



# How does housing affect work incentives for people in poverty?

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by Kenneth Gibb, Mark Stephens, Darja Reuschke, Sharon Wright, Kirsten Besemer and Filip Sosenko

This report explores how housing impacts on work incentives, and opportunities to progress in work, for those in and around poverty. It highlights a well-entrenched work ethic among people who are likely to command only modest wages, and the multiple disincentives they face arising from the cost of housing, transport and childcare.

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How does housing impact on work incentives, and opportunities to progress in work, for those in and around poverty? The research found a well-entrenched work ethic among people who are likely to command only modest wages, but they often face multiple disincentives arising from the cost of housing, transport and childcare. This is worsened by flexibility in the labour and housing markets.

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## The report shows that:

- investing in neighbourhoods can reinforce positive social networks and provide a secure basis for employment;
- affordable transport is a critical constraint on employment: there is a clear need to review public transport routes and subsidise individual commuting costs;
- more secure tenancies would improve people's willingness to move, and lower rents would provide a much clearer financial incentive to work; this is a restatement of the case for social rented housing as a springboard to employment; and
- childcare availability and affordability is a key barrier to employment – the government's decision to extend free childcare is welcome, but can more be done?

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# Executive summary

Housing is an important barrier to, and enabler of, improved working opportunities – for both entering work and progressing within work. Employment plays an important role, along with housing and family structures, in explaining the complex patterns of poverty pathways. This mixed-methods study seeks to identify how housing policy and practice can more effectively support out-of-work households to get back into work, and in-work households in poverty to get better work. It aims to identify housing circumstances that are barriers to or enablers of employment and betterment.

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## Dimensions and channels

Housing has important characteristics, or dimensions, that impact on employment opportunities; these include cost and quality. Housing as an economic commodity is complex – including the fact that it is a ‘joint’ good that also involves the consumption of a neighbourhood and local services (as well as the local labour market), and operates in a dynamic policy context, locally and nationally.

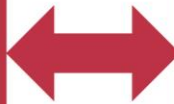
There are also important channels of interaction between housing and employment. Both of these concepts are expressed thematically in Figure 1, and were used to organise the research reported in this study.

### **Figure 1: Principal housing dimensions and channels examined**

## Housing dimensions



## Key channels



## Evidence review

International evidence on work incentives suggests that there is an increase in labour supply in response to economic signals in the form of earnings (particularly among women), but that the effects are more mixed regarding welfare benefits and targeted programmes – the evidence is nuanced (e.g. tax credits have a bigger incentive effect where nobody in a household is in work, compared to one where at least one person works). Marginal workers meet demands from employers to be flexible, but short hours and part-time or temporary working can impede labour market progression. Although working households are less likely to be poor than non-working households, most people who are poor live in households where someone works.

While the stigma of living in a deprived neighbourhood is often believed to impede employment and investment decisions, the evidence is at best mixed as to these effects in reality. The evidence is also ambiguous regarding the employment benefits of neighbourhood mixing. In contrast, the importance of local social support networks that enable caring responsibilities, especially childcare, to be shared, is strongly evidenced.

Housing can act as a barrier to employment when it is located in areas where there are few employment opportunities (known as ‘spatial mismatch’). Consequently, commuting becomes a critical cost factor for employment decisions. The alternative, relocation, is also often constrained by housing costs and availability, and the types of job and financial return on offer.

Although the attributes of different tenures have differing impacts on mobility, no tenure is without impediments to mobility.

There has been a strong increase in self-employment in recent years, and home working is an important component of that growth. However, self-employment is risky and appears to have been, in part, a non-voluntary response to job loss in the recent recession.

Welfare reform has focused on incentivising work among working-age households. This has involved extending employment-related conditionality schemes to the ill, people with disabilities and lone parents; the rollout of Universal Credit; and significant reforms to Housing Benefit.

Women especially have to make difficult decisions about whether and when to work when they are also responsible for parenting or adult care. Evidence from the first decade of the 2000s also suggests

that illness and disability affect labour supply decisions for those with serious health issues, and this may limit the impact of welfare reform on their labour market participation.

## Poverty pathways

Longitudinal analysis of data from the ESRC British Household Panel Survey and its successor Understanding Society<sup>1</sup> confirms that the majority of working-age people who experience poverty do so despite being a member of a household where at least one person is working. Before 2008, 73% of those who became poor were working. However, since 2008, it has been more common for people who enter poverty to have been out of work.

Of those people who were in poverty in 2000, two-thirds passed in and out of it during the period to 2008, while only 7% remained poor throughout.

Although rates of poverty are much higher among social tenants than the population as a whole, social renters also have high exit rates from poverty. However, almost 70% of people who were in poverty in 2008 were mortgaged homeowners, and most of these had been homeowners since at least 2000. As the private rented sector has grown, so it has become more important in the representation of entry into and exits from poverty.

Although employment does not guarantee a life free of poverty, few people exit poverty without being in employment.

## Case studies

The case studies allowed the study team to examine real situations for people at the margins of work and poverty in a variety of housing and labour market contexts across the UK. Differences were captured by selecting five case studies in Lewisham (London), Oldham, Merthyr Tydfil (Wales), Larne (Northern Ireland) and the Scottish Borders. The case studies involved examining the socio-economic and policy background for each area, a key actor focus group, and around ten in-depth interviews in each location.

Locality matters in terms of labour market opportunities, and transport costs and availability. History and the path dependency of local economies (such as the long-term, often intergenerational consequences of economic restructuring) continue to shape employment opportunities. While some interviewees had plans and possible alternative locations and housing options, it was clear that for other more vulnerable individuals, there was, in practice, little choice but to make the best of their present arrangements.

The interviews yielded the following key messages:

- Neighbourhoods can facilitate social networks that provide informal recruitment channels, enabling local people to find employment. The support provided by friends and families is also vital to facilitating employment. Exclusion from local labour markets experienced by outsiders, and the support lost by leaving one's own community, help to explain the reluctance of some people to move.
- A poor quality home and neighbourhood can act as a demotivating force for some people, while others regard it as an incentive to seek work, so that they can improve their position.
- Changes in labour and housing markets have combined to create additional barriers to mobility. The reluctance to move that arises from the lack of security in the private rented sector is exacerbated by insecurity in the labour market. The shortage of social rented housing not only makes it more difficult to move between social tenancies, it increases the value of the security the tenure offers, compared to the opposite found in private rented accommodation.
- The changing nature of jobs exacerbates the effect that the cost and reliability of public transport have on employment incentives. Public transport does not always cater well for the needs of part-

time employees and employees working anti-social hours. On occasion, inflexibility by employers when employees are faced with a restricted transport service can also act as a barrier to employment.

- The economics of car ownership can thus be a significant disincentive, even for those people who have a car. Some employers, particularly in rural areas, require car ownership as a part of the job, but high costs are a significant barrier to work, and unaffordable repairs can force people out of work.
- The underlying level of rents emerged as the principal housing factor affecting the incentive to work. High private rents, and perhaps also social rents in London, contribute to a perception that taking employment will make people worse off. It is notable that while Housing Benefit is recognised as protecting out-of-work incomes, its role as an in-work benefit is downplayed. Some people are prepared to accept employment even if it makes them worse off, but others are deterred by the risks associated with the administration of benefits in the context of an insecure labour market.
- The effects of housing on employment incentives are experienced most acutely by people with relatively few skills, who are consequently more likely to enter low-paid, part-time and insecure employment. The experiences of people may be further compounded by age discrimination and poor health.

## Conclusions

The research challenges the perception that there is a widespread reluctance of people to work. Rather, the study found a well-entrenched work ethic among people who are likely to command only modest wages. It did, however, demonstrate that they face multiple disincentives to employment arising from the costs of housing, transport and childcare. These disincentives have been exacerbated by flexibility in the labour and housing markets.

Investment in skills, and therefore both the employability and wages that people can command, is likely to be a key component in any long-term strategy to tackle poverty (going well beyond training and employability, and into joined-up policies tackling the underlying causes of low skills through, for example, early years' programmes, educational attainment and reducing health inequalities). The study also reveals a need for policy-makers to understand and address the dilemmas faced by people at the bottom end of the labour market; for example, their lack of control over working hours, pay and progression.

## Policy recommendations

Policy interventions that can encourage work and the movement into better jobs are likely to be highly context-specific. Effective interventions need to be devised locally and regionally, rather than just nationally. This means that the necessary policy infrastructure and delivery mechanisms need to be created to pursue these important work-related, anti-poverty actions, some of which directly involve housing, neighbourhoods and place. Six areas are identified:

1. **Investing in neighbourhoods** can reinforce positive social networks and provide a secure basis for employment. It can also create jobs and income for local people. Social landlords are often *de facto* managers or community anchors in many neighbourhoods. Their long-term commitment and wide reach among stakeholders often makes them well placed to work with statutory, third-sector and other partners to deliver, directly or indirectly, employment and related programmes for local people. Several of the good practice examples described in the report show what is possible.



2. **Affordable transport** is a critical constraint on employment. The interview evidence suggests the need to review public transport routes, prioritising these labour market considerations. There is also a case for subsidising individual commuting costs.
3. **More secure tenancies** would improve people's willingness to move, and lower rents would provide a much clearer financial incentive to work. This is really a restatement of the case for social rented housing, not as a repository of the long-term unemployed, but as a springboard to employment.
4. **Greater tenure security** would also make people more mobile. This could be supported by a greater effort to reward mobility, for example allowing social housing allocations systems to facilitate mobility, in contrast to the use of residency requirements that penalise mobility. High rents are also a disincentive, and rental policy should be reviewed and reprioritised in order to reduce this sort of impact. While there are other concerns regarding the proposed reductions in social rents for the next four years, this clearly is a step in that direction.
5. **The way Housing Benefit and Universal Credit are administered** should not deter people from work. Particularly for those in work but seeking more work, neither the way Housing Benefit is administered, nor the experiences already reported on working in the Universal Credit regime, should operate to discourage employment.
6. **Childcare availability and affordability** is a key barrier to employment – the government's decision to extend free childcare is welcome, but can more be done to address the evidence that the UK remains an expensive country for childcare?

# 1 Introduction and review summary

For many years, governments have promoted employment as the best route out of poverty, combining incentives to 'make work pay' with an increasing focus on conditionality of benefits and wider use of sanctions for non-compliance. Increasing evidence of in-work poverty, however, suggests the need to carefully examine the quality of work and the efficiency with which, locally, we match people to jobs. While much research on work incentives has put the stress on financial incentives (Brewer *et al.*, 2006, 2012; Blundell, 2000), it is both intuitive and indeed supported by research evidence that housing and place make an important but complex impact on work incentives. This is the fundamental issue we seek to address.

Housing has specific characteristics that impact on labour market opportunities:

- **heterogeneity** means that insufficient variation in the range, quality and cost of housing may inhibit labour mobility (Houston, 2008; Green and Owen, 2006; Green and White, 2007; Reuschke and Weck, 2013);
- **spatial fixity** affects access to jobs, may create spatial mismatches, and opportunities for mobility may be impinged upon by local support networks (Crisp *et al.*, 2009; Batty *et al.*, 2011; Stephens *et al.*, 2010);
- **financial incentives** such as welfare benefits and sub-market rents can create work incentives and disincentives (Stephens, 2005; Tunstall *et al.*, 2013; Karabiner and Raha, 2009; Beatty *et al.*, 2012; Hills, 2007), and evidence suggests that outright ownership seems to facilitate early exit from work (Blanchflower and Oswald, 2013; Battu *et al.*, 2008; Stephens *et al.*, 2010);
- **tenure and neighbourhood** exert a powerful long-term influence on life pathways (Lupton *et al.*, 2008); this is not always well understood, although the links to health and deprivation from housing and then onto the labour market are believed to be important (Smith, 1989);
- **housing quality** may also affect health and mental wellbeing, and opportunities to establish a home-based business (Mason and Reuschke, 2015; Dwelly *et al.*, 2005).

The housing system and labour market co-exist within a dynamic policy context. Elements include welfare reform (Brewer *et al.*, 2012; Hirsch and Hartfree, 2013; Beatty *et al.*, 2012), and the major changes underway as the labour market structure adjusts towards more flexible working, and part-time and insecure work (Spence, 2011). At the same time, the housing system is undergoing major secular change through the rise of private rented accommodation, declining homeownership, continuing market volatility, and regional differences in market outcomes. Social rented housing faces reduced resources with which to expand supply in the face of increasing unmet need (Stephens and Whitehead, 2014; Stephens and Williams, 2012). The policy context also impacts on specific groups in different ways: young people, different genders, lone parents and people with disabilities (Tunstall *et al.*, 2012; Duncan and Edwards, 1999; Beatty *et al.*, 2009).

### Box 1: What do we mean by ‘work incentives’?

Research on work incentives has been conducted in different fields of study and from different points of view. This means there is no agreed definition of key terms such as ‘work’ or ‘incentives’, and that evidence is based on a range of different understandings about how individuals, groups, labour markets and the economy operate. We can distinguish between:

- ‘incentives’ – the financial reward for paid work by individuals, and hence households;
- ‘disincentives’ – meaning that individuals or households lose out financially by engaging in paid work;
- ‘enablers’ – the conditions, systems or arrangements that facilitate or permit paid work;
- ‘constraints’ – the conditions, systems or arrangements that prevent or reduce the possibilities for engaging in paid work; and
- ‘opportunities’ – the prospects for paid work offered (or denied) by wider systems and structures.

## The Housing and Work Incentives Project

In 2013 the Joseph Rowntree Foundation launched a programme entitled *Housing and Poverty*. A specific project was then developed to identify how housing policy and practice ‘can more effectively support out-of-work households into work and in-work households in poverty, into better work’ (Joseph Rowntree Foundation, 2013). This would help better understand the ways in which housing circumstances enable households (and individuals within households) to overcome unemployment and poverty traps; but also to better comprehend how housing circumstances act as a barrier to taking up work or progressing in employment. A research team from the University of Glasgow, Heriot-Watt University and the University of St. Andrews were appointed in early 2014 to carry out this work. This document is the final report of the research and can be read alongside two stand-alone working papers.<sup>2</sup>

## Our approach

We hypothesise that housing is related to work incentives through various channels that need to be investigated by a mix of complementary methods. The key channels (suitably filtered by specific household types, gender, ethnicity, disability, etc.) are:

- **housing in relation to place** (neighbourhood/area effects are intuitively appealing, though difficult to reveal empirically); access to work and the role of support networks;
- **jobs, housing and geographical mobility**, including spatial mismatch of people and jobs, but also the role of affordable and accessible transport;
- **housing costs across different tenures and through specific financial incentives** (e.g. the incentive to work for mortgaged homeowners, sub-market rents and the historically lower take-up of Housing Benefit (HB) for those in work);
- **housing as collateral** for business development and for home-based businesses; and
- **the importance of housing deprivation as an outcome** for low-income households who trade off income, housing costs, quality of housing and commuting (especially in high demand contexts).

We adopted a four-stage mixed methods approach.

1. A substantial stand-alone UK and international evidence review of work incentives, the role of housing, and benefits.

2. A major re-examination of the British Household Panel Survey and its successor, Understanding Society, in order to better understand the importance of housing, labour market, family and other drivers of the pathways in and out of (and remaining within) poverty.
3. Five deep, place-based case studies across the UK involving secondary contextual analysis, a focus group with key housing and labour market professionals, in-depth interviews with 10–12 working-age individuals from different tenures facing different forms of labour market marginality, and examples of housing-led innovations aiming to impact the local labour market (a stand-alone case studies working paper is also available).
4. A synthesis of the implications of these different parts of the project in order to address the underlying questions from the research and derive policy implications.

### **Box 2: The UK labour market – secular and cyclical trends**

The UK labour market is not static, and it is important to distinguish between cyclical changes and long-term trends. The recent recession had a bigger reduction in output but smaller increase in unemployment numbers than previous recessions. While the number of job losses was important for marginal groups and regions, unemployment is now falling rapidly in the recovery phase. However, productivity (output per person) is weak. In addition to productivity, there are also identifiable longer-term labour market challenges:

- the decline in youth employment;
- rising underemployment in terms of skills;
- declining job numbers in medium-skilled occupations;
- declining real wages, which have been stagnating for some since the early 2000s;
- growth in self-employment (accelerating since 2007–2008); and
- growing wage inequality.

Although much is made of it, the growing incidence of zero-hours and shorter-hours contracts since 2007 represents a reversal of the longer-term trend. It remains unclear whether this will endure as part of a wider sense of labour market reform underway since the 1980s, including reduced support for the unemployed and working-age non-participants.

Finally, net immigration has also been of long-term importance (more than 2.4 million people) – the evidence suggests migrants are more likely to be in work than natives, and they often work in relatively low-skilled jobs, but tend to have higher qualifications than natives.

Source: UK Commission for Employment and Skills (2014)

## **Report structure**

This chapter reports the key findings of our evidence review (the larger review is available in standalone format). Chapter 2 reports the quantitative work on pathways in and out of poverty. Chapters 3 and 4 go through the case study material in depth. Chapter 5 presents key findings, conclusions and policy proposals.

## **Findings from the evidence review**

The key findings from a structured review of evidence on housing and work incentives from academic research, policy and practice are organised under six headings.

## 1. Economic analysis of work incentives

For labour supply choices, economists focus on countervailing substitution and income effects. The substitution effect is the decline in effort after the financial return for working is reduced, whereas the income effect is the increase in effort that follows such a decline (in order to achieve the prior levels of income by working longer). The net effect is an empirical question (Blundell, 1995, 2013; Meghir and Phillips, 2008). McLelland and Mok (2012) find that in the US, substitution effects outweigh income effects; i.e. a tax increase (or cut) will reduce (or increase) labour supply overall. Among men and single women this net substitution effect has grown since 1996, and the labour supply responsiveness (or elasticity) of married women is much higher than that of men or single women, but has fallen back. This is supported by Australian (Department of Family and Community Services, 2003) and UK evidence (Blundell, 1995; Meghir and Philips, 2008).

Moffitt (1992) argues that US welfare programmes impede participation rates, particularly for female-headed households (FHH), but that these supply effects do not explain poverty rates, particularly among such households. Moreover, welfare programmes do not seem to impact on long-term labour supply trends by FHH. Studies associated with MDRC (originally the US Manpower Demonstration Research Corporation) in the United States (Miller, *et al.*, 2008; Verma, *et al.*, 2012; Dechausay *et al.*, 2014) have drawn on random control trials to test spatially-targeted welfare, employment and housing interventions, with varied results. The 2012 study by Verma *et al.* on work reward schemes tied to housing vouchers showed little positive employment or earnings impact, other than for those on food stamps. Any transferability has, however, to be cautioned against: OECD (1999) shows considerable country-level differences in replacement ratios and marginal tax rates implied by different benefits.

Tax credits appear to be effective in encouraging lone parents and other households to work where hitherto nobody was working. However, in two-earner households, tax credits can make it more difficult for both people to work. The level of the minimum wage and wider tax allowances for earnings are also important (Leppik, 2006). Pareliussen's study (2012) of the proposed Universal Credit (UC) argues that combining several benefits into one taper can have an important impact on incentives. However, the council tax reduction scheme adds new means-tested tapers locally (Brewer *et al.*, 2012). Disincentives do remain within the UC system, particularly for second earners and large families (Bennett, 2012; Pennycook and Whitaker, 2012; Royston, 2012).

Labour analysts often focus more on the demand side (Beatty *et al.*, 1997a, 1997b; Turok and Edge, 1999; Champion and Townsend, 2013). How demand varies has a major effect on paid work, shaping the nature of working contracts and creating incentives to move. A key feature is that jobs are not uniform in quality or content. Poorer outcomes are more likely to be associated with women, younger workers and the less skilled. Pennycook *et al.* (2013) examine the rapid rise in the use of zero-hours contracts in the UK. The low level of hours worked in such circumstances may be a demand-side explanation for underemployment. Living while on such contracts can be extremely problematic for budgeting.

Goulden (2010) found that about a fifth of poverty is recurrent. While work is an important driver, so are factors such as family circumstances, educational qualifications, age and the benefits system. Moving out of poverty is not just about having work, but also about the quality, pay and security of that work. There is a strong economic gradient across regions in terms of jobs, earnings and wealth; and this will be reflected in house values and rents, and will create barriers to work. Cycling between low pay and unemployment is common, and has increased substantially in recent years. While it is generally true that employment reduces the chances of poverty, most working-age people in poverty live with someone who is in paid work (MacInnes *et al.*, 2014; Stephens, 2010). In the UK, the share of poverty is high for working households, but their risk of poverty is lower (MacInnes *et al.*, 2014).

## 2. Deprived neighbourhood effects on work opportunities

Housing can constrain work opportunities via neighbourhood effects, which research shows can lead to diminishing job prospects for long-term residents (Stephens *et al.*, 2005). **Social networks** (McCabe *et al.*, 2013; Putnam, 2000) have been found to be significant in accessing employment (Granovetter,



2005) and local face-to-face contact is particularly important (Green *et al.*, 2011; Shildrick *et al.*, 2010; Ralph Matthews *et al.*, 2009). Local jobs markets matter most to those with low skills levels, who are likely to search for and take up jobs in a spatially smaller area than highly skilled people (Galster, 2012; Green and Owen, 2006; Green *et al.*, 2011). The evidence is unclear on whether mixed-tenure neighbourhoods help low-income residents find work (Kleit, 2001; Galster, 2012; Curley, 2010). Manley *et al.* (2011) found that mixed-tenure neighbourhoods did not improve employment outcomes in Scotland.

Place-based stigma may prevent employers from locating in, or selecting employees from, deprived neighbourhoods (van Ham and Manley, 2010, 2012; Reutter *et al.*, 2009; Matthews and Besemer, 2014; Stewart *et al.*, 2009) and may impact on the ability of residents to improve their labour market position (Hastings and Dean, 2003; Taylor, 1998). While there is little evidence of behavioural neighbourhood stigma effects (Lupton, 2003), 'postcode discrimination' is thought to act as a disincentive to employers (Arthurson, 2009; Hastings, 2004; Matthews, 2010). However, one experiment using fictitious CVs from disadvantaged and control areas showed no statistically significant evidence of discrimination (Tunstall *et al.*, 2012).

### 3. Housing as a spatial barrier to employment

Housing can be a barrier to work, one of several constraints (including non-spatial barriers, such as skills mismatches or lack of affordable child care) that serve to exclude or impede (Hasluck and Green, 2005; Wang, 2013). In the UK there is often a **spatial mismatch** between people and jobs, meaning that housing areas are distanced from areas dense with job opportunities (Gobillon *et al.*, 2007). Low-skilled groups are particularly disadvantaged because they have fewer commuting options, even when jobs are relatively nearby (Houston, 2005; Shen, 1998; Wang, 2013). Lower-paid workers typically travel shorter distances, so local job opportunities are important (Green and Owen, 2006). This is primarily due to high transport costs (Coulson *et al.*, 2001; Fernandez, 1994; Zax and Kain, 1996; Zenou, 2009). Lack of car ownership appears to also play a decisive role (Ong and Miller, 2005; Raphael and Stoll, 2001), and reliance on public transport can prevent commuting if services are unavailable or prohibitively expensive (Thakuriah *et al.*, 2013).

Relocation is an alternative to commuting. However, relocation involves financial and other costs, especially for low-paid workers who may have less to gain than higher earners. Short hours, or short-term, low-paid or irregular-hours jobs (Pennycook *et al.*, 2013) are unlikely to compensate for the loss of other enabling systems of support (Crisp *et al.*, 2009) such as informal exchanges of flexible free childcare via high trust relationships.

Housing tenure is thought to influence relocation for work. Despite social housing being associated with low mobility and joblessness (Hughes and McCormick, 1981; McCormick, 1983), the impact of social renting on employment outcomes is inconclusive (Dujardin and Goffette-Nagot, 2009; Flatau *et al.*, 2003; Monkkonen, 2011). Nonetheless, unemployed social renters appear to be less likely than unemployed homeowners to find work in distant labour markets (Battu *et al.*, 2008).

