



Department
for Work &
Pensions



Direct Payment Demonstration Projects: The longitudinal survey of tenants

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Research Report No 889

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Summary

This report is one of a series of outputs from the evaluation of the Direct Payment Demonstration Projects (DPDP). These Projects were conducted in six areas in Great Britain over an 18-month period during which Housing Benefit was paid directly to social housing tenants (instead of their landlords).

The report presents key findings from the longitudinal face-to-face survey of tenants. It compares the results from the stage 1 Baseline survey conducted in the summer of 2012 (before the DPDPs went 'live') with the stage 3 survey carried out in the first two months of 2014 (after the DPDPs had officially come to an end). This 'before/after' analysis makes it possible to examine behavioural change over time.

The report also presents more in-depth analysis of the combined data from the longitudinal follow-up sample and the top-up sample of interviews that was also conducted at stage 3.

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Glossary of terms and list of abbreviations

Baseline Survey	The stage 1 tenant survey undertaken to generate a 'baseline' position for tenants before the DPDPs commenced.
Current participants	Tenant survey respondents who were participating in the DPDPs at the time of the survey.
Direct payment	The payment of Housing Benefit to claimants.
DPDP	Direct Payment Demonstration Project.
Direct Payment Trial	The term used for ease of comprehension in the tenant surveys to refer to the Direct Payment Demonstration Projects.
DWP	Department for Work and Pensions
Ex-participants	Tenant survey respondents who had either ceased to claim HB; or were continuing to claim HB but had moved back to landlord payment after the DPDP had come to an end; or were continuing to claim HB but had been switched back to landlord payment ('switchbacks').
Follow-up survey	This stage 3 survey involved interviews with tenants who had participated in the stage 1 and stage 2 follow-up surveys.
HB	Housing Benefit
Landlord payment	The payment of Housing Benefit to landlords.
Non-participants	Tenant survey respondents who had never participated in the DPDPs.
Project Area	Direct Payment Demonstration Project Area. The six projects were: Edinburgh; Oxford; Shropshire; Southwark; Torfaen; and Wakefield.
Returning participants	Tenant survey respondents who had been switched back to landlord payment of HB but were subsequently returned to direct payment ('switch-forwards').
RSRS	Removal of the Spare Room Subsidy
Switchback	Tenant who got into arrears while on direct payment and were put back on landlord payment of HB.

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Switch-forward

The return to direct payment of a tenant who has been switched back. In this report, they are referred to as 'returning participants'.

Top-up survey

The additional interviews undertaken at stage 2 and stage 3 in the Project Areas in order to supplement those undertaken with the follow-up sample.

UC

Universal Credit

Executive summary

Background

This report presents the findings from the stage 3 survey of tenants in the Direct Payment Demonstration Projects (DPDPs). It also compares results of the stage 3 survey with those from the stage 1 Baseline Survey of tenants.

The longitudinal tenant survey is one component of an evaluation project commissioned by the Department for Work and Pensions (DWP) and undertaken by a consortium of researchers from the Centre for Regional Economic and Social Research at Sheffield Hallam University, the Blavatnik School of Government at the University of Oxford, and the social research company Ipsos MORI.

The stage 3 survey is a follow-up to the stage 1 ('baseline') survey of tenants, which was conducted in summer 2012 before the introduction of direct payment in six DPDP areas. The stage 3 survey was carried out early in 2014, after the DPDPs had officially come to an end.

The stage 3 survey comprised:

- a **follow-up sample** of tenants who had also been interviewed in the stage 1 and stage 2 surveys, the purpose of which was to conduct longitudinal analysis; and
- a **top-up sample** surveyed at stage 2 and stage 3, the purpose of which was to increase the sample size in order to facilitate analysis of sub-groups of tenants.

Analysis of change over time is based only on the follow-up sample, while cross-sectional analysis of the stage 3 survey alone is based on the combined follow-up and top-up samples.

A comparison of the stage 3 with the stage 1 survey makes it possible to carry out a 'before/after' analysis of the DPDP.

The report also compares three sub-groups of tenants according to their DPDP status at stage 3:

- **current participants** are tenants who reported that they were participating in the DPDP;
- **ex-participants** are tenants who said that they had previously participated in the DPDP, but were not doing so when the stage 3 interview was conducted; and
- **non-participants** are tenants who had not participated in the DPDPs.

It is important to note that this report should not be seen in isolation from the other components of the evaluation. It is one of many outputs being produced by the study team and should be read alongside them. An overarching final report pulls together all of the analysis undertaken by the study team to highlight the key findings from the evaluation of the DPDPs.

The results presented in this report reflect the perceptions and recalls of the tenants at the time when the survey was conducted and not necessarily those of their landlord.

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Findings

The experience of direct payment

Forty-six per cent of tenants were what we have described as 'current participants', 27 per cent were 'ex-participants' and 27 per cent were 'non-participants'.

The proportion of tenants in the follow-up sample whose Housing Benefit (HB) was being paid directly to them increased from one per cent at the baseline stage 1 survey to 53 per cent at the stage 3 survey. Thus, the DPDPs had a significant 'afterlife' in that many tenants continued on direct payment after the projects had officially come to an end.

There was a significant shift in opinion about direct payment of HB among the follow-up sample of tenants who answered this question at both stage 1 and at stage 3. Significantly fewer tenants in the stage 3 follow-up survey than in the stage 1 survey Baseline Survey preferred tenant payment; and correspondingly more preferred either landlord payment or did not mind which of them was paid the HB.

At stage 3, the majority of tenants on HB reported that they preferred landlord payment: 72 per cent they preferred HB to be paid to their landlord, 14 per cent to themselves and 15 per cent had no opinion one way or the other.

However, the great majority of current participants felt they were able to manage direct payment of HB. Indeed, 87 per cent reported that they were coping well with direct payment. And 73 per cent of current participants said it was easy to manage their finances while HB was being paid directly to them. This is an important finding because (as noted in Chapter 1) many stakeholders had been concerned beforehand that most tenants would not be able to cope with direct payment of HB.

The experience of direct payment of HB among the ex-participants was less positive. For example, one in ten ex-participants said they had been switched back to landlord payment because they had missed some or all of the rent payments. One in ten had been switched back because they could not cope with or were confused by direct payment. Others had problems with bank accounts or had been tempted to spend the HB money on something else.

Three out of five tenants who had been switched back to landlord payments had wanted to leave the DPDP and hence the change was in line with their wishes. But the remaining two-fifths either wanted to stay on direct payment or did not mind either way.

The most commonly mentioned reason for no longer participating in the DPDPs was that it had ended in their area (25 per cent of ex-participants). When asked whether they had wanted the DPDP to continue or come to an end, the majority said they had not minded one way or the other (56 per cent). But far more had wanted it to end (42 per cent) than to continue (two per cent). Thus, while there appeared not to be great enthusiasm for direct payment among those who reported that the DPDP had ended, a majority of them were not against it continuing.

The second most commonly mentioned reason given by tenants for leaving the DPDPs was that they had stopped claiming HB (14 per cent). Tenants who left the DPDP for this reason were of course expected to continue paying all of their rent themselves. Participating in the DPDP, therefore, had given them experience of doing so before they ceased claiming HB.

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In the Baseline Survey, a substantial minority of tenants felt that they would need advice or support if they were moved onto direct payment of HB. In fact, by the time the stage 3 survey was conducted, one in six tenants (16 per cent) had received advice or support to help them manage while HB was being paid directly to them.

Two-fifths of those who had received advice or support reported that it had helped them to manage direct payments; the remainder said that it had helped them hardly or not at all. This self-perception appears to be supported by (logistic regression) analysis of the factors associated with rent arrears, which found that having been in receipt of advice or support made no difference one way or the other.

Nevertheless, almost a third of current participants (32 per cent) who had received advice or support said they still needed it to help them manage their HB while it was being paid directly to them. This group accounted for one in 20 current participants. By contrast, almost all of the current participants who had not received advice or support said they did not need it (96 per cent).

The topics on which participants had most commonly received advice or support were: managing rent payments, money management, opening and using bank accounts, and managing rent arrears.

There were mixed views among participants about whether taking part in the DPDPs had made them: better or more confident at managing their money; more interested in how much rent they were being charged for their accommodation; more likely to look for or hold down a job; or increase their hours of work.

Managing money

By the time of the stage 3 survey, there had been significant changes in self-reported money management beliefs and practices since the stage 1 Baseline Survey. There was a small, but statistically significant, increase in the proportion of tenants that had a bank account. It was already high at baseline at 88 per cent among the follow-up sample of tenants, but by stage 3 it had increased to 90 per cent.

Twelve per cent of tenants with a bank account at stage 3 reported that they had one that they used solely for the purpose of receiving HB or paying the rent. The (logistic regression) analysis of rent arrears reported in Chapter 5 found that having a separate bank account, or a separate pot of cash, for paying the rent was positively correlated with having rent arrears.

In the follow-up sample there was a statistically significant fall in the proportion of tenants who normally paid their rent by cash. The number doing so decreased from 30 per cent at stage 1 to 11 per cent at stage 3. The proportion of tenants paying by standing order increased from three to 12 per cent over the same period.

Among the combined follow-up and top-up samples at stage 3, the most common method, used by 31 per cent of tenants who had rent to pay, was direct debt. The next most common methods were rent payment card (such as Allpay), which was used by 23 per cent of tenants with rent to pay; debit cards, which were used by 19 per cent; and cash, used by 11 per cent.

Thus, while cash was one of the two most common methods that tenants normally used to pay the rent before the DPDPs commenced, it had become much less commonly used by the time the DPDPs had officially come to an end.

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Among the follow-up sample about three-quarters of tenants reported at stage 1 that they had a regular spending limit to help them manage their finances. But by stage 3, only two-thirds of them said they had such a limit. Thus, the prevalence of spending limits fell significantly between these surveys

As in the Baseline Survey, at stage 3 the most common period that tenants used for their regular spending limit was weekly and the second most common was fortnightly. Nevertheless, significantly fewer tenants at stage 3 than at stage 1 were using weekly spending limits and more were using fortnightly and monthly limits. Thus, while fewer tenants had them, there was a modest shift towards longer time periods for the regular spending limits that tenants used to help them manage their finances.

Moreover, while fewer tenants had spending limits at stage 3 than at stage 1, they were more likely to manage to keep to them: the proportion of tenants who managed to keep to their spending limit 'always' or 'most of the time' increased from 73 per cent to 79 per cent.

There was a mixed picture in relation to financial wellbeing when comparing the follow-up sample at stage 1 with stage 3. Follow-up tenants as a whole were significantly more likely at stage 3 than at stage 1 to say they had run out of money 'very often' in the previous 12 months; but also more likely to say they had 'never' run out of money during that period.

When tenants had run out of money, by far the most common way to cover the shortfall was by borrowing from family or friends. About half of all tenants said they had covered the shortfall by doing so. About one in six had gone without food and a quarter had gone without other things. A quarter said they had waited until more money came in. One in ten said that they had overdrawn from their bank account.

Very few tenants who had run out of money said that they had covered the shortfall by using their HB money (one per cent) or by delaying paying the rent (three per cent). Six per cent said they had delayed paying other bills.

In the Baseline Survey, a minority of respondents admitted being impulse buyers, preferred to buy things on credit, were more of a spender than a saver, often paid bills late and were disorganised when it came to managing their money day-to-day. These are arguably the hallmarks of poor financial capability and even chaotic money management.

However, the Baseline Survey also found that the majority of respondents self-assessed themselves as not having those failings. Indeed, they appeared to have seen themselves as more or less well-organised money managers; and, by implication, as financially capable within the constraints presented by life on a low income.

Compared with the stage 1 Baseline Survey, in the stage 3 survey significantly fewer tenants regarded themselves as impulsive buyers; fewer said they preferred to buy things on credit rather than save up; and more of them said they were never late at paying bills. In most cases these changes, though statistically significant, were relatively small. Thus, there appears to have been a modest improvement in financial capability during the life of the DPDPs.

Rent arrears

The proportion of tenants reporting that they were behind with their rent increased from 16 per cent at the stage 1 Baseline Survey to 30 per cent at the stage 3 follow-up survey.

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Three out of ten participants who were behind with the rent at stage 3 reported that they were already in arrears before going onto the DPDP. About half of them said their arrears had increased, a quarter that they had decreased, and a quarter that they had remained the same, since they had gone onto the DPDP.

It is important to note that these arrears figures, as with all of the findings in this report, are based on the tenants' self-reporting and may not necessarily be consistent with their landlord's administrative data. The DPDP evaluation included a separate analysis of landlord rent account data. For example, that analysis showed that tenants who went onto direct payment during the 18 months of the DPDP programme, paid 95.5 per cent of all rent owed, compared with a comparator sample (not on direct payment) who paid 99.1 per cent of rent owed.¹

Amongst those in arrears, the two most commonly mentioned 'single most important' reasons for the arrears were loss of income due to the Removal of the Spare Room Subsidy (RSRS) and 'low income', both of which were mentioned by ten per cent of tenants in arrears. The next most commonly mentioned reason was 'unexpected expenses', which was cited by eight per cent.

These findings are consistent with previous research, which has found that negative income shocks and large or unexpected bills are common triggers for the onset of rent arrears among low-income tenants.

Five of the single most important reasons for the arrears were related to the direct payment of HB: problems with HB being paid directly, confusion over due dates for rent payment, bank charges due to problems with HB, using the HB money to pay off other debts and using the HB to pay for something else. Taken together, these five direct payment-related reasons accounted for about one in five (19 per cent) of the total.

