007); and Green *et al.* (2015).

In a one-page article in a housing trade journal, Donaldson (2004) presents the headline findings from a trial of DP that was undertaken on one housing estate by the housing association, London and Quadrant Housing Trust in 2002. The Trust included 800 tenants in a pilot testing out two approaches to DP that lasted for a year. One of the key findings of the pilot, which were never formally published, was that arrears increased from 3 per cent to 7 per cent over the course the programme, peaking at 9 per cent (Donaldson, 2004). The pilot also found that there were additional transactional costs associated with DP, which amounted to approximately £300,000, with further costs accruing as a result of ‘additional staff time [incurred] pursuing individual residents for their arrears’ (Donaldson, 2004, p. 21).

Green *et al.* (2015) explored the likely impact of DP. They examined social housing landlords’ preparation for UC, a key element of which, as noted earlier, is DP. They found that landlords believed the introduction of UC would result in: an increase in arrears (98 per cent thought that this would be the case); a change in the relationship between landlord and tenant (96 per cent); more resources being devoted to rent collection and rent recovery (95 per cent); and more staff being employed (75 per cent).

Irvine *et al.* (2007) conducted a qualitative study with 82 HB claimants renting from private or social housing landlords in three local authority areas in England. Fifty-eight tenants were on landlord payment and 24 on tenant payment. The aim was to explore the views and experiences of claimants to landlord payment and DP of HB. It also examined their attitudes towards their liability to pay the rent; how rent payment fitted into their household budgeting methods; and how claimants on landlord payment thought they would manage if DP was to be introduced.

Irvine *et al.* (2007, p. 10) found that, while most of the participants had a preference for landlord payment, many did not think it would be particularly difficult to adjust to tenant payment. They also found that most tenants prioritised paying their rent over other household bills. Reflecting on their findings, they concluded that: 'many did not think that it would be particularly difficult to adjust to receiving HB and paying full rent to their landlord' (Irvine *et al.*, 2007, p. 4).

When the DPDP programme was conceived, there was a belief within government that some population groups would fare better on DP than others. Irvine *et al.* (2007) reported that some tenants who did not prioritise their rent would be more likely to fall into arrears on DP. Specifically, they identified two types of tenants whose approach to money management suggested they were more likely, or who said they were more likely, to get into rent arrears if DP was to be introduced: (1) 'chaotic' money managers, who were 'found only among young people and lone parents ... and had difficult financial situations and many of them said they could be forgetful about paying bills and/or were generally careless with money'; and (2) 'flexible' money managers, who 'were less rigid than 'ordered' money managers (who preferred payment methods that they felt provided control over when and how much they paid, such as cash, cheques, and internet banking').

If one supports the intuitively plausible hypothesis that some types of money management behaviour are less conducive to coping with DP than others, then it is necessary to review the broader literature on financial capability. At its broadest level, financial capability is:

the internal capacity to act in one's best financial interest given socioeconomic environmental conditions. It therefore encompasses the knowledge, attitudes, skills and behaviors of consumers with regard to managing their resources and understanding, selecting and making use of financial services that fit their needs. (World Bank, 2013, p. 7)

Further insight into the concept is provided by McQuaid & Edgell (2010) who identify the key characteristics of a financially capable person. They argue that he/she is someone who can deal effectively and confidently with: the day-to-day management of finances; planning ahead (for specific issues such as retirement or unexpected events); selecting financial products and understanding these products; and/or knowing where, and how, to seek financial advice (McQuaid & Edgell, 2010). Furthermore, he/she is someone who is also motivated to manage their finances and effect change, where necessary (*op.cit.*).

The literature on financial capability has grown in recent years (Gilbertson, 2014). It has focused, principally, on two issues: measuring and assessing financial capability – see for example, The Money Advice Service (2015); and highlighting ways that it can be improved and developed. Some of the publications that have been concerned with the latter advocate the use of behavioural economics and draw on techniques and frameworks to secure behavioural change, including the MINDSPACE framework (de Meza *et al.*, 2008; Elliott *et al.*, 2010).

The literature on financial capability reveals that, as one might expect, some population groups are less capable. These include young adults, particularly those aged 18–24 (Money Advice Service, 2015). Interestingly, with the impact of DP in mind, the same study also highlighted another group that was less financially capable: ‘recipients of benefits being replaced by UC, in particular unemployed people’ (Money Advice Service, 2015, p. 5).