Homeowners are less likely to become unemployed (Coulson and Fisher, 2009; van Leuvensteijn and Koning, 2004; Munch *et al.*, 2008) and are likely to be unemployed for a shorter duration (Munch *et al.*, 2006; Flatau *et al.*, 2003). Other studies indicate homeownership can have harmful labour market effects, with moving location involving high costs (Zenou, 2009), which may be a greater disincentive to mobility than applies to renting (Blanchflower and Oswald, 2013; Green and Hendershott, 2001; Laamanen, 2013; Oswald, 1996). However, some studies contradict this conclusion (e.g. van Leuvensteijn and Koning, 2004).

Aspects of the social housing system (limited stock choices and long waiting lists) inhibit quick relocation for job opportunities, meaning that social renters may be 'locked in' (Battu *et al.*, 2008; Green and Owen, 2006). However, in comparison to social renting, private renting and homeownership may also offer less security and higher long-term costs.

Social renting can inhibit movement into high-demand areas, particularly when shortages exist (Stephens *et al.*, 2010). While private renting was seen as being the most flexible for mobility, regional differences in housing costs can still disincentivise. Housing allowances could mitigate high housing costs, but levels of take-up can be low among those experiencing in-work poverty (Stephens *et al.*, 2010). Among homeowners, differences in regional housing costs were seen as being a barrier, exacerbated by market volatility, with low/negative equity another inhibiting factor. The long-term unemployed tend to experience worse housing outcomes than those who had been unemployed for a short period, or those in paid work – although in-work poverty has weakened this relationship (Stephens *et al.*, 2010).

## 4. Self-employment

Self-employment increased in the UK after the recession (Reuschke, 2013; Reuschke and Houston, 2013). This rise in self-employment included a significant increase in self-employed home-workers (Mason, 2010; Mason *et al.*, 2011; Phillips, 2002). Self-employed home-working (especially on a part-time basis or using ICT) can enable earning opportunities for those otherwise disadvantaged in the labour market (Baumgartner and Caliendo, 2008; Green *et al.*, 2013; Gouskova, 2012; Jones and Latreille, 2011; OECD and the European Commission, 2013; Pagán, 2009; Shutt and Sutherland, 2003; Thompson *et al.*, 2009; Wynarczyk and Graham, 2013). But there is also a risk that disadvantaged groups are ‘forced’ into self-employment (Blackburn and Ram, 2006; Böheim and Mühlberger, 2009; Boylan and Burchardt, 2002).

Most who decided to run a business from home did so because it is cheaper than renting premises (Mason *et al.*, 2011; Vorley and Rodgers, 2012). Housing can act as either an enabler of, or a barrier to, home-based self-employment. It requires spare space (which contrasts with welfare reforms like the so-called ‘bedroom tax’) and is often easier for homeowners to find (Mason and Reuschke, 2015). Social tenants are likely also to be constrained by tenancy conditions that prohibit home businesses. High mortgage payments can incentivise job seekers to find work quickly or to become self-employed, although the financial risks of business ownership create housing vulnerabilities, which may deter risk-averse homeowners (Reuschke and Houston, 2013; Rouwendal and Nijkamp 2010). Regional patterns of self-employment correlate with net housing wealth.

## 5. Welfare changes and work incentives

Work incentives have been core to welfare reform debates over the last two decades, which have increasingly sought to raise the employment rates of those who are ill, people with disabilities and lone parents, using conditionality models originally designed for unemployed people without impairment or significant caring obligations (Wright, 2012). Compulsion to actively seek work increased incrementally until Employment and Support Allowance was introduced in 2008, which subjected many more benefit claimants who were ill or had disabilities to a new Work Capability Assessment. The 2010–2015 UK Coalition Government extended work-related conditions to lone parents, the ill and those with disabilities, with a new focus on compliance via extensive sanctions and workfare (working for benefits), with mandatory support provided by contracted-out Work Programme providers (Larsen and Wright, 2014). UC, currently being implemented (2013–2018), integrates several working-age income benefits with HB (DWP, 2010). However, while UC has reduced marginal effective tax rates for many people (Pareliussen, 2012), it has also manipulated work incentives in varied, complex and problematic ways (Dywer and Wright, 2014; Bennett, 2012; Hirsch and Hartfree, 2013; Pennycook and Whitaker, 2012; Royston, 2013; Tarr and Finn, 2013). The in-work conditionality of UC is particularly challenging, since workers will face sanctions unless they increase their hours. However, it is employers who often control hours of work and rates of pay, and hence the extent of underemployment (Pennycook *et al.*, 2013).

## Housing-related benefits

There is little econometric evidence that HB withdrawal rates create strong deterrents to entering employment (Hulse and Randolph, 2005; Nordvik and Ahren, 2005; Stephens, 2005). Qualitative research is more likely to identify such effects, but as Kemp (2000) noted, even here the evidence is

weak. However, the process of HB administration can impact on the viability of low-paid and insecure jobs (Stephens *et al.*, 2010).

Poverty impedes cognitive function (Mani *et al.*, 2013), as does the stigma and shame of unemployment (Darab and Hartman, 2011), which means that the impact of punitive welfare reforms can constrain the job search, as those affected divert time and energy towards meeting immediate basic needs such as food and shelter. Early impact studies show that welfare reforms may trigger relocations for benefit recipients and low-paid workers who can no longer afford to live in high cost areas, for whatever reason (Beatty *et al.*, 2011; London Assembly, 2014). Relocating to lower housing-cost areas can mean moving away from job opportunities. Despite this, qualitative evidence reports former benefit recipients engaging in paid work despite being financially worse off (Graham *et al.*, 2014).

## 6. Non-housing influences on work incentives

Incentives must be understood in relation to powerful non-financial influences, including care obligations and interdependencies, as well as gendered moral rationalities (Goulden, 2010; Turton, 2001; Wilcox, 2002).

### Gender effects

The gap between the pay offered to mothers compared with non-mothers – the ‘mothering’ penalty – is compounded by the increased barriers created by childcare obligations and costs, although there is disagreement about how big an effect this has (Baum, 2002; Havnes and Mogstad, 2011). Gendered labour market divisions can also intersect with the consequences of different class, ethnicity and age groups. Critics argue that the framing of care obligations as individual ‘work-lifestyle choices’ (e.g. Hakim, 2000, 2004) underplays the power of social structures (e.g. gendered roles) and systems (e.g. social security) that constrain the ‘real’ options available (Lewis, 2008; McRae, 2003). Childcare is critical to whether it is possible for primary carers to work (Del Boca *et al.* 2007, 2009; Havnes and Mogstad, 2011). The costs of childcare are high in the UK, a bigger share of disposable income than most other OECD countries (Alakeson and Hurrell, 2012; Thévenon, 2011), and an outgoing often equal to or higher than housing costs.

### Lone parents

Adam *et al.* (2006) found that the financial rewards for lone parents to return to work were limited (see also: Harker, 2006). Rafferty and Wiggan (2011) showed that both lone mothers and those in a relationship had similar patterns of not wanting to work, particularly when their children were very young. Economically inactive lone parents with older children were more likely to have other barriers to employment, e.g. low/no educational qualifications. Evason and Robinson (1998) identified broader concerns that confront lone parents about the best interests of their children (see also: Millar and Ridge (2009). Lone parents make decisions in relation to shared ‘gendered moral rationalities’ about what it means to be a good parent (Duncan and Edwards, 1999; Duncan and Irwin, 2004). ‘Mini jobs’ (jobs of less than 16 hours) are attractive to mothers, though, and if these were more economically viable, lone parents would be more likely to engage in paid work (Bell *et al.*, 2007; Hoxhallari *et al.*, 2007).

### Impairment, disability and work

Those who are ill and people with disabilities are key target groups for welfare reforms aimed at improving work incentives and compelling job search. Berthoud (2011) demonstrated that the ‘extent to which disabled people are less likely to have a job than otherwise similar non-disabled people’ grew between 1987 and 2000, and has remained high. Berthoud also shows that it is severe impairments, rather than minor health issues, that have limited labour market engagement. The employment patterns of people with disabilities have not been determined by significant changes to the welfare system (*Ibid.*).

# 2 Longitudinal evidence: housing, employment and poverty pathways

## Introduction

This chapter uses quantitative evidence from secondary panel data to better understand the interconnections between housing and employment in relation to poverty.<sup>3</sup> 'Poverty' is a useful concept with which to capture vulnerability; it focuses on people who are at risk of becoming out-of-work, and for whom 'incentives' for work are most important to understand. The analysis complements the qualitative case studies, in that it detects general patterns of interlinked employment and the housing decisions of people and households with an increased risk of vulnerable and insecure life circumstances. This analysis seeks to understand what 'leads' into poverty. It is important to understand the complex decisions over time that people and households made in the domestic sphere, and their work/life before poverty incidents. Additionally, pathways out of poverty will be investigated to understand how people can secure stable pathways out of poverty, and how this is connected to their housing circumstances.

The primary data source is the British Household Panel Survey (BHPS). This enables us to follow a large number of individuals through time, and investigate their pathways in and out of poverty in relation to their housing, employment and family pathways. The BHPS started in 1991, when approximately 10,000 people (5,000 households) were interviewed for the first time. Interviews were conducted each year with the same people over 18 years. It was replaced by the UK Household Longitudinal Study in 2009 (UKHLS; known as 'Understanding Society'). The BHPS sample was not incorporated in the first wave of this new panel study, which is why the following analysis of pathways into and out of poverty is limited to the BHPS dataset. Full pathways of people between 2000 and 2008 are provided, which represents a stable economic period and excludes the effects of the global financial crisis, which began in 2008/09. The pathway analysis is restricted to Great Britain, as key local area characteristics were unavailable for Northern Ireland. The Understanding Society dataset, on the other hand, is used here to analyse poverty exit and entry rates at a point in time, rather than over time.

Throughout this chapter, poverty is defined as 60% of the median income of the net equivalised household income after housing costs. Derived variables for net household income and gross housing costs were available in the BHPS.<sup>4</sup> For the Understanding Society study, net household income was derived following the equation proposed by Berthoud (2011), which takes size of household and age of household members into account. The modified OECD equivalence scale was used to generate equivalence household income.<sup>5</sup>

This measure of 'relative' poverty has important implications. Whether someone enters or exits poverty may depend not just on whether their personal income goes up or down, but also on changes to the structure of their household, or changes in their housing costs. Moreover, someone may enter or exit poverty even if none of these factors change because (aggregate) median income goes up or down. It is, however, the most often used measure of poverty/vulnerability. Poverty was derived at household level; however, the unit of analysis in the following is the individual.

## Poverty dynamics

Poverty is inherently dynamic. Every year, entry and exit rates into and out of poverty are relatively high (Hills, 2015). Table 1 displays poverty dynamics in the UK for 2000–2008 (BHPS) and 2009–2011 (UKHLS). Data are weighted to represent dynamics in the UK population.<sup>6</sup> Here, changes in individuals' poverty status at two adjacent points (waves) are investigated, i.e. whether a person moved into

poverty, moved out of poverty, or stayed in poverty between two interviews. Individuals had to remain in the sample in successive waves, but not over the complete sample periods identified above.

**Table 1: Individuals' poverty entry rates, poverty exit rates, and rate of stable poverty, 2000–2008 and 2009–2011, UK**

	2000– 2001	2001– 2002	2002– 2003	2003– 2004	2004– 2005	2005– 2006	2006– 2007	2007– 2008	2000– 2009	2009– 2010	2010– 2011
Poverty entry	6.4	6.7	7.3	8.2	7.0	7.3	8.2	8.5	7.4	8.6	7.7
Poverty exit	6.3	6.7	6.3	6.6	7.2	6.8	7.0	6.6	6.7	11.0	10.2
Stable poverty	7.9	7.8	7.5	8.5	10.2	9.8	10.1	11.8	9.2	10.4	9.1

Notes: BHPS 2000–2008, UKHLS 2009/2011; weighted data.

Poverty = 60% median income of net equivalised household income after housing costs.

Source: own compilation

Only persons of working age (18–64 years old) who were not in full-time education or retired early are included. In the BHPS over the period 2000–2008, on average one in nine people of working age stayed in poverty after housing costs in consecutive waves ('stable poverty' in Table 1), while 7% exit or enter poverty in consecutive waves. In the crisis years 2007–2008 and 2009–10, entry rates into poverty and stable poverty rates were highest over the whole period from 2000–2011. It is notable that exit rates rose substantially during the economic crisis (2009–11). This is likely to reflect the reduction in median incomes during this period.

Tables 2 and 3 display poverty entry and poverty exit in relation to an individual's working status before their move into or out of poverty. This is measured on a year-by-year basis. The year 2008 in the BHPS cannot be linked with the survey year 2009 in the UKHLS, which is why there is a gap in the time-series. Tables 4 and 5 report the housing tenure of individuals before they entered or exited poverty. Rates cannot be calculated for 2008 (for the same reason as above).<sup>7</sup> Table 6 reports individual housing mobility rates for those who entered poverty or moved out of poverty between 2000 and 2008, compared to a representative cross-section of the 18–64 year-old population (excluding those in full-time education and retired people). No house moving information is available in the UKHLS for 2009, so this table is limited to the BHPS.



**Table 2: Individuals moving into poverty by work status before and after entering poverty, year-by-year change, 18–64 year-olds in total and by gender, UK 2000–2008 and 2009–11**

	2000– 2001	2001– 2002	2002– 2003	2003– 2004	2004– 2005	2005– 2006	2006– 2007	2007– 2008	2000– 2008	2009– 2010	2010– 2011
TOTAL											
Not in work – not in work	15.3%	11.0%	12.4%	9.1%	9.9%	9.0%	10.8%	8.8%	<b>10.7%</b>	23.9%	22.6%
In work – out of work	14.3%	16.5%	14.2%	15.2%	18.6%	17.9%	9.7%	11.8%	<b>14.7%</b>	14.5%	15.2%
In work – in work	67.4%	72.1%	71.8%	<b>74.7%</b>	70.2%	<b>72.1%</b>	<b>78.0%</b>	<b>77.4%</b>	<b>73.1%</b>	58.4%	59.0%
Full-time work – part-time work	3.8%	4.9%	5.4%	5.7%	5.8%	3.2%	6.1%	4.5%	<b>5.0%</b>	4.5%	5.4%
MEN											
Not in work – not in work	15.3%	12.8%	11.0%	7.6%	8.2%	7.2%	11.7%	7.9%	<b>10.2%</b>	16.6%	16.3%
In work – out of work	15.0%	18.8%	17.1%	19.5%	17.6%	18.6%	10.4%	14.2%	<b>16.4%</b>	15.6%	17.5%
In work – in work	66.3%	68.4%	71.0%	72.3%	73.5%	73.5%	75.8%	74.6%	<b>72.0%</b>	65.1%	64.5%
Full-time work – part-time work	2.7%	1.2%	3.6%	2.6%	3.2%	3.2%	4.3%	2.3%	<b>2.9%</b>	4.0%	3.0%
WOMEN											
Not in work – not in work	15.2%	8.7%	14.0%	11.1%	12.1%	11.6%	9.7%	9.9%	<b>11.5%</b>	30.4%	27.8%
In work – out of work	13.1%	13.6%	11.1%	9.9%	19.8%	16.7%	8.9%	8.7%	<b>12.5%</b>	13.5%	13.2%
In work – in work	69.0%	76.6%	72.6%	77.8%	65.9%	70.1%	80.8%	80.8%	<b>74.6%</b>	52.4%	54.3%
Full-time work – part-time work	5.4%	9.7%	7.4%	9.8%	9.1%	3.3%	8.5%	7.3%	<b>7.7%</b>	5.0%	7.2%

Notes: BHPS 2000–2008, UKHLS 2009–2011; weighted data, those in full-time education and retired persons are excluded.

Poverty = 60% median income of net equivalised household income after housing costs.

Full-time work = more than 30 hours per week; part-time work = fewer than 30 hours per week.

Source: own compilation

**Table 3: Individuals moving out of poverty by work status before and after exiting poverty, year-by-year change, 18–64 year-olds in total and by gender, UK 2000–2008 and 2009–11**

	2000– 2001	2001– 2002	2002– 2003	2003– 2004	2004– 2005	2005– 2006	2006– 2007	2007– 2008	2000– 2008	2009– 2010	2010– 2011
TOTAL											
Not in work – in work	16.2%	11.1%	14.2%	16.4%	12.2%	11.6%	10.6%	10.3%	12.8%	11.5%	10.2%
In work – in work	71.1%	75.6%	69.9%	70.0%	75.1%	74.6%	74.8%	76.5%	73.5%	55.1%	58.0%
Full-time work – full-time work	50.8%	49.1%	47.7%	49.1%	52.5%	52.4%	54.5%	57.4%	51.6%	32.7%	35.4%
Part-time work – full-time work	3.3%	3.7%	4.1%	2.8%	5.3%	3.4%	2.7%	3.6%	3.6%	4.3%	4.9%
MEN											
Not in work – in work	17.2%	12.5%	16.7%	23.5%	14.6%	9.2%	11.6%	11.0%	14.6%	14.1%	11.5%
In work – in work	72.6%	75.8%	68.4%	63.0%	74.9%	76.5%	72.9%	77.2%	72.6%	59.2%	64.1%
Full-time work – full-time work	70.6%	63.2%	62.0%	58.2%	70.2%	70.5%	63.2%	70.4%	66.0%	48.1%	54.5%
Part-time work – full-time work	0.0%	3.4%	1.3%	0.4%	0.8%	1.1%	1.4%	2.0%	1.3%	3.1%	4.0%
WOMEN											
Not in work – in work	14.8%	9.4%	11.1%	7.5%	9.0%	14.1%	9.4%	9.5%	10.6%	9.0%	9.1%
In work – in work	69.1%	75.3%	71.7%	78.9%	75.4%	72.5%	77.2%	75.8%	74.4%	51.3%	53.2%
Full-time work – full-time work	25.7%	31.6%	29.1%	37.2%	29.0%	32.2%	43.5%	42.7%	33.8%	19.8%	22.5%
Part-time work – full-time work	7.4%	4.0%	7.6%	5.7%	11.4%	6.1%	4.2%	5.4%	6.5%	5.2%	5.5%

Notes: BHPS 2000–2008, UKHLS 2009–2011; weighted data, those in full-time education and retired persons are excluded.  
Poverty = 60% median income of net equivalised household income after housing costs.  
Full-time work = more than 30 hours per week; part-time work = fewer than 30 hours per week.

Source: own compilation

Tables 2 and 3 also indicate that many people in work are also in poverty. Only in a minority of cases are moves into poverty associated with moving out of work (Table 2). Before the 2007/08 crisis, three-quarters of both men and women who moved into poverty did so when they were in employment. This has changed significantly in the years since the crisis. Now more often people move into poverty when they are already out of work than before the crisis. This particularly applies to women. However, still, the majority of both men and women who become poor are employed. Entry into poverty is only rarely linked with a drop in working hours from full-time to part-time employment (here 30 hours is taken as the threshold). The percentage share of those who are likely to experience poverty because of a reduction in working hours decreased for women and increased for men shortly after the financial crisis (2009/10) and ‘bounced back’ to pre-crisis level in 2010/11.

The employment circumstances that are associated with overcoming poverty are shown for the years 2000–2008 and 2009–11 in Table 3. Up until the crisis, men were mostly in full-time employment when they exited poverty. Likewise, women were mostly in work when they exited poverty. The proportion of those in full-time employment varied during 2000–2008 and reached 43% in the pre-crisis years. Before the crisis, moving from part-time to full-time employment accounted for 4.0–11.4% of female exits from poverty – six times greater than for men. Moving from part-time to full-time employment in order to exit poverty remained more important for women than for men after the crisis. However, it became less important for women and more important for men after the crisis began. For both men and women, employment patterns associated with exit out of poverty have changed dramatically since the crisis.

Before the crisis, those who entered poverty had slightly higher mortgage ownership rates than the average UK population (see Table 4 and Table 11 in Appendix 1). Since 2010, the mortgage ownership rate of those entering poverty is slightly below the UK average.

**Table 4: Housing tenure of individuals before entry into poverty, 18–64 year-olds, UK 2000–2007 and 2009–2010**

	2000	2001	2002	2003	2004	2005	2006	2007	2000–2007	2009	2010
Outright owner	11.8%	9.0%	10.7%	9.8%	6.8%	13.0%	10.3%	11.8%	10.4%	9.0%	8.9%
Mortgage owner	56.0%	56.7%	54.4%	63.0%	64.8%	56.8%	62.0%	62.6%	59.6%	48.4%	45.1%
Social renter	22.5%	26.8%	27.9%	18.6%	20.1%	21.7%	19.8%	14.4%	21.3%	23.9%	26.0%
Private renter	9.7%	7.5%	7.0%	8.6%	8.3%	8.6%	7.8%	11.2%	8.6%	18.1%	18.8%

Notes: BHPS 2000–2007, UKHLS 2009–2010; weighted data, those in full-time education and retired persons are excluded. Column figures do not add up to 100% as 'other' category is not reported.

Source: own compilation

Outright owners are less likely to enter poverty. Renters in social housing are more likely to enter poverty; at the same time, they have high exit rates out of poverty (Table 5). This indicates that low rents in social housing are helpful for some in exiting poverty, while in general low rents in social housing do not prevent poverty.

**Table 5: Housing tenure of individuals before poverty exit, 18–64 year-olds, UK 2000–2007 and 2009–2010**

	2000	2001	2002	2003	2004	2005	2006	2007	2000–2007	2009	2010
Outright owner	8.0%	13.4%	4.4%	12.8%	11.8%	7.8%	8.0%	4.7%	8.9%	8.5%	6.2%
Mortgage owner	54.1%	51.5%	58.4%	48.3%	56.8%	64.9%	54.1%	65.1%	56.5%	46.7%	44.5%
Social renter	28.2%	26.8%	26.0%	30.0%	23.8%	16.8%	25.8%	18.7%	24.5%	26.5%	29.7%
Private renter	9.7%	8.3%	11.3%	9.3%	7.6%	10.5%	12.1%	11.4%	10.0%	17.7%	19.1%

The proportion of private renters entering poverty is now (post-2008) higher than the proportion of private renters in the population (18–64 years old, excluding full-time students and retirees). However,

they also have increased poverty exit rates, which may be a reflection of the ‘temporary’ nature of the sector with people moving in and out of private rented accommodation quickly.

Entering poverty is related to increased housing mobility (Table 6). This includes those who have to move as a result of a decrease in income, as well as those who enter poverty because of an increase in housing costs after a house move. However, moving into poverty is only linked with housing tenure changes in a minority of cases (Table 12 in Appendix 1). Moving house is generally not a way out of poverty (Table 6). Moving rates for those exiting poverty are very similar to the average population. For a small proportion of people, exiting poverty was linked with moving from homeownership with a mortgage to outright ownership before the crisis (1–5%; Table 13 in Appendix 1).