The stage 3 survey found that there was a high level of commitment among the majority of tenants to paying the rent. It was the number one priority bill for the majority of tenants: if they could afford to pay just one household bill, 65 per cent of them said they would pay the rent.

Moreover, 81 per cent of tenants disagreed with the statement that '*I could be tempted to spend some or all of the Housing Benefit money on something other than the rent*' (17 per cent agreed with it). And 75 per cent of tenants disagreed with the statement that '*If I had an unexpected expense or large bill that was difficult to pay, I would use Housing Benefit money to pay for it*' (22 per cent agreed).

Five out of six tenants said that falling behind with the rent would concern them either 'a great deal' or a 'fair amount'. However, only a quarter of tenants thought they would be evicted if they sometimes or always underpaid the rent. Just over half thought they would not be evicted and one in six were either uncertain or did not know.

Other debts

About two out of five tenants were behind either on household bills or on loans and other repayments (or both). This was very similar to the results in the stage 1 survey. Thus, while the prevalence of rent arrears had increased since stage 1, the prevalence of these other kinds of debt had not increased.

The net result was that the proportion of tenants with both rent arrears and other debts

¹ *Direct Payment Demonstration Projects: Key findings of the 18 months' Rent Account Analysis exercise*, DWP Research Report No. 891.

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increased from 11 per cent at stage 1 to 19 per cent at stage 3. The proportion of tenants that had **only** rent arrears increased from five per cent to 11 per cent. And the proportion that had **only** other debts fell from 32 per cent to 24 per cent.

As with 'other debts', there was no significant change between stage 1 and stage 3 in the prevalence of automatic deductions from earnings or benefits to pay back arrears and debts. In both surveys, about three out of ten tenants had such deductions.

Risk factors for rent arrears

Logistic regression analysis examined the correlates – or 'risk factors' – associated with having rent arrears at stage 3 and with having 'new arrears' (that is, arrears that had arisen or increased since the stage 1 Baseline Survey).

The factors that were positively correlated with having any arrears at stage 3 (other things held constant) were: having a low or fluctuating income, not being in receipt of HB, being in receipt of partial HB, keeping a separate rent account or pot of cash for paying the rent, being behind on household bills, and not being a very well organised money manager.

It was found that, when controlling for other factors, direct payment was negatively associated with being behind with the rent at stage 3. In other words, when their other characteristics (such as their gender, age or ethnicity) are held constant, HB claimants on direct payment were less likely to be in arrears than tenants on landlord payment. However, this result is not necessarily surprising: it was precisely because they were in arrears that many ex-participants had been switched back to landlord payment.

It was also found that 'new arrears' were positively associated with: (1) being in receipt of partial HB, (2) being behind on household bills, (3) having automatic deductions to pay back debts, (4) being likely to use HB if presented with an unexpected expense or large bill that was difficult to pay, and (5) having experienced a reduction in HB entitlement due to the RSRS or the total benefit cap.

The fact that being behind on household bills and having automatic deductions from benefits or earnings were both positively correlated with new arrears suggests that tenants with either or both of these were at risk of being tipped into rent arrears or an increase in rent arrears by new financial challenges. However, from the perspective of this evaluation, it is important to note that (other things being equal) having 'new' rent arrears was not significantly correlated – either positively or negatively – with being on direct payment of HB. This suggests that it was not so much the introduction of direct payment that was the underlying cause of the increased prevalence and level of rent arrears, but rather the day-to-day challenge of getting by on a low income for a substantial minority of tenants.

1 Introduction

This report presents the findings from the stage 3 survey of tenants in the Direct Payment Demonstration Projects (DPDPs). It also compares results of the stage 3 survey with those from the stage 1 Baseline Survey of tenants. The stage 3 survey is a follow-up to the stage 1 'Baseline' Survey of tenants, which was conducted before the introduction of direct payment in six DPDP areas², and the stage 2 survey which was conducted in autumn 2013.

The tenant surveys are one component of an evaluation project commissioned by the Department for Work and Pensions (DWP) and being undertaken by a consortium of researchers from the Centre for Regional Economic and Social Research at Sheffield Hallam University, the Blavatnik School of Government University of Oxford, and the social research company Ipsos MORI.

The evaluation monitored the effect of direct payment of Housing Benefit (HB) on social housing tenants, landlords and other stakeholders. In order to assess the impact of direct payment over time, the evaluation employed a mixed-methods approach, which comprised the following activities: tenant surveys; in-depth qualitative interviews with tenants and stakeholders; and an analysis of participating landlord rent accounts and management costs.

This report is one of a series of reports presenting the findings from the different components of the evaluation. An overarching final report pulls together all of the analysis undertaken by the study team to highlight the key findings from the evaluation of the DPDPs.

1.1 Background

The DPDPs were established in six local authority areas in 2012 to test the direct payment of HB to tenants living in social housing. Under current arrangements, HB is paid to the landlord rather than the tenant in the great majority of cases. However, along with five other social security benefits, HB is being incorporated into the new Universal Credit (UC), which is currently being rolled out over a period of years by DWP.

UC is a new integrated benefit for people of working age and comprises a single monthly payment.³ UC will normally be paid as a single sum of money that includes a component for housing, which will be based on the present system of HB. In most cases, therefore, it is likely that the housing component will be paid to the tenant and not to the landlord.

The shift from landlord to tenant payment under UC represents a major change for social housing tenants currently receiving HB. This is especially the case for those whose HB covers all of the rent as they do not currently hand over any rent money to their landlord. Previous research had suggested that some HB claimants thought they would initially need

² Kemp, P. A., Hickman, P., Reeve, K., Collins, B., Finlay, S. and Robinson, D. (2012). *Direct Payment Demonstration Projects: Findings from a Baseline Survey of tenants in five Project Areas in England and Wales*. Research Report No. 822. London: Department for Work and Pensions.
www.gov.uk/government/publications/direct-payments-demonstration-projects-findings-from-a-baseline-survey-of-tenants-in-five-project-areas-in-england-and-wales-rr822

³ Secretary of State for Work and Pensions (2010). *21st Century Welfare*. Cm 7913. London: The Stationery Office.

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help, and others that they would find it very difficult, to make the transition to direct payment.⁴

The shift to direct payment of HB under UC has faced criticism from advice agencies and organisations representing social housing landlords and mortgage lenders.⁵ They are concerned that tenants may not successfully manage to make the transition, either initially or at all, with the result that they may get into (more) rent arrears. If rent arrears were to increase substantially it could have a significant impact on social housing landlords' rental income and possibly even the rate of interest at which they borrow money.

The Government has recognised that a minority of claimants might not successfully make the transition and that alternative payment arrangements such as paying HB to their landlords – at least initially – would be necessary in those cases. But this raises the question of which tenants might be at risk of getting into difficulty when their HB is no longer paid to them, but incorporated into their UC benefit, how they might be identified and whether advice or support might help prevent them getting into difficulty.

In order to address these issues, in September 2011 Lord Freud, Minister for Welfare Reform, announced that six demonstration projects would be established to '*...test some key elements of social sector housing support under Universal Credit while protecting social landlords' financial position.*'

The DPDPs tested two key changes for tenants of working age: HB was paid (1) directly to tenants instead of their landlord; and (2) every four weeks⁶ instead of weekly or fortnightly.

Six areas were selected to take part in the DPDP: Edinburgh, Oxford, Shropshire, Southwark, Torfaen and Wakefield. As well as representing a range of types of area and a geographical spread, the six DPDPs between them include social landlords that were housing associations, local authorities, and large-scale voluntary transfers from councils to new housing associations.

1.2 Methods

The tenant survey component of the evaluation had three stages: (1) a Baseline Survey conducted before the DPDPs went 'live'; (2) a follow-up and top-up survey carried out between a year and 15 months later (the Project Areas went live at various times); and (3) a final survey conducted after the DPDPs had officially ended.

The **Baseline (stage 1) Survey** was conducted in the summer of 2012 before the DPDP projects went live. The aim of the Baseline Survey was to obtain statistical evidence on the circumstances and attitudes of tenants in receipt of HB in the DPDPs prior to the commencement of direct payment to them instead of payments to their landlords. Ipsos MORI carried out the survey fieldwork with 1,638 tenants in the five Project Areas in England and Wales during May and June; and with 326 tenants in Edinburgh during August and

⁴ Irvine, A., Kemp, P.A. and Nice, K. (2007). *Direct Payment of Housing Benefit: what do claimants think?* Coventry: Chartered Institute of Housing and Joseph Rowntree Foundation. www.jrf.org.uk/sites/files/jrf/2011-housing-benefit-payment.pdf

⁵ See their representations to the Select Committee on Work and Pensions (2012). *Universal Credit Implementation: meeting the needs of vulnerable claimants*, HC 576. London: The Stationery Office.

⁶ Monthly in the case of the Edinburgh DPDP.

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September 2012. The findings from the fieldwork in England and Wales were published later in that year.⁷

The aim of the **stage 2 tenant survey** was to provide interim findings on changes in the circumstances and perceptions of tenants since the introduction of direct payment of HB. Ipsos MORI carried out the fieldwork for the survey in the six DPDP areas in October and November 2013. It involved 1,827 interviews with two sub-samples of tenants: (1) **follow-up interviews** with 1,218 of the tenants who were interviewed in the stage 1 Baseline survey; and (2) **top-up interviews** with an additional 609 tenants.

The purpose of the top-up interviews was to increase the sample size and thereby facilitate analysis of sub-groups of tenants at stage 2 and stage 3. Analysis found that the follow-up and top-up samples of tenants were broadly similar on most key socio-demographic variables, which suggests that the data can be combined for analysis. The report of the stage 2 survey was published in July 2014.⁸

The aim of the **stage 3 survey** was to examine changes in the circumstances, beliefs and behaviour of tenants since the stage 1 Baseline Survey. For example, how well did tenants manage the switch from landlord payment to direct payment of HB? Was there a shift towards preferring direct payment instead of landlord payment? Did tenants need advice or support to help them manage direct payment, did they receive that advice and how useful did they find it? Did rent arrears increase and if so which types of tenant were most at risk of getting into arrears? Did more tenants get into arrears on their other payments or on loans? And did tenants change their money management practices while in receipt of direct payment?

All the follow-up sample of tenants who were interviewed at stage 3 had been interviewed in the stage 1 survey. Since the stage 1 Baseline Survey was conducted before the DPDPs went live, and the stage 3 survey was conducted after they had come to an end, it was possible to conduct a 'before and after' analysis of the DPDP to examine these questions.

The stage 3 survey was conducted, by Ipsos MORI, in January and February 2004, after the DPDPs had officially come to an end in December 2013. A total of 650 interviews were carried out, comprising 459 with the follow-up sample and 191 with the top-up sample. The follow-up interviews from the Baseline Survey sample accounted for 71 per cent of the stage 3 respondents survey and the top-up interviews for 29 per cent (Table 1.1).

⁷ Kemp, P. A., Hickman, P., Reeve, K., Collins, B., Finlay, S. and Robinson, D. (2012). *Direct Payment Demonstration Projects: Findings from a Baseline Survey of tenants in five Project Areas in England and Wales*. Research Report No. 822. London: Department for Work and Pensions. www.gov.uk/government/uploads/system/uploads/attachment_data/file/193327/rrep822.pdf

⁸ Kemp, P.A. (2014). *Direct Payment Demonstration Projects: report from the stage 2 survey of tenants*. Research Report No.878, London: Department for Work and Pensions. www.gov.uk/government/uploads/system/uploads/attachment_data/file/333072/dpdpd-report-from-the-stage-2-survey-of-tenants.pdf

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Table 1.1 The two stage 3 sub-samples

Sub-sample	%	Base
Follow-up	71	459
Top-up	29	191
Total	100	650

Table 1.2 shows the distribution of tenants by landlord type across the six Project Areas. In total, 37 per cent of tenants were renting their home from a local authority and 63 per cent from a housing association. The landlord type mix varied between by area. In three of the Project Areas – Torfaen, Wakefield and Edinburgh – the local authority stock had been transferred to a new housing association.

Table 1.2 Type of landlord by area

Type of landlord ***	Column percentages					
	Oxford	Shropshire	Southwark	Torfaen	Wakefield	Edinburgh
Local authority	80	69	74	0	0	0
Housing association	20	31	26	100	100	100
<i>Base: all tenants</i>	<i>117</i>	<i>102</i>	<i>100</i>	<i>117</i>	<i>103</i>	<i>111</i>

Statistical significance: $p < 0.001$.

1.3 Interpreting the findings

This report presents results from the stage 3 survey of follow-up and top-up survey of tenants. Where relevant, the tables compare results for the follow-up sample from the stage 1 Baseline Survey with those for the stage 3 survey. By using the follow-up sample of tenants who have answered the same question in both of these surveys it is possible to look at change over time. Hence the results are able to show tenant circumstances, beliefs and behaviour both before and after the DPDP.

Except where specified to the contrary, all data in this report is from the stage 3 survey. The percentage data in the tables are weighted to be representative of the profile of tenants interviewed in the Baseline Survey at stage 1. However, the base numbers at the foot of the tables are not weighted. Where there are small number of 'Don't know' or 'Can't remember' responses, these are generally excluded from the table.

Column or row total percentages may not sum to exactly 100 per cent due to computer rounding or multiple response questions. In the case of computer rounding, this may very occasionally include some questions where there are only two possible answers.

Because the survey involved a sample, and not the entire population, of tenants the results are subject to a margin of error (referred to as the 'confidence interval'). The variation between the results based on the sample and the 'true' values in the entire population can be estimated from the sample sizes on which the results are based and the number of respondents giving answers to the questions. Most commonly, analysts use the 95 per cent significant level to make such estimates. This means that the chances are 95 in 100 that the 'true' values will fall within the confidence interval.⁹

⁹ The 99 per cent significance level means that the chances are 99 in 100 that the 'true' values will fall within the confidence interval.