It is important, here, to make one final point on the financial capability literature: it is relatively under-developed in terms of the impact of initiatives designed to secure behaviour change (Gilbertson, 2014). However, three studies do shed some light on the issue (Consumer Financial Education Body, 2010; Elliott *et al.*, 2010; Taylor, 2011). The Elliott *et al.* study is of particular relevance to this paper as it used the MINDSPACE framework to explore the behaviour of users of a number of financial products informed and underpinned by the principles of behavioural economics. Two of them – a ‘prepaid current account’ and a ‘money management tool’ – were found to have resulted in a change in participants’ financial behaviour.

5. Methods

The study employed a mixed methods approach that involved four principal elements: tenant surveys; analysis of rent accounts; qualitative work with tenants; and qualitative work with stakeholders.

Three ‘longitudinal’ household surveys were undertaken as part of the study. The first of these was a stage 1 (or ‘baseline’) survey which involved 1965 tenants being interviewed in the six project areas between May and July 2012. The stage 2 survey involved 1227 of these tenants being re-interviewed between June and November 2013 along with 617 new top-up interviews. The stage 3 (and final) survey took place early in 2014 and involved 650 tenants, of whom 459 had participated in the stage 1 and 2 surveys. A small-scale telephone survey of 95 tenants who had underpaid their rent was also conducted in the autumn of 2013.

Analysis of the rent accounts of all tenants who went onto DP in the DPDP programme and of a comparator sample was carried out at two points in time – 12 months into the programme and at its conclusion. Tenants in the DPDP programme with no experience of DP were not included in the analysis. The DP sample included tenants for whom the projects provided both rent account and HB data in at least one rent account period and for whom there was some activity on their rent account.

In total, 7252 tenants were identified as having been paid their HB direct. They were compared with a comparator sample comprising 4941 tenants. Propensity score matching was used to ensure that the samples were as similar as possible. The following variables were used to match tenants in the two samples: rent account balance; proportion of rent covered by HB; rent level; age; household size/composition; work status; property size; and HB receipt and duration of entitlement.

The qualitative work involved 180 in-depth interviews with tenants over the course of the study, many of which were undertaken with members of a tenant panel. In addition, 125 interviews were conducted with national and local stakeholders in the DPDP.

6. Impact of DP on tenants

6.1. Experience of being on DP

Critics of UC argued that tenants would struggle with DP of HB. However, as noted earlier, in a qualitative study of tenants on HB conducted before the UC reform was announced, Irvine *et al.* (2007) found that most respondents thought they would be able to cope with DP, if it was to be introduced. This issue was therefore explored in the DPDP evaluation.

When asked how well or poorly they were coping with DP of their HB, the great majority of tenants on DP in the stage 2 survey reported that they were coping well: 41 per cent 'very well' and 33 per cent 'fairly well'. Meanwhile, 16 per cent said they were coping 'poorly' (Table 1). Moreover, when asked in the stage 3 survey how easy or difficult it was to manage their finances now that HB was being paid direct to them, three-quarters of tenants reported that it was either 'very easy' (39 per cent) or 'fairly easy' (34 per cent). Only a minority (15 per cent) reported that it was difficult to manage (Kemp, 2014).

Not surprisingly, tenants who had been on DP but had switched back to landlord payment (ex-participants) had more negative perceptions than those who remained on DP (current participants). Current and ex-participants were asked whether, taking everything into account, they managed better, worse or about the same as they originally expected, while HB was being paid directly to them. A higher proportion of current participants reported that they had managed about the same as expected than was the case for ex-participants. Indeed, compared with current participants, ex-participants were more than twice as likely to say they had managed worse than they expected (Table 2).

Furthermore, many tenants found DP stressful and a source of anxiety. The telephone survey of under-payers found that, when asked why they wanted to leave the DPDP programme, 34 per cent of respondents (or 25 out of 73) reported that it was 'too stressful'.

Table 1. How well or poorly were current participants coping with direct payments of HB? (stage 2 survey).

| | Current participants (%) |
|----------------------------|--------------------------|
| Very well | 41 |
| Fairly well | 33 |
| Neither well nor poorly | 10 |
| Fairly poorly | 9 |
| Very poorly | 7 |
| Base: current participants | 968 |

Note: Excludes 4 tenants who did not know.