**Table 6: Individual mover rates and poverty, all 18–64 year-olds and those with simultaneous poverty entry/exit, UK 2000–08**

	2000– 2001	2001– 2002	2002– 2003	2003– 2004	2004– 2005	2005– 2006	2006– 2007	2007– 2008	2000– 2008
All 18–64 year-olds	10.5%	10.8%	10.5%	10.5%	9.6%	9.4%	9.8%	8.9%	10.0%
18–64 year-olds with poverty entry	18.9%	14.2%	22.1%	16.8%	14.3%	13.6%	17.8%	13.6%	16.4%
18–64 year-olds with poverty exit	9.8%	12.0%	9.2%	10.3%	11.3%	10.4%	13.5%	9.7%	10.8%

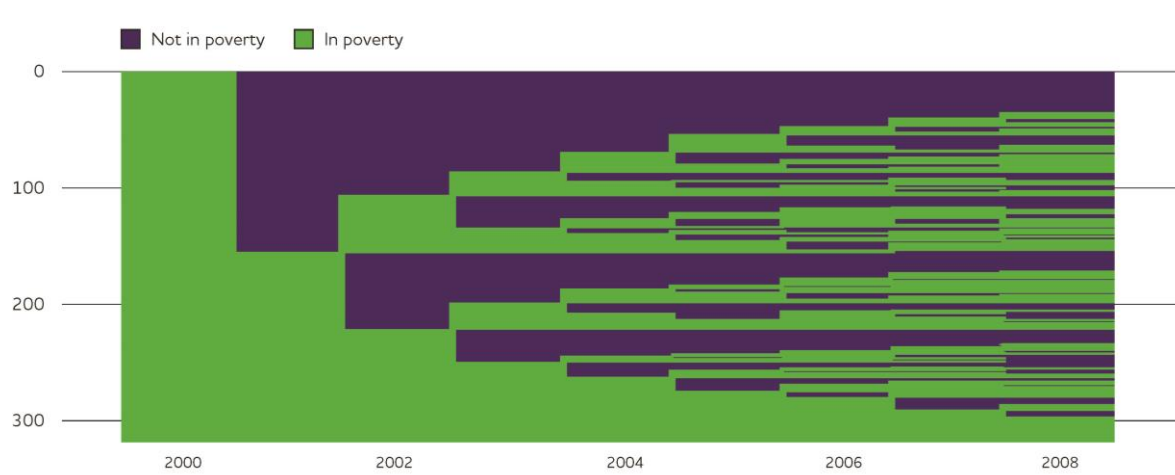
Notes: BHPS 2000–2008, weighted data; those in full-time education and retired persons are excluded.

Source: own compilation

## Duration of poverty

Figure 2 and the following Figures 3–17 provide a simple, intuitive way of thinking about poverty pathways (see also Jenkins, 2011, discussed in Hills, 2015). Figure 2 presents a longitudinal perspective of those who were in poverty in the year 2000 in the BHPS. Excluded are full-time students and retired people across all waves. The poverty pathways of the same people are followed each year until 2008. Sequence analysis techniques are used to explore patterns (e.g. how many respondents remain in poverty throughout the whole study period), derive information on the length of episodes (e.g. number of years in poverty), and to visualise pathways. In the graphs, each line represents one person. Percentage shares of sequence patterns are not documented separately, but are reported in the text.

**Figure 2: Poverty pathways of people who were in poverty in 2000, Great Britain 2000–2008**



Note: BHPS; 317 persons aged 18–64 and not in full-time education or (early) retirement across all waves.

Source: own compilation

Figure 2 shows that one-fifth of people in this sample spent a relatively short period of time of one to three years in poverty (red) and then left poverty for the remaining study period (blue). Another 7% experienced persistent poverty, in that they were poor throughout the whole period of 2000–2008. The vast majority (67%) of people who were in poverty in 2008 experienced recurrent poverty.

To understand how housing, work and poverty are interrelated, it is therefore important to follow people over time and to investigate people's life courses (pathways). The following analysis will provide a comprehensive picture of poverty pathways through looking first at pathways into poverty, and then at pathways out of poverty. The empirical analysis is based on BHPS data between 2000 and 2008, and is restricted to Britain. People had to be of working age as previously defined. For exploring pathways into poverty, people are identified who were in poverty in 2008 and then their past life circumstances analysed. For routes out of poverty, these will be investigated by identifying people in poverty in 2000 and then following them up to 2008.

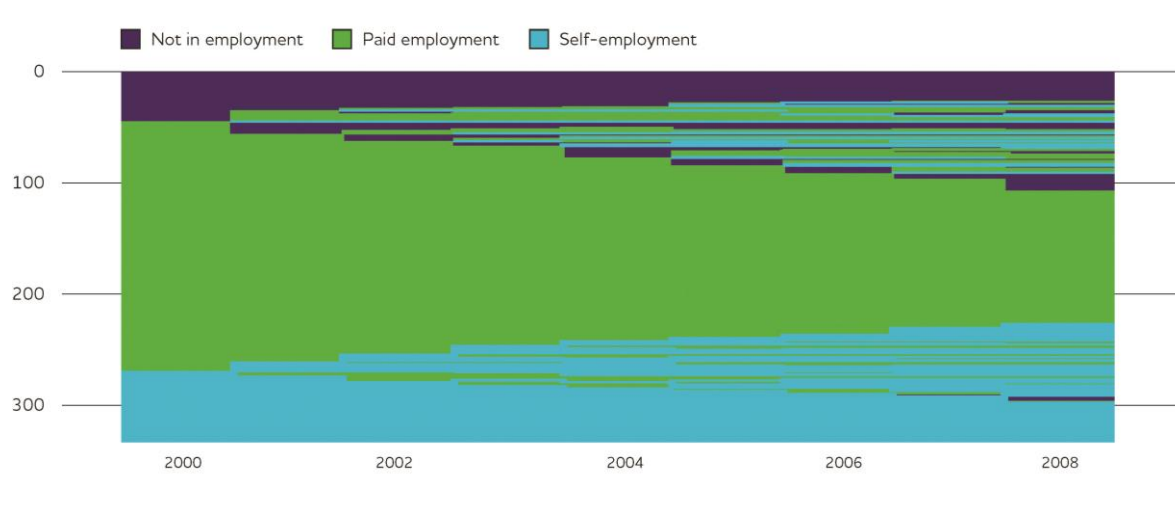
## Pathways into poverty

First, pathways into poverty are investigated in relation to both housing and employment pathways. The analysis in Table 2 indicates that the vast majority of people were in work when they entered poverty. Since men and women have on average significantly different employment histories, the employment pathways that 'lead' into poverty are displayed in Figures 3 and 4 separately for men and women.

The employment pathways of working-age men (18–64 years) who were in poverty in 2008 show a high level of labour market attachment. Almost two-thirds (64%) of these men had been in continuous paid employment or self-employment over the whole period. An 'out-of-work career' applies only to 7% of the men who were poor in 2008.

### Figure 3: Employment pathways into poverty – men

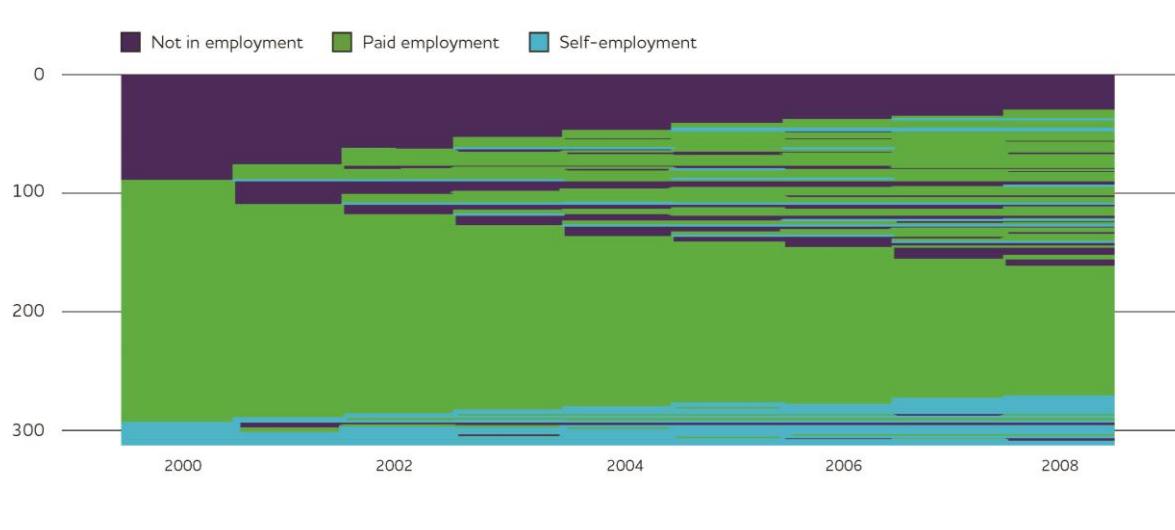




Note: BHPS; 336 men aged 18–64, excluding full-time students and retired persons who were in poverty in 2008.

Source: own compilation

**Figure 4: Employment pathways into poverty – women**



Note: BHPS; 311 women aged 18–64, excluding full-time students and retired persons who were in poverty in 2008.

Source: own compilation

The strong association of poverty and self-employment is striking. Constant self-employment during 2000–2008 is the second most important employment pattern (11%), and 38% of these men were in self-employment at least once, which is slightly higher than the number out of work at least once during 2000–2008 (36%). Those who were self-employed at some point after 2000 remained in self-employment for an average of five years. In 2008, 28% of men in poverty were self-employed and 22% were out of work.

Women who were in poverty in 2008 also exhibited a strong attachment to employment. While a lower proportion of women (43%) than men (64%) who were poor in 2008 had been constantly in paid employment or self-employment since 2000, only 7% of women (i.e. the same proportion as men) were out of work throughout the whole period. As with men, 35% of women were constantly in paid employment – by far the most common employment pattern. Being out of work at one point during

2000–2008 is more common among women (57%) who were in poverty in 2008 than men (36%). This reflects wider gender differences in labour market behaviour.

Housing pathways into poverty are similar for men and women, hence their combination in Figure 5 (see Figures 22 and 23 in Appendix 1 for separate graphs for men and women). Compared to employment pathways, the stability of housing pathways into poverty is striking. Contrary to the view that poverty is associated with living in social housing, only one in ten men and women who were poor in 2008 had lived continuously in social housing since 2000. Indeed, the vast majority (78%) of people who were poor in 2008 had not lived in social housing at all between 2000 and 2008. Rather, more than two-thirds (69%) of men and women in poverty in 2008 were homeowners with a mortgage – and most of them had been mortgaged owner-occupiers over the whole study period (54% of men and 50% of women). This confirms earlier findings (Table 5) of high mortgaged homeownership rates among people entering poverty compared to the population average.

**Figure 5: Housing pathways into poverty – men and women**



Note: BHPS; 647 persons aged 18–64, excluding full-time students and retired persons who were in poverty in 2008.

Source: own compilation

To provide some context, a study by Stephens *et al.* (2014) that examined the relationship between housing and poverty over an 18-year period up to 2008, using the same data set, found that two-thirds of the sample had lived in ‘settled’ home-ownership pathways, while only 7% had been ‘settled’ social renters. While owner-occupiers experienced average poverty rates, they tended to experience temporary poverty, whereas social tenants experienced considerably higher levels of long-term (‘chronic’) poverty.

While the proportions of those living in private rented accommodation had increased over recent years (Houston *et al.*, 2014 and see Table 11 in Appendix 1), it had not yet become a significant housing pathway. By 2008, 10% of the men and women who were living in poverty were private renters, but a private-rent-only career applies to only to 2%. However, 83% of men and women who lived in poverty in 2008 in this sample had not lived in private rented accommodation since 2000.

## Pathways out of poverty

The attention now shifts to looking at routes out of poverty by taking a sample of 317 persons who were in poverty in 2000 (as indicated in Figure 2). Being in poverty is the starting point here, and the individual pathways of these people are traced until 2008. Figure 2 showed that many people only move out of poverty for a short period of time before re-entering poverty once again. In order to

better understand the circumstances and influencing factors that help people exiting poverty in the longer term, this sample is split into a group of people who exited poverty continuously during 2006–2008 (the ‘exit group’) and a group of people who were still in poverty either in 2006, 2007 or 2008 (the ‘stayer group’).

The two groups were compared using characteristics in 2000 and 2008, and changes in employment, housing, family, health and place of residence between 2000 and 2008. Binary logistic regression models were used for the group comparison. This ensures that effects are controlled for the influence of other factors. In order to measure change, outputs from sequence analysis (number and length of episodes) were used. With respect to health, a variable was derived that measures whether the subjective health status has decreased/increased between 2000 and 2006. The year 2006 was chosen because the two groups differed in being in or out of poverty between 2006 and 2008.

Factors that influence whether people in poverty move out of it or not can be classified as follows:

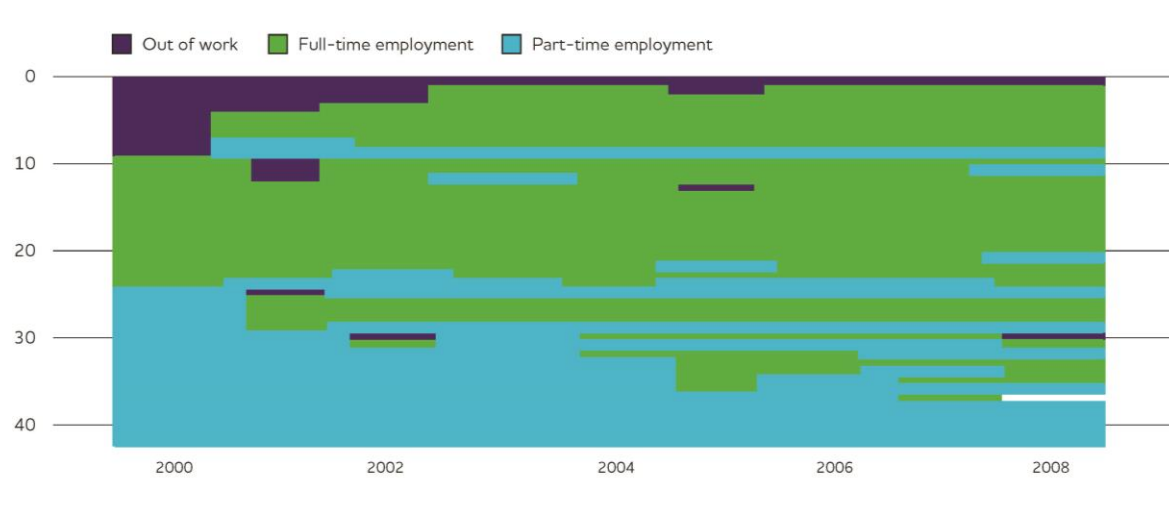
- employment pathway;
- housing pathway;
- family pathway;
- socio-economic characteristics; and
- geography.

## Employment pathways

Women’s employment pathways are disaggregated by part-time and full-time work in Figures 6 and 7, as it is relevant to analyse the extent to which their moves into part-time employment, or from part-time employment into full-time employment, are routes out of poverty. This distinction between full-time employment and part-time employment is less relevant for men (see Table 2). For them, paid employment and self-employment are differentiated due to the association of poverty and self-employment revealed in Figure 32. Self-employment is low among women and is therefore combined with paid employment.

Figure 6 shows that women who exited poverty for the longer term after 2000 were predominantly (90%) in full-time or part-time employment for almost the whole period. Periods of unemployment were rare among the women who left poverty longer term, and very few women who were in poverty in 2000 exited from it while remaining out of work. So it is long and continuous spells in work – both full- and part-time – that are related to a move out of poverty in the longer term (see Table 14 in Appendix 1).

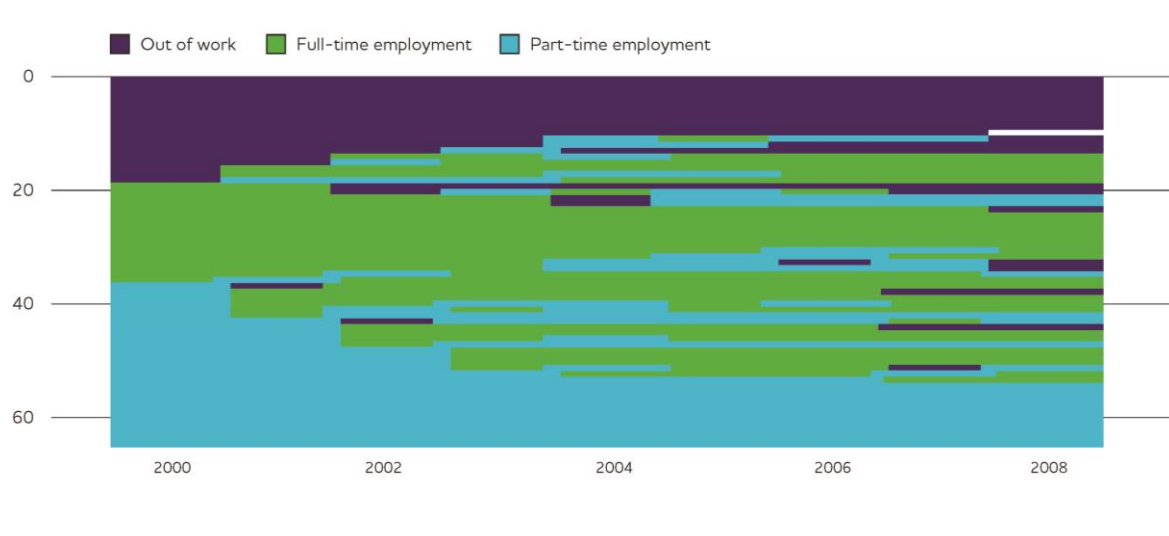
**Figure 6: Employment pathways, exit group – women**



Note: BHPS; 45 women aged 18–64 who exit poverty longer term.

Source: own compilation

**Figure 7: Employment pathways, stayer group – women**



Note: BHPS; 66 women aged 18–64 who were in poverty in 2000 and still lived in poverty in either 2006, 2007 or 2008.

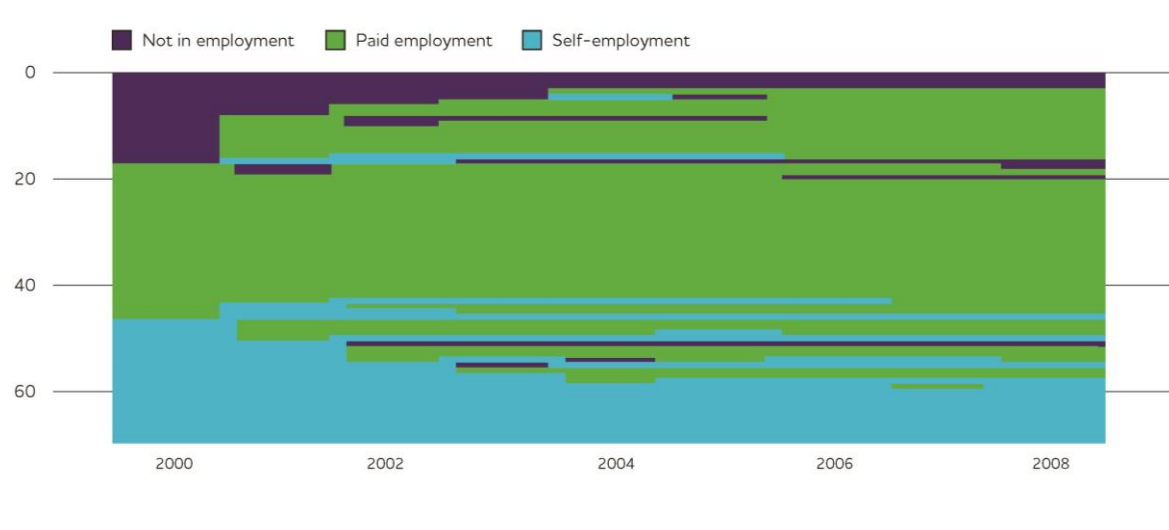
Source: own compilation

However, moving from part-time to full-time employment did not show a significant effect on exiting poverty (see Tables 14 and 15 in Appendix 1). This is independent of the women's level of highest educational qualification, which reveals no significant differences between these two groups of women (see Table 14 in Appendix 1). Women who were still in poverty in 2006–2008 had had several spells in part-time employment, more often than women who moved out of poverty.

Men are more likely to remain in poverty if they do not have any qualifications (see Tables 16 and 17 in Appendix 1). Men who move out of poverty (Figure 8) had had longer spells in paid employment and, crucially, were less often out of work and moved into work quicker than their counterparts who remained in poverty. Those men who remained in poverty more often moved into (apparently

precarious) self-employment later (Figure 9). In fact, remaining in poverty is found to be linked with moving from paid employment into self-employment for men, with factors including age, qualification, geography and health status remaining constant (see Tables 16 and 17 in Appendix 1).

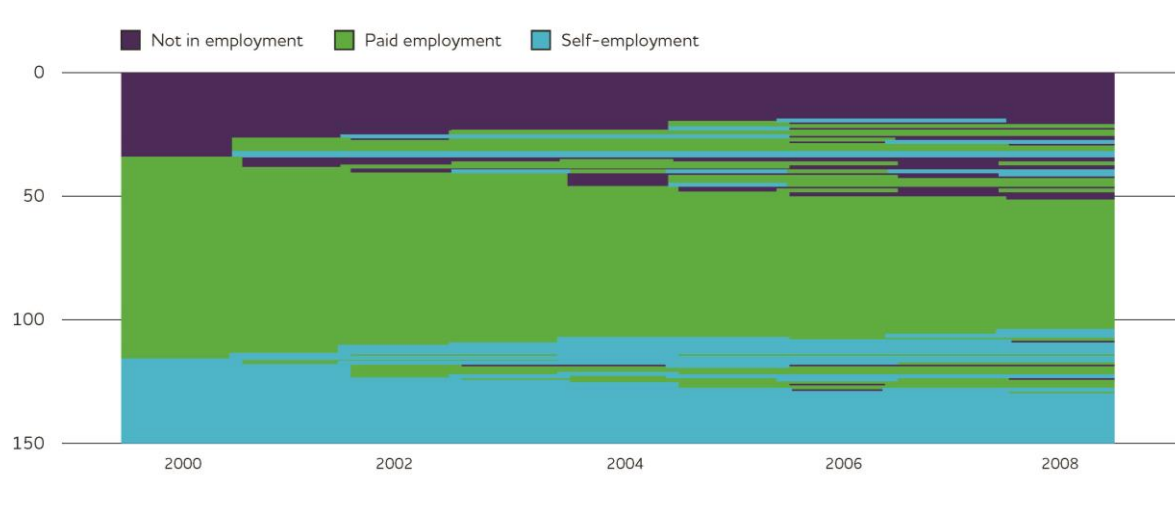
**Figure 8: Employment pathways, exit group – men**



Note: BHPS; 69 men aged 18–64 who exit poverty longer term.

Source: own compilation

**Figure 9: Employment pathways, stayer group – men**



Note: BHPS; 137 men aged 18–64 who were in poverty in 2000 and still lived in poverty in either 2006, 2007 or 2008.

Source: own compilation

Poverty exits are also related to interregional mobility for women (Table 19 in Appendix 1). The percentage share of women who live in remote or rural areas has decreased among women who exited poverty between 2000 and 2008 (from 18% down to 11%), while it has remained at the same level for their female counterparts who remained in poverty (18.2% and 20% respectively). This suggests that moving away from rural areas has helped women to exit poverty.

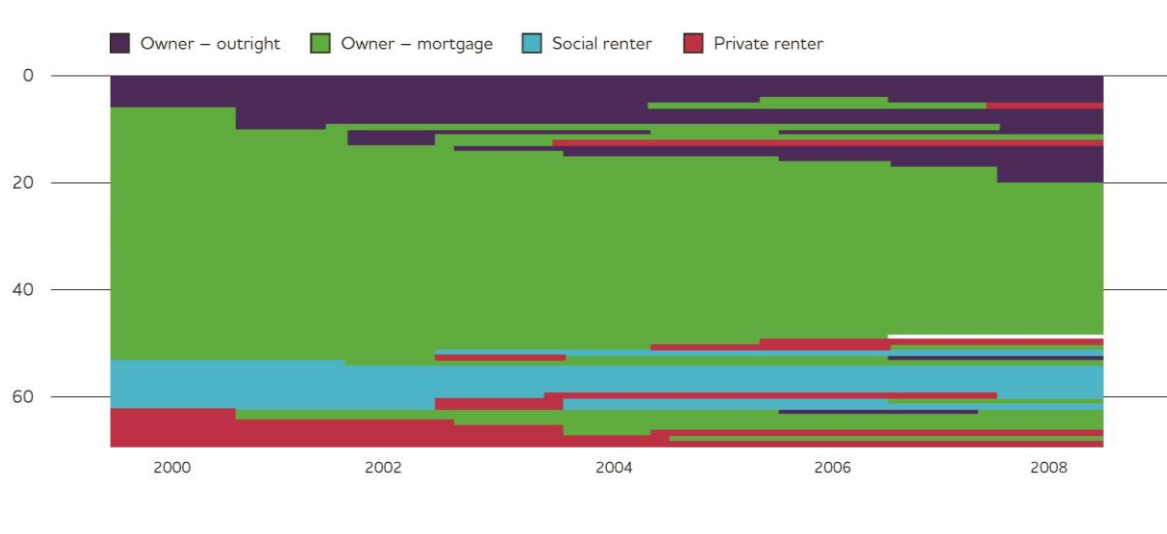
A large proportion of women who remained in poverty, however, lived in large urban areas. This coincides with living as lone parents and alone (see family pathways in Figures 16 and 17). Men in poverty are spread more equally over urban and rural areas in this sample (see Table 15 in Appendix 1).