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In this report, where differences in the results between sub-groups are statistically significant at the 95 per cent level or greater, this is highlighted in the table. Differences in results between particular sub-groups that do not fall within the confidence interval are therefore not significant and could have occurred by chance. Only significant differences are discussed in the text.

The following terms are used to describe the 'DPDP status' of the survey respondents:

- **current participants** – are tenants who reported that they were participating in the DPDP¹⁰;
- **ex-participants** – are tenants who said that they had previously participated in the DPDP, but were not doing so when the interview was conducted. They are tenants who had either (1) ceased claiming HB or (2) moved back to landlord payment after the DPDP had come to an end or (3) been switched back to landlord payment of HB. The latter are known as '**switchbacks**' by those involved in the DPDPs;
- **non-participants** – are tenants who did not participate in the DPDPs.

Five tenants reported that they did not know whether or not they had or were participating and are therefore excluded from tables that are based on 'DPDP status'.¹¹

One might expect there to be differences between switchbacks and other types of ex-participant. Certainly, far more switchbacks than other ex-participants were still receiving HB at the time of the stage 3 survey. But switchbacks were not significantly more likely to report that they 'always' ran out of money before the end of the week or month. Nor were they significantly more likely to agree or disagree with the statement that 'I am very organised when it comes to managing my money day-to-day'. A higher proportion of switchbacks than of other ex-participants were behind with the rent (50 per cent compared with 30 per cent). However, this difference disappeared when their other characteristics were controlled for. In fact, a statistical analysis (logistic regression) comparing switchbacks with other ex-participants on 29 characteristics, found very few statistically significant differences between them.¹² Apart from receipt of HB, the only other variable that was significantly different was age group: switchbacks were significantly less likely to be aged over 45 and above.

It is also important to note that, while the DPDPs had officially come to an end by the time that the stage 3 survey was conducted, many tenants were still in receipt of direct payment (see Chapter 3).

¹⁰ For ease of comprehension, the phrase 'Direct Payment Trial' was used instead of Direct Payment Demonstration Projects in the survey questionnaire.

¹¹ There were no 'returning participants' in the stage 3 survey, that is tenants who reported that they were participating at the time of the interview, but had previously been taken off and later put back on. They were known as 'switch-forwards' by those involved in the DPDPs.

¹² The 29 variables included socio-demographic characteristics; other key background characteristics (such as literacy or numeracy problems, work status and savings); Project Area; money management methods; rent arrears and other debts; and attitudes to rent arrears; budgeting priorities; and self-perceived money management characteristics.

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References to '**participants**' refer collectively to current and ex-participants only. In the tables, the term '**tenant**' refers to survey respondents irrespective of whether they were, or had been, participating in the DPDP. Except where specified to the contrary, the data in the tables in this report are based on the combined follow-up and top-up samples from the stage 3 survey.

It is important to note that the results presented in this report reflect the **perceptions of the tenants** at the time when the survey was conducted and not necessarily those of their landlords.

2 Characteristics of tenants

This chapter describes the characteristics of the tenants taking part in the stage 3 survey.¹³

As explained in Chapter 1, current participants are tenants who reported that they were participating in the Direct Payment Demonstration Project (DPDP); ex-participants are tenants who said that they had previously participated in the DPDP, but were not doing so when the interview was conducted; and non-participants – are tenants who did not participate in the DPDPs.

2.1 Demographic characteristics

Two-thirds of tenants participating in the stage 3 survey were female and one-third was male. However, gender varied significantly by DPDP status. As Table 2.1 shows, ex-participants were more likely (75 per cent) and non-respondents were less likely (62 per cent) to be female than were current participants (68 per cent).

Table 2.1 shows the age distribution of respondents. Age group varied significantly between the three DPDP status samples. Current participants were more likely than either ex-participants or non-participants to be aged 55 or more. Ex-participants were more likely to be aged between 25 and 34 years. And non-participants were much more likely than current and ex-participants to be aged under 25 (Table 2.1).

Twelve per cent of respondents had a black or other minority ethnic (BME) group background. Ethnic background of respondents varied between the three DPDP status groups. In particular, compared with current participants, non-participants were twice as likely, and ex-participants three times as likely, to belong to a BME group. As Table 2.1 shows, the percentage of BME tenants was seven per cent among current participants, 13 per cent among non-participants and 21 per cent among ex-participants.

Household type also varied by DPDP status. A much higher proportion of non-participants (46 per cent) were living in single person households than was the case for current (32 per cent) and ex-participants (23 per cent).

The other main household type difference is that non-participants were much less likely than tenants in the other two groups to be living in households that contained dependent children. Thus, 18 per cent of current participants, and 24 per cent of ex-participants, were either lone parents or part of a couple living with dependent children. The figure for non-participants, by contrast, was only nine per cent (Table 2.1).

¹³ A more detailed analysis of the characteristics of the tenants can be found in the report of the stage 1 Baseline Survey: Kemp, P. A., Hickman, P., Reeve, K., Collins, B., Finlay, S. and Robinson, D. (2012). *Direct payment Demonstration Projects: Findings from a baseline survey of tenants in five Project Areas in England and Wales*. Research Report No. 822. London: Department for Work and Pensions.

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Table 2.1 Socio-demographic characteristics, by DPDP status

	<i>Column percentages</i>			
	Current participants	Ex-participants	Non-participants	All
Gender of respondent *				
Male	32	25	38	32
Female	68	75	62	68
Age of respondent **				
16 to 24	7	3	16	8
25 to 34	15	25	18	19
35 to 44	31	33	28	30
45 to 54	25	25	26	25
55+	22	15	13	18
Ethnicity of respondent ***				
White	93	79	87	88
Black or other ethnic minority	7	21	13	12
Household type **				
Single person	32	23	46	33
Lone parent	10	15	5	10
Couple with children	8	9	4	7
Couple	24	23	24	24
Multi-person household	26	30	22	26
Disability status of household *				
No	31	44	40	37
Yes	70	56	60	63
Work status of household **				
Working	33	46	26	35
Not working	67	55	74	66
Numeracy or literacy problems? *				
Yes	16	14	24	17
No	84	87	76	83
<i>Base: all tenants</i>	<i>275</i>	<i>157</i>	<i>141</i>	<i>573</i>

Statistical significance: * p<0.05 ** p<0.01; *** p<0.001.

2.2 Health and disability

The three DPDP status groups also varied significantly according to the disability status of the household in which the tenant lived.

Seventy per cent of current participants were living in a household within which they or someone else had a long-term illness, health problem or disability that limited the daily activities or the work they could do. Among ex-participants the corresponding figure was 56 per cent and among non-participants it was 60 per cent (Table 2.1).

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Tenants who said they themselves had a limiting long-term illness, health problem or disability were presented with a list of conditions and asked which, if any, applied to them. The results are shown in Table 2.2. The figures sum total to more than 100 per cent because some tenants had more than one condition.

Table 2.2 Respondent health conditions or disability, by DPDP status

Respondent health or disability	Column percentages			
	Current participants	Ex-participants	Non-participants	All
Stress or anxiety *	34	21	30	29
Depression	32	22	30	29
Mental illness	18	11	17	16
Health problems due to alcohol	1	2	4	2
Health problems due to illicit use of drugs	2	0	1	1
Learning difficulties	9	3	9	8
Other health problems or disabilities *	39	28	40	37
None of these	1	2	0	1
<i>Base: tenants with health conditions or disability</i>	<i>278</i>	<i>163</i>	<i>141</i>	<i>582</i>

Statistical significance: * $p < 0.05$.

By far the most common type of limiting condition was mental health problems. Twenty-nine per cent of tenants with a condition reported that they suffered from stress or anxiety, 29 per cent that they experienced depression and 16 per cent had a mental illness (Table 2.2).

Very small numbers of tenants with a limiting condition reported having health problems due to alcohol (two per cent) or illicit use of drugs (one per cent). Eight per cent said they had learning difficulties. And 37 per cent said they had other types of health problems or disabilities (Table 2.2).

Current and non-participants were significantly more likely than ex-participants to report that they were suffering from stress or anxiety. Thus, among tenants with a limiting health condition, 34 per cent of current participants and 30 per cent of non-participants said they had stress or anxiety. But among ex-participants the figure was 21 per cent (Table 2.2).

2.3 Disadvantage

Tenants were asked if they had ever stayed in any of the types of institution listed on a card that they were shown. The types of institution, and the proportion of tenants who had ever stayed in them, are shown in Table 2.3.

In fact, 77 per cent of tenants reported that they had never stayed in any of the types of institution listed on the showcard. However, current participants (80 per cent) and ex-participants (80 per cent) were significantly more likely than non-participants (68 per cent) to say that they had never stayed in any of the institutions.

Nevertheless, only a minority of tenants had ever stayed in one of the types of institution. Overall, nine per cent had stayed in a psychiatric unit or hospital, seven per cent had stayed in a children's home and seven per cent had stayed with foster parents.

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Table 2.3 Whether respondents have ever stayed in an institution, by DPDP status

<i>Column percentages</i>				
Type of 'institution'	Current participants	Ex-participants	Non-participants	All
Children's home	5	9	9	7
Foster parents **	4	8	11	7
Psychiatric unit or hospital	11	5	11	9
Alcohol unit	2	1	4	2
Drugs unit *	1	0	3	1
Young offenders' institution	2	1	3	2
Prison or remand centre	4	3	6	4
None of these **	80	81	68	77
Refused	<1	1	3	1
Don't know	1	0	1	1
<i>Base: all tenants</i>	<i>278</i>	<i>163</i>	<i>141</i>	<i>582</i>

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

When compared with current participants (four per cent), ex-participants were twice as likely (eight per cent) and non-participants almost three times as likely (11 per cent) to have stayed with foster parents. Non-participants were also significantly more likely to have ever stayed in a drugs unit (Table 2.3).

Table 2.1 shows that one in six tenants (17 per cent) reported that they had either problems with numbers or simple arithmetic or problems with reading, writing or speaking English (or both numeracy and literacy problems).

Non-participants were much more likely than current or ex-participants to have literacy or numeracy problems. Sixteen per cent of current participants and 14 per cent of ex-participants reported having literacy or numeracy problems. But among non-participants, 24 per cent said they had one or other (or both) of these problems (Table 2.1).

The great majority of tenants (73 per cent) reported in the stage 2 survey that they used the Internet. However, Internet use varied significantly between the three sub-groups of tenant. As Table 2.4 shows, 78 per cent of current participants, 71 per cent of ex-participants and 66 per cent of non-participants said they used the Internet.

Table 2.4 Did tenants use the Internet?

<i>Column percentages</i>				
Use the Internet? *	Current participants	Ex-participants	Non-participants	All
Yes	78	71	66	73
Not at all	22	30	34	27
<i>Base: all tenants</i>	<i>278</i>	<i>163</i>	<i>141</i>	<i>582</i>

Statistical significance: p<0.05.

2.4 Work and finances

Two-thirds of tenants were living in workless households and one-third in households in which at least one person was in paid work (Table 2.1). Table 2.5 shows the tenant's own work status at the baseline stage 1 interview and at the stage 3 follow-up interview. For this table, work status is grouped into four categories: paid work, unemployed, long-term sick and disabled, and other economically inactive.

Table 2.5 Respondent work status at stage 1 and stage 2

Work status **	Column percentages	
	Follow-up sample at stage 1	Follow-up sample at stage 3
Working full-time or part-time	14	19
Unemployed	22	20
Long-term sick or disabled	35	39
Other economically inactive	29	22
<i>Base: all follow-up tenants</i>	459	459

Statistical significance: $p < 0.01$ (for technical reasons the test of significance (McNemar) is for working versus other).

There were significant differences in tenants' work status between the stage 1 Baseline Survey and the stage 3 follow-up survey. By stage 3, the number of tenants in paid work had increased by four percentage points, rising from 14 per cent at stage 1 to 19 per cent at stage 3. Meanwhile, there was increase from 35 per cent to 39 per cent in the proportion of tenants who were long-term sick or disabled; and a fall from 29 per cent to 22 per cent who were otherwise economically inactive (Table 2.5).

Tenant work status at stage 3 differed significantly by DPDP status. Surprisingly, perhaps, ex-participants were about twice as likely to be in paid work when compared with current and non-participants. Ex-participants less likely to be long-term sick or disabled than were tenants in the other two DPDP status groups. Meanwhile, current participants were more likely to be otherwise economically inactive, and non-participants were more likely to be unemployed, when compared with the other groups (Table 2.6).

Table 2.6 Respondent work status – by DPDP status

Work status ***	Column percentages			
	Current participants	Ex-participants	Non-participants	All
Working full-time or part-time	15	33	16	20
Unemployed	18	19	25	20
Long-term sick or disabled	40	27	38	36
Other economically inactive	27	22	21	24
<i>Base: all tenants</i>	278	163	141	582

Statistical significance: *** $p < 0.001$.

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The great majority of tenants – 79 per cent – were not in paid work both at stage 1 and at stage 3. Twelve per cent were working when both of the surveys were conducted; two per cent were working at stage 1 but not at stage 3; and seven per cent were not in work at stage 1 but were in work at stage 3.

The number of tenants who had moved into work by stage 3 was too few (n=31) to analyze separately or to ascertain the impact which taking part in the DPDP had on that change in their work status.