Source: stage 2 survey.

Table 2. Have tenants managed direct payments of HB better or worse than they originally expected? – By DPDP status (stage 2 survey).

| *** | Current participants (%) | Ex-participants (%) | All participants (%) |
|-----------------------------------|--------------------------|---------------------|----------------------|
| Better than expected | 19 | 5 | 15 |
| About the same | 59 | 42 | 55 |
| Worse than expected | 22 | 53 | 30 |
| Base: current and ex-participants | 958 | 298 | 1256 |

Note: Excludes 10 tenants who did not know.

Statistical significance *** $p < 0.001$.

Source: stage 2 survey.

A number of tenants who were interviewed in-depth highlighted how stressful they found DP, particularly when transitioning from landlord payment. The experience of one tenant was typical of many:

It [DP] did make me worry and panic... cos obviously I'm ringing them [landlord] saying: 'this is what I've been paid, is it right?' And they're: 'well if that's what's been paid'. And I'm: 'no, I want to make sure it's right. I don't want you sending me a letter saying you owe us £15 from last week, 13 from the week before'. And then it all mounts up and you've got loads of rent arrears and I don't want that.

The difficulty many tenants had with DP is reflected in the higher levels of arrears associated with it, a finding which is explored in Section 7. And only 8 per cent of tenants managed to pay all of their rent in full over the duration of the programme.

There were a number of negative consequences associated with falling into arrears. These included: accrual of bank charges; the 'embarrassment' and 'shame' of being in arrears; and the difficulty of repaying arrears – many tenants reported that they had to 'go without' to do so.

6.2. The characteristics of tenants who fell into arrears

Logistical regression analysis was carried out using data from the stage 3 survey to examine the characteristics of tenants whose rent arrears had either occurred or increased after they went on the DPDP ('new arrears'). Gender, age group, ethnicity, household type and disability were included as controls in all models. None was statistically significant. The results of the best-fitting model are shown in Table 3. The most important finding was that being on DP was not statistically significant.

In other words, other things being equal, tenants on DP of HB were neither more nor less likely to be in new arrears than those who were on landlord payment. This contrasts with the results of the rent account analysis (see section 7), which found that moving onto direct payment was associated with an increase in rent arrears. However, the logistic regression result is not necessarily surprising: it was precisely because they were in arrears that many ex-participants had been switched back to landlord payment. Instead, the incidence of new arrears amongst tenants was significantly associated with five variables: (1) having a compulsory deduction from earnings or social security benefits in order to repay debts (typically utility payments or rent arrears); (2) being behind on one or more 'household bills'; (3) having an HB entitlement that was less than the full amount of the rent; (4) having

Table 3. Logistic regression odds of being in 'new' rent arrears at the stage 3 survey.

| | Column percentages | |
|--|------------------------|------|
| | New arrears at stage 3 | |
| | Sig. | Odds |
| Welfare reform benefit reduction* | .014 | 2.0 |
| Behind on 1+ household bills** | .002 | 2.1 |
| Automatic deductions from earnings or benefits** | .001 | 2.3 |
| Would use HB if had a bill that was difficult to pay** | .006 | 2.1 |
| HB covers only part of the rent* | .011 | 1.9 |
| Base: all tenants | | 632 |

Notes: Statistical significance: ** $p < 0.01$; * $p < 0.05$.

Non-significant variables included in the model = gender, age group, ethnicity, household type and disability.

'New arrears' = arrears that had occurred, or increased, after the tenant went onto the DPDP.

Source: stage 3 survey.

had a cut in HB due to either the 'bedroom tax' or the total 'benefit cap' (or both); and (5) tenants who said they would use their HB money to pay for an unexpected expense or large bill that was difficult to pay.

The key message to emerge from the analysis, therefore, is that it was tenants' financial circumstances that determined whether they got into new arrears during the DPDP. New arrears were not correlated with whether or not the tenant was on DP of HB. Instead, it was related to tenants' financial vulnerability, as reflected in the indicators of indebtedness shown in Table 3, and whether or not they had experienced a negative income shock due to either the 'bedroom tax' or the total 'benefit cap'.