There is no association between moves into more buoyant labour markets (i.e. with a lower unemployment rate) and the probability of an exit out of poverty for men. Indeed, men who exited poverty were relatively unlikely to move house across regions when age, household type, qualification and employment status remain constant (see Tables 16 and 17 in Appendix 1).

## Housing pathways

Pathways out of poverty are fundamentally interconnected with housing pathways. Housing pathways for both the exit group and the stayer group are analysed using four types of housing tenure by gender (Figures 10–13). For both men and women, it is moving out of mortgaged homeownership into outright ownership that is associated with leaving poverty. This holds true when other characteristics and changes over time in employment status, family circumstances and health are controlled for (see Table 19 in Appendix 1). This is likely to be associated with a reduction in housing costs; accordingly, the length of outright ownership is a predictor for the group that moves out of poverty over the long run (see Table 18 in Appendix 1). At the end of the study period in 2008, more than one-quarter (26%) of the male exit group were outright homeowners (up from 9% in 2000). Some 16% of the female exit group were outright owners (up from 11%). It is particularly striking that almost nine in ten women who moved out of poverty lived in their own home with a mortgage at one point over the period 2000–2008.

**Figure 10: Housing pathways, exit group – men**



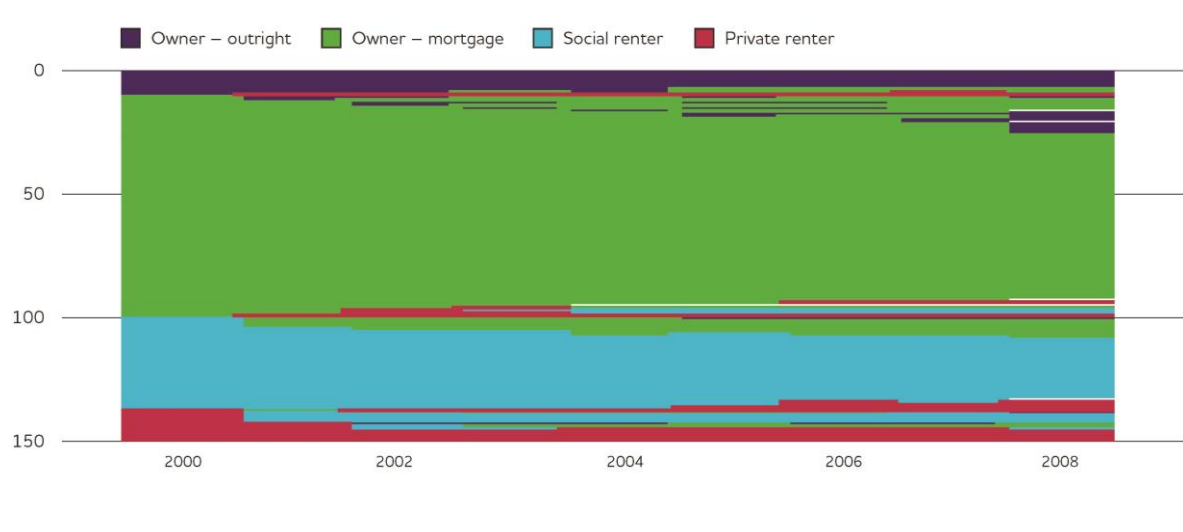
Note: BHPS; 69 men aged 18–64 who exit poverty longer term.

Source: own compilation

The stayer groups – both men and women – more often lived in social housing at the start of the study period than their comparison groups. However, the length of time living in social housing is not a significant influencing factor for remaining in poverty in models that predict whether someone will leave poverty in the longer term (see Tables 15 and 17 in Appendix 1). Only one in ten women who exited poverty lived in social housing at one point over the period 2000–2008, compared to 44% of women who remained in poverty. Despite this, living continuously in social housing applies only to a minority of women who remained in poverty – 20% of these women lived in social housing across all survey years. The most common housing pathway for the group that remained in poverty was being a mortgaged homeowner throughout (38%).



**Figure 11: Housing pathways, stayer group – men**

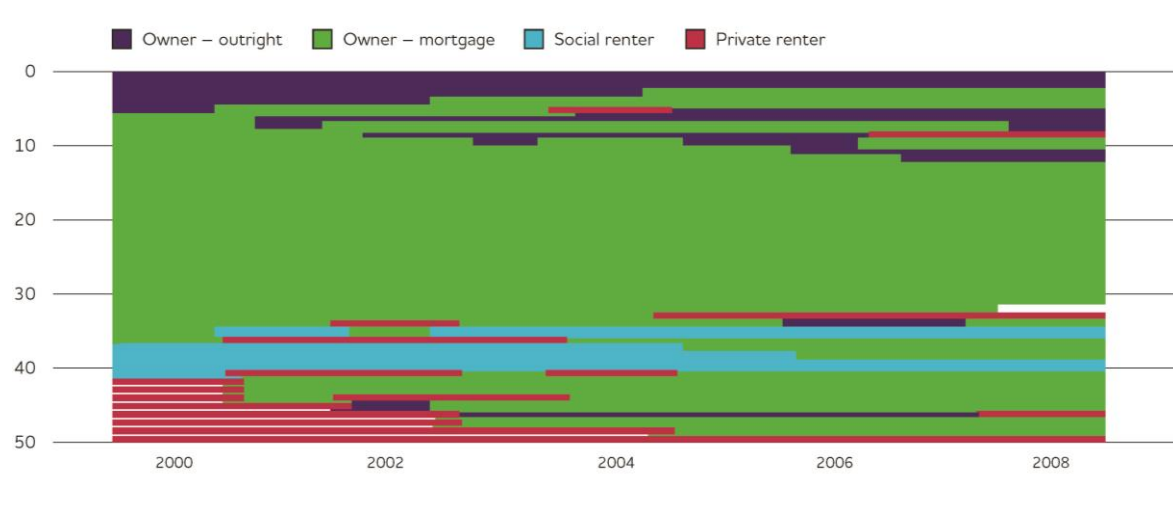


Note: BHPS; 137 men aged 18–64 who were in poverty in 2000 and still lived in poverty in either 2006, 2007 or 2008.

Source: own compilation

Men and women who exited poverty lived more often in private rented accommodation (i.e. they had more episodes) than their stayer group counterparts. For those exiting poverty, living in private rented accommodation is more short-term in nature than for the stayer group, particularly for women. So, for example, 31% of women who exited poverty lived in private rented accommodation at some point and stayed in this tenure on average over three years, whereas only 24% of women who remained in poverty lived at some point in private rented accommodation, but this was longer term – on average over half of the study period.

**Figure 12: Housing pathways, exit group – women**



Note: BHPS; 45 women aged 18–64 who exit poverty longer term.

Source: own compilation

**Figure 13: Housing pathways, stayer group – women**



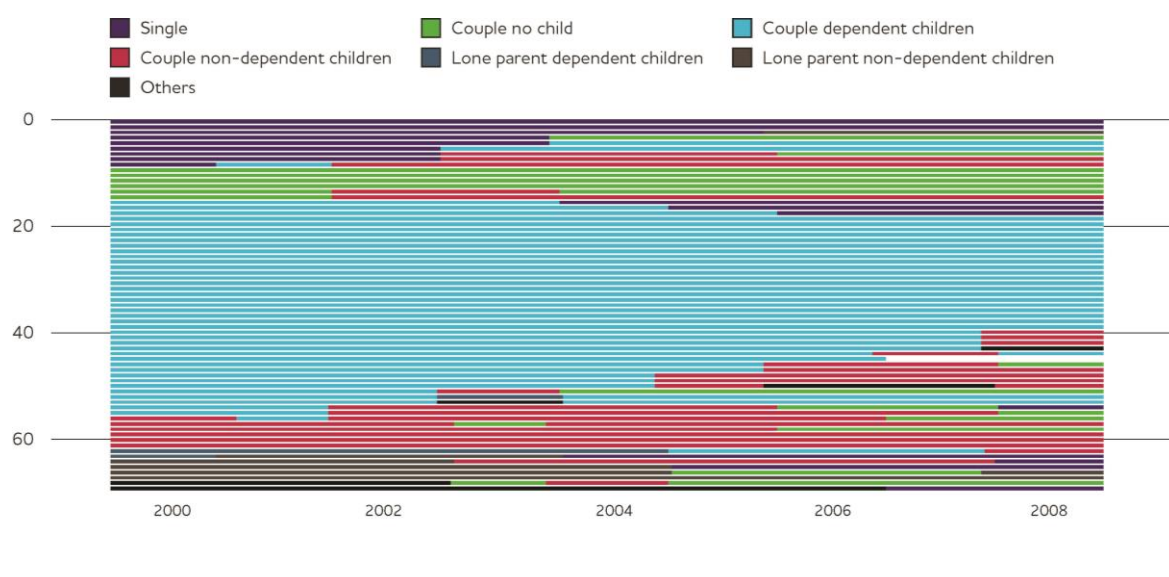
Note: BHPS; 66 women of working age who were in poverty in 2000 and still lived in poverty in either 2006, 2007 or 2008.

Source: own compilation

## Family pathways

Poverty pathways are also accompanied by significant changes in family pathways (household composition). Family pathways are depicted in Figures 14–17 using a child-based classification of family types. For both men and women, dependent children are a great risk factor for remaining in poverty. A change in the household type from having dependent children in the household to having non-dependent children or no children at home is a significant predictor of exiting poverty in the longer term (see Tables 18 and 19 in Appendix 1).

**Figure 14: Family pathway, exit group – men**

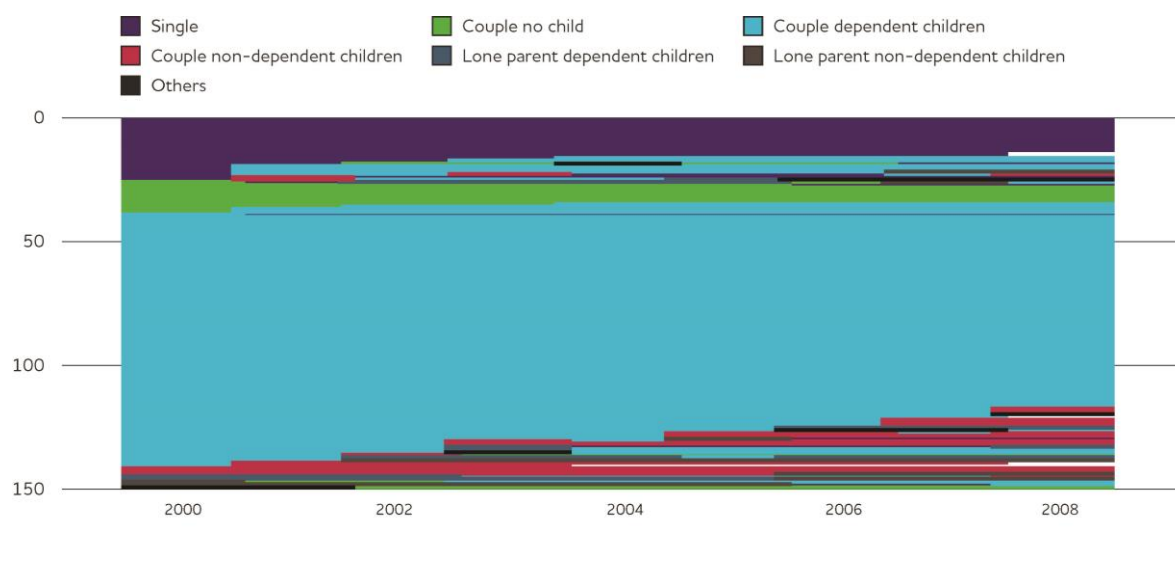


Note: BHPS; 69 men aged 18–64 who exit poverty longer term.

Source: own compilation

The vast majority of men who lived in poverty in 2000 lived as a couple with dependent children (58% in the exit group and 69% in the stayer group). In the exit group, only 30% lived with dependent children throughout the whole study period, whereas this percentage share is 52% in the stayer group. This family pathway pattern is less prevalent among women, but still a significant predictor for moving out of poverty. Almost half of the women who exited poverty lived as couple with dependent children in 2000 (47%), but less than one-quarter (23%) of them had dependent children by 2008.

**Figure 15: Family pathway, stayer group – men**

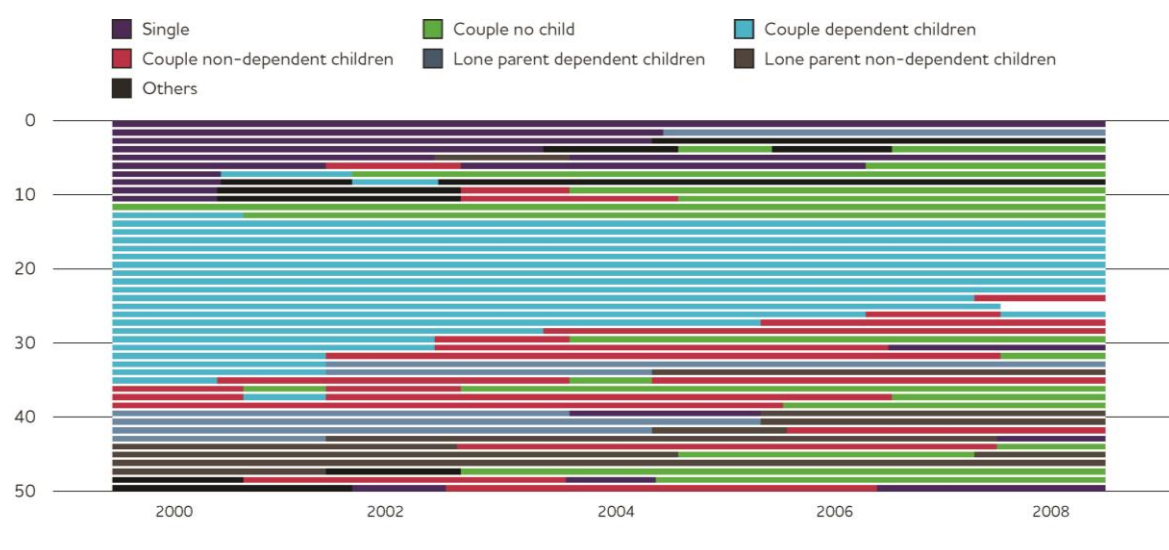


Note: BHPS; 137 men aged 18–64 who were in poverty in 2000 and still lived in poverty in either 2006, 2007 or 2008.

Source: own compilation

Investigating interlinkages between poverty and family pathways confirms the high risk of poverty for single mothers, even when the children are older and non-dependent. Being single appears to be relevant for women in poverty (Figure 16). However, it is not moving in with a partner that increases the chance of moving out of poverty for women. Single women who moved out of poverty actually had very heterogeneous family pathways. The category 'others' includes living with parents. Some women moved back to the parental home for a period as a way of overcoming poverty (probably the result of high housing costs).

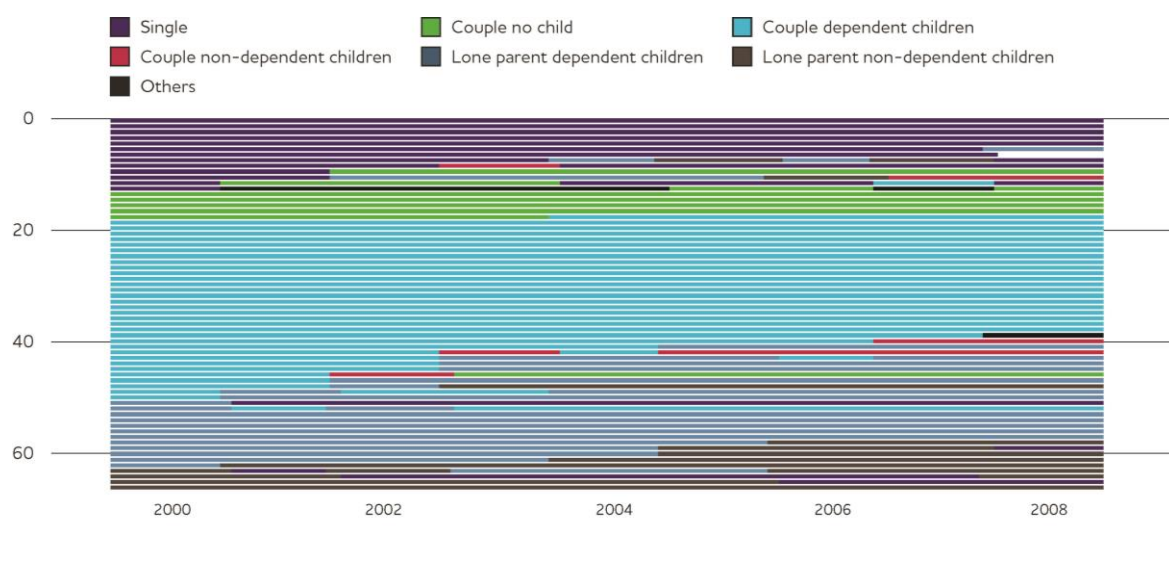
**Figure 16: Family pathway, exit group – women**



Note: BHPS; 45 women aged 18–64 who exit poverty longer term.

Source: own compilation

**Figure 17: Family pathway, stayer group – women**



Note: BHPS; 66 women aged 18–64 who were in poverty in 2000 and still lived in poverty in either 2006, 2007 or 2008.

Source: own compilation

Single women and lone mothers with non-dependent children in the household who did not exit poverty longer-term mostly lived in social housing (63% and 88%). All other family types – both women and men – mostly lived in their own home. The percentage shares are highest for couples with dependent children. Here both mechanisms – dependent children and high housing costs because of a mortgage – influence their poverty situation.

## Conclusion

This chapter has several key messages.

- **Poverty and employment:** the majority of working-age people who experience poverty do so despite working. In a sample of people who were in poverty in 2008 drawn from the BHPS, 64% of men and 43% women had been in continuous employment since 2000. Some 7% of men and women who were in poverty in 2008 had not worked since 2000. For men, poverty pathways often go hand in hand with self-employment.
- **The nature of poverty:** findings from people in poverty in 2000 in the BHPS show that 67% of people who experience poverty pass in and out of it. Just 7% remained in poverty throughout the study period.
- **Pathways into poverty:** employment does not prevent people from entering poverty. Before 2008, 73% of those who entered poverty were working. Since 2008, it has been more common for people who enter poverty to have been out of work. Loss of employment or reduced working hours were less associated with immediate moves into poverty.
- **Housing and pathways into poverty:** although rates of poverty are much higher among social tenants than the population as a whole, social renters also have high poverty exit rates; yet possessing a mortgage is the dominant housing pathway into poverty. Almost 70% of people who were in poverty in 2008 were mortgaged homeowners, and most had been owners since at least 2000. Almost 80% of people who were in poverty in 2008 had not lived in social rented housing at all since 2000. Moving into poverty is also linked with high mobility rates.
- **Housing and pathways out of poverty:** moving out of poverty is significantly linked with moving from mortgaged homeownership to outright ownership – 26% of men and 16% of women who exited poverty longer-term owned outright. Although rural–urban moves were associated with reductions in poverty among women, migration was not associated with escaping poverty among men.
- **Employment pathways out of poverty:** few exit poverty without being employed. Almost all women (91%) who were in poverty in 2000 but had exited it by 2006–2008 had been in paid employment over most years between 2000 and 2008. Men who were in poverty in 2000 and had exited it by 2006–2008 had longer spells in paid employment (5.4 years) than men who did not exit poverty (4.8 years).

Overall, there is a strikingly high level of labour market attachment among people who experience poverty. Employment does not guarantee a life free of poverty, although few people can exit poverty without being in employment. Recent changes in housing markets also led to an increased role for private renting in poverty entry and exit.

# 3 Housing and work incentives in five case study areas

This is the first of two chapters that present the findings of five case studies. In this chapter, evidence on work incentives from the individual case study areas is assessed under three themes identified in the literature review, namely: housing and place; transport and mobility; and housing costs and work incentives. In Chapter 4, the themes are re-examined to establish how they cut across case study areas.

The case study areas were selected to reflect a range of labour market circumstances, rural–urban contrasts, and varieties of housing systems. They were also selected so that each of the four nations in the UK was represented:

- **Scottish Borders:** a geographically large rural area, with an above average level of employment, but with relatively weak transport links.
- **Oldham:** a northern town in Greater Manchester, with a relatively loose housing market.
- **Lewisham:** an ethnically diverse inner London borough with a relatively young population, good public transport, and high housing costs.
- **Larne Borough:** a rural area centred on the town of Larne, Northern Ireland, with relatively weak labour and housing markets.
- **Merthyr Tydfil Borough:** a de-industrialised area of Wales characterised by former mining and heavy industry, with high numbers of workless households.

Focus groups with key housing and labour market specialists were conducted to provide contextual information, and these were followed by in-depth interviews that took place between August 2014 and February 2015. Participants were recruited through the key informants' organisations, and through posters placed in public places such as libraries. Interviews were mostly conducted face-to-face, but a few were conducted by telephone.

The profile of the 53 interviewees is summarised in Tables 7 and 8:

- Three-quarters were social tenants, reflecting recruitment through housing associations, and 12% were private renters. In addition, three owner-occupiers were interviewed.
- Almost half of the interviewees were unemployed. The others reflected a mixture of full-time, part-time and self-employment.
- About one-third of interviewees were aged under 35, half were aged 36–49, and 15% were aged over 50.



**Table 7: Employment status of interviewees**

	<i>Total</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Unemployed</i>	<i>Self-employed</i>	<i>Multiple</i>	<i>Other</i>
Scottish Borders	10	0	3	5	2	0	0
Oldham	15	2	2	6	0	5	0
Lewisham	13	4	1	4	2	1	1
Larne	8	0	4	2	1	1	0
Merthyr Tydfil	7	0	0	7	0	0	0
Total	53	6	10	24	5	7	1

**Table 8: Tenure status of interviewees**

	<i>Total</i>	<i>Social renter</i>	<i>Private renter</i>	<i>Owner-occupier</i>	<i>Other</i>
Scottish Borders	10	6	4	0	0
Oldham	15	14	0	0	1
Lewisham	13	11	0	1	1
Larne	8	5	1	2	0
Merthyr Tydfil	7	5	1	0	1
Total	53	41	6	3	3

## Scottish Borders

### Background

The Scottish Borders are a largely rural area in the south-east of the country. Low investment levels have reduced job opportunities, and those that are available are typically low skilled and entry level, with less career progression. As can be seen from Table 9, typical jobs are elementary, but the job density is relatively high. According to focus group participants, other constraints such as transport restrict labour market access. Digital infrastructure is often poor. Many parts of the Scottish Borders have weak or no mobile telephone coverage, and broadband is not available across all parts of the area. Poor communications access can complicate people's ability to search for jobs, and reduces people's ability to work from home and to be self-employed.