Tenants who were not working at stage 3 were asked if they were actively looking for paid work. As Table 2.7 shows, about a quarter of them reported that they were currently looking for paid work. The differences in this respect between the three DPDP status groups were not statistically significant (Table 2.7).

Table 2.7 Were tenants actively looking for paid work?

<i>Column percentages</i>				
Actively looking for paid work?	Current participants	Ex-participants	Non-participants	All
Yes	23	28	28	26
No	77	72	72	74
<i>Base: tenants not in paid work</i>	236	110	120	467

Tenants who were in paid work at stage 3 were asked if they were currently looking to change their hours of work. Two-fifths of them were looking to increase their hours and almost all of the remainder was not looking to change their hours of work (Table 2.8).¹⁴

Table 2.8 Were tenants currently looking to change their hours of work?

<i>Column percentages</i>				
Looking to change hours of work?	Current participants	Ex-participants	Non-participants	All
Increase hours	39	40	41	40
Not looking to change hours	62	60	59	60
<i>Base: tenants in paid work</i>	39	50	18	107

One in five tenants in paid work reported that they were an agency worker or had a zero-hours job contract (Table 2.9). The differences in this respect between current tenants and those who were ex-participants or non-participants are not statistically significant; almost certainly because of the small sample sizes for this question.

¹⁴ Three tenants in work were looking to decrease their hours.

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Table 2.9 Is the tenant an agency worker or have a zero-hours contract?

<i>Column percentages</i>				
Agency or zero-hours contract?	Current participants	Ex-participants	Non-participants	All
Yes	10	24	24	19
No	90	77	76	81
<i>Base: tenants in paid work</i>	40	50	20	110

Table 2.10 shows that one in seven tenants (14 per cent) reported having an income that varied a lot from week to week or month to month; the remainder said that it was fairly stable. Current participants (10 per cent) were about half as likely as ex-participants (19 per cent) and non-participants (18 per cent) to have an income that varied a lot.

Table 2.10 Did tenants' income normally vary a lot from week to week or month to month or was it fairly stable?

<i>Column percentages</i>				
Income varies or stable? **	Current participants	Ex-participants	Non-participants	All
Varies a lot	10	19	18	14
Fairly stable	91	81	82	86
<i>Base: all tenants</i>	277	163	139	579

Statistical significance: ** p<0.01.

Only eight per cent of tenants reported that they had any savings (Table 2.11). However, the prevalence of savings varied significantly between the three DPDP status groups. It was highest among current participants (11 per cent) and lowest among ex-participants (four per cent), with non-participants falling in between (eight per cent).

Table 2.11 Did tenants have savings?

<i>Column percentages</i>				
Savings? *	Current participants	Ex-participants	Non-participants	All
Yes	11	4	8	8
No savings	89	96	92	92
<i>Base: all tenants</i>	278	163	140	581

Statistical significance: * p<0.05.

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2.5 Welfare reform

In the wave 3 survey, tenants were asked if their Housing Benefit (HB) had been reduced 'because of the bedroom tax, or not? Its official name is the Removal of the Spare Room Subsidy.' One in five tenants said it had been reduced for that reason and three-quarters that it had not (Table 2.12).

Table 2.12 Has tenants' Housing Benefit been reduced because of the Removal of the Spare Room Subsidy?

Been reduced?	<i>Column percentages</i>
	Tenants
Yes	20
Not yet, but it will be reduced	<1
No	75
Don't know	5
<i>Base: all tenants</i>	<i>650</i>

Tenants whose benefit had been affected by the Removal of the Spare Room Subsidy (RSRS) were asked if it had been reduced by 14 per cent or 25 per cent.¹⁵ As Table 2.13 shows, half of them reported that their HB had been reduced by 14 per cent and a further one-fifth said that it had been reduced by 25 per cent.

Table 2.13 By how much was tenants' Housing Benefit reduced because of the Removal of the Spare Room Subsidy?

Been reduced?	<i>Column percentages</i>
	Tenants
14 per cent	50
25 per cent	21
Don't know	14
Can't remember	16
<i>Base: tenants whose HB had been reduced by the RSRS</i>	<i>141</i>

However, it turns out that 14 per cent of tenants affected by the RSRS did not know by how much their HB had been reduced and a further 16 could not remember (Table 2.13). This lack of awareness or knowledge about HB is not peculiar to social housing tenants, for research on private tenants in receipt of HB has found the same.¹⁶

¹⁵ Social housing tenants who are occupying one more room than prescribed under the HB regulations have their HB reduced by 14 per cent and those occupying more than one extra room have their HB reduced by 25 per cent.

¹⁶ Beatty, C., Cole, I. and Kemp, P.A. *et al.* (2012). *Monitoring the Impact of Changes to the Local Housing Allowance System of Housing Benefit*, Research Report No. 798. London: Department of Work and Pensions.

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The incidence of HB reductions because of the RSRS varied significantly between the three DPDP status groups (sig $p < 01$). Thus, 25 per cent of current participants, 19 per cent of ex-participants and 13 per cent of non-participants, reported that their HB had been reduced for this reason.

Tenants were also asked if their HB had been reduced *'because of the new limit on the total amount of benefit that people can get? Its official name is the benefit Cap'*.

As Table 2.14 shows, eight per cent of them reported that their HB had been, or would be, reduced for that reason. Meanwhile, 74 per cent said that their HB had not been reduced because of the Benefit Cap and 18 per cent did not know if it had or not. There was no significant difference in the incidence of the Benefit Cap between tenants in the three DPDP status groups.

Table 2.14 Has tenants' Housing Benefit been reduced because of the total Benefit Cap?

Been reduced?	<i>Column percentages</i>
	Tenants
Yes	7
Not yet, but it will be reduced	1
No	74
Don't know	18
<i>Base: all tenants</i>	<i>650</i>

In total, 23 per cent of all tenants in the stage 3 survey reported that they had experienced a reduction in HB due to either the RSRS or the Benefit Cap (or both).

Local authorities may use Discretionary Housing Payments (DHP) for a variety of reasons including to provide temporary help to prevent financial hardship among tenants whose HB has been reduced by the RSRS or the Benefit Cap.

Tenants who had been affected by either of these two reforms were therefore asked if they had been *'awarded temporary financial assistance by the council to help you with this reduction (these reductions) in your Housing Benefit? Its official name is a Discretionary Housing Payment'*.

Table 2.15 shows that 19 per cent of tenants affected by these reforms reported that they had been awarded a DHP and a further six per cent said they were awaiting the outcome of a claim. Meanwhile, 71 per cent reported that they were not in receipt of a DHP and five per cent did not know if they were or not.¹⁷

¹⁷ The number of tenants in receipt of a DHP (n=29) was too small to test for significant difference in receipt between tenants in the three DPDP status groups.

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Table 2.15 Have tenants been awarded a Discretionary Housing Payment?

Been reduced?	<i>Column percentages</i> Tenants
Yes	19
Awaiting the outcome of a DHP claim	6
No	71
Don't know	5
<i>Base: tenants whose HB had been reduced due to the RSRS or Benefit Cap</i>	167

3 Participation in the DPDP

This chapter explores tenant participation in the Direct Payment Demonstration Projects (DPDPs). It focuses especially on how tenants fared while on direct payment of HB and their attitudes towards taking part in general and direct payment in particular. It also looks at whether participants had received advice and if so what they had received advice about and how helpful they found it; and at whether those who had not received advice felt they needed it. These issues are central to the success and impact of the DPDPs on tenants who took part in them.

3.1 Participation in the DPDPs

All tenants in the stage 3 survey were asked whether they had heard that Housing Benefit (HB) was being paid direct to tenants for a trial period. The overwhelming majority of them reported that they had heard about it: 91 per cent had heard, eight per cent had not heard, and one per cent did not know.

Tenants who had heard about the DPDP were asked if they were, or had been, participating in the Project. As Chapter 1 noted, 46 per cent of tenants were what we have described as ‘current participants’, 27 per cent were ‘ex-participants’ and 27 per cent were ‘non-participants’ (Table 3.1).

Table 3.1 DPDP status of respondents

DPDP status	<i>Column percentages</i> Tenants
Participants	46
Ex-participants	27
Non-participants	27
<i>Base: tenants on HB</i>	582

However, DPDP status varied significantly between the six Project Areas. As Table 3.2 shows, at the time of the stage 3 survey, there were significant differences between the six Project Areas in the shares of tenants that were in each of the three DPDP status groups:

- current participants ranged from 70 per cent in Oxford to 17 per cent in Southwark;
- ex-participants varied from six per cent in Shropshire to 52 per cent in Southwark;
- non-participants ranged from nine per cent in Oxford to 35 per cent in Edinburgh.

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Table 3.2 DPDP status of respondents – by area

DPDP status ***	<i>Column percentages</i>					
	Oxford	Shropshire	Southwark	Torfaen	Wakefield	Edinburgh
Current participant	70	67	17	47	36	41
Ex-participant	21	6	52	24	34	24
Non-participant	9	26	31	29	31	35
<i>Base: all tenants</i>	<i>102</i>	<i>95</i>	<i>94</i>	<i>104</i>	<i>89</i>	<i>98</i>

Statistical significance *** p<0.001.

Just under half of ‘participants’ went onto the DPDPs in 2012 and just over half in 2013.¹⁸ There was no difference in this respect between current and ex-participants (Table 3.3).

Table 3.3 Year when participant first went onto the Direct Payment Trial

Year	<i>Column percentages</i>		
	Current participants	Ex-participants	All
2012	45	46	45
2013	55	54	55
<i>Base: all participants</i>	<i>201</i>	<i>126</i>	<i>327</i>

Excludes 11 respondents who said they went onto the Trial in 2011, two who said they went on in 2014 and 101 who did not know.

Table 3.4 shows why ex-participants were no longer taking part in the DPDPs.¹⁹ Twenty-five per cent reported that the reason they had ceased to take part in the DPDP was that the project had ended.

¹⁸ As noted in Chapter 1, ‘participants’ comprise both current and ex-participants.

¹⁹ These reasons are self-reported and therefore reflect the ex-participants’ understanding of why they ceased to participate in the DPDP.

Table 3.4 Why were ex-participants no longer taking part in the Direct Payment Trial?

	<i>Column percentages</i>
	Ex-participants
I stopped claiming HB	14
The Trial has ended	25
Missed some or all of my rent payments	10
Sometimes or always paid only part of the rent	3
Bank account problems	8
HB administration/payment problems	5
Job-related reasons	5
Couldn't cope/found it confusing	10
Spent or was tempted to spend the HB money	6
Other reasons	9
Can't remember	1
Don't know	6
<i>Base: Tenants who left the direct payment trial</i>	163

Note: respondents could give more than one reason.

Fourteen per cent said they were no longer participating in the DPDPs because they had stopped claiming HB. By far the most common reason why tenants had ceased claiming HB was because they had moved into paid work (44 per cent). A further 14 per cent had increased the number of hours they work and two per cent had taken a better-paid job. In 15 per cent of cases, the tenant had ceased to claim HB because of a change in their household composition (Table 3.5).

Table 3.5 What was the main reason why tenants had stopped claiming Housing Benefit?

	Tenants %
Moved into paid work	44
Took a better paid job	2
Increased my hours of work	14
Income increased for other reasons	3
Change in household composition	15
Another reason	19
Don't know	3
<i>Base: tenants who had stopped claiming HB</i>	43

As shown in Table 3.4, the next two most common reasons for leaving the DPDP were missing some or all of the rent payments (10 per cent) and not being able to cope or being confused by direct payment of HB (10 per cent).

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Ex-participants who stated that their direct payment had ceased were asked if they had wanted it to continue or come to an end.²⁰ The majority of them – 56 per cent – said they did not mind either way whether it continued or came to an end. (Table 3.6).

Table 3.6 Did ex-participants who said the Direct Payment Trial had ended want it to continue or come to an end?

	<i>Column percentages</i>
	Ex-participants
Wanted it to continue	2
Wanted it to end	42
Did not mind either way	56
<i>Base: Tenants who left the DPDP while still on HB</i>	<i>45</i>

Note: figures exclude three respondents who could not remember or did not know.

Ex-participants who had not stopped claiming HB nor reported that DPDP for them had come to an end – that is, tenants referred to in the DPDPs as ‘switchbacks’ – were asked if they had wanted to stay on or leave the project. Sixty-two per cent said that they had wanted to leave. Twelve per cent had wanted to stay and 27 per cent had not minded either way (Table 3.7).

Table 3.7 Had ex-participants wanted to stay on or leave the Direct Payment Trial?

	<i>Column percentages</i>
	Ex-participants
Wanted to stay	12
Wanted to leave	62
Did not mind either way	27
<i>Base: Tenants who left the Direct Payment Trial while still on HB</i>	<i>61</i>

Note: figures exclude three respondents who could not remember or did not know.

3.2 Experience of direct payment

Table 3.8 shows that, among the follow-up sample, the proportion of tenants whose Housing Benefit was being paid directly to them increased from one per cent at the baseline stage 1 survey to 53 per cent at the stage 3 survey. Among both follow-up and top-up tenants combined, the proportion on direct payment was 52 per cent. Thus, the DPDP was clearly having an ‘afterlife’ in the sense of tenants continuing to be on direct payment even after the Projects had officially come to an end.

²⁰ For ease of comprehension, the DPDP was referred to as the ‘Direct Payment Trial’ in the tenant questionnaire.

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Table 3.8 To whom was the Housing Benefit being paid?

<i>Column percentages</i>			
HB paid to? **	Follow-up sample at stage 1	Follow-up sample at stage 3	All at stage 3
Tenant	1	53	52
Landlord	99	47	48
<i>Base: tenants on HB</i>	425	425	603

Statistical significance: $p < 0.001$.