6.3. Why tenants fell into arrears

The importance of the financial circumstances of tenants in terms of determining how they fared on DP is reinforced by other data collected in the stage 3 survey. Respondents to the survey who were behind with their rent at the end of the DPDP were asked to cite the single most important reason for their arrears. The three most commonly cited were all related to their financial circumstances: loss of income due to the 'bedroom tax' (10 per cent); low income (10 per cent); and unexpected expenses (8 per cent).

Tenants who were underpaying (or not paying) the rent could be categorised into three groups: strategic, intentional under-payers; accidental under-payers; and 'trigger'-prompted under-payers. When the DPDP programme was conceived, there was concern from the UK government that some tenants would underpay (or not pay) their rent as part of deliberate strategy to be taken off DP, to secure some additional income for themselves or as an 'interest free loan', i.e. to purchase 'luxury' items they could not otherwise afford. There were tenants in the DPDPs who had done this but they were very much in the minority, with the strategic under-payers group having very few members.

Accidental under-payers was a relatively large group and included those tenants who miscalculated their finances (sometimes through poor financial management but often despite good money management skills), were unclear about the mechanics of DP, HB, rent payments, Direct Debits and Discretionary Housing Payment (a payment designed to alleviate the impact of the 'bedroom tax'), or who fell foul of administrative errors that impacted on their income or outgoings.

For 'trigger'-prompted under-payers, who represented the largest group, under/non-payment was prompted by an 'unexpected expense' (to use the language of the stage 3 survey) or 'trigger'. These triggers could be a day-to-day issue, such as running out of food or money for gas and electricity meters; or a life event, such as a relationship breakdown or bereavement. These triggers affected tenants in two ways: emotionally, making it more difficult for them to manage their lives generally; and financially, by putting a strain on their budgets. One tenant panel member, for example, used some of her HB to pay for food and electricity and the cost of her mother's funeral.

In a similar vein, one tenant panel member used some of her HB monies to cover the transport costs of visiting her sick mother in hospital, and another used it to cover the cost of visiting his ill mother in Belfast. These tenants were fully aware that they were using their HB to pay for something other than rent. In that sense, their under-payment was intentional and could be seen as a means of securing an 'interest-free loan'. But they did not see it in that way, as a calculated way to secure extra money or 'beat the system'. Rather,

they were making difficult financial decisions in the face of unexpected circumstances and low incomes.

Analysis of rent account data highlights the prevalence of trigger-prompted under-payment/non-payment: 65 per cent of tenants could be described as having exhibited erratic payment patterns, including 17 per cent of tenants who failed to pay all their rent just once, 22 per cent who did so infrequently and 26 per cent who did so frequently but erratically.

6.4. Behaviour change

As noted earlier, one of the rationales behind the introduction of DP through DPDP (and ultimately UC) was that it would result in a number of positive behavioural changes, including tenants becoming better money managers and more motivated to find work.

Behavioural change was found to be a slow process with there being little perceptible change in the first year of the DPDP programme. However, as it continued, small, but important changes in tenants' attitudes, behaviours and money management skills started to emerge. There was evidence that some tenants had been incentivised to look for work as a result of DP; that participation in the programme had made tenants more aware of the rent they paid; and had made them better at, and more confident about, managing their money. In addition, there was an increase in tenants using Direct Debit to pay their rent.

Forty-one per cent of stage 3 participants agreed that taking part in the DPDP had made them better at managing their money (45 per cent disagreed). A number reported that this was because they were more aware of their finances:

I can't miss a week. Before, I were a bit more lenient with myself and it might be a monthly thing that I used to do with my finances, writing it all down and planning it all out. Yeah, it's [DP] made me more aware that I need to check it all time and I need to be on top of it all ... Yeah, I do manage a lot easier now.

Forty-two per cent of stage 3 participants agreed that taking part in the DPDP had made them more confident at managing their money (42 per cent disagreed). Interestingly, in the light of the agenda that lies at the heart of DP – responsabilisation – a small number of claimants acknowledged they had taken on more responsibility, something which they appeared to value:

And now it's not just the little things I'm keeping an eye on, it's big things. So it makes me feel I've got a lot more responsibility. And it's nice to do my in-goings and out-goings but on a bigger scale of how much it would be.

Participation in the DPDP programme appeared to have made tenants more aware of their rent: 54 per cent of stage 3 participants agreed that taking part in the programme had made them more interested in how much rent they were being charged for their accommodation (31 per cent disagreed). However, this heightened awareness did not manifest itself in a more positive relationship between tenant and landlord. More than three-quarters (77 per cent) of respondents to the stage 3 survey reported that their experience of the DPDP had made no difference to how they felt about their landlord, with only 7 per cent reporting that it had done so in a positive way.