**Table 9: Core labour and housing market indicators**

	Ratio of lower quartile house prices to lower quartile earnings (2010)	Job density <sup>1</sup>	% of working-age population with no qualifications	% of working adults in an elementary occupation <sup>2</sup>	Gross weekly full-time pay (2014)
Scottish Borders	5	0.72	9	16	490
Oldham	5	0.59	15	14	455
Lewisham	8	0.39	6	8	604
Larne	–	0.53	40	–	–
Merthyr Tydfil	–	0.64	15	14	403
Great Britain	–	0.78	9	–	520

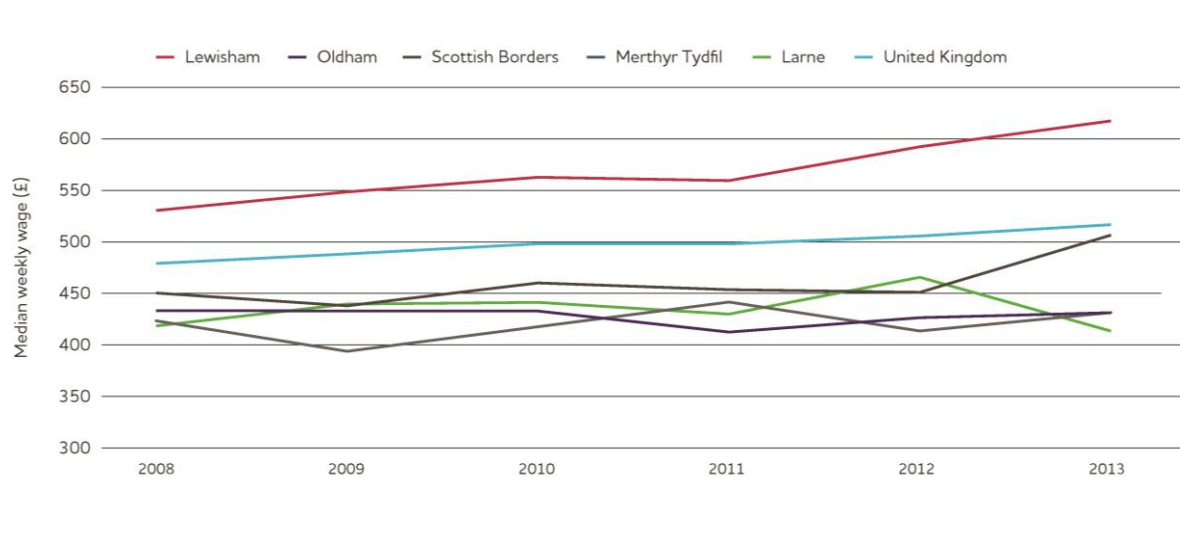
Notes: <sup>1</sup> Job density: the number of jobs in an area divided by the resident population aged 16–64. Job density figures make most sense in an area involving wider travel to work and are used here purely indicatively.

<sup>2</sup> Elementary occupations are those that require the knowledge and experience necessary to perform mostly routine tasks, often involving the use of simple hand-held tools and, in some cases, requiring a degree of physical effort.

Source: ONS, various

Although the Scottish Borders have a good social housing stock, it is often located in areas where there are fewer jobs, and which may not always be very well connected to work through public transport. Communities in the Scottish Borders were described as being strongly rooted, and the importance of local support networks of family and friends was stressed. Such support networks could, for some respondents, result in a reluctance to leave and relocate for work opportunities.

**Figure 18: Family pathway, stayer group – women**



Source: ONS (2014a)

The Borders labour market is perceived as being weaker than in the past:

Back in the '70s it was supposed to be a real hard time. Back in the '70s I could go from job to job to job. There was a lot more available then than there is now.  
Man living with disabled wife

Respondents reported that those jobs that do exist are often part-time, minimum wage, seasonal and weather dependent, and many people are self-employed.

## Housing and place

Although not uniform, it seems that the Borders have a relatively good supply of affordable housing. Interviewees suggested that it is more difficult to access social rented housing in Galashiels, one of the larger towns, with more shops and more job opportunities. Among the private tenants, one noted that they had obtained their tenancy by word of mouth.

Interviewees had differing perceptions of their neighbourhoods, and some appeared to lead quite isolated lives. People who live in the smaller settlements depend on travelling to larger ones such as Galashiels for supermarket shopping. However, attitudes to the lack of amenities, especially in smaller settlements, varied.

...as a community, it's a – it's a commuter community but it's still got a vibrant life, despite a lot of people coming and going.

I think if I'm going to stay in the Borders, I think I would prefer the security and the warmth you get from a smaller place, yes.

Lone parent, three children, living in a small village

The same woman also pointed to the support networks that enabled her to work while having three children:

I've got an arrangement where, on a Wednesday, a friend of mine has got my two youngest and I have his two on a Monday, when I don't work.

Several participants noted problems with drugs in Hawick and Galashiels. One participant suggested that people from neighbourhoods with poor reputations would be disadvantaged in the labour market:

As I've said, it's that type of wee place. Because as I've said if somebody like had been in a bad housing scheme or something in Hawick and they had a bit of a bad name, nobody would really touch them for a job. As I've said, it's who you know. Everyone knows everybody. It's a pretty tough place to crack, especially if you've got previous and stuff.

Single male

## Transport and mobility

Attitudes to mobility were mixed. Some were willing to move, while others had a strong attachment to their home or area and cited this as being a reason for not moving for a job:

No, I wouldn't move house. I have moved house enough. I'm very happy where I am. I like my house, I like my garden and I like the area... I would be very reluctant to move house.

Single female, working part time

Having a car is a frequent requirement for employment in the Borders, not only because of the lack of public transport, but because many jobs require the use of car. One respondent, who commutes to Edinburgh, found that when he was unable to use his car, the commute took three hours. The cost of petrol can also be a significant factor in affecting work incentives, a situation that can be exacerbated by irregular working hours:

If you got 40 hours, you need a minimum of an extra £50 a week just for your petrol... Because like, say, 40 mile a day travelling so you're doing couple of hundred miles a week. The problem is that a lot of these jobs, the further you are away and if it's split shifts. If you're going in 10 to 2 then 5 till 10, it's a lot of hours to be hanging about. But then it's a lot of expense, you've just doubled your expense for the fuel.

The situation for young people is worsened by the high cost of motor insurance – one respondent said that this cost her more than £100 per month. It was affordable only because she lived with her parents. People who rely on cars for employment can also face a car-related employment trap. They have to give up their car if they become unemployed, but then cannot get another job because they do not have a car:

When I lost my job I had to end up selling my car. I sold that around Christmas time so I've not got a car anymore. I've been forced to look for work in Hawick really.

Single male aged 23

There were mixed reports on public transport. Some respondents indicated that services were adequate, but fares could be expensive, especially if they worked part time:

If I was working part time, a lot of my wage would just go on buses.

Single male

## Housing costs and work incentives

There were comparatively few references to classic unemployment traps arising from the withdrawal of benefits in the Borders. However, the point did arise in one case:

Yes, I'm looking for a job, but I won't get one because it's the minimum wage and I can't afford to live on the minimum wage... I'd lose Housing Benefit, Council Tax Benefit. If I get a job I've got to have the money to pay the rent, the council tax, then you've got the gas and electric, which is quite high. You have normal living expenses. I would need a job of at least £400 a week, and there's no way I'm going to get that in Galashiels... You're not financially better off because you're still struggling, but you'd be worse if you're working.

Unemployed married man with children

## Larne

### Background

Larne Borough Council is located in County Antrim in Northern Ireland, and is primarily a rural area. Centred on the seaport town of Larne, much of the Borough is composed of small villages. Larne Borough Council has high unemployment rates. Wages in Larne are below the UK average, and job density is among the lowest of all the case studies. Many unemployed people in Larne are under 25 with few skills or qualifications. Larne experiences weak demand for housing, high levels of vacancies and rapid turnover. Housing professionals observed a flow of social housing tenants into the private rented sector. Within the town of Larne there is fairly good public transport, but there are rural communities that are relatively isolated.

The major employer is the council, with important engineering employers in the area and tourism and new contact centre jobs, but this must be set against the declining importance of the port (the original economic rationale of the town). Improving the main road to Belfast may promote Larne towards being a commuter town for Greater Belfast.

### Housing and place

The focus group indicated that the market collapse after 2007 left an overhang of new development, which has increasingly shifted to the private rented sector. There is considerable churn between private and social renting, partly because Local Housing Allowance is too low for people to be able to afford to live in the market sector, and so they subsequently returning to social renting.

Local neighbourhood and personal support networks are particularly important in small towns and rural hinterland markets like that of Larne. Individuals can be otherwise isolated in villages and the rural county. Larne, like many parts of Northern Ireland, has strongly defined traditional communities with

relatively little mixing. Not only does this reinforce the importance of support networks, it reduces the range of housing and neighbourhood choices, and it also creates anxiety about moving to new towns or cities for employment reasons.

There was a sense in the interviews that young people, more than older households, would consider longer distance migration for work, including moving to England.

Many people in Larne are attached to their communities, be it the town or its surrounding villages. This makes many reluctant to move, in spite of economic difficulties. Added to this is a sense expressed by some of the interviewees about uncertainty or anxiety concerning how safe other areas in new places would be.

## Transport and mobility

Focus group participants suggested that public transport has much improved with park and ride facilities and more public buses, but recognised that outlying villages in the hinterland remained isolated, which was a significant constraint on working choices, particularly for young people without cars. Talking about the effect of her travel into town, one woman said:

Getting out of the village, a lot of them say if they do work, they have to get a job with someone that will take them every day or they have to get a driving licence. But when you don't work, you can't buy a car because you don't work and everything else. The car is an expense you can only afford when you're in work.

Woman living with grown-up son

Transport across Larne could have a material impact on working choices. One respondent could no longer afford to drive to work:

The only way it will really pay me is a job for 30 hours... Unfortunately, most of the jobs that would be available to me require transport... so it does cut you down quite a bit.

A young mother explained why it is hard for her to find work, since she could only accept a job near her son's school, and she herself lives on the edge of town.

Because I live so far away from the school, it's like a half-hour walk, to a half hour on the bus. It doesn't make a difference what you do really. It depends on whether it's raining. I need to be working closer to the school than I need to be working closer to home. You know what I mean. To get a job closer to the home wouldn't be handy.

Single mother, Larne

## Housing costs and work incentives

Several interviewees, especially those working part time, were very conscious of the complex interaction between rents, low wages, benefits and part-time working. Two interviewees highlighted the lower rents and greater security in Housing Executive properties. Another interviewee stressed the complexity of means testing when work is insecure:

A lot of places give you four-hour contracts. You have to bring a time sheet every day. If you get more hours then it screws you up for tax credits...

Single mother in public housing, unemployed

These factors also shaped forward-looking decisions about work and home:

In the house I'm in, working full time would be alright [because of the low rent]. But if I was planning on moving, I'd like a private rented house, but I'd be paying double rent. At the minute, I'd get Housing Benefit. If I work full time, you'd have to pay everything yourself.

Single parent, working part-time, in public housing

She continues:

You'd have to do 16 or 30 hours. Every bit more you earn is taken off your rent. With 40 hours you wouldn't get anything.

The focus group identified employability problems locally to do with literacy, numeracy and IT skills. The focus group also argued that the claimant count register missed a lot of people on the margins of the labour market, on zero-hours and other insecure contracts, or indeed who were simply under the official radar. The high incidence locally of low wages had a further consequence of making childcare unaffordable for many, which, when combined with housing costs and reduced benefits, made work less financially attractive.

## Merthyr Tydfil

### Background

The town is located in South Wales at the head of the Valleys. Merthyr is profoundly affected by long-term economic change via the iron and mining works' closures, followed by further reverses to traditional industries in the 1980s recession. This caused unemployment, economic inactivity and relatively high levels of dependence on incapacity benefit. However, the local economy has been improving in recent years with new investments bringing jobs (e.g. an exhaust manufacturer and a major retail park), alongside many small-scale employers and a large public sector. Merthyr Tydfil has an above-average proportion of working-age individuals with no qualifications; it reflects a labour market in 2014 with below-average gross weekly pay and a higher proportion of workless households.

**Table 10: Employment levels (percentage of all households with at least one working-age adult)**

	Working households	Mixed households	Workless households
Scottish Borders	55.8	26.5	17.6
Oldham	48.4	29.6	22.0
Lewisham	50.3	27.9	21.9
Northern Ireland <sup>1</sup>	48.6	30.1	21.2
Merthyr Tydfil	43.5	31.9	24.6
UK	53.0	28.9	18.1

Note: <sup>1</sup> No comparable figure available for Larne.

Source: ONS (2014b)

### Housing and place

The experiences expressed in the personal interviews indicated a range of housing quality, from high to poor in relation to, for example, damp and condensation. Rented housing was generally affordable by dint of benefit support, though at least one respondent was seeking to resolve a benefit shortfall that left him stretched in terms of paying rent. Several of the tenants, and not necessarily older people, had evidently experienced several different housing situations suggesting lack of security, considerable instability and uncertainty – sometimes continuing to the present. While some people seemed relaxed about this short-termism, others, including recently homeless individuals, evidently had no real alternative to their current situation.



The areas where housing was located were generally positively reported in terms of being 'quiet' (though one was deemed noisy), in having shops and amenities (schools, green space and doctors, but rarely local dentists), and decent local transport. Two of the interviewees with young children focused on the preponderance of older neighbours and a lack of people their own age, but most of the examples cited suggested mixed-tenure neighbourhoods and a sense that it would be difficult for others to move to these locations because of low turnover of vacancies. One interviewee in temporary accommodation was clear that she needed a long-term housing solution before it made sense to seek full-time substantial employment.

## Transport and mobility

Transport to support commuting featured prominently in both the working histories and future plans of those interviewed. While there was a willingness to commute as far as major neighbouring cities for some of the respondents, the key obstacles were: first, the time lost to commuting (indeed, one respondent judged this in how long he was willing to walk to and from work, and hence where he lived relative to potential work); and second, the high cost of running a car to lower-income households working at the margins of minimum wages on reduced hours.

The focus group also differentiated between the workers willing to commute long distances (in one case as far as Swindon) against those at the margins of the minimum wage and highly flexible, often zero-hours, contracts, where even small changes in working hours can drastically impact net income.

Merthyr's labour market size requires people to look further afield, so affordable and accessible transport is essential. An extreme example of the interaction of housing, welfare and place concerned one interviewee (single man, unemployed) who was evicted from his home because of spare room subsidy/'bedroom tax' arrears, moved to a homeless hostel, and was then rehoused by the council into an area described as 'noisy' with "trouble at the weekends". Now actively seeking work, he is considering seeking retail jobs in Cardiff because of the lack of opportunities locally.

## Housing costs and work incentives

One interviewee stressed job satisfaction (from caring jobs) and argued that lost benefit was not the only factor, provided net income covered the benefits foregone:

... because if I did start work, full-time work, I wouldn't worry about benefits. If I knew I was getting enough to cover rent and all my bills, I wouldn't even worry about the benefits.

Single woman in temporary accommodation, out of work

The same respondent however would take a part time job because she viewed it as a route into full-time work and progression:

...if I'm in a part time job then I know I'm going to get a full-time job then. It will be easier to get a full-time job than when I'm just sitting on the dole doing nothing.

Housing costs and therefore Housing Benefit rules were an important constraint for many seeking work – jobs had to meet essential expenses, and many were also considering the impact of benefit withdrawal on their choices. Other interviewees, however, were either not sufficiently engaged in the job search to have more than the broadest sense of these trade-offs, or, because of fewer local ties, were willing to contemplate a broader set of location choices.

## Oldham

### Background

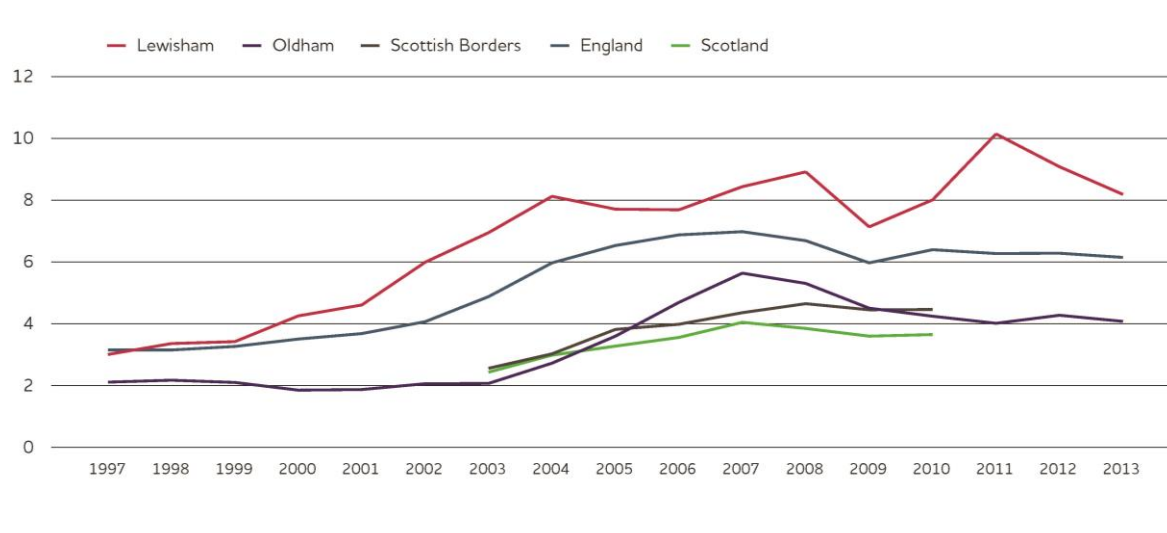
Oldham, located in Greater Manchester, has a high proportion of workless households compared to elsewhere in the UK. Typical Oldham employers are small- to medium-sized enterprises. Median pay in Oldham is also somewhat lower than the UK average. The number of jobs relative to the number of

jobseekers is lower than the UK average. Of the five case studies, Oldham has the greatest ethnic mix (other than Lewisham). More than one in five working-age households is workless.

Oldham is part of the wider Greater Manchester economy, and this explains the relatively high levels of commuting into Manchester. Key to the housing–employment relationship is the willingness of people to commute rather than to move closer to their jobs or in search of work. Many of the local jobs on offer or taken by interviewees were service jobs, following the rapid decline of manufacturing in Oldham. Retail, call centre, security and driving jobs were examples of the kinds of work people had or hoped to see grow.

Housing is relatively affordable (Figure 19) with comparatively modest waiting lists for social housing, but there are stock mix problems. Several interviewees were caught by the spare room subsidy/‘bedroom tax’, in that there were insufficient smaller properties to move to. Indeed, while it was recognised that private rents were broadly at similar levels to social rents in Oldham, three of the interviewees facing Housing Benefit reduction because of spare rooms, and had either major health issues or caring responsibilities that would have made it difficult to move out of their current accommodation.

**Figure 19: Ratio of house prices to lower quartile workplace earnings**



Note: Data not available for Merthyr Tydfil or Larnie.

Source: ONS (2014a)

There were mixed reports about how difficult it was to access social housing. Several reported that they had priority need and were housed in an area acceptable to them within relatively short periods (e.g. three months). One couple had to wait a year for a bigger house when they had their second child. Another household with mobility problems requiring a downstairs bathroom moved into a home with an outside toilet before being offered their present home with ground-floor facilities.

To a limited extent, demand for private renting has been boosted by displacement from social housing arising from the spare room subsidy/‘bedroom tax’, but some social renters said that they could not afford entry costs:

**It's finding the deposit and the bond, because they want a high deposit.**

Single parent in social renting, working up to 30 hours per week

Cheap market rents have been important for migrants from central and eastern EU countries seeking to work in the region; Oldham is one of several satellite towns around Manchester that exhibit a lack of housing market pressure. The focus group identified a large amount of population churn in Oldham,

which may reflect migration, short-term rental leases, or indeed short-run tenure adjustment to welfare reform.

## Housing and place

The local housing market was described as “dysfunctional” in central Oldham, with little “aspirational” housing in the town. Oldham’s housing market was one selected for large-scale intervention through the housing market renewal pathfinder programme, but the collapse of the programme in 2010 left the reforms incomplete and a legacy of continuing problems for the affected housing market. A more efficient market operates in the outskirts, to where many people who can afford to buy would like to move.

Retail and leisure facilities in the town were perceived to be limited, and proximity to Manchester meant that for many who could choose, house purchase location based on amenity was unlikely to favour the town over the city. Most interviewees liked the area in which they lived:

Lovely area. The community, everyone is great. My housing officer, he's brilliant with everybody. If I've ever got a problem, they're quite quick to repair it.

Single person in social renting

Another single person living in social renting had been in the same home for 17 years and was positive about the local area. However, a few interviewees were negative about their landlord and complained of noise, anti-social behaviour and the quality of the built environment.

Respondents were generally positive about access to local shops and transport, though often they needed to get into town to access medical and dental services. A family living in social housing was also positive:

They used to say it used to be a rough area but it's changed. A lot of that seems to have died down but on the whole it's nice, isn't it?"

Family living in social housing

## Transport and mobility

The focus group members suggested that most people, presumably those with longer-term connections to the town, would rather work locally. Trams are very popular as a transport mode, especially among young people, and a local campaign had succeeded in keeping fares more affordable. Interviewees reported living relatively close to amenities, and their housing areas were close to areas where jobs were situated, either in Oldham or Manchester.

Generally, respondents reported good public transport links although one or two identified that some trips by public transport required first going into Oldham town centre, in order to then get out to other locations such as schools, support networks or work. Living in Oldham and working in Manchester seemed to be a viable option for many interviewees. Several interviewees drove short distances (e.g. ten minutes) to work. Those who were out of work had usually previously worked in Oldham or nearby areas and were out of work for health reasons, as well as having experience in fields not in demand at the time of the interview (e.g. construction).

The reality of the locus of most jobs in Manchester meant that many people were actively considering the marginal choices between additional pay, commuting time/cost and the wider social advantages of living in Oldham:

It's like, I've had to sacrifice working far because of the distance. I'd love to work in Manchester and be on £10 an hour. But it's just getting home really late and waking up really early, just to get to work on time. It's one of the reasons. I'm not saying I won't move. I might move in the future if I found a good job in Manchester, which I really, really loved. I probably would have moved.

Single person, working

## Housing costs and work incentives

Local places are defined not only in terms of their residential neighbourhoods, amenities and job opportunities, but also in terms of how these local dimensions interact with national policies. Welfare reform is a critical illustration of these processes. Several respondents were affected by the spare room subsidy/'bedroom tax' at the same time as not being able to identify realistic, affordable alternatives to their present housing. Oldham was also one of the UC pilot areas, and the new integrated benefit was directly experienced by a small number of respondents. One single person, now working, stressed the delay of a month associated with payments, which might in turn deter people taking insecure work:

The fact with Universal Credit you have to wait a month for a payment. So you can imagine if you're not working and you've got to wait a month to get paid.

Insecure or uncertain income is significant. A second respondent facing variable hours and income noted:

My wage can change. Every week it can vary between from £300–£500 every week. I couldn't tell how much I was making. It's the same as if you lose your job and you have to go and sign on. It's takes a lot longer to get a claim up and running. Like the last house I stayed at, I got paid off for a couple of weeks and I went to sign on and I had to claim for Housing Benefit, Jobseeker's Allowance. I didn't get a payment for eight weeks in like. So it was tough.