At the stage 3 survey – which was conducted after the official end of the DPDPs – the proportion of tenants who were on direct payment of HB varied significantly between the Project Areas. As Table 3.9 shows, direct payment ranged from 19 per cent in Southwark to 70 per cent in Shropshire and 74 per cent in Oxford. It varied from 45 per cent to 52 per cent in the other three Project Areas.

Table 3.9 To whom was the Housing Benefit being paid? – by area

<i>Column percentages</i>						
HB paid to? ***	Oxford	Shropshire	Southwark	Torfaen	Wakefield	Edinburgh
Tenant	74	70	19	52	45	49
Landlord	26	30	81	49	55	52
<i>Base: all tenants on HB</i>	109	99	93	105	92	105

Statistical significance: $p < 0.001$.

Tenants whose HB was being paid directly to them were asked if they would prefer it to be paid to their landlord. Three out of five said ‘Yes’, one-fifth said ‘No’ and the remaining fifth reported that they had no opinion on the matter (Table 3.10).

Table 3.10 Would tenants whose Housing Benefit was being paid to them prefer it to be paid to their landlord?

<i>Column percentages</i>	
Prefer landlord payment?	Tenants
Yes – to landlord	58
No	22
No opinion	21
<i>Base: Tenants whose HB was being paid to them</i>	317

Meanwhile, tenants whose HB was being paid to their landlord were asked if they would prefer it to be paid to themselves (or their partner). Five per cent of them said they would prefer direct payment. However, 87 per cent reported that they would not prefer their HB to be paid directly to them and eight per cent had no opinion on the matter (Table 3.11).

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Table 3.11 Would tenants whose Housing Benefit was being paid to their landlord prefer it to be paid directly to themselves or their partner?

	<i>Column percentages</i>
Prefer payment to tenant?	Tenants
Yes – payment to self/partner	5
No	87
No opinion	8
<i>Base: Tenants whose HB was paid to the landlord</i>	<i>285</i>

Table 3.12 brings the responses to these two questions together. It shows that, among the combined follow-up and top-up samples at stage 3, 72 per cent of tenants reported that they preferred their HB to be paid to the landlord. Meanwhile, 14 per cent preferred their HB to be paid directly to themselves, while 15 per cent had no opinion one way or the other. Thus, by the end of the DPDPs, the majority of tenants stated that they would prefer landlord payment of HB.

However, Table 3.12 also shows there was a significant shift in opinion about direct payment of HB among the follow-up sample of tenants who answered this question at both stage 1 and at stage 3. Significantly fewer tenants in the stage 3 follow-up survey than in the stage 1 Baseline Survey preferred tenant payment; and correspondingly more preferred either landlord payment or did not mind which of them was paid the HB.

Table 3.12 To whom would tenants prefer their Housing Benefit to be paid?

	<i>Column percentages</i>		
Preference? ***	Follow-up sample at stage 1	Follow-up sample at stage 3	All at stage 3
Prefers tenant payment	7	14	14
Prefers landlord payment	84	71	72
No opinion	9	15	15
<i>Base: tenants on HB</i>	<i>426</i>	<i>426</i>	<i>602</i>

Statistical significance: $p < 0.001$ (For technical reasons the test of significance (McNemar) compares prefers payment to tenant versus prefers payment to landlord.)

Table 3.13 shows that a larger proportion of tenants who went onto the DPDP in 2012 than of those who went on in 2013 preferred tenant payment (27 per cent compared with 12 per cent respectively). This suggests that, once tenants get used to being on direct payment, more of them than before tend to prefer this method of paying HB.

Table 3.13 To whom would tenants prefer their Housing Benefit to be paid – by year went on the DPDP?

Preference? **	<i>Column percentages</i>	
	2012	2013
Prefers tenant payment	27	12
Prefers landlord payment	56	70
No opinion	17	18
<i>Base: tenants on HB</i>	<i>146</i>	<i>181</i>

Statistical significance: $p < 0.01$.

A statistical analysis was conducted in order to identify the characteristics and attitudes of tenants who preferred direct payment of HB. This confirmed that the year that tenants moved onto this payment method was significantly correlated with their preference for it.

The analysis used a statistical technique known as logistic regression. This technique makes it possible to explore statistically the relationship between a number of independent variables²¹ (such as age, gender, disability) and a categorical dependent variable²² (such as whether or not a tenant prefers direct payment of HB) **while holding all other independent variables constant**. A wide range of variables was tested in various combinations ('models') in this analysis.

Logistic regression computes (among other things) 'odds ratios' for each variable included in the analysis. In this case, the odds ratios show the odds of being in favour of direct payment of HB among tenants having particular characteristics relative to tenants who did not have that characteristic, **when controlling for the other variables in the model** (see Table 3.14).

A statistically significant odds ratio of more than 1.0 indicates that tenants having a particular characteristic were **more** likely to prefer direct payment. And an odds ratio of less than 1.0 indicates that such tenants were less likely to prefer direct payment than tenants not having that characteristic.

Odds ratios and significance levels are shown for the variables in the final model that were statistically significant at the 95 per cent confidence level. It also includes one variable – having an income that fluctuated rather than was fairly stable – that was significant at that level in many of the models, but not in the final one (though it was significant at the 90 per cent confidence level in the final model).²³

Key socio-demographic variables – age, gender, ethnic status, household composition and the disability status of the household – were included in all of the models. However, since none of them were statistically significant in any of the models, the results are not shown in the final, 'parsimonious' model presented in Table 3.14.

²¹ Strictly speaking, these independent variables are better described as correlates as they may be statistically related to the dependent variable but not necessarily have a causal effect on it.

²² A categorical variable is one for which there are two or more possible categories (for example, being either in work or out of work).

²³ All other non-significant variables are thus excluded from the final model shown in Table 3.14.

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The fact that the key socio-demographic variables were not significant in any of the models suggests that it is not the fact of being, for example, under 25, a lone parent or disabled, that accounts for tenants' HB payment preference. However, the key socio-demographic variables were retained in the models in order to hold them constant while analyzing the influence of the other independent variables.

Table 3.14 shows that the odds of preferring direct payment were higher for tenants who:

- were living in working households;
- went onto direct payment in 2012 (rather than 2013); and
- paid rent by Direct Debit.

It also shows that the odds of preferring direct payment were lower for tenants who:

- had no regular spending limit; and
- were on partial (rather than full) HB.

Table 3.14 Logistic regression odds of preferring direct payment of Housing Benefit at stage 3

<i>Column percentages</i>		
	Arrears at stage 3	
	Sig.	Odds
Working household *	.031	2.7
Income fluctuates	.053	0.2
Pays rent by Direct Debit **	.003	3.1
Has no regular spending limit *	.033	0.4
HB covers only part of the rent *	.024	0.4
Went onto DP in 2012 **	.004	2.9
<i>Base</i>		246

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

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

Current and ex-participants were asked whether, taking everything into account, they managed better, worse or about the same as they originally expected, while HB was being paid directly to them.

Table 3.15 shows that the most common response – among both current participants and ex-participants – was that they had managed about the same as they had originally expected (70 per cent and 51 per cent respectively). However, ex-participants were more likely to report that they managed worse than expected and current participants that had they managed better than expected.

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Table 3.15 Have tenants managed direct payments of Housing Benefit better or worse than they originally expected? – by DPDP status

Better or worse than expected?	<i>Column percentages</i>	
	Current participants	Ex-participants
Better than expected	17	11
About the same	70	51
Worse than expected	13	38
<i>Base: Current and ex-participants</i>	275	161

Current participants were additionally asked how well they were coping with direct payment of HB. The overwhelming majority (87 per cent) of current participants reported that they were coping well: 57 per cent said they were coping very well and 30 per cent that they were coping fairly well. Eight per cent reported that they were coping poorly, of whom half said they were coping very poorly (Table 3.16). The differences between those who went onto direct payment in 2012 and those who went on in 2013 were not statistically significant.

In Universal Credit (UC), alternative payment arrangements will help those who do not feel able to manage to receive the support they need in managing their payment.

Table 3.16 How well or poorly were current participants coping with direct payment of Housing Benefit?

How coping?	<i>Column percentages</i>
	Current participants
Very well	57
Fairly well	30
Neither well nor poorly	5
Fairly poorly	4
Very poorly	4
<i>Base: Current participants</i>	275

Current participants were also asked how easy or difficult it was to manage their finances now HB was being paid directly to them. The great majority (73 per cent) reported that it was easy to manage their finances while on direct payment: 39 per cent said it was **very** easy and 34 per cent said that it was **fairly** easy. Meanwhile, 15 per cent reported that it was difficult to manage their finances now that HB was being paid directly to them, of whom about half said it was very difficult (Table 3.17). The differences between those who went onto direct payment in 2012 and those who went on in 2013 were not statistically significant.

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Table 3.17 How easy or difficult is it for current participants to manage their finances now that Housing Benefit was being paid directly to them?

How easy or difficult?	<i>Column percentages</i>	
	Current participants	
Very easy	39	
Fairly easy	34	
Neither easy nor difficult	13	
Fairly difficult	8	
Very difficult	7	
<i>Base: Current participants</i>	274	

Thus, the great majority of current participants felt that they were coping well with direct payment and many of them also felt that it was easy rather than difficult to manage their finances while HB was being paid to them.

3.2.1 Advice and support

The landlords in the Project Areas devoted considerable resources to providing advice and other forms of support to help participants make the transition from landlord payment to direct payment of HB. However, only a minority of participants reported that they had received advice or support to help them manage their HB while it was being paid directly to them. More precisely, one in six current participants (16 per cent), and one in five ex-participants (22 per cent), said they had received such help (Table 3.18).

Table 3.18 Had tenants received any advice or support to help them manage Housing Benefit while it was being paid directly to them?

Received advice or support?	<i>Column percentages</i>	
	Current participants	Ex-participants
Yes	16	22
No	84	79
<i>Base:</i>	277	161

Current participants who had not received, or who did not know if they had received, any advice and support were asked if they felt they needed it. The vast majority of them reported that they did not need advice. Only four per cent said they did, and 96 per cent said they did not need advice or support to help them manage their HB while it was being paid to them (Table 3.19). Interestingly, there was no significant difference in the prevalence of rent arrears between current participants who needed advice and those who did not.

Table 3.19 Did current DPDP participants who were not getting it state they needed any advice or support while Housing Benefit was being paid to them?

Need advice or support?	<i>Column percentages</i> Current participants
Yes	4
No	96
<i>Base: current participants who had not received advice or support</i>	
	<i>230</i>

Participants had received a wide range of types of advice or support. However, it is important to note that the sample size for this question is very small and consequently only those types of advice mentioned by at least one in five current participants and one in five ex-participants are mentioned here.

Among current participants, in rank order the most commonly received types of advice and support were about:

- managing rent payments;
- using bank accounts; and
- money management.

Among ex-participants, in rank order the most commonly received types of advice and support were about:

- managing rent payments;
- money management;
- using bank accounts;
- opening bank accounts; and
- managing rent arrears.

Around one-third (32 per cent) of current participants who had received advice or support to help them manage their HB while it was being paid directly to them, said that they still needed it. This group accounted for about one in 20 current participants. Current participants who had not received support but needed it, and those who had received and still needed support, were asked whether they needed it for the short or the long-term. They were also asked to say whether they needed only 'some' or 'a great deal' of support. The number of participants in these two groups was very small (n=24) and the results therefore need to be treated with caution.

Bearing that important caveat in mind, four-fifths said they needed advice or support for the short term and one-fifth for the long term. And three-fifths said they need just some support and two-fifths that they needed a great deal of support.

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3.3 Perceptions of advice or support received

Ex-participants were asked about the extent to which, if at all, the advice and support they had received while participating in the DPDP helped them to manage their HB or rent payments. The sample size for this question is very small (n=31) and so the results have to be treated with caution.

Two-fifths of this small group of ex-participants who had received advice or support said it had helped them either to some extent or to a great extent. The remaining three-fifths reported that it had helped them hardly at all or not at all. Despite being a small group, the majority of ex-participants who had received advice did not feel that it had been very helpful.

Current participants who had received either advice or support were asked whether they agreed or disagreed with a series of five statements about the possible impact of that advice or support. The statements reflected Minister's objectives for direct payments of HB (DWP, 2010).

Again, the sample sizes for responses to these statements are very small (ranging from 24 to 47) and therefore the results have to be treated with considerable caution. In the tables, the 'strongly' and 'tend to' agree and disagree responses have been combined into simply 'agree' or 'disagree'.

First, current participants were asked to say whether they agreed or disagreed with the statement that *'The advice or support I received helped me manage my rent payments'*.

As Table 3.20 shows, eight out of ten current participants who had received advice agreed that the advice or support had helped them to manage their rent payments. One in ten disagreed and a similar proportion reported that they neither agreed nor disagreed with this statement.

Table 3.20 Did tenants agree that *'The advice or support I received helped me to manage my rent payments'*?

	<i>Column percentages</i>
	Current participants
Agree	79
Neither	11
Disagree	10
<i>Base: current participants who received advice or support</i>	<i>47</i>

Second, current participants were asked whether they agreed or disagreed with the statement that *'The advice or support I received helped me to manage my money on a 4-weekly or monthly basis'*.

Sixty-four per cent of current participants who had received advice agreed that it had helped them to manage their money on a four-weekly or monthly basis. Meanwhile, 17 per cent disagreed and 19 per cent neither agreed nor disagreed with the statement (Table 3.21).