There is evidence to suggest that being on DP did incentivise some tenants to look for work. First, the stage 3 survey found that 38 per cent of respondents agreed that their participation in the DPDP trial had made them more likely to look for a job (50 per cent

disagreed). It also found that 35 per cent of participants agreed that taking part in the programme had made them more likely to hold down a job (52 per cent disagreed). And 22 per cent agreed with the statement that taking part in it had made them increase their hours of work (67 per cent disagreed).

Second, rent account data also suggested that being on DP had a positive impact on tenants' willingness to look for work: analysis undertaken at the end of the programme revealed that DP was associated with a greater likelihood of entering employment. Using proxy indicators (Single Housing Benefit Extract data relating to work/economic status and reasons for the end of a claim), the proportion of DPDP tenants in work increased from 21 to 23 per cent, while the proportion of comparator sample tenants in work remained static at 21 per cent (this difference in change was statistically significant at the 0.05 level). This evidence should be treated with some caution because it was not possible (due to limitations with the data) to establish whether this increase could be specifically attributed to tenants being on DP.

Qualitative data collected by the study team helped explain these findings and shed some light on *how* and *why* DP was helping tenants to find work. A number of tenants reported that it was their enhanced awareness of their financial circumstances that made them better placed to find work:

So now, when I'm looking for work, I feel a bit more comfortable cos I know exactly how much I'll need to pay. And it doesn't seem such an enormous number. I didn't have a clue before, so it has made a huge difference.

It is important to make one final point on the issue of behaviour change: the extent to which DP could change tenants' behaviour was checked by the preference of both tenants and landlords for synchronised HB and rent payments, where monies went in and out of tenants' bank accounts on the same day, meaning they never 'saw' or 'noticed' their DPs:

Money goes in, money goes out. I leave it. I forget about it. It [DP] just doesn't affect me. I've got the account and money goes in, money goes out. I don't really think about rent cos the money's nothing to do with me.

7. Impact of DP on landlords

7.1. Increased arrears

DP in the DPDP had a significant (negative) effect on landlords' arrears and a total of £1.9 m of rent owed was not paid over the 18-month period, which was equivalent to 2.3 per cent of their annual rent roll. Overall, tenants who went onto DP paid 95.5 per cent of all the rent owed, compared with the comparator sample who paid 99.1 per cent of rent owed (a difference of 3.6 percentage points).

Much of the arrears occurred as tenants transitioned onto DP: 48 per cent accrued at a tenant's first payment and 65 per cent in the first three payment periods. This is reflected in the pronounced spike in payment rates highlighted in Figure 1, which presents *rebased* payment data, i.e. data that have been reconfigured so that tenants' DP journeys begin at the same point: their first payment period.

Figure 1 presents average rent payment rates for each payment period (including the six payment periods prior to tenants receiving their first DP). It shows that, following a sharp reduction in payment rates in period 1 (to 67p per £1 of rent), they increased in periods 2 and 3 but remained below baseline and comparator levels. After period 3, payment rates

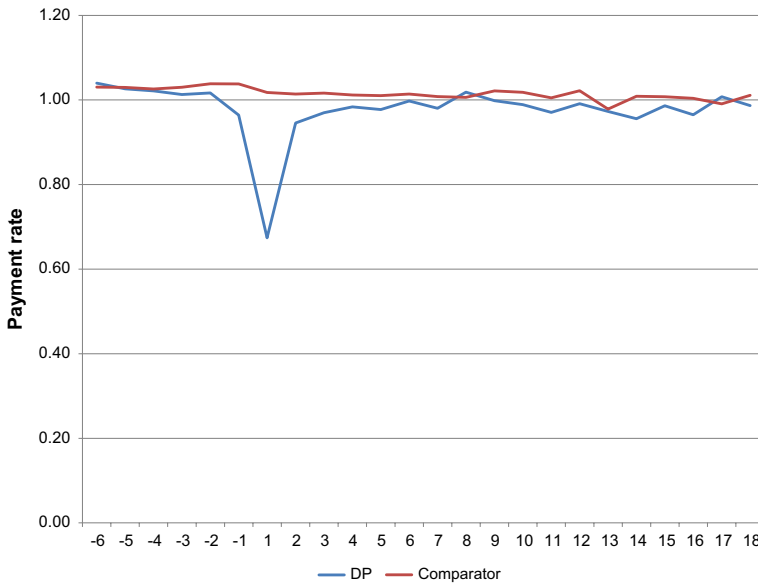


Figure 1. Payment rates: rebased. Base: all tenants; DPDP (7216); comparator (4908). Source: Rent Account Analysis.

were typically between 1 and 5 pence less rent paid per £1 of rent charged than the comparator sample.