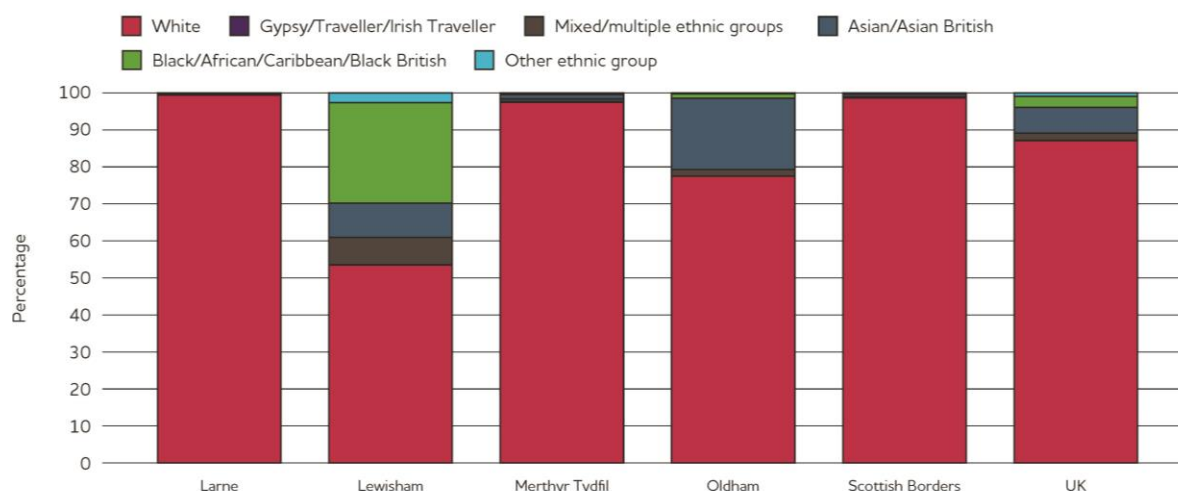
Male, living alone

## Lewisham

### Background

Lewisham is an inner-London borough with a diverse ethnic population, as can be seen in Figure 20 below. Due to a high number of one-bedroom properties, Lewisham has a disproportionate number of young and single people. There are a few large employers, including a University Hospital, but also many small retailers, mainly located in the Lewisham shopping mall. Lewisham is well serviced by public transport, including a range of bus services to other parts of London, the Docklands Light Railway (DLR), National Rail and National Express coaches. Figure 19 indicated that house prices in Lewisham are very high compared to other parts of the UK.

### Figure 20: Ethnic composition (2011)



Source: 2011 Census, ONS

## Housing and place

Given that almost all of the people interviewed were social tenants, it is perhaps not surprising that housing affordability was not a particular concern. However, tenants were acutely aware of high housing costs outside the social rented sector, and that social housing and HB sheltered them from these.

Two local authority tenants expressed dissatisfaction with the quality of their housing, and one had to move out for six months while a severe damp and fungal problem was addressed. One housing association tenant noted that they had “a beautiful flat”, although three others had encountered problems with damp. There was little overcrowding, and one of the people who had experienced the problems with fungus said, “I like my house because of its size”.

Nine interviewees expressed positive feelings about their neighbourhood. They generally felt that their neighbourhoods were mixed in terms of tenure and incomes. These areas were well served in terms of amenities – shops, dentists, doctors, schools and leisure facilities. The local authority tenant who had experienced damp in her house said, “Yes, it’s got it all”. Another commented that the area, which had been renewed, was “really nice... very, very villagey” with a “real community spirit.”

Several interviewees stressed the importance of good and secure housing as being a platform from which to enter the jobs market:

... a better home drives a person to find better quality in work... If you’ve got rubbish quality of homing then your self-esteem, your elevation in you is not on the peak and the point that it should be for you to then find a better-paid job.

Single male living in a housing association shelter

A working single mother, said “You need a home to start the whole process of life, I think.” And a man who was confident that he was about to start a new job after a brief period of unemployment said, “Give people more security and then people can realise their own potential to access employment”.

Another man, who had been in work for more than 18 months after been unemployed for 15 years, emphasised the impact of neighbourhood renewal on expectations. Following the demolition of the old estate and its replacement, there was, he said:

... a definite shift in expectation... because it's mixed... A lot of the old estates are becoming like what they call sink estates where it's almost ghettoising the poor, unemployed working class.

Although there were two cases of adult siblings sharing a home, and several cases of adult children living with their parents, there was, surprisingly, only one reference to support networks. One interviewee cared for her mother, and cited that as a reason why she could not move. None of the three interviewees with young children made any reference to assistance with childcare from parents or friends. All received support with childcare, either through nurseries or after-school clubs, and two were working for more than 20 hours per week.

The idea of moving to look for work is less relevant in Lewisham, as London is job rich. Nonetheless, there was reluctance on the part of one woman to move if it meant losing her secure council tenancy. "It took me seven years to get a house I'm not leaving," she said. Her reluctance to move was made stronger because of job insecurity: "a job is never going to last forever". Another interviewee (a single male living in a housing association shelter) said he would not move to private renting because it was insecure.

## Transport and employment

Many interviewees remarked on the ease of travelling from Lewisham. A working single mother noted, "You can go to, basically, anywhere". A number of interviewees did travel substantial distances for work. Trains were regarded as being more reliable than buses. However, buses are cheaper than trains. The transport issue that did emerge was cost: a travel card cost one respondent £160 per month.

## Housing costs and work incentives

The issue of the unemployment trap did arise in some interviews. One unemployed man said he would want to be paid enough to be "clear" of benefits. A single mother identified what she saw as a vicious circle that could arise if you took a job, lost HB, and then lost the job. If you did not receive HB in time, you could be evicted for arrears, and without an address you would be unable to find another job.

## Conclusion

It is evident that locality matters in terms of work opportunities. Place affects labour market opportunities, transport costs and availability. History and path dependency of local economies, such as the long-term, often intergenerational consequences of economic restructuring, continue to shape local places.

The case studies represent a spectrum of economic integration relative to isolation and separation. While some of our interviewees had plans and had possible alternative locations and housing options, some of which widened their jobs horizons, it was clear that for other more vulnerable individuals, necessarily more reliant on support services, social housing allocations and welfare benefits, there was in practice little choice but to make the best of their present arrangements.



# 4 Case studies: thematic evidence

This chapter examines evidence from semi-structured interviews across the case studies in order to thematically explore the ways in which housing affects people's incentives to work. It is structured around the themes of housing and place, transport and employment, and the connection between housing costs and work incentives.

## Housing and place

### Neighbourhoods and support networks

Neighbourhoods are a source of support networks that enable employment in two ways: informal job information channels, and support that facilitates working. Being part of community opens up job opportunities where jobs are recruited informally and by word of mouth. A male interviewee illustrates this – he had never been unemployed because he had always been able to find jobs through local connections:

I wasn't even in the Job Centre when I stopped working on the buses. I walked straight into this job at B&Q because I knew somebody who worked in B&Q and I got an interview and I started about a week later.

Man living alone, housing association, Oldham

Support from friends or relatives is also a vital enabler for people with children:

I've got an arrangement where, on a Wednesday, a friend of mine has got my two youngest and I have his two on a Monday, when I don't work.

Lone parent with three children in private renting, Scottish Borders

However, the same mechanisms are intrinsically *ad hoc*. Their absence for different reasons can also inhibit employment. Interviewees in three of the case study areas highlighted the difficulties faced by people who had moved from outside the locality:

As I've said a few [times], around here it's who you know, again, to get better work and stuff. It's not the easiest place to find a job. [...] It is favouritism here, definitely. [...] It's not what you know; it's who you know.

Man living with flatmate in private renting, Scottish Borders

There are quite a lot [of jobs], but they all seem to be taken. Always, like, if they got a friend and they know someone who is working, it's by word of mouth, they seem to get the jobs instead of having interviews. [They should] advertise fairly so everyone got a chance.

Single mother, housing association, Merthyr Tydfil

The barriers to employment arise partly from people being unable to access information, but also from employers apparently relying on personal recommendations as a means of screening potential employees. Similarly, the enabling role that caring can provide is reversed when a working-age adult is responsible for the care of an elderly parent. In this instance, the need to provide care inhibits mobility:

... because of my Mum. I need to be in this sort of locality so that if she needs me I am there for her. In a few years, maybe, and God forbid, she's not here then I would [move].

Woman living alone, housing association, Lewisham

Clearly, support from friends and family is not limited to employment. Knowing that there are people that one can turn to for support is a source of more general well-being in its own right, and would represent a significant, if intangible, loss should they choose to move to another area:

I wouldn't move. I've good neighbours and there's not a door I couldn't knock if I needed anything.

Woman living alone, Housing Executive, Larne

### Box 3: Key message 1

Neighbourhoods can facilitate social networks that provide informal recruitment channels, which enable local people to find employment. The support provided by friends and families is a vital source of support – particularly childcare – that facilitates employment. The exclusion from local labour markets experienced by outsiders and the support that is lost by leaving one's own community help to explain why many people are so reluctant to move.

## Employability and the living environment

People's living environment is primarily composed of their housing and their neighbourhood. Interestingly, people's responses to unattractive homes or neighbourhoods appear to be very different: some are demotivated by their living environment, while for others it is a spur for self-improvement. Thus a single man living in temporary shared accommodation attributed his feelings of isolation and depression to both his flat and neighbourhood:

Right, the area that I live in now is a bit secluded and far and isolated. [...] If you don't have a car then you can't communicate, socialise – you can't be a person. [...] The kitchen needs redoing, broken chairs, under Health and Safety. It's something that you can't live in [...] You're trying to change the mind-set, do you understand? From nothing to something, and trying to build on that. But if the environment is a negative environment, you won't build. There's no inspiration to build and move forward.

Single man, shared housing association temporary accommodation, Lewisham

A young lone parent who had returned to Larne from Belfast complained that Larne was "so slow" and "you don't have any energy". Yet a mother living with her brother in Lewisham council accommodation said:

[In five years, I would want to be] in employment, a bit higher up the ladder in the retail sector. Possibly in the same house but done up nice or moved to a location that more suits the needs of my daughter.

Woman living with her brother and young daughter, Council accommodation, Lewisham

Another woman, living in overcrowded private rental accommodation in the Borders, made an explicit link between employment and improving her living environment:

I think my ideal situation would be if I could buy something. So if I got a full-time job that was a decent wage, then I would be in a position to get a mortgage or save up for a few years. I would probably start off with renting and obviously the best possible rent would be social, but that might not be in the right area. [...] But if I could do that and save up for a few years, and then get a property on my own, that would be the ideal.

Mother with three children in private renting, Scottish Borders

It is less clear, however, how these aspirations would be fulfilled, but the divide between those with and without hope is both manifest and stark.

There was one example of how changing the character of an area could improve aspirations. A married man described the different social mix that was brought about by an estate renewal programme, which involved the demolition of some housing and the building of new:

[University] wasn't on the prospect... horizon for anybody [on the estate]. No thought of making themselves more employable or raising their horizon above what their parents were doing. Where the estate is being demolished and new build is going up, there are a definite shift in expectation and the aspirations and the possibilities that people can see. [...] By creating an atmosphere and an environment where you've got the full mix of people [...] Actually going through all the last five years of the process of the renewal of the estate [...] in a sense very much focused my mind...

Man living with wife and adult daughter, housing association, Lewisham

While the man benefited directly from the scheme since it provided him with employment for the first time in 15 years, it clearly also had a less tangible impact through "atmosphere". This is only one case, but it nonetheless echoes previous research that found that the physical environment is important for community morale and social interaction (Forrest and Kearns, 1999).

#### Box 4: Key message 2

A poor-quality home and neighbourhood built environment can act as a demotivating force for some people, while others regard it as an incentive to seek work so that they can improve their living conditions.

## Housing and mobility

The perception that housing might act as a barrier to mobility is perhaps the strongest element in housing-related employment literature. The case study interviews identified a number of ways in which housing and neighbourhood inhibits mobility: familiarity and the fear of the unknown; and living with insecure labour markets.

### Familiarity and fear of the unknown

Attachment to a familiar neighbourhood acts a barrier to mobility in quite diverse locations:

I think it's just Larne people are born and bred in this place and it's very hard once you're here to get out of it. It really, really is.

Lone parent, Housing Executive, Larne

I think I would be rather hesitant to move. Very, very hesitant to move. I think, if I can use the term, I think my roots are now well set in Sydenham so I find it very difficult.

Woman living alone, housing association, Lewisham

No, I wouldn't move house. I have moved house enough. I'm very happy where I am. I like my house, I like my garden and I like the area.

Woman living alone, housing association, Scottish Borders

But attachment to the familiar is strengthened by the fear of the unknown. One lone parent from Larne feared that she did not know which areas in Belfast would be safe for her. A young woman in the Scottish Borders was prepared to move only as far as nearby Galashiels because "I know where the junkies are..."

### Insecure labour markets

The difficulty of moving into and between social tenancies has been recognised as a barrier to mobility for decades, and the interviews indicated that it endures:

I'd have to go on the list for a transfer and I know that will take a minimum of six months and then maybe I could possibly move.

Man living alone in private renting, Merthyr Tydfil

However, it is a problem that is perceived to have worsened as social rented housing has declined:

I'm not saying I won't move... But under this housing at the moment, it's not as quick and easy to get hold of properties. At one time it were quick and easy... And now it's harder so it'd be that people tend to stay put.

Man living alone, housing association, Oldham

The growth in the private rented sector might have been expected to provide increased opportunities for mobility. However, the lack of tenure security that is prevalent in the sector means that people are reluctant to move, particularly if they are giving up a secure social tenancy. Talking about whether he might be able to move for a job, one man said:

If it was a secure, because you can't go to a private landlord. With a private landlord it's, 'Well, you've been here for 18 months and now we don't want you to be here anymore'.

Single man, shared temporary housing association accommodation, Lewisham

Indeed, as social rented housing has become scarcer, so its value has increased. A woman who had fought a legal battle to obtain a council tenancy was adamant that she would not move for employment:

[I was living] here, there and everywhere and then I got pregnant and [...] they said to me they weren't housing me and they kicked me out so I took them to court. That's how I got housed in the end. [...] I'm not giving up a house that I fought so hard to get [to get a job somewhere else]. Because the job is never going to last you forever, I'm sorry.

Woman, Council accommodation, Lewisham

Insecurity in the labour market serves to make people even more reluctant to move. Interviewees from three council areas gave examples of labour market insecurity: the big factories in the Scottish Borders that “take 20 boys for a month and they'll pay them off again...”, and the seasonal patterns of employment in Merthyr Tydfil where:

They tend to take on staff now and lay them off at the end of January [...] And then they pick them back up when it's Easter. It goes quiet, then they pick them up again summer.

Single man in private renting, Merthyr Tydfil

Given the prevalence of job insecurity, it is no surprise that this lone parent would never say:

Right, I'm going to get a job, this job's been offered to me I'm going to go move. I wouldn't do that... Would it benefit me in a year's time? Would I still have that role?

Lone parent, Council accommodation, Lewisham

HB adds a further layer of risk to mobility-related job decisions.

If you have a job and you have a house but then you lose your job, you might not be awarded Housing Benefit so then there's a chance you could be made homeless.

Single mother, Council accommodation, Lewisham

### Box 5: Key message 3

Changes in the labour and housing markets have combined to create additional barriers to mobility. The reluctance to move that arises from the lack of security in the private rented sector is exacerbated by insecurity in the labour market. The shortage of social rented housing not only makes it more difficult to move between social tenancies, it increases the value of the security the tenure offers compared to the chronic insecurity of private renting.

## Transport and employment

When the location of homes differs from the location of employment, transport between the two becomes an essential requirement if people are to work. Although the nature of transport problems differed between the case study areas – and even within them – it emerged as a key barrier to employment in each of the five case study areas.

### Public transport

The level of public transport services emerged as a barrier to employment in three ways.

#### Cost

The cost of commuting emerged as a barrier to employment in the context of part-time work. Respondents suggested that the labour markets in both Larne and the Scottish Borders revolved around part-time employment. Yet remuneration from jobs that are for only a few hours a day is often regarded as being insufficient to offset the costs of travel. In other words, travel costs contribute to an unemployment trap:

*I think I would need to work full time to make it worth my while... I don't drive either, so I rely on public transport. If I was working part time, a lot of my wage would just go on buses.*

Man, living alone, housing association, Scottish Borders

*Oh no, I think once you start going further than Larne, you're not gaining anything, you're not even making anything.*

Woman living with grown-up son, homeowner, rural Larne

For jobs on minimum wage, even relatively short journeys might be so costly that people would no longer be better off working.

*And that's often the problem. You get a job on minimum wage; if you have to travel here you've lost most of your earnings.*

Woman living alone, homeowner, rural Larne

#### Availability

Cost becomes an issue only when transport is available. While towns such as Merthyr Tydfil, Larne and Oldham all have frequent train services to the cities of Cardiff, Belfast and Manchester, respectively, surrounding areas are less well connected. It is for these more remote settlements that public transport services present unsurprisingly greater barriers to employment. For example:

*When I was going for a job, because of the bus situation, I had to always think about how would I get to that job? [...] The bus service, it moves three times a day, going each way and it's not suitable for you to get a job.*

Woman living with grown-up son, homeowner, rural Larne

However, as with the cost of transport, its availability is made more problematic by the nature of the labour market. A feature of the flexible labour market is the requirement for night-work, for which public transport seldom caters:

*There was a job in Newport that was stocking shelves, they were working nights, which would have been ideal for me. I could have got there but I would have had to have waited four hours after I finished work for the first train back to Cardiff.*

Single Man in private renting, Merthyr Tydfil

In contrast, there was one example of the public transport service failing to cater for conventional full-time working hours:

I got the choice of going to work up in Antrim, but I just couldn't. Then they forced me to go to full-time and then I couldn't get there. I couldn't get home again if I got there. [...] There are only two buses and now they don't work for you if you have to work 9am to 5pm.

Lone parent, Housing Executive, Larne

Another way to interpret the experience of the lone parent quoted above is that labour market flexibility appears to be one-sided: labour must be flexible in response to employers' needs, but employers can be inflexible in relation to employees' needs.

## Reliability

The lack of reliable public transport was raised by a number of respondents, even in London where one would expect services to be the most frequent:

And buses, I do find temperamental in terms of there's no guarantee that it will get you to where you need to go on time.

Young man living with parents (homeowners), Lewisham

One respondent cited unreliability of public transport between Oldham and Manchester as being a barrier to employment. Although there are four peak time trains per hour between them, he felt:

You basically, if you say, 'I work in Manchester'. You open a Pandora's Box for yourself because if that train is late or that bus is late and you're late for work, it's coming off your rate, that...

Man, living with wife and child in Oldham

## Parental responsibility and commuting

It is notable that the disincentives caused by lack of availability and reliability of public transport can be compounded by parental responsibilities. Parents may fear that they will not get home in time to pick up children from carers:

I don't think I'd travel too far because I'd be worried that if anything happened on the way back, I wouldn't be able to get back for the baby.

Lone parent, housing association, Merthyr Tydfil

They might also be concerned that they might not be able to return quickly enough should there be a problem with the child, such as sudden illness or playground accidents:

I won't go as far as Manchester, in all honesty, because of travelling. [...] Obviously, with the school and things like that, if my child becomes ill then I would have to leave work to come and get her.

Lone parent, housing association, Oldham

### Box 6: Key message 4

The changing nature of the labour market exacerbates the strong effects that the cost and reliability of public transport have on employment incentives. Public transport does not always cater well for the needs of part-time employees and employees working anti-social hours. While public transport could be more responsive to employees' needs, on occasion inflexibility by employers when employees are faced with a restricted service can also act as a barrier to employment.

## Car ownership

Car ownership is necessary for employment primarily in rural areas, not only for commutes that are inadequately served by public transport, but because a car is required as part of the job.

Car ownership normally entails not only high up-front expenditure, but significant running costs:

I applied for a job not that long ago in [an organisation]. It's hard when you've not got a driving licence to get a job like that. [The problem is] the cost of running a car. [...] Maybe if I had more consistent work, I don't think it would be a problem. [...] You need money to get the car first.

Man living with flatmate in private renting, Scottish Borders

If employment is lost, then it is difficult to maintain car ownership. Once car ownership is lost, it is difficult to regain access to the labour market:

When I lost my job I had to end up selling my car. I sold that around Christmas time so I've not got a car any more. I've been forced to look for work in Hawick really. Or if I was to look for a job elsewhere I'd have to find someone that could give me a lift.

Man living with flatmate in private renting, Scottish Borders)

Unexpected repair costs can also render employment unviable for people on relatively low wages. In one case, a woman who had taken employment even though the Job Centre had advised her that she would be worse off in work, finally was forced to resign when confronted with an unaffordable car repair bill:

I love my job and I get a lot of satisfaction. I'm good at my job. I went back at 34 to university to get all my qualifications in order to do this job... Because of this benefit trap, I'm actually worse off... So it's actually I'm better off not working but I didn't want to leave work.

Lone parent living with son, Housing Executive, Larne

### Box 7: Key message 5

Some employers, particularly in rural areas, require car ownership as a part of the job, but high up-front and running costs are themselves a significant barrier to work, and unaffordable repairs can force people out of work. The economics of car ownership can be a significant disincentive, even for those people who have a car and can afford to run it. They act as a barrier for those people who are simply unable to afford to buy, run or have one repaired.

## Housing costs and work incentives

### Unemployment and poverty traps

The perception that they would be worse off in work as a result of losing benefits was well established among interviewees:

It's the wages and the hours that I look at... I don't want to be going into a job and become worse off.

Lone parent, housing association, Oldham

Moreover, the loss of HB was established as being the key component in the unemployment trap:

I can't afford to live on the minimum wage. I'd lose Housing Benefit, Council Tax Benefit. If I get a job I've got to have the money to pay the rent, the council tax, then you've got the



gas and electric, which is quite high... I would need a job of at least £400 a week, and there's no way I'm going to get that [here].

Man living with wife and children, housing association, Scottish Borders

I'm looking for work but I'm only entitled to minimum wage and I'd have to pay the whole rent. I'm in a bit of a predicament.

Woman, housing association, Oldham

Whether these people would actually have been worse off in work is unknown, but their perception is certainly very strong.

Importantly, high rents were identified as exacerbating the unemployment trap by raising the minimum (or 'reservation') wage that would make it worthwhile to accept employment. Unsurprisingly, higher rents were associated with private renting:

If I was living in a private rented house I would never ever want a job because all your money would be gone... You can't afford to work. [Moving to private rented] would be a stupid thing to do.

Lone parent A, Housing Executive, Larne

Indeed, another lone parent had actually moved out of private rented accommodation and into social rented housing in order to make work pay:

It was at the stage, my kids were getting older and I was thinking about working and the Housing Executive rent is a lot cheaper than private rented... For to work [sic] and with a private rental house, the rent has near doubled.

Lone parent B, Housing Executive, Larne

However, the disincentives associated with high rents were not confined to private rented housing. High social rents in London were also perceived to be a disincentive to take employment:

It's only because my new property is very expensive because I'm quite in Central London, so it's quite expensive. I hadn't realised that when I moved here but I just moved for health reasons. [...] I just need to find the right job to cover my bills.

Female, Housing Association, Lewisham

However, while the notion of an unemployment trap was clearly established, the idea of benefits withdrawal for people already in work (or eligibility for HB if in work) did not arise.

## Behaviour and unemployment traps

Although the study identified a very clear perception that people might be worse off in work than out of work, several respondents indicated that they would nonetheless take employment.

I was talking to my friend and she doesn't work. She gets her grants for schools. She gets her child's meals, she gets her rent paid. See the time I actually sit and work out what I pay out a week I'm actually kind of better off not working. I don't know it's a wild situation, but then it's good to go out and work too.

Lone parent with two children, Lewisham

But if, obviously, if there was a job that was in my field, then I would go for it.

Lone parent in private renting, Larne

With my [last] job, that was a waste of money, but it was the satisfaction I got out of doing that. It doesn't really bother me about the wages, to be honest.

Woman living alone in temporary Local Authority accommodation, Merthyr Tydfil

Researchers noted how people's level of awareness of the financial implications of employment varied. Though some interviewees had used Job Centre advice or websites to estimate as precisely as possible what different employment decisions might mean for their household income, other interviews

suggested almost no understanding of the effect of paid work on benefits. Some people were not very clear about whether they would be better off in work, and some people did not seem to be aware of some of the benefits that might be available to them while in work, such as Working Tax Credits. In effect, this meant that some informants' decisions were very much based on their beliefs about the benefit system, rather than reflecting actual calculations.

In some of the interviews, respondents seemed to be surprised to hear that they might be eligible for Working Tax Credits if they were in work, and a number of interviewees had not heard of local housing allowance.