Table 3.21 Did tenants agree that ‘The advice or support I received helped me to manage my money on a 4-weekly or monthly basis’?

	<i>Column percentages</i>
	Current participants
Agree	64
Neither	19
Disagree	17
<i>Base: current participants who received advice or support</i>	45

Third, current participants were asked to say whether they agreed or disagreed with the statement that ‘The advice or support I received helped me to improve my confidence about money management’.

Forty-five per cent of current participants who had received advice agreed with this statement, 24 per cent disagreed and 30 per cent felt unable to agree or disagree with it (Table 3.22).

Table 3.22 Did tenants agree that ‘The advice or support I received helped me to improve my confidence about money management’?

	<i>Column percentages</i>
	Current participants
Agree	45
Neither	30
Disagree	24
<i>Base: current participants who received advice or support</i>	46

Fourth, current participants were asked whether they agreed or disagreed with the statement that ‘The advice or support I received helped me to think about moving into paid work.’

About half of current participants who had received advice or support felt that this statement was not applicable to them. Among those who did respond, 25 per cent agreed, 41 per cent disagreed and 34 per cent neither agreed nor disagreed (Table 3.23).

Table 3.23 Did tenants agree that ‘The advice or support I received helped me to think about moving into paid work’?

	<i>Column percentages</i>
	Current participants
Agree	25
Neither	34
Disagree	41
<i>Base: current participants who received advice or support</i>	24

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It is important to note that the advice and support that people received was focused (as we saw above) on helping tenants to manage their budgets, pay their rent, open and use rent accounts and so forth. Hence, the support was not directly about helping people into work. Any impact it had or did not have on work, therefore, was only indirect.

3.4 Perceptions about participation

Current and ex-participants – referred to collectively here as ‘participants – were presented with six statements about the possible effect that taking part in the DPDP had on their attitudes or behavior. Participants were asked to say whether they strongly or tended to agree or disagree with each of the statements. In Tables 3.24 to 3.29, the ‘strongly’ and ‘tend to’ responses have been combined into simply ‘agree’ or ‘disagree’. The ‘neither’ response should be read to mean ‘neither agree nor disagree’.

3.4.1 Better at managing money?

Participants were asked whether they agreed or disagreed with the statement that ‘*Taking part in the Direct Payment Trial has made me better at managing my money*’. As Table 3.24 shows, participants were approximately equally divided between those who agreed and those who disagreed with this statement. Forty-one per cent either strongly or tended to agree that taking part had made them better at managing their money; and 45 per cent either strongly or tended to disagree with this statement.

The differences between current and ex-participants were not statistically significant. However, the differences between those who went onto direct payment in 2012 and those who went on in 2013 were statistically significant. Thus, 49 per cent of the 2012 intake, compared with 37 per cent of the 2013 intake, agreed that taking part had made them better at managing their money.

Table 3.24 Did tenants agree that ‘Taking part in the Direct Payment Trial has made me better at managing my money’?

	<i>Column percentages</i>		
Agree or disagree?	Current participants	Ex-participants	All participants
Agree	43	37	41
Neither	16	13	15
Disagree	41	51	45
<i>Base: Current and ex-participants</i>	265	156	421

3.4.2 More confident at managing money?

Second, participants were asked whether they agree or disagreed with the statement that ‘*Taking part in the Direct Payment Trial has made me more confident at managing my money*’.

Participants were equally divided between those who agreed and those who disagreed with this statement. Forty-two per cent agreed that taking part had made them better at managing their money; and 42 per cent disagreed with it. Again, the differences between current and ex-participants were not statistically significant (Table 3.25).

However, the differences between those who went onto direct payment in 2012 and those who went on in 2013 were statistically significant. Thus, 47 per cent of the 2012 intake, compared with 38 per cent of the 2013 intake, agreed that taking part had made them more confident at managing their money.

Table 3.25 Did tenants agree that ‘Taking part in the Direct Payment Trial has made more confident at managing my money’?

<i>Column percentages</i>			
Agree or disagree?	Current participants	Ex-participants	All participants
Agree	42	41	42
Neither	18	14	17
Disagree	40	45	42
<i>Base: Current and ex-participants</i>	268	154	422

3.4.3 More interested in how much rent they are charged?

Third, participants were asked whether they agree or disagreed with the statement that ‘Taking part in the Direct Payment Trial has made me more interested in how much rent I am charged’.

The majority of participants – 54 per cent – agreed that taking part in the DPDP had made them more interested in how much rent they were being charged for their accommodation. Meanwhile, 31 per cent disagreed with this statement (Table 3.26). The differences between those who went onto direct payment in 2012 and those who went on in 2013 were not statistically significant.

Table 3.26 Did tenants agree that ‘Taking part in the Direct Payment Trial has made me more interested in how much rent I am charged’?

<i>Column percentages</i>			
Agree or disagree? *	Current participants	Ex-participants	All participants
Agree	54	52	54
Neither	15	16	15
Disagree	31	32	31
<i>Base: Current and ex-participants</i>	262	155	417

Statistical significance * p<0.05.

3.4.4 More likely to look for work?

Fourth, participants were asked whether they agree or disagreed with the statement that ‘Taking part in the Direct Payment Trial has made me more likely to look for work?’ As Table 3.27 shows, more of them disagreed than agreed with this statement. Fifty per cent either strongly or tended to disagree that their participation in the DPDP had made them more likely to look for a job; and 38 per cent either strongly or tended to agree.

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There was no significant difference in this respect between participants who were living in workless households and those in households where at least one person was in paid work. This was also the case when the work status of the participants (in paid work versus not in paid work) was compared. Likewise, the differences between those who went onto direct payment in 2012 and those who went on in 2013 were not statistically significant.

Ex-participants were significantly more likely than current participants to agree that taking part had made them more likely to look for a job (49 per cent compared with 31 per cent). And, conversely, they were less likely to disagree with the statement (41 per cent compared with 55 per cent).

Table 3.27 Did tenants agree that ‘Taking part in the Direct Payment Trial has made more likely to look for work’?

	<i>Column percentages</i>		
Agree or disagree? *	Current participants	Ex-participants	All participants
Agree	31	49	38
Neither	14	11	13
Disagree	55	41	50
<i>Base: Current and ex-participants</i>	141	88	229

Statistical significance * $p < 0.05$.

3.4.5 More likely to hold down a job?

Fifth, participants were asked whether they agree or disagreed with the statement that ‘Taking part in the Direct Payment Trial has made me more likely to hold down a job.’

More participants disagreed than agreed with this statement: 52 per cent said they disagreed, and 35 per cent that they agreed, that taking part had made them more likely to hold down a job (Table 3.28). Again, there was no significant difference in this respect between participants who were living in workless households and those in households where at least one person was in paid work. This was also the case when the work status of the participants (in paid work versus not in paid work) was compared. Likewise, the differences between those who went onto direct payment in 2012 and those who went on in 2013 were not statistically significant.

Ex-participants (43 per cent) were more likely than current participants (29 per cent) to agree with the statement. And they were less likely to say that it had made a difference one way or another: eight per cent of ex-participants, compared with 16 per cent of current participants, neither agreed nor disagreed with the statement (Table 3.28).

Table 3.28 Did tenants agree that ‘Taking part in the Direct Payment Trial has made more likely to hold down a job’?

<i>Column percentages</i>			
Agree or disagree? *	Current participants	Ex-participants	All participants
Agree	29	43	35
Neither	16	8	13
Disagree	55	49	52
<i>Base: Current and ex-participants</i>	136	97	233

Statistical significance * $p < 0.05$.

3.4.6 Increased hours of work?

Finally, participants were asked whether they agree or disagreed with the statement that ‘Taking part in the Direct Payment Trial has made me increase the hours I work?’

The majority of participants disagreed with this statement. Sixty-seven per cent disagreed, and 22 per cent agreed, that taking part in the DPDP had made them increase their hours of work (Table 3.29).

The differences in this respect between current and ex-participants were not statistically significant. And there was also no significant difference in this respect between participants who were living in workless households and those in households where at least one person was in paid work. This was also the case when the work status of the participants (in paid work versus not in paid work) was compared. Likewise, the differences between those who went onto direct payment in 2012 and those who went on in 2013 were not statistically significant.

Table 3.29 Did tenants agree that ‘Taking part in the Direct Payment Trial has made me increase the hours I work’?

<i>Column percentages</i>			
Agree or disagree?	Current participants	Ex-participants	All participants
Agree	20	23	22
Neither	15	6	11
Disagree	65	71	67
<i>Base: Current and ex-participants</i>	95	77	172

Finally, current and ex-participants were asked whether, taking everything into account, their experience of the DPDP had made them feel better or worse about their landlord, or had made no difference. By far the most common response (77 per cent) was that it had made no difference to how they felt about their landlord. However, seven per cent said that their experience had made them feel better, and 16 per cent that it made them feel worse, about their landlord (Table 3.30).

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Table 3.30 Has the experience of the DPDP made tenants feel better or worse about their landlord?

<i>Column percentages</i>			
Feel better or worse?	Current participants	Ex-participants	All participants
Better	8	5	7
Worse	14	19	16
Neither better nor worse	78	77	78
<i>Base: Current and ex-participants</i>	274	158	432

4 Managing money

The payment of Housing Benefit (HB) in the Direct Payment Demonstration Projects (DPDPs) had significant implications for the ways in which the tenants affected had to manage their money. Receiving HB from the local authority and paying rent to their landlord became two of the money management tasks for all of the tenants who were put on direct payment. Moreover, in the DPDPs, HB was paid by default four-weekly or monthly instead of weekly or fortnightly. As a consequence, tenants had to adjust to a longer budgeting cycle than many were using before the DPDPs began. An important objective for their evaluation, therefore, was to explore if and how tenants' adapted their money management methods during the life of the projects.

This chapter looks at how tenants were managing their money by the time of the stage 3 follow-up survey, which was undertaken after the DPDPs had officially come to an end. In doing so, it compares the findings with how tenants were budgeting at the time of the stage 1 Baseline Survey, which was carried out before the projects went 'live'. It also looks at tenants' self-perceptions of their approach to money management, described here as 'attitudes to money management'.²⁴

4.1 Paying rent

Tenants who were not on HB, were on direct payment of HB, or were in receipt of partial HB, were asked what methods they normally used to pay the rent.²⁵ The first two columns of data in Table 4.1 shows the results for the follow-up sample who answered this question at both stage 1 and stage 3. The third column of data shows the results for all tenants in the follow-up and top-up samples combined at stage 3.

In the follow-up sample there was a statistically significant fall in the proportion of tenants who normally paid their rent by cash. The number doing so decreased from 30 per cent at stage 1 to 11 per cent at stage 3. Meanwhile, the proportion of tenants paying by standing order increased from three to 12 per cent over the same period (Table 4.1). Thus, while cash was one of the two most common methods that tenants normally used to pay cash before the DPDPs commenced, it had become much less commonly used by the time the DPDPs had officially come to an end.

Among the combined follow-up and top-up samples at stage 3, the most common method, used by 31 per cent of tenants who had rent to pay, was Direct Debit. The next most common methods were rent payment card (such as Allpay), which was used by 23 per cent; debit cards, which were used by 19 per cent; and cash, used by 11 per cent (Table 4.1).

²⁴ Chapter 5 examines, among other things, whether tenants' money management methods and their attitudes to money management were related to whether or not they were in rent arrears.

²⁵ Hence the only tenants not asked this question were those on landlord payment whose HB covered all of their rent ('full HB'). 'Partial HB' refers to HB entitlement that covers part but not all of the rent.

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Table 4.1 Methods tenants normally used to pay their rent

Rent payment methods	Column percentages		
	Follow-up sample at stage 1	Follow-up sample at stage 3	All tenants at stage 3
Cash ***	30	11	11
Postal order	0	2	1
Cheque	0	1	<1
Debit card	17	16	19
Credit card	0	1	1
Standing order **	3	12	8
Direct debit	17	19	31
Electronic transfer from e-bank account	1	5	4
Rent payment card (e.g. Allpay)	33	29	23
Other	2	4	3
<i>Base: excludes tenants on landlord payment whose HB covers all of the rent</i>	126	126	513

Tenants could mention more than one method.
Statistical significance: *** p<0.001; ** p<0.05.

An important advantage of paying rent in cash, by debit card and rent payment card such as Allpay is that they are in the control of the tenant. The exact timing of the payment can be adjusted to synchronise with the receipt of benefits, earnings and other important sources of income. And, unlike Direct Debits, there is little or no risk of incurring inadvertent bank charges due to delays in the receipt of income.²⁶

4.1.1 Bank accounts

The possession and use of a bank account is becoming increasingly important in modern society, with a general shift towards electronic transfer of money and away from cash. Earnings from employment and social security benefits and tax credits, for example, are increasingly made electronically. Not having a bank account can be a significant disadvantage and also, arguably, an indicator of poor 'financial capability'.

In both the stage 1 and the stage 3 surveys, therefore, tenants were asked if they had one or more bank or building society accounts (referred to hereafter as just 'bank accounts'). Table 4.2 shows that, among the follow-up sample, the proportion of tenants that had at least one bank account increased from 88 per cent at stage 1 to 90 per cent at stage 3. This is a small, but statistically significant, increase.

²⁶ Irvine, A., Kemp, P.A. and Nice, K. (2007). *Direct Payment of Housing Benefit: what do claimants think?* Coventry: Chartered Institute of Housing and Joseph Rowntree Foundation.
<http://www.jrf.org.uk/sites/files/jrf/2011-housing-benefit-payment.pdf>

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Table 4.2 Did tenants have a bank account at stage 1 or stage 3?