This is a really important finding as it suggests that targeting resource at the transition to DP will not ‘solve’ the problem of higher arrears. Payment behaviour fluctuated and was unpredictable (reflecting the nature of triggers), with tenants moving between underpayment, non-payment and full payment (and sometimes overpayment) over time.

The prevalence of trigger-prompted underpayment is perhaps not surprising when one considers that the economically rationale course of action for tenants (with no or little arrears) to take in the case of a financial emergency is to not pay all or some of their rent. This is because, in stark contrast to the exorbitant rates charged by many national money lenders and local pay day lenders, interest is not charged on rent arrears. And because arrears may be repaid over a relatively long time period, tenants enjoy a negative real interest rate.

When tenants on DP underpaid their rent, they did so by a larger amount than under landlord payment. Before the introduction of DP, very few tenants failed to pay more than 50 per cent of their rent. On average, 10 per cent of all tenants who accrued arrears in the few months leading up to the DPDP failed to pay 50–100 per cent of their rent, with the remainder underpaying by less than 50 per cent. In the 18 months duration of the DPDP, the proportion of under-payers failing to pay 50–100 per cent of their rent rose to 39 per cent. DP, then, increased the average size of arrears.

7.2. Increased delivery and management costs

There were other costs associated with DP. Although Demonstration Projects landlords did not record the costs associated with delivering DP, there was a consensus amongst them that it was more resource intensive than landlord payment. For example, one landlord noted that it had to devote three times more resource than ‘normal’ to secure a payment

under DP: ‘So on average we’re putting three times the work in to get the same debit that we used to have before’.

Landlords identified a number of areas where the delivery and management of DP had resulted in the use of additional resource and increased costs. Staff time was identified as being the largest one. All project areas appointed a dedicated DPDP project manager and in most areas this represented additional staffing, and several employed additional housing/tenancy support workers when it became clear that there was insufficient capacity within existing teams.

Some of the staff costs associated with DP were indirect, i.e. accrued by staff not working directly on the project. As one Finance Director explained: ‘There’s a myriad of other teams who will have invested a lot of time [on DP] and capacity which will have been indirect and hidden’.

The cost of upgrading and improving rent collection and recovery IT systems for DP was another cost identified by landlords. Some purchased new software because their existing IT systems were not compatible with DP, with a common ‘gripe’ being that they could not provide the ‘live’, current data that it demanded. New software packages could be relatively expensive. One landlord, for example, reported spending £50,000 on purchasing one: ‘Our biggest challenge is our IT system ... we were having to do so many things manually ... so we invested £50,000 in xxx [rent collection software package]’.

The cost of communicating with tenants was another additional cost identified by landlords. There were (non-staff) resource implications for all four of the most commonly used communication methods used by landlords: letter writing; telephoning; face-to-face visits; and SMS messaging, which they found to be particularly effective.

Finally, payment transaction costs emerged as being another cost. Because more tenants were paying their rent, transaction costs increased. However, there is another reason behind this increase: the fees charged by pre-payment card providers. As one housing officer noted:

Our transaction costs have gone up because we have to pay a fee every time a tenant pays their rent using a pre-payment card ... and there’s a ceiling of £150 ... they pay 40 pence per transaction ... it’s costing us a lot of money ... we worked out that it is costing us £440 in additional costs for our tenants.

7.3. Behaviour change

As noted earlier, one of the rationales for the introduction of DP was securing behaviour change. While the government had tenants in mind, the greatest behaviour change was exhibited by landlords, not tenants. The introduction of DP in the DPDP prompted organisational and cultural change.