*I've never really looked into it, to get any Working Tax Credits or anything.*

Man living with flatmate in private renting, Borders

## Benefit administration and job insecurity

A further factor in deterring people from taking employment arose from the administration of benefits. This was clear in the case of a lone parent who asked:

*What's the point of having a job that you have to bring in a timesheet to the dole and prove to them that you're only working those hours? [...] Then the dole wouldn't know how much money you were getting... You can't be working and be claiming benefits at the same time; that is just not good. That's so that you don't have any rights or anything, so it is.*

Lone parent, Housing Executive, Larne

The situation is exacerbated by job insecurity, errors and delays in administration of benefits:

*A lot of them don't last. So when you take a short-term job, by the time you come off and go back onto benefits, you're in more arrears than what you were. So sometimes it's better to play it safe than not, not take a low-paid job.*

Man living alone, housing association, Oldham

### Box 8: Key message 6

High rents in the private rented sector, and perhaps also in the London social rented sector, contribute to a widely-held perception that taking employment will make people worse off. It is notable that while HB is recognised as protecting out-of-work incomes, its role as an in-work benefit is downplayed. Some people are prepared to accept employment even if it makes them worse off, others are deterred by the risks associated with the administration of benefits in the context of an insecure labour market. In terms of housing, the underlying level of rents emerges as the principal factor in affecting the incentive to work.

## Other factors

Although housing has been shown to have a significant impact on employment incentives, it is important to recognise that it has been examined within the context of the lower end of the labour market. Consequently, many of the people interviewed were relatively unskilled, lacking qualifications and experience. This limits severely the wages that they are able to command, even if they find employment. It also means that any employment that they do find is more likely to be insecure and part time.

Barriers arising from lack of skills seem to be compounded by age, with a clear perception that older workers are discriminated against, and by poor health. While the costs associated with housing, including transport, act as significant barriers to employment, so too does the cost of child care, particularly for lone parents.

#### **Box 9: Key message 7**

The employment incentives arising from housing are experienced most acutely by people with relatively few skills who are, as a consequence, more likely to enter low-paid, part-time or insecure employment. People's experiences may be further compounded by age discrimination and poor health. Meanwhile childcare availability and costs, particularly for lone parents, should be considered alongside housing and transport as a barrier to employment.

## **Local initiatives**

We identified a series of employment-related local initiatives in the case study areas. The initiatives run by London & Quadrant (L&Q) in London (a housing association) and ADREF (a charitable organisation) in South Wales are aimed at tenancy sustainment. ADREF provides training for people rehoused as homeless that provides employment skills and capabilities to facilitate tenancy sustainment. L&Q's Welfare Home Project was devised in response to the benefits cap that applies to people working fewer than 16 hours per week. The housing association allows affected tenants who are long-term unemployed to pay a reduced rent in exchange for a "into work agreement". Family Mosaic (another London housing association) has started to issue six-year fixed tenancies under its Better Deal programme, which makes tenancy renewal contingent on the tenant following a self-directed employment plan. Schemes such as Larne's Acceptable Enterprises (a not-for-profit organisation) has provided employment training and work experience for vulnerable young people for more than 15 years. A scheme run by Scottish Borders Housing Association in collaboration with the Scottish Borders College provides courses for 16–24 year olds. Another long-established initiative in Larne, the Larne Community Care Centre, uses mostly local authority funding to provide subsidised childcare to promote employment. A collaboration between Regenda (a housing and regeneration organisation) and Upturn (a social enterprise), begun in 2013, provides funding for self-employment and small business start-ups in Oldham. It is not possible to provide an assessment of the effectiveness of these initiatives because they are either too recent, or there has been no independent evaluation of them.

#### **Box 10: Key message 8**

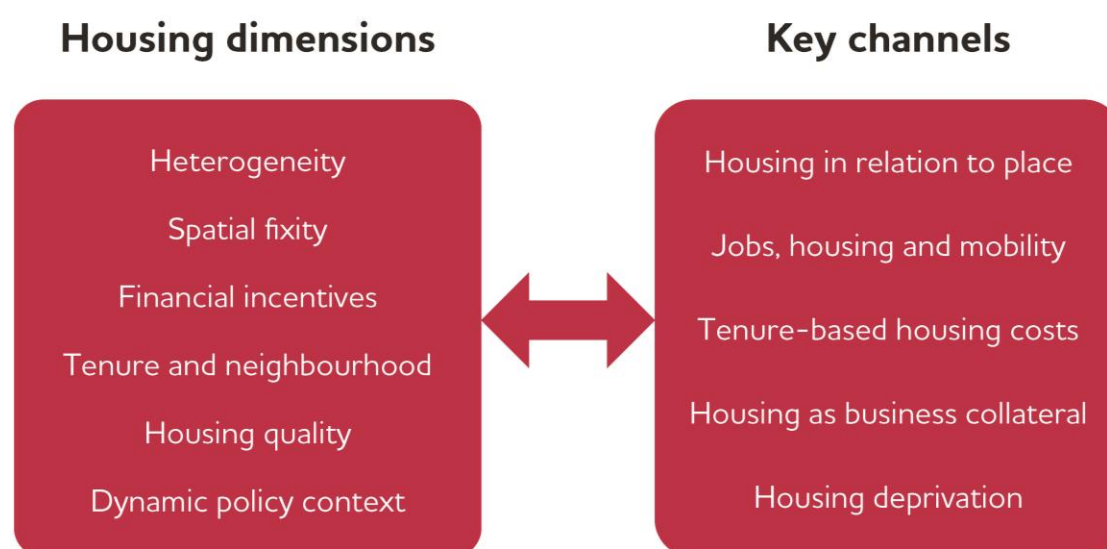
There are many local initiatives that seek to promote employment among tenants. Local initiatives allow for innovation and adaptation to local circumstances, but they are often small-scale and do not appear to have been subjected to independent evaluation. There is a strong case for creating a database of such initiatives, and to evaluate initiatives that appear to be successful, and therefore may be capable of being transferred to other areas or scaled up.

# 5 Conclusions

The aim of the project was to identify through real life examples how housing policy and practice can more effectively support out-of-work households into work, and in-work households in poverty into better work. It aimed to identify housing circumstances that are barriers or enablers to employment and betterment.

This study, informed by the key dimensions and channels thought to shape outcomes (see Figure 21), has shown that employment does not guarantee a life free of poverty. The evidence review and the longitudinal analysis showed that although working households have a lower risk of poverty than non-working households, most working-age people in poverty also live in households where someone works. Nonetheless, few people exit poverty without being employed. The research also indicated that housing tenure and place has profound impacts on the work incentives of people who compete for the relatively low-paid jobs that tend also to be disproportionately part time and insecure. A key theme that emerges from this research is that changes in the labour and housing markets combine to erect barriers to employment for this group.

**Figure 21: Principal housing dimensions and channels examined**



## Main findings of the study

### There is a strong aspiration to work

There is a strongly-held aspiration to work. No participant in the case study interviews indicated satisfaction with living on benefits. Some participants were willing to work, even if they would be worse off financially. People who have expectations of improving their circumstances retain a strong desire to create better lives through employment. This expectation can be supported by housing-led regeneration, but is constrained by poor housing and unattractive neighbourhoods.

### Neighbourhoods facilitate employment

Neighbourhoods facilitate social networks that provide the informal recruitment channels enabling local people to find employment – but can exclude outsiders. Neighbourhoods also provide vital support

networks, notably for childcare, that enable people to work. A reluctance to move to another area is therefore attributable primarily to the loss of such support.

## **Tenure insecurity is a barrier to mobility**

The growth in people in poverty living in insecure private renting and with insecure jobs combines to make people reluctant to move. If jobs are only temporary and accommodation is insecure, the risks of moving from a secure tenancy in a community that provides support are too great for many people. In both housing and labour markets, a perverse effect of flexibility is that it induces sclerosis.

## **Transport is an essential requirement for employment**

The ability to commute from home to work is of crucial importance. The disincentives to work that arise from the cost and availability of public transport are greatly exacerbated by the growth in part-time employment, and employment at anti-social hours. Public transport has not always responded to the changing needs of the workforce, while some employers are inflexible to their staff's travel needs. The requirement to have a car in some low-paid jobs is in itself a barrier to employment. High up-front costs and running costs, and unaffordable repairs, can all exclude people from work.

## **High housing costs contribute to work disincentives**

There is a widespread perception that people on low wages may be worse off in work than out of work. While the loss of HB plays a role in this calculation, the underlying problem is driven by high rents. High rents are associated with the rise of the private rented sector and relatively high social rents in London.

## **Childcare is the main non-housing barrier to employment**

The costs and lack of availability of childcare emerged as the principal barrier to work not related directly to housing. As a lone mother in Lewisham commented, "It is not my house's fault I can't get childcare". The evidence review found that lone parents were particularly disadvantaged, and this was reinforced by case study evidence and poverty pathway analysis that indicated single parents with older or non-dependent children were more at risk of poverty.

# **Recommendations**

Our policy recommendations are informed by two key findings from the longitudinal analysis and the case studies. Few people exit poverty without employment, but employment by itself does not guarantee that people will escape poverty. The objectives are therefore to remove the barriers to employment, and replace them with ladders that enable people to work, and to allow them to work longer hours.

The recommendations acknowledge that housing is only one of several drivers of employment. There is therefore a need for a multi-sectoral approach to employment and employability centred around specific places and their local needs. This is particularly true of harder-to-reach groups – the long-term unemployed, people with disabilities and long-term illnesses, and young people. Clearly, long-term strategies would need to improve the levels of educational attainment and skills that would allow people to compete better in the labour market, and to command higher wages. Long-term improvements require employment policies to be linked to educational attainment and early years interventions, as well as attacking the structural sources of poor health. The recommendations reported below, however, are directed at the situations that people face today.

## **Investment in neighbourhoods**

The quality of housing and neighbourhoods can combine with undoubtedly strong social networks to provide a secure basis for employment. While a poor environment can spur some people to work so that they can leave it, poor-quality built environments appear to exert a demotivating effect. Strategies that support investment in housing and neighbourhood infrastructure should be seen as providing the basis for working communities.

## **Social landlords have a vital role as neighbourhood managers**

Housing associations often have long-term connections to their tenants, residents and communities, which makes them well placed for providing employment-related activities either directly or in partnership with third-party organisations and employers. We identified a number of approaches adopted by housing associations to help their tenants enter the labour market. There is insufficient evidence to recommend any particular model for general application, as the schemes either had not run for long enough, or had not been subject to a full evaluation. There is a strong case for the systematic evaluation of these schemes to identify what works and to enable good practice to be shared.

## **Public transport routes should be reviewed**

Both in rural settings and high-pressure metropolitan labour markets (where commuting costs exacerbate high housing costs), access to reliable and affordable transport is essential to facilitate commuting to work. Redesigning public transport routes should be a greater priority, wherein planners prioritise evidenced commuting routes (including links between towns and bigger settlements with the rural hinterland). We would propose supporting local community planning mechanisms to investigate the adequacy of transport services for commuting, work and employment opportunities.

## **There is a case for subsidising individual commuting costs**

More creative ideas such as subsidising commuting for people in low-paid work would start to better acknowledge the changing nature of work, travel costs, and their interaction with high housing costs. In rural areas car ownership is often necessary, not just to get to a place of employment, but is required as part of the job. Subsidising people's car costs would also help to remove an important barrier to employment. There is scope for innovation to facilitate the pooling of the risk of vehicle repair costs, or spreading the costs over a longer period.

## **Greater tenure security would make people more mobile**

The double insecurity of an insecure tenancy and insecure employment is a significant barrier to mobility. There is clearly a case for strengthening the security of private tenancies, to counter the disincentives to mobility that arise when a household is expected to forfeit the security of a social tenancy for the relative insecurity of a private tenancy. In this context, social rented housing should not be seen as a work impediment. Rather, it is becoming increasingly essential in an insecure and risky labour market. The introduction of fixed-term tenancies in the social rented sector runs counter to this dimension of work incentives.

## **Social housing allocations should facilitate mobility**

Some local authorities already grant additional housing register 'currency' to people wishing to move for employment reasons. If the mover lives in a high-demand neighbourhood, any vacancy will be valued and so the mover should have some compensation (in the form of housing points) to help secure a job-related move to other social housing, in order to also avoid a long commute (this is another reason for the more comprehensive use of common housing registers). The growing practice of English local authorities introducing minimum periods of residency before being allowed on the housing waiting list is undesirable.

## **Rental policy should be reviewed**

High rents are undoubtedly a disincentive to work because of their interaction with HB. The growth in private renting across the country, and rent inflation in London, suggests that ways must be found to limit rental costs. In the long run, this implies a re-emphasis on social renting. Even here, high social rents in London are seen as being a disincentive to work, and this must cast doubt on the wisdom of the 'affordable rent' model.

## **The administration of HB and UC should not deter people from work**

We found that most activation policies are directed at placing people in employment. Relatively little attention is given to maximising the hours that people in a household are able to work, or the quality of the work. The very large proportion of our interviewees who worked in mixed households, or who worked part time, suggests that more attention should be paid to underemployment. Within this context, the disincentives that were reported as arising from the loss of HB related in some cases to what is seen as its haphazard administration. UC is intended to help to solve this problem by allowing for continuous claims and for benefits to be adjusted in 'real time'. It is essential that the administrative aspects to UC work to counter some of the poor experiences that some interviewees reported regarding delays before the benefit is received.

## **Childcare**

Childcare costs, alongside housing and travel costs, emerged as key financial barriers to employment. The government's extension of free childcare is therefore welcome.



# Notes

1. <https://www.understandingsociety.ac.uk>
2. See <http://policyscotland.gla.ac.uk>
3. The initial plan was to model housing effects on employment choices, but two major limitations/biases quickly became apparent. First, housing is not exogenous to employment decisions. Taking endogeneity fully into account in the modelling framework would have been highly complex and beyond the scope and scale of this project. Second, and on the basis of interim case study results, we decided to investigate longer time periods with this data, too. The best method to realise this is sequence analysis. Using this technique we were able to investigate complex realities including the length of time people are in certain circumstances, and sequences of events. These estimates were used to model housing effects on employment decisions. All the variables suggested in the original proposal were used for this analysis. We believe the consequent findings are much more insightful than the original design, which would have produced statistically biased findings.
4. UK Data Archive Study Number 3909, British Household Panel Survey Derived Current and Annual Net Household Income Variables, Waves 1–18, 1991–2009.
5. Equivalence scale: 1 for first adult, 0.5 for others aged 14+, 0.3 to those younger than 14.
6. In the BHPS the cross-sectional respondent weight was applied; in the UKHLS the cross-sectional adult main and proxy interview weight were applied.
7. For comparative purposes, a time-series of housing tenure for a representative cross-section of the 18–64 year-olds (excluding those in full-time education and retirement) is reported in Table 11 in Appendix 1.

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# Appendix 1: Tables and figures relating to Chapter 2

**Table 11: Individuals' housing tenure, UK 2000–2010, people aged 18–64**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Outright owner	17.1%	17.2%	16.8%	18.6%	18.1%	19.9%	20.7%	20.5%	23.3%	17.9%	17.9%
Mortgage owner	61.3%	61.8%	62.8%	60.3%	61.3%	60.1%	58.5%	58.4%	55.6%	49.2%	48.3%
Social renter	13.8%	13.6%	13.5%	12.8%	12.6%	11.9%	12.1%	12.4%	12.4%	16.1%	17.9%
Private renter	7.9%	7.5%	7.0%	8.3%	8.0%	8.2%	8.7%	8.7%	8.6%	15.5%	14.8%

Notes: BHPS 2000–2008, UKHLS 2009–2011; weighted data, those in full-time education and retired persons are excluded. Column figures do not add up to 100% as 'other' category is not reported.

Source: own compilation

**Table 12: Individuals moving into poverty by housing tenure before and after entering poverty, year-by-year change, people aged 18–64, UK 2000–2008 and 2009–11**

	2000– 2001	2001– 2002	2002– 2003	2003– 2004	2004– 2005	2005– 2006	2006– 2007	2007– 2008	2000– 2008	2009– 2010	2010– 2011
Outright owner/ outright owner	8.7%	6.9%	8.7%	8.0%	4.7%	7.7%	5.0%	7.6%	7.2%	7.2%	7.8%
Mortgage owner/ mortgage owner	51.0%	53.9%	47.2%	57.3%	60.2%	54.4%	58.2%	59.3%	55.3%	45.0%	42.9%
Mortgage owner/ private renter	2.7%	1.2%	3.3%	2.2%	3.7%	1.1%	2.9%	2.1%	2.4%	1.6%	1.8%
Social renter/ social renter	21.0%	24.9%	25.7%	16.9%	19.5%	20.3%	18.0%	12.7%	19.7%	22.4%	23.6%
Private renter/ private renter	8.3%	4.1%	5.0%	5.4%	6.1%	7.6%	5.3%	9.6%	6.4%	16.1%	17.1%

Notes: BHPS 2000–2008, UKHLS 2009–2011; weighted data, those in full-time education and retired persons are excluded. Poverty = 60% median income of net equivalised household income after housing costs.

Source: own compilation

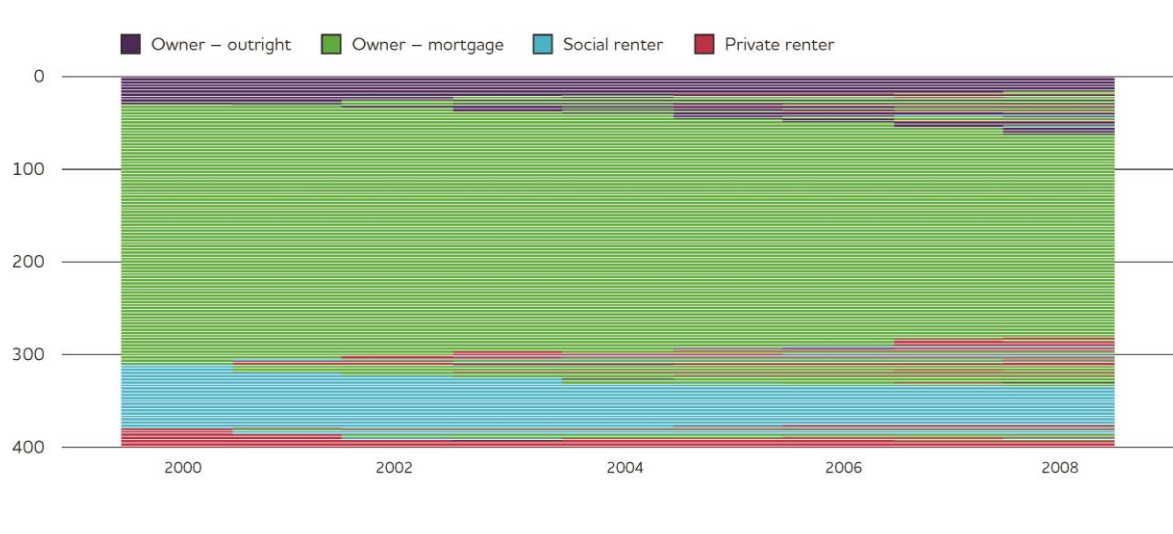
**Table 13: Individuals moving out of poverty by housing tenure before and after exiting poverty, year-by-year change, 18– 64 year-olds in total and by gender, UK 2000–2008 and 2009–11**

	2000– 2001	2001– 2002	2002– 2003	2003– 2004	2004– 2005	2005– 2006	2006– 2007	2007– 2008	2000– 2008	2009– 2010	2010– 2011
Outright owner/ outright owner	6.8%	13.4%	4.4%	12.2%	9.2%	7.8%	6.8%	4.3%	8.2%	8.4%	6.1%
Mortgage owner/ mortgage owner	51.0%	48.6%	50.5%	46.6%	49.6%	59.5%	47.8%	61.0%	51.7%	44.4%	42.4%
Mortgage owner/ private renter	2.5%	2.6%	5.2%	1.3%	4.6%	2.5%	3.5%	2.9%	3.1%	1.1%	1.3%
Social renter/ social renter	26.5%	23.1%	25.1%	28.3%	22.5%	15.5%	23.0%	18.7%	22.9%	24.9%	28.2%
Private renter/ private renter	7.6%	4.8%	10.1%	6.8%	6.2%	7.1%	6.8%	8.3%	7.2%	15.0%	15.9%

Notes: BHPS 2000–2008, UKHLS 2009–2011; weighted data, those in full-time education and retired persons are excluded. Poverty = 60% median income of net equivalised household income after housing costs.

Source: own compilation

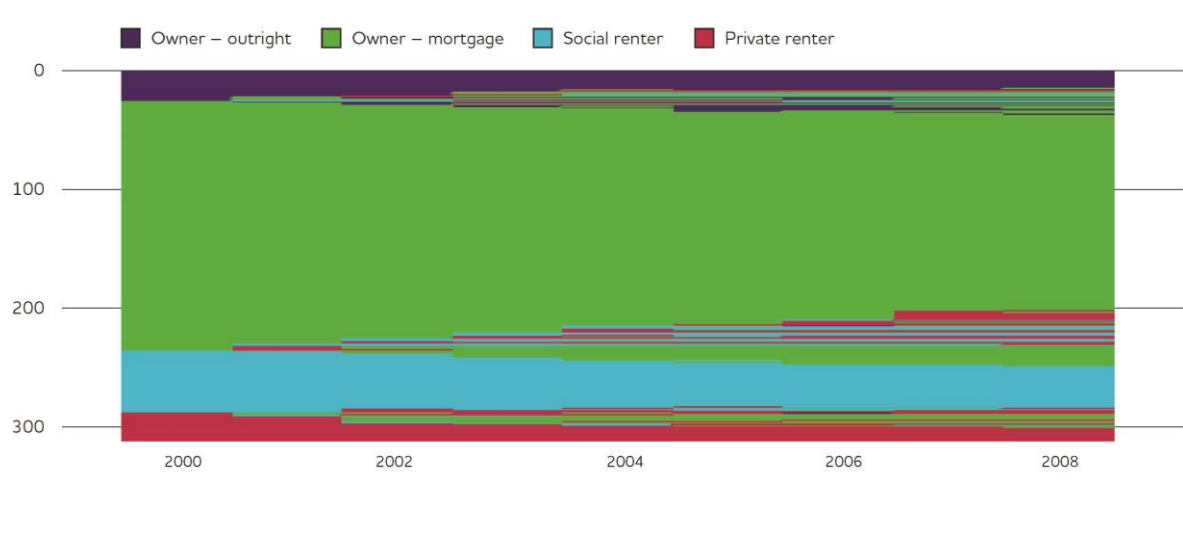
**Figure 22: Housing pathways into poverty – men**



Notes: BHPS; 336 men, 18–64 years old, excluding full-time students and retired persons who were in poverty in 2008.

Source: own compilation

**Figure 23: Housing pathways into poverty – women**



Notes: BHPS; 311 women, 18–64 years old, excluding full-time students and retired persons who were in poverty in 2008.

Source: own compilation

**Table 14: Women – exit group versus stayer group, odds ratios (A)**

Independent variables	Odds ratio	Standard error
Age (omitted: 50–64)		
18–29	0.505	0.337
30–39	0.804	0.623
40–49	1.093	0.983
Highest qualification (omitted: degree)		
Other higher	0.652	0.503
A-level	0.289	0.232
GCSE	0.386	0.311
Other	0.211	0.249
None	0.394	0.364
Moved household (2000–2008)	1.017	0.501
Decline in health (2000–2006)	0.764	0.449
Couple with dependent children in 2000	0.769	0.434
Move out of social housing (2000–2008)	1.227	1.099
From part-time to full-time employment	0.612	0.373
Length of time out of work (2000–2008)	0.759**	0.920
Urban–rural classification (omitted: large urban)		
Other urban	1.745	0.990
Accessible small towns	0.937	0.743
Remote small towns	0.186	0.231
Accessible rural	2.020	1.721
Remote rural	1.812	2.030
N	111	
LR chi2(19)	18.35	
Pseudo R2	0.122	

Notes: BHPS 2000–2008, Here a move (any move) is incorporated as an independent variable. In the model presented in Table 15, the effect of an interregional move was tested.

Significance level: \*\*  $p \leq 5\%$ .