Bank account? *	Follow-up sample at stage 1	Follow-up sample at stage 3
Yes	88	90
No	12	9
<i>Base: follow-up tenants</i>	458	458

Statistical significance: * $p < 0.05$.

The proportion of tenants in the combined top-up and follow-up samples at stage 3 with a bank account differed significantly across the Project Areas, ranging from 87 per cent to 98 per cent, but was nevertheless high in them all. In Torfaen, Wakefield and Edinburgh, 87 per cent of tenants had at least one bank account. In Shropshire, 91 per cent had an account, in Oxford 95 did so and in Southwark 98 per cent had an account (Table 4.3).

Table 4.3 Did tenants have a bank account? – by area

Bank account? **	<i>Column percentages</i>					
	Oxford	Shropshire	Southwark	Torfaen	Wakefield	Edinburgh
Yes	95	91	98	87	87	87
No	5	9	2	13	13	13
<i>Base: all tenants</i>	117	102	100	102	102	110

Statistical significance: $p < 0.01$.

Ownership of at least one bank account also differed significantly by DPDP status, being lowest among non-participants and highest among current participants. As Table 4.4 shows, 96 per cent of current participants, 94 per cent of ex-participants and 83 per cent of non-participants, had a bank account.

Table 4.4 Did tenants have a bank account? – by DPDP status

Bank account? ***	<i>Column percentages</i>			
	Current participants	Ex-participants	Non-participants	All
Yes	96	94	83	92
No	4	6	17	8
<i>Base: all tenants</i>	277	163	140	585

Statistical significance: *** $p < 0.001$.

Table 4.5 shows that three-quarters of tenants with bank accounts used them to pay at least one bill by Direct Debit or standing orders. However, the use of Direct Debits and standing orders for this purpose differed significantly between the three DPDP status groups. Thus, 82 per cent of current participants, 73 per cent of ex-participants and 64 per cent of non-participants, used their bank account to pay bills by Direct Debit or standing order.

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Table 4.5 Did tenants use bank accounts to pay bills by Direct Debit or standing order?

	<i>Column percentages</i>			
Use bank account to pay by Direct Debit or standing order? ***	Current participants	Ex-participants	Non-participants	All
Yes	82	73	64	75
No	18	27	36	25
<i>Base: tenants who use bank accounts for money management or paying bills</i>	258	144	129	531

Statistical significance: *** $p < 0.001$.

Thirty-six per cent of tenants who paid any bills by Direct Debit reported that they paid rent by this method. Once again, this varied by DPDP status. Whereas 46 per cent of current participants who used Direct Debits for bill payment paid their rent in this way, only 29 per cent of ex-participants and 17 per cent of non-participants did so (Table 4.6).

Table 4.6 Did tenants pay their rent by Direct Debit or standing order?

	<i>Column percentages</i>			
Pay rent by Direct Debit or standing order? ***	Current participants	Ex-participants	Non-participants	All
Yes	46	29	17	36
No	54	71	83	64
<i>Base: tenants who paid bills by Direct Debit or standing order</i>	209	109	68	386

Statistical significance: *** $p < 0.001$.

One method that some low-income households are known to use for money management purposes is to keep a separate account for certain types of bills, such as rent payment. Therefore, tenants who had bank accounts were asked if they had a separate bank account that they used only for receiving HB or paying the rent or both.

As Table 4.7 shows, 12 per cent of tenants with a bank account had one that they used to receive HB or pay the rent. Having a bank account just for HB or paying the rent varied by DPDP status. Current participants were far more likely than either ex-participants or non-participants to have a separate account for this purpose. Thus, 17 per cent of current participants, eight per cent of ex-participants and six per cent of non-participants, said they had a bank account that they used only for receiving HB or paying their rent.

Table 4.7 Did tenants have a separate bank account that they used only for Housing Benefit or rent?

	<i>Column percentages</i>			
Separate bank account for HB or rent? **	Current participants	Ex-participants	Non-participants	All
Yes	17	8	6	12
No	83	93	94	88
<i>Base: tenants who use bank accounts to pay bills by Direct Debit or standing order</i>	264	153	111	528

Statistical significance: ** p<0.01.

Seventeen per cent of tenants were overdrawn on a bank or building society account. Current participants (12 per cent) were the least likely to be overdrawn and ex-participants (23 per cent) and non-participants (21 per cent) the most likely to be overdrawn. Nevertheless, the great majority of tenants in all three groups who had a bank account were not overdrawn (Table 4.8).

Table 4.8 Were tenants overdrawn on a bank or building society account?

	<i>Column percentages</i>			
Currently overdrawn? **	Current participants	Ex-participants	Non-participants	All
Yes	12	23	21	17
No	88	77	79	83
<i>Base: tenants with bank accounts</i>	263	153	109	525

Statistical significance: ** p<0.01.

4.1.2 Spending limits

In both the stage 1 and the stage 3 surveys, tenants were asked whether they kept a regular spending limit to help them manage their finances. As Table 4.9 shows, among the follow-up sample, about three-quarters of tenants reported having a spending limit. By stage 3, 68 per cent of them said they had such a limit. It is not clear why this decline occurred and there is no evidence to suggest it had anything to do with the DPDPs.

Table 4.9 Did tenants keep a regular spending limit to help manage their finances?

Regular spending limit? *	Follow-up sample at stage 1	Follow-up sample at stage 3
Yes	73	68
No	27	32
<i>Base: all follow-up tenants</i>	445	445

Statistical significance: * p<0.05.

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The use of spending limits varied according to the DPDP status of tenants. Current participants (71 per cent) and ex-participants (67 per cent) were significantly more likely than non-participants (56 per cent) to have a spending limit to help them manage their finances (Table 4.10).

Table 4.10 Did tenants keep a regular spending limit to help manage their finances? – by DPDP status

Regular spending limit? **	Column percentages			
	Current participants	Ex-participants	Non-participants	All
Yes	71	67	56	66
No	29	33	44	34
<i>Base: all tenants</i>	272	163	139	574

Statistical significance: ** p<0.01.

Table 4.11 shows the time periods which tenants who had one used for their spending limit in the stage 1 and stage 3 surveys. As Table 4.11 indicates, in both surveys the most common period that tenants used for their spending limit was weekly; and that the second most common was fortnightly. Only a small minority had a monthly spending limit.

Table 4.11 Over what periods did tenants keep a regular spending limit?

Time period ?? ***	Follow-up sample at stage 1	Follow-up sample at stage 3
Weekly	60	53
Fortnightly	31	35
Monthly or 4-weekly	9	12
<i>Base: tenants with a spending limit</i>	229	225

Statistical significance: *** p<0.01.

However, Table 4.11 also indicates that there was a significant shift between the stage 1 baseline and the stage 3 survey in the spending limit periods that tenants used to manage their money. Among tenants who had a spending limit, between stage 1 and stage 3:

- weekly budget limits declined from 60 per cent to 53 per cent of tenants;
- fortnightly limits increased from 31 per cent to 35 per cent of tenants;
- monthly limits increased from nine per cent to 12 per cent of tenants.

Thus, while fewer tenants had spending limits, there was a statistically significant shift towards somewhat longer time periods for the spending limits that tenants used to help them manage their finances.

Nevertheless, even by stage 3, only one in eight tenants with a spending limit had a monthly one, the interval at which Universal Credit (UC) will be paid to claimants (Table 4.12).

**Table 4.12 Over what periods did tenants keep a regular spending limit?
– by DPDP status**

Time period *	<i>Column percentages</i>			
	Current participants	Ex-participants	Non-participants	All
Weekly	54	58	41	52
Fortnightly	35	25	44	35
Monthly or 4-weekly	10	17	16	13
<i>Base: tenants with a spending limit</i>	183	104	75	362

Statistical significance: * $p < 0.05$.

There were significant differences between the DPDP status groups in the time horizon over which tenants kept spending limits (Table 4.12). Current participants were less likely than either ex-participants or non-participants to have a monthly spending limit. Ex-participants were the most likely to have a weekly limit and the least likely to have a fortnightly one. And non-participants were the least likely to have a weekly spending limit and the most likely to have a fortnightly one.

Although fewer tenants had spending limits at stage 3 than at stage 1, they were more likely to manage to keep to them (Table 4.13). At stage 1, 73 per cent of tenants with a spending limit reported that they managed to keep to it 'always' or 'most of the time'. But at stage 3, 79 per cent of them managed to do so. Meanwhile, the proportion of tenants who were able to keep to their limit 'sometimes' or 'hardly ever' declined from 27 per cent to 21 per cent.

Table 4.13 How often did tenants manage to keep to their regular spending limit?

How often keep to spending limit? *	Follow-up sample at stage 1	Follow-up sample at stage 3
Always	30	31
Most of the time	43	48
Sometimes	22	14
Hardly ever or never	5	7
<i>Base: tenants with a spending limit</i>	239	239

Statistical significance: * $p < 0.05$.

There was no significant difference between tenants in the three DPDP status groups in how often, if at all, they managed to keep to their spending limit (Table 4.14).

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Table 4.14 How often did tenants manage to keep to their regular spending limit? – by DPDP status

<i>Column percentages</i>				
How often keep to spending limit?	Current participants	Ex-participants	Non-participants	All
Always	32	25	34	30
Most of the time	46	51	36	45
Sometimes	13	15	19	15
Hardly ever or never	9	10	10	9
<i>Base: tenants with a spending limit</i>	190	107	79	376

4.2 Managing financially

In both the stage 1 and stage 3 surveys, tenants were asked: ‘*Taking everything into account, how well or poorly are you (and your partner) managing financially these days?*’

Table 4.15 shows the responses given by tenants who were interviewed in both surveys. The overall pattern of responses was significantly different at stage 3 compared with stage 1. At stage 1, 55 per cent of tenants reported that they were managing either fairly or very well and 29 per cent that they were managing either fairly or very poorly. By stage 3, 58 per cent were managing well and 25 per cent poorly. Thus, there was a small, but statistically significant, improvement in how well the follow-up tenants as a whole were managing financially.

Table 4.15 How well or poorly did tenants feel, taking everything into account, they were managing financially these days?

How well managing financially? ***	Follow-up sample at stage 1	Follow-up sample at stage 3
Very well	13	15
Fairly well	42	43
Neither	15	17
Fairly poorly	16	13
Very poorly	13	12
<i>Base: all tenants</i>	445	445

Statistical significance: $p < 0.001$.

However, there was also a statistically significant change in the composition of tenants who said they were managing poorly. In other words, some people who were managing poorly at stage 3 were not managing poorly at stage 1; and conversely some people not managing poorly at stage 3 were managing poorly at stage 1. For instance, 46 per cent of tenants who were managing poorly at stage 3 were not doing so when interviewed at stage 1.

Among tenants interviewed at stage 3 (that is, the follow-up and top-up samples combined) there were statistically significant differences between the three DPDP status groups in how well they were managing financially these days (Table 4.16). Current participants (65 per cent) were significantly more likely than either ex-participants (49 per cent) or non-participants (47 per cent) to report that they were managing either fairly or very well. And, conversely, they were less likely to say they were managing poorly (19 per cent compared with 35 per cent and 35 per cent respectively).

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Table 4.16 How well or poorly did tenants feel, taking everything into account, they were managing financially these days? – by DPDP status

<i>Column percentages</i>				
How well managing financially? **	Current participants	Ex-participants	Non-participants	All
Very well	16	11	11	13
Fairly well	49	38	36	42
Neither	17	17	18	17
Fairly poorly	13	18	17	15
Very poorly	6	17	18	12
<i>Base: all tenants</i>	<i>274</i>	<i>159</i>	<i>138</i>	<i>571</i>

Statistical significance: ** p<0.01.

How well tenants were managing financially varied between the six DPDP Project Areas. In this respect, the two stand-out Project Areas were Southwark and Torfaen (Table 4.17).

Southwark had significantly fewer tenants who reported that they were managing well, and more that were managing poorly financially, than was the case in the other Project Areas. Only 43 per cent of Southwark tenants said they were managing well, but elsewhere it was not less than 56 per cent. Conversely, in Southwark, 39 per cent of tenants were managing poorly, but in the other areas the next highest was 33 per cent. Meanwhile, Torfaen had the highest percentage of tenants who felt they were managing well financially (60 per cent) and the lowest proportion who said they were managing poorly (17 per cent).

Table 4.17 How well or poorly did tenants feel, taking everything into account, they were managing financially these days? – by area

<i>Column percentages</i>						
How well managing financially? **	Oxford	Shropshire	Southwark	Torfaen	Wakefield	Edinburgh
Well	59	56	43	60	57	59
Neither	17	21	17	23	12	9
Poorly	24	23	39	17	31	33
<i>Base: all tenants</i>	<i>114</i>	<i>97</i>	<i>98</i>	<i>115</i>	<i>102</i>	<i>108</i>

Statistical significance: ** p<0.01.

4.3 Running out of money

Tenants were also asked how often in the previous 12 months they had run out of money before the end of the week or month. At stage 3 just over half of all tenants reported that they had run out of money either fairly or very often and just under half had had done so either hardly ever or never (Table 4.18).

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Follow-up tenants as a whole were significantly more likely at stage 3 than at stage 1 to say that they ran out of money ‘very often’ in the previous 12 months; but they were also more likely to say they had ‘never’ ran out of money during that period (Table 4.18).

Table 4.18 How often, if at all, did tenants run out of money?

How often run out of money? ***	Follow-up sample at stage 1	Follow-up sample at stage 3
Very often	22	28
Fairly often	31	24
Hardly ever	25	22
Never	23	26
<i>Base: all tenants</i>	452	452

Statistical significance: * p<0.001.