Firstly, DP prompted landlords to consider new ways of working. Income teams were reconfigured, new rent collection methods developed and trialled (SMS reminders, for example), officer working ‘patch’ sizes reconfigured and IT systems re-evaluated and upgraded. DP necessitated changes in staff roles and responsibilities, and altered the expectations placed upon them. Income officers in some areas, for example, provided support and advice to tenants when this was previously absent from, or a marginal component of, their job. There was increased attention and scrutiny from Chief Executive Officers, Boards of directors, members and councillors because of the potential consequences of

DP for landlord income streams – pressure which bore down more directly on staff than was previously the case.

Secondly, DP resulted in cultural change amongst housing associations participating in the DPDP programme. A key driver of this was the need to reconcile the tension between their traditional ‘social’ landlord function and the need to adopt a more hard-headed commercial approach in order to protect income streams. As a housing officer explained:

Landlords are going to have to have a good look in the mirror ... we’re going to have a good think about the way we operate ... we may be forced to act more commercially ... and we may have to tell tenants: ‘you either pay up or you go’ ... we don’t want to do this but this is something that we are having to give a lot of thought to.

Another cultural change was that the introduction of DP prompted landlords to find out more about their tenants and establish closer relationships with them. When the programme was launched, there was a widely held view amongst participating landlords that they ‘knew’ their tenants well. However, it soon became apparent that this was not the case: in order to prepare for, and implement DP, participating landlords had to develop relationships with tenants with whom they previously had little contact. They had to improve their knowledge and understanding of tenants, for example, so they could be adequately supported, their readiness for DP assessed, early interventions developed and effective collection methods employed. They saw this as a positive, if unintended, consequence of DP for landlords.

8. Spatial differences

Given the diversity of both the project areas and participating landlords, it is perhaps surprising that the experience of landlords participating in the DPDP was remarkably similar. For example, all landlords reported that DP had had an effect on their rental income, and all witnessed the same arrears trajectory: a sharp drop in overall rent payment/collection rates when tenants first transferred to DP, followed by a dramatic improvement over time. However, the precise scale, pattern and nature of the increases in arrears differed across areas. This pattern was repeated for the other impacts of DP, which often played out differently across the areas. This was because the context within which DP was implemented differed markedly across them. A number of contextual factors appeared to influence how the impacts of DP played out in areas, and these could be bundled into four groups: the socio-political, legal, cultural and housing policy and practice contexts; place-based factors; organisational factors; and the characteristics of tenants.

The differing socio-political, legal, cultural and housing contexts across England, Scotland and Wales within which landlords operated impacted on their approach to DP and how it played out across the areas. The Scottish landlord noted that it operated under a different political and legal system than its English and Welsh counterparts: ‘We’ve got our own devolved authority and our housing legislation is quite distinct from what you have down south. It also operated in a cultural and political context where evicting tenants was highly problematic and an option it was very reluctant to take. This, understandably, impacted on how it managed tenants who fell into arrears under DP.

However, there was also marked differences in relation to the broader context within which English landlords operated. For example, again with reference to evictions, an English-based landlord noted that across the region where it operated (the Midlands) judges held

differing viewpoints on when eviction was appropriate, therefore influencing the approach taken by it and other landlords to dealing with tenants who had fallen into arrears:

There's a real geography on that [judges approaches to evictions]. You speak to people in Birmingham: [they say] you wouldn't go to court for arrears of less than £1,000. They'd chuck you out of the court and you're not likely to get a possession order, two or three grand is the minimum. It's a different world here at the moment and our tenants know.

9. Conclusion

As part of an agenda to 'responsibilise' welfare recipients, Conservative-led governments in the UK since 2010 have introduced a series of welfare reforms. The most important of these is UC. A key feature of UC is a change in the way HB is administered: under UC, HB is paid directly to tenants instead of their landlords. This represents a step change for them because, for more than three decades, landlord payment has been the norm for social housing tenants.

DP was not introduced because there was compelling evidence demanding its implementation. It was introduced because the UK government believed that DP would responsabilise tenants, making them better at money management and thereby better placed to find work. Drawing on data from the official evaluation of the pilot designed to test DP – the DPDP – this paper has assessed whether this was the case and also examined its broader impact on tenants and landlords.