LR: likelihood ratio.

Pseudo R2: this measure compares the log-likelihood from the null model (intercept only) to the log-likelihood from the full model (all covariates included).

Source: own compilation

**Table 15: Women – exit group versus stayer group, odds ratios (B)**

Independent variables	Odds ratio	Standard error
Age (omitted: 50–64)		
18–29	0.924	0.700
30–39	1.052	0.929
40–49	1.172	1.250
Highest qualification (omitted: degree)		
Other higher	0.592	0.483
A-level	0.169**	0.146
GCSE	0.277	0.244
Other	0.229	0.307
None	0.179	0.194
Decline in health (2000–2006)	0.856	0.575
From part-time to full-time employment	0.883	0.600
Housing tenure length (omitted: length in private renting)		
Length in social housing	0.872	0.143
Length in ownership with mortgage	1.029	0.133
Length in ownership outright	1.410*	0.276
Urban–rural classification (omitted: large urban)		
Other urban	1.482	0.971
Accessible small towns	1.103	1.003
Remote small towns	0.175	0.240
Accessible rural	1.926	1.915
Remote rural	0.450	0.582
N	109	
LR chi2(19)	39.4(20)***	
Pseudo R2	0.268	

Notes: BHPS 2000–2008. The variables ‘move across regions 2000–08’ and ‘couple with dependent children in 2000 and with no dependent children in 2008’ not displayed due to large standard error. Note that in Table 14, the effect of any move was tested.

Significance level: \*  $p \leq 10\%$  \*\*  $p \leq 5\%$ , \*\*\*  $p \leq 1\%$ .

LR: likelihood ratio.

Pseudo R2: this measure compares the log-likelihood from the null model (intercept only) to the log-likelihood from the full model (all covariates included).

Source: own compilation

**Table 16: Men – exit group versus stayer group, odds ratios (A)**

Independent variables	Odds ratio	Standard error
Age (omitted: 50–64)		
18–29	0.939	0.446
30–39	1.213	0.598
40–49	1.097	0.731
Highest qualification (omitted: degree)		
Other higher	0.472	0.270
A-level	0.840	0.528
GCSE	0.549	0.312
Other	1.722	1.508
None	0.139***	0.099
Moved household (2000–2008)	0.651	0.237
Decline in health (2000–2006)	1.217	0.441
Couple with dependent children in 2000	0.598	0.219
From paid employment into self-employment	0.149*	0.171
Urban–rural classification (omitted: large urban)		
Other urban	1.448	0.615
Accessible small towns	1.831	1.129
Accessible rural	2.150	1.356
Remote rural	1.316	0.806
N	205	
LR chi2(17)	28.51**	
Pseudo R2	0.109	

Notes: BHPS 2000–2008. The variable 'remote small towns' not displayed due to large standard error. Here a move (any move) is incorporated as an independent variable. In the model presented in Table 17, the effect of an interregional move was tested.

Significance level: \*  $p \leq 10\%$  \*\*  $p \leq 5\%$ , \*\*\*  $p \leq 1\%$ .

LR: likelihood ratio.

Pseudo R2: this measure compares the log-likelihood from the null model (intercept only) to the log-likelihood from the full model (all covariates included).

Source: own compilation



**Table 17: Men – exit group versus stayer group, odds ratios (B)**

Independent variables	Odds ratio	Standard error
Age (omitted: 50–64)		
18–29	0.815	0.386
30–39	0.930	0.476
40–49	1.387	0.917
Highest qualification (omitted: degree)		
Other higher	0.381*	0.227
A-level	0.666	0.437
GCSE	0.452	0.265
Other	1.689	1.507
None	0.133***	0.100
Moved across regions (2000–2008)	0.990	0.653
Decline in health (2000–2006)	1.417	0.525
From paid employment to self-employment	0.110*	0.129
Couple with dependent children in 2000 and with no dependent children in 2008	2.455*	1.349
Housing tenure length (omitted: length in private renting)		
Length in social housing	0.899	0.093
Length in ownership with mortgage	0.960	0.084
Length in ownership outright	1.095	0.114
Urban–rural classification (omitted: large urban)		
Other urban	1.385	0.623
Accessible small towns	2.107	1.385
Accessible rural	1.870	1.213
Remote rural	1.276	0.824
N	200	
LR chi2(20)	33.96	
Pseudo R2	0.132	

Notes: BHPS 2000–2008. The variable 'remote small towns' not displayed due to large standard error. Note that in Table 16, the effect of any move was tested.

Significance level: \*  $p \leq 10\%$ , \*\*\*  $p \leq 1\%$ .

LR: likelihood ratio.

Pseudo R2: this measure compares the log-likelihood from the null model (intercept only) to the log-likelihood from the full model (all covariates included).

Source: own compilation

**Table 18: Men and women – exit group versus stayer group, odds ratios (A)**

Independent variables	Odds ratio	Standard error
Sex (men)	1.300	0.377
Age (omitted: 50–64)		
18–29	0.945	0.349
30–39	1.008	0.414
40–49	1.385	0.725
Highest qualification (omitted: degree)		
Other higher	0.371**	0.172
A-level	0.406*	0.200
GCSE	0.368**	0.171
Other	0.686	0.484
None	0.165***	0.095
Moved across regions (2000–2008)	3.097**	1.534
Decline in health (2000–2006)	1.250	0.374
From self-employment into paid employment	1.231	0.650
Couple with dependent children in 2000 and with no dependent children in 2008	3.268***	1.439
From part-time into full-time employment	1.892	0.967
Housing tenure length (omitted: length in private renting)		
Length in social housing	0.923	0.073
Length in ownership with mortgage	0.996	0.066
Length in ownership outright	1.182**	0.100
Urban–rural classification (omitted: large urban)		
Other urban	1.397	0.472
Accessible small towns	1.642	0.817
Remote small towns	1.463	0.848
Accessible rural	2.053	1.042
Remote rural	1.032	0.561
N	309	
LR chi2(22)	48.36***	
Pseudo R2	0.120	

Notes: BHPS 2000–2008. Here the effect of an interregional move is tested. In the model presented in Table 19, the combined effect of sex and an interregional move was tested.

Significance level: \* p≤10%, \*\* p≤5%, \*\*\* p≤1%.

LR likelihood ratio.

Pseudo R2: this measure compares the log-likelihood from the null model (intercept only) to the log-likelihood from the full model (all covariates included).

Source: own compilation

**Table 19: Men and women – exit group versus stayer group, odds ratios (B)**

Independent variables	Odds ratio	Standard error
Sex (men)	0.874	0.263
Interaction term: Moved across regions*sex	0.093*	0.119
Age (omitted: 50–64)		
18–29	1.003	0.367
30–39	1.147	0.467
40–49	1.788	0.922
Highest qualification (omitted: degree)		
Other higher	0.279***	0.131
A-level	0.352**	0.173
GCSE	0.266***	0.124
Other	0.532	0.366
None	0.105***	0.059
Decline in health (2000–2006)	1.142	0.346
From self-employment into paid employment	1.278	0.677
Couple with dependent children in 2000 and with no dependent children in 2008	3.927***	1.734
From part-time into full-time employment	1.890	1.007
From social housing into other tenure	1.011	0.621
From homeownership with mortgage into other tenure	4.890***	1.992
Urban–rural classification (omitted: large urban)		
Other urban	1.539	0.522
Accessible small towns	1.479	0.759
Remote small towns	1.167	0.727
Accessible rural	2.105	1.079
Remote rural	0.973	0.533
N	309	
LR chi2(22)	56.3***	
Pseudo R2	0.139	

Notes: BHPS 2000–2008. The variable 'moved across regions (2000–2008)' not displayed due to large standard error. Note that in Table 18 the effect of an interregional move was tested. Here the combined effect of sex and an interregional move is tested.

Significance level: \*  $p \leq 10\%$ , \*\*  $p \leq 5\%$ , \*\*\*  $p \leq 1\%$ .

LR: likelihood ratio.

Pseudo R2: this measure compares the log-likelihood from the null model (intercept only) to the log-likelihood from the full model (all covariates included).

Source: own compilation

# Appendix 2: Examples of innovative practice

The research identified examples of practice innovation in the fields of employability and support to work, particularly where it involves housing organisations. Key professionals participating in case study focus groups were asked whether they could point to innovative practice among local social housing providers within their local authorities. Two selection criteria were used: that the practice had a (perceived) innovative character, and that housing organisations considered it to have a positive impact on clients' employability.

It needs to be emphasised here that evaluation of these initiatives was not undertaken for this study, and therefore no claims are made regarding their effectiveness. However, evidence related to the monitoring of schemes and project outcomes were assessed. Finally, we are aware that this can be a politically-charged area (particularly the introduction of employment-related conditionality to social rented tenancies), and therefore in order to maintain research neutrality those examples are deliberately called 'innovative practice' rather than 'good practice'.

## Acceptable Enterprises Larne

Acceptable Enterprises Larne (AEL) was established in August 1999 as the first Northern Irish Social Firm. AEL is a not-for-profit community business that provides sustained employment, training and work experience for vulnerable people, through a range of different business activities. The mission of the company is quite broad; it includes supporting people who have experienced mental ill health, those who have physical and learning disabilities, and, more recently, young people aged 18–24 who are disadvantaged. AEL currently employs 30 people and has over 80 placements on work programmes.

### Objective

People with a disability have a legal right to equal treatment in employment. Nonetheless, their employment rate remains very low. AEL therefore tries to positively discriminate in favour of their client groups. Since 2012, the focus has broadened to include not only people with disabilities, but also other disadvantaged groups.

### Description

AEL provides day opportunities, volunteering placements and paid employment positions. Volunteers and employees work in a variety of businesses, including sub-contracting work, packaging, print finishing, sample making, on-line retailing, catering, manufacturing and light repair work for industry. The range of different activities on the same site means that there are a variety of jobs at different levels, and makes it easy to progress people to different activities that require slightly higher levels of ability, or sometimes to deal with deterioration in clients' productivity.

### Funding

AEL is responsible for over 95% of its own income generation, and is not consequently dependent on significant government funding. There is a service level agreement with the Northern Health and Social Care Trust to provide day opportunities for people with mental health problems and learning disabilities. A plan to start a partner social enterprise producing bottled water has been given £300,000 by the Big Lottery Fund. The plant is now in production and supplying a major distributor based in Belfast.

## Outcomes

AEL gives work experience to people with few other labour market opportunities. There is anecdotal evidence that the activities have a very positive effect on people's well-being, and people benefit from being given responsibility and being treated as employees. In addition, people are encouraged to develop and learn new employment skills. AEL's turnover has risen from £295,000 in 2013 to £638,000 in 2014. There are ongoing plans for expansion that include a tourism project based on the ongoing provision of log cabins, and a new allotment and market garden project.

## Larne Community Care Centre

Larne Community Care Centre (LCC) was established in 1994. The organisation serves a number of different groups, but its principal focus is on providing subsidised childcare in order to promote parental employment. Apart from providing childcare, the organisation also works with children and young people to raise self-esteem, and to reduce their involvement in offending and other undesirable activity.

## Objective

LCC was developed in response to perceived problems in the community, including high rates of health problems, teenage pregnancy, unemployment and benefit dependency. In addition, the area has had community tensions and paramilitary activity. The purpose of LCC is to provide 'an alternative track' and to promote a more positive lifestyle, while encouraging young people to stay away from becoming involved in criminal acts. The organisation aims to achieve this by providing children and young people with a safe environment in which to socialise, as well as programmes aimed at increasing self-confidence, avoiding teenage pregnancy and improving school attendance.

## Description

LCC offers programmes intended for all age groups, including a pre-school programme and day nursery, and after-school and youth intervention projects. Most programmes are mainly aimed at providing childcare for working parents, and are provided at a small cost. In addition, a toddler group is held one morning a week to give unemployed parents access to training opportunities. While a Sure Start worker does a programme with the children, the parents can use this time slot to access training and support opportunities, including essential skills, ICT and counselling. Apart from the services for working parents, there are 20 parents who have a volunteer placement at LCC. As part of their placement, they are given the opportunity to participate in training with the paid staff, including food hygiene and childcare training.

In addition to the childcare services, LCC also provides homelessness services, mainly for homeless families. There are four units that can each accommodate a family of up to six. The families are given support to learn the skills to manage a tenancy, to maximise their benefit income, and reduce their barriers to employment.

## Funding

Initially, LCC was fully funded by the local authority. This made it possible to offer free childcare, and initially the service was mainly focused on helping unemployed parents off benefits and into employment. As the funding was cut, most of the childcare services are now accessed by working parents, who can afford to pay a small charge. It was not possible to assess the outcomes associated with the project.

## London & Quadrant Welfare Home Project

The employment support project was started in early 2013 by the housing association's welfare reform manager, in collaboration with the London borough of Lewisham. Families whose income would be most severely affected by the benefit cap were helped to increase their income and access employment.

## Objective

Local authority data showed that 190 families living in L&Q housing would face over 50% reductions in income after benefit changes took effect. The purpose of the project was to enable those families to cope with benefit changes and to sustain their tenancies, by finding more than 16 hours of paid work. Families would then become eligible for working tax credits and be exempted from the benefit cap.

## Description

Two full-time staff members were recruited to work closely with families, starting with those most heavily affected and gradually lowering the threshold. Families were large, long-term unemployed or had never worked. Families in South London targeted by the programme, including Lewisham, were typically white, working-class families with up to six children.

The project was co-ordinated by a multi-departmental steering group, which included the rent collection team and the revenues team. The initial two-month phase of the project involved financial inclusion help, aimed at reducing utility bills, managing debts, and improving financial capability. If that period was successful, the family was offered an 'into work agreement' that included some conditions of support. The plan would offer ten months of support into employment, facilitated by two dedicated, full-time staff members. Residents were allowed to pay part of their rent during those ten months, with the rest building up as arrears, as long as they complied with the 'into work agreement'.

## Funding

The Welfare Home Project was partly funded through the housing association, and also secured additional funds from the Allen Key Foundation to help with the operational budget.

## Outcomes

In total, 35% of the target group was helped into work. Of the families targeted, 25% now have a lead tenant who is in employment. Another 10% have adult children living in the tenant's households who were helped into work. In addition, the project secured over £150,000 of discretionary housing payments for the 75 families that were helped through the programme, so that only two families needed to build up arrears on their rent. As families could afford to stay in their homes, no enforcement action was taken against any family affected by the benefit cap.

## Family Mosaic: the Better Deal

The 'Better Deal' refers to the introduction of fixed-term tenancies with associated employability targets. A fixed-term tenancy is an assured shorthold tenancy (AST) agreement that expires after a specific time period, after which a new tenancy can be granted. The option to offer fixed-term tenancies was part of the government's localisation strategy, replacing housing associations' former offer of a tenancy for life. At Family Mosaic, all new tenants of working age, except those within five years of retirement or with support needs, are now given six-year fixed-term tenancies. The renewal of the tenancy after six years is conditional on compliance with a self-directed employment action plan, which is supported through a variety of employment support programmes offered by the housing association.

## Objective

Given the limited supply of social housing, Family Mosaic believes that there needs to be a long-term plan to move people into different forms of tenure, such as shared ownership and private rented housing. Being a tenant of a housing association should therefore be a temporary supported phase that forms a springboard to other tenancy types. Fixed-term tenancies can encourage tenants to improve their income, so that they are eventually able to progress to shared ownership. The employment goals also fit into Family Mosaic's manifesto, which commits the organisation to invest in tenants to enable them to fulfil their full potential and to have better mental health and well-being

## Description

In order to qualify for renewal of their tenancy, tenants need to seek employment and/or engage in training opportunities. As part of their tenancy agreement, tenants are required to develop and sign an action plan that sets out what they will do to progress into work, training or education. This deal forms part of the tenancy agreement. The plan is created by the tenant in consultation with their Neighbourhood Manager and a staff member from the employment team. To facilitate the formulation and execution of employment targets, the housing association offers employment advice, training and referrals to other organisations. Where necessary, the housing association provides funding towards courses.

The Neighbourhood Manager will review a tenant's record and progress made to achieve the targets in the action plan midway through the six-year tenancy period, as well as in the final year. If the Neighbourhood Manager determines that the tenant has achieved progress, or made a reasonable effort to do so, the tenant will be offered a further fixed-term tenancy. If a tenant does not achieve progress or make a reasonable effort, the tenancy will not be renewed after the six-year period ends. Furthermore, if a tenant's circumstances have improved to the extent that the household is assessed to be in a financial position to purchase at least 25% of their home, they will be expected to take up this option instead of a renewal of their tenancy.

## Outcomes

The Better Deal only began in 2014, and it is too early to evaluate outcomes.

## ADREF – Open College Network qualification for tenancy maintenance and employability

ADREF is a registered charity and limited company devoted to eradicating homelessness in the South Wales Valleys. In collaboration with Merthyr Valleys Homes, ADREF started a programme with an associated Open College Network (OCN) qualification, teaching employment skills and skills aimed at maintaining tenancies. The course was set up in early 2014.

## Objective

One of the problems identified in the rehousing of homeless people was a tendency for tenancies to break down after a short time. Building self-confidence through employment helps to avoid recurrent homelessness in vulnerable people.

## Description

Initially the qualification was designed for people who had left emergency homeless accommodation and moved onto a temporary supported tenancy with Merthyr Valleys Homes. However, the courses now accept referrals from any support agency, and are targeted at people who are at risk of homelessness, including those who have been given an eviction notice. Upon starting the course, participants are given a basic skills assessment focusing on numeracy and literacy. If they are at a low level, they are given extra support to complete and are encouraged to sign up for other qualifications in numeracy, reading and writing.

The OCN qualification is aimed at skills related to maintaining a tenancy, including applying for HB. This basic qualification then enables participants to enroll in a follow-up programme in employability training, which covers CV writing, job applications and interviews, and first aid training. The training is provided free of charge.



## Outcomes

So far, two courses have been run, with a total of 16 participants. For many participants, the course gave them their first-ever qualification. There was a perception by the organisers that the structure offered by the course was helpful, and they observed improvements in attitude and self-confidence in participants that would help improve their employability over time. In addition, participants had positive social interactions with other people through the course.

There was a change in organisation between the first and the second courses. The first course picked the participants up, while the second course relied on participants travelling to the course location independently. The second course had a much higher dropout rate. From the first group, two people are now in employment and one secured a permanent tenancy. In the second group, two more people secured a tenancy and are now maintaining it.

## Regenda/Upturn startup support

The Regenda Housing Group is a leading independent north-west housing and regeneration organisation. Upturn is a social enterprise that is committed to assisting individuals, public, private and third-sector organisations, and businesses unlock and fulfil their potential. The two organisations wanted to see how they could work together to help people access employment and explore opportunities for enterprise in Limehurst Village, which is a priority neighbourhood in Oldham for Regenda and part of Upturn's own locality. It was agreed that they needed to have a fresh approach to getting people interested in setting up a business in an area that had very little track record of business start-ups. The project began at the end of 2013 with the decision to run a six-month pilot.

## Objective

The project's objective was to support Regenda's tenants into self-employment and specifically to support at least 16 people in developing their own businesses.

## Description

Upturn provided a specialist business advisor who was based at the local multi-agency centre, providing one-to-one advice, support and, essentially, a listening and positive attitude. A key point was that the advisor went out around the estate, delivering leaflets door to door and talking to people wherever they were interested. He also made himself visible and accessible to community groups and local volunteers, getting out and talking to people in all settings over the months.

The Upturn team used a range of resources and techniques to help people identify and develop their basic business idea and take it through all its key stages: idea, pre-start-up, start-up, fledgling and growth. They also set aside a small grant support fund to help cover basic costs such as registration or flyers. The process for individual support was informal, allowing time to talk and develop the idea before getting into the detail of a proposal.

Regenda's Money Advice Team has also supported this project to provide additional specialist advice when needed around benefits issues and other details. This was often a critical point for those making enquiries. They had a small pot of money to provide grants of up to £500 if required; this was managed through a specific process linked with its project manager and finance officer. This enabled speedy decisions to help get initiatives moving, and capitalise on opportunities and enthusiasm.

## Outcomes

At the end of the first stage of the project five people were in self-employment and 22 others are in the process of discussing proposals and ideas. One social enterprise was formed and local economic benefits in the first six months were estimated to be £70,000.

## Keys to Employment course

The Keys to Employment course was developed by the Scottish Borders Housing Association (SBHA), in partnership with Borders College and the Scottish Borders Council. The ten-week course is designed to build confidence and to give individuals the skills and knowledge to help them make informed choices about their future.

### Objective

The purpose of the course is to assist those furthest from the job market to secure work. The courses are focused on 16–24 year-old SBHA tenants.

### Description

Students were referred onto the course by Housing Officers and other SBHA staff. Potential participants were interviewed and screened by the Employability Officer to ensure that they were ready and motivated to take part in the course. The number of students on the course was agreed at 15; delivery took place at the Borders College Campus in Galashiels. Students were compensated for travel expenses, lunch and childcare costs.

The course has four main components. Students are encouraged to build their confidence through an awareness of opportunities that are available through the college, and through teamwork exercises. Lessons in money management cover areas such as budgeting, using credit cards and sustaining tenancies. Communication skills classes include writing letters, online shopping and IT skills. Furthermore, in classes on employment, students are supported in accessing work opportunities, improving interview skills, writing a CV and giving presentations.

### Outcomes

The course is still ongoing and has not yet been evaluated. A full evaluation will be carried out at the end. Success will be measured through increased confidence and self-esteem, better time structuring, improvement in managing finance and budgeting, employment gained, college placements secured and completion of the ten-week course. It is anticipated that other registered social landlords in the area will be approached to take part in the delivery model for their own vulnerable tenants within the age group.

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## About the authors

**Kenneth Gibb** is Professor of Housing Economics and Director of Policy Scotland at the University of Glasgow. His main research interests concern housing economics, finance and policy. Recent research for JRF has included leading an international evidence review of innovative affordable housing supply. Ken is a co-director of What Works Scotland and a co-investigator of the Administrative Data Research Centre – Scotland. He is a board member of Sanctuary Scotland housing association, an associate editor of *Housing, Theory and Society* and a board member of the Urban Studies Foundation.

**Mark Stephens** is Professor of Public Policy at the Institute for Social Policy, Housing, Environment and Real Estate (I-SPHERE), Heriot-Watt University. His main research interests are in housing and poverty. In recent years he has contributed to JRF projects on reforming the council tax, housing and poverty over the life course, and an international review of young people and social security. He is a member of the co-ordination committee of the European Network for Housing Research, Convenor of Scottish Property Tax Reform, and recently joined the editorial team of the UK Housing Review.

**Darja Reuschke** is a lecturer in the Department of Geography and Sustainable Development at the University of St Andrews, Scotland. She specialises in issues of self-employment, micro-businesses, home-based businesses, and the complex interactions between home-life and work-life. She has been published on these themes in geography journals and books, and she has engaged widely with local and national governments, the business community and finance institutions to access new data and raise awareness of micro-businesses in local economic development.

**Sharon Wright** is Senior Lecturer in Public Policy at the University of Glasgow, where she is Director of Research for Urban Studies. Sharon is an international expert in welfare reform and the implementation of employment services. She is an active researcher of applied social research, investigating poverty, unemployment, social security and lived experiences of welfare-to-work policies from user and adviser perspectives. Sharon is currently researching 'Welfare conditionality: sanctions, support and behaviour change' with colleagues from five other institutions (funded by the ESRC).

**Kirsten Besemer** is a Postdoctoral Research Fellow in Criminology at Griffith University, Australia. She was previously a Research Associate at I-SPHERE, Heriot-Watt University, where her work focused on poverty and social exclusion in the United Kingdom.

**Filip Sosenko** is a Research Fellow at I-SPHERE, Heriot-Watt University. His research focuses on severe poverty, social exclusion, homelessness and food banks. Currently he is conducting research into the statistical profile of women and girls facing severe and multiple disadvantage in the UK.

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Joseph Rowntree Foundation

The Homestead

40 Water End

York YO30 6WP

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