The paper has contributed to knowledge in a number of ways. First, it has added to our understanding of DP in the context of social housing, an aspect which (not unexpectedly, given the hegemony of landlord payment in the UK) has been under-researched. Second, it has highlighted the impact of DP on tenants and, in doing so, built on the work of Irvine *et al.* (2007). Many tenants in their qualitative study believed they would be able to manage on DP if it was to be introduced. However, the DPDP study suggests that, in practice, only a small proportion of tenants were able to manage. Indeed, only 8 per cent of DPDP participants were able to successfully pay *all* of their rent over the 18-month duration of the programme.

The research revealed that the ability to cope with DP was not related to tenants' demographic characteristics, although in line with the study by Irvine *et al.* (2007), it found that rent arrears were statistically related to self-reported money management methods. *All* demographic groups found it difficult to cope with DP with their financial circumstances appearing to be the key determinant of how well they fared on DP – the incidence of new rent arrears in the DPDP was significantly correlated with the financial circumstances of tenants. Arrears were often triggered by an unexpected event or by a welfare benefit cut (the 'bedroom tax' or the total Benefit Cap). Unexpected events fell into two categories: day-to-day events, such as a washing machine breaking down; and life events like divorce and separation or bereavement.

The research found some evidence that administering HB by DP could responsabilise tenants: some tenants reported that being on DP had made them better at money management and more likely to look for work, and the proportion of DPDP tenants in work increased slightly over the duration of the programme. However, these effects may be temporary and we do not know whether DP per se was responsible for the increase in employment amongst tenants.

Third, the paper has contributed to knowledge by highlighting the impact of DP on landlords, an issue which to date only two studies have addressed (Donaldson, 2004; Green *et al.*, 2015). This study found that DP had a number of negative consequences for them, including increased arrears and rent collection costs.

DP prompted behavioural change amongst landlords. It prompted them to review or change their organisational structure and practices. And driven by concerns about the impact of DP on their financial circumstances, some housing associations also began to review their modus operandi and debated whether to reposition themselves as housing providers, with a greater commercial focus and remit, and to become less socially oriented. In these cases, therefore, the introduction of DP seemed likely to affect their social orientation and even their culture.

In terms of future research, it is imperative that it is undertaken into the impact of DP under UC because the negative effects associated with it will play-out on a much larger scale, i.e. nationally – DPDP was a relatively small, geographically constrained, initiative which affected relatively few tenants. Furthermore, they are likely to be greater in their magnitude and severity. This is because the conditions under which DP is being implemented under UC are less favourable than those that existed under DPDP.

For example, under the latter programme, a common budgeting strategy employed by those tenants on multiple benefits was to assign benefit income to specific expenditure (the ‘jam jar’ approach), juggling payments and income through the month (for example, ‘borrowing’ from the HB for food but repaying the following week with the Child Benefit). However, this will not be possible under UC.

The way DP is administered also differs between the two initiatives. Under the Demonstration Projects programme, the administration of HB remained the responsibility of local authorities and data sharing between them and landlords was commonplace, a practice which was seen by landlords as being a key factor in helping minimise the risks associated with DP. This arrangement will not exist under UC, where responsibility for administering DP will lie with DWP.

Another difference is the level of resources available to landlords to manage and deliver DP, which is likely to be considerably less under UC than was the case under DPDP. This is because under the latter programme, landlords were able to target resource on DP tenants, who, for many landlords, represented a relatively small proportion of their tenants, and were recompensed by DWP for the additional costs associated with delivering DP. Finally, and linked to this, under the DPDP programme, landlords were recompensed by DWP for rental income lost as a result of DP: this will not occur under UC.

In conclusion, this study has found that shifting from landlord to tenant payment in social housing is not simply a change in the way HB is paid. It found that it also had important financial and behavioural consequences for both landlords and tenants. In order to minimise the loss of rental income, social housing landlords made numerous compensating adjustments to their everyday practices in revenue collection, arrears recovery and housing management. Some even changed their organisational structure and considered shifting towards a more commercial and less ‘social’ orientation. For tenants, many of whom were already struggling financially (Kemp, 2014), the introduction of DP acted as a trigger that pushed them (further) into debt. And although some tenants felt that DP enabled them to be better money managers or more job-ready, the harsh reality is that only a small minority managed to pay all of their rent during the life of the demonstration project. In other words,

the shift to DP of HB was not simply a narrow or ‘boring’ technical matter. On the contrary, it was a highly controversial and even emotionally charged reform that had profound consequences for the financial well-being of many low-income social housing tenants.

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