The composition of follow-up sample tenants who reported that they had ‘very often’ run out of money before the end of the week or month in the previous 12 months was significantly different at stage 3 from what it had been at stage 1. Indeed, about half (52 per cent) of tenants who said at stage 1 that they had run out of money very often in the previous 12 months did not say that at stage 3. And about a quarter (23 per cent) who did not say so at stage 1 reported at stage 3 that they had run out of money in the previous 12 months.

How often, if at all, tenants at stage 3 (that is, both follow-up and top-up samples) had run out of money before the end of the week or month during the previous year varied by DPDP status group. In particular, current tenants were much less likely than either ex-participants or non-participants to report that they had run out of money often; and more likely to say that they had hardly ever or never run out of money (Table 4.19).

Table 4.19 How often, if at all, did tenants run out of money? – by DPDP status

How often run out of money? *	Column percentages			
	Current participants	Ex-participants	Non-participants	All
Very often	24	32	34	29
Fairly often	21	26	29	24
Hardly ever	28	23	15	23
Never	27	19	21	23
<i>Base: all tenants</i>	272	162	137	571

Statistical significance: * p<0.05.

The prevalence of running out of money before the end of the week or month varied between the Project Areas. In particular, Southwark had by far the highest proportion of tenants (73 per cent) who reported having often run out of money in the previous 12 months. And, conversely, the proportion of tenants who said they had hardly ever or never run out of money (27 per cent) was much lower in Southwark than elsewhere (Table 4.20).

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Table 4.20 How often, if at all, did tenants run out of money? – by area

How often run out? **	<i>Column percentages</i>					
	Oxford	Shropshire	Southwark	Torfaen	Wakefield	Edinburgh
Very often	25	27	41	21	28	28
Fairly often	21	18	32	29	22	22
Hardly ever	29	21	13	31	24	23
Never	24	34	14	19	26	27
Base: all tenants	114	101	96	117	101	109

Statistical significance: ** p<0.01.

Tenants who reported that they had run out of money (whether hardly ever or often) in the previous year were asked how they covered the shortfall (Table 4.21).²⁷

Table 4.21 When tenants run out of money, how do they cover the shortfall?

How covers the shortfall?	<i>Column percentages</i>			
	Current participants	Ex-participants	Non-participants	All
Borrow money from family or friends	50	52	57	52
Gifts of food from family or friends	4	4	7	5
Use a food bank	2	2	1	2
Go without meals	15	18	18	17
Go without other things *	21	33	20	24
Wait until money/pay comes in	21	20	31	24
Borrow from a money lender ~	2	6	7	4
Overdraw from a bank account	12	11	5	10
Use a credit card	6	8	3	5
Use the Housing Benefit money *	1	3	0	1
Delay paying the rent *	1	5	4	3
Delay paying other bills	5	9	6	6
Other ways	4	2	5	4
Don't know	2	1	1	1
Base: tenants who run out of money	197	131	108	436

Statistical significance: * p<0.05.

Statistical significance: ~ p = 0.050.

By far the most common way to cover the shortfall was by borrowing from family or friends. About half of all tenants said they had covered the shortfall by doing so. About one in six said they had gone without food and a quarter that they had gone without other things. A quarter said they had waited until more money came in. One in ten reported that they had overdrawn from their bank account (Table 4.21).

²⁷ Tenants could mention more than one way of covering the shortfall and hence the totals in Table 4.21 sum to more than 100.

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For the purpose of the evaluation it is important to note that very few tenants who had run out of money reported that they had covered the shortfall by using their HB money (one per cent) or by delaying paying the rent (three per cent). Six per cent said they had delayed paying other bills (Table 4.21).

There was little difference between the three DPDP status groups in the way that tenants, who had run out of money before the end of the week or month during the previous year, had covered the shortfall. Ex-participants were more likely than current and non-participants to say they had gone without. Ex-participants were also more likely than the two other groups to report having used the HB money to cover the shortfall, though as Table 4.21 shows, the proportion who did so was relatively small (three per cent).

4.3.1 Attitudes to money management

In both the stage 1 and the stage 3 survey, tenants were presented with five statements, each of which attempted to capture different aspects of attitudes towards managing money and asked to what extent they agreed or disagreed with them. The five statements were:

- *'I am impulsive and tend to buy things even when I can't really afford them.'*
- *'I am more of a saver than a spender.'*
- *'I prefer to buy things on credit rather than wait and save up.'*
- *'I am very organised when it comes to managing my money day to day.'*
- *'I am never late at paying my bills.'*

Impulsive?

Table 4.22 shows the responses of the follow-up sample at stage 1 and stage 3 to the statement *'I am impulsive and tend to buy things even when I can't really afford them'*.

The great majority of tenants at both stage 1 and stage 3 disagreed with this statement. However, the results for stage 3 were significantly different from those at stage 1. In particular, there was a decline from 20 per cent to 16 per cent in the proportion of follow-up tenants who agreed with this statement; and an increase from 70 per cent to 80 per cent in disagreement with the statement.

Thus, overall, significantly fewer follow-up tenants regarded themselves as impulsive spenders after the DPDP had finished than was the case before it had begun.

Table 4.22 Did tenants agree or disagree with the statement that *'I am impulsive and tend to buy things even when I can't really afford them'*?

Agree or disagree? **	Follow-up sample at stage 1	Follow-up sample at stage 3
Agree	20	16
Neither	10	4
Disagree	70	80
<i>Base</i>	454	454

Statistical significance: $p < 0.01$. (For technical reasons the statistical test (McNemar) is for agree versus disagree/neither.)

Once again, however, there were significant differences in responses between tenants in the three DPDP status groups. As Table 4.23 shows, current participants were much less likely than ex-participants and non-participants to agree with the statement that ‘I am impulsive and tend to buy things even when I can’t really afford them.’ Ten per cent of current participants, compared with 19 per cent of ex-participants and 26 per cent of non-participants, agreed with this statement. Current participants were also much more likely to disagree with it (88 per cent compared with 73 per cent and 72 per cent respectively).

Table 4.23 Did tenants agree or disagree with the statement that ‘I am impulsive and tend to buy things even when I can’t really afford them’? – by DPDP status

	<i>Column percentages</i>			
Agree or disagree? ***	Current participants	Ex-participants	Non-participants	All
Agree	10	19	26	17
Neither	2	8	2	4
Disagree	88	73	72	80
<i>Base: all tenants</i>	273	161	139	573

Statistical significance: *** p<0.001.

More of a saver than a spender?

Table 4.24 shows how the follow-up sample responded at stage 1 and at stage 3 to the statement that ‘I am more of a saver than a spender’.

More tenants agreed, and fewer disagreed, with this statement than did so with the ‘impulsive’ one. This was true both at stage 1 and at stage 3.

However, the responses at stage 3 were significantly different from those at stage 1. In particular, the follow-up sample was significantly more inclined to regard themselves as savers rather than spenders after the DPDP had finished than they were before it had commenced. But they were also more inclined to regard themselves as spenders. Thus, more tenants agreed with this statement and more disagreed with it at stage 3 than at stage 1. This result was achieved because fewer tenants neither agreed nor disagreed with the statement after the DPDP had finished than was the case before it started (Table 4.24).

Compared with the four other statements, far more tenants expressed neither agreement nor disagreement with the statement (Table 4.24). This may be because they felt they were not in a position to save and hence that the statement was not relevant to them in their current situation.

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Table 4.24 Did tenants agree or disagree with the statement that ‘I am more of a saver than a spender’?

Agree or disagree? **	Follow-up sample at stage 1	Follow-up sample at stage 3
Agree	30	34
Neither	28	21
Disagree	42	45
<i>Base</i>	439	439

Statistical significance: $p < 0.01$. (For technical reasons the statistical test (McNemar) is for agree versus disagree/neither.)

Among the stage 3 tenants as a whole (that is, taking the follow-up and top-up samples together) there were significant differences between tenants in the three DPDP status groups in response to the statement that ‘I am more of a saver than a spender’. Compared with ex-participants and non-participants, current participants were significantly more likely to agree with this statement and less likely to disagree with it (Table 4.25).

Table 4.25 Did tenants agree or disagree with the statement that ‘I am more of a saver than a spender’? – by DPDP status

Agree or disagree? **	Column percentages			
	Current participants	Ex-participants	Non-participants	All
Agree	38	31	24	32
Neither	24	15	24	22
Disagree	38	55	52	47
<i>Base: all tenants</i>	266	157	138	561

Statistical significance: ** $p < 0.01$.

Prefer to buy things on credit?

Table 4.26 shows how the follow-up sample responded at stage 1 and at stage 3 to the statement that ‘I prefer to buy things on credit rather than wait and save up’. In both surveys, the great majority of tenants said that they disagreed with this statement.

Moreover, the proportion of tenants who disagreed with this statement increased, and the proportion that agreed with it decreased, between stages 1 and 3. Thus, whereas at stage 1 78 per cent of tenants disagreed, by stage 3 86 per cent did so. Conversely, agreement with the statement decreased from 14 per cent to nine per cent (Table 4.26).

Table 4.26 Did tenants agree or disagree with the statement that ‘I prefer to buy things on credit rather than wait and save up’?

Agree or disagree? *	Follow-up sample at stage 1	Follow-up sample at stage 3
Agree	14	9
Neither	8	4
Disagree	78	86
<i>Base</i>	453	453

Statistical significance: $p < 0.05$. (For technical reasons the statistical test (McNemar) is for agree versus disagree/neither.)

As Table 4.27 indicates, there were again significant differences between the tenants in the three DPDP status groups in relation to their agreement or disagreement with the statement ‘I am more of a saver than a spender’.

Thus, current participants (90 per cent) were more likely than ex-participants (81 per cent) and non-participants (83 per cent) to disagree with this statement. And, conversely, current participants were also less likely to agree with it (seven per cent compared with 12 per cent and 14 per cent respectively).

Table 4.27 Did tenants agree or disagree with the statement that ‘I prefer to buy things on credit rather than wait and save up’? – by DPDP status

Agree or disagree? ***	Column percentages			
	Current participants	Ex-participants	Non-participants	All
Agree	7	12	14	10
Neither	3	7	3	4
Disagree	90	81	83	86
<i>Base: all tenants</i>	273	162	138	573

Very organised?

Table 4.28 shows how the follow-up sample responded at stage 1 and at stage 3 to the statement that ‘I am very organised when it comes to managing my money day to day’.

It is clear from Table 4.28 that the great majority of tenants, at both stage 1 and at stage 3, felt they were very organised money managers. However, the differences between these surveys were not statistically significant.

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Table 4.28 Did tenants agree or disagree with the statement that ‘I am very organised when it comes to managing my money day to day’?

Agree or disagree?	Follow-up sample at stage 1	Follow-up sample at stage 3
Agree	70	75
Neither	12	6
Disagree	18	20
<i>Base</i>	456	456

There were statistically significant differences between the three DPDP status groups in the extent to which tenants agreed or disagreed with the statement that ‘I am very organised when it comes to managing my money day to day’ (Table 4.29).

As Table 4.29 shows, current participants (82 per cent) were more likely than ex-participants (70 per cent) to agree with this statement; and the latter were more likely than non-participants (66 per cent) to agree with it. The reverse pattern existed in relation to disagreement with the statement (16 per cent, 21 per cent and 30 per cent respectively).

Table 4.29 Did tenants agree or disagree with the statement that ‘I am very organised when it comes to managing my money day to day’? – by DPDP status

Agree or disagree? **	Column percentages			
	Current participants	Ex-participants	Non-participants	All
Agree	82	70	66	74
Neither	3	10	4	5
Disagree	16	21	30	21
<i>Base: all tenants</i>	275	163	140	578

Statistical significance: *** p<0.001.

Never late?

Table 4.30 shows how the follow-up sample responded at stage 1 and at stage 3 to the statement that ‘I am never late at paying my bills’.

At both stage 1 and stage 3, far more follow-up tenants agreed than disagreed with this statement. Moreover, the proportion of tenants who agreed increased between the two surveys, rising from 48 per cent at stage 1 to 59 per cent at stage 3. Conversely, the proportion of tenants who disagreed with the statement fell from 39 per cent to 31 per cent (Table 4.30).

Table 4.30 Did tenants agree or disagree with the statement that ‘I am never late at paying my bills’?

Agree or disagree? **	Follow-up sample at stage 1	Follow-up sample at stage 3
Agree	48	59
Neither	14	9
Disagree	39	31
<i>Base</i>	<i>454</i>	<i>454</i>

Statistical significance: *** p<0.01. (For technical reasons the statistical test (McNemar) is for agree versus disagree/neither.)

There were again statistically significant differences between the three DPDP status groups in their responses to the statement presented to them. In the case of the statement that ‘I am never late at paying my bills’ current participants were much more likely than either ex-participants or non-participants to agree with the statement. And they were much less likely to disagree with it (Table 4.31).

Table 4.31 Did tenants agree or disagree with the statement that ‘I am never late at paying my bills’? – by DPDP status

Agree or disagree? ***	<i>Column percentages</i>			
	Current participants	Ex-participants	Non-participants	All
Agree	69	50	47	58
Neither	7	14	6	8
Disagree	24	36	48	34
<i>Base: all tenants</i>	<i>276</i>	<i>162</i>	<i>140</i>	<i>578</i>

Statistical significance: *** p<0.001.

As Table 4.31 shows, 69 per cent of current participants, compared to 50 per cent of ex-participants and 47 per cent of non-participants agreed with this statement. Only 24 per cent of current participants disagreed with it; but among ex-participants 36 per cent, and among non-participants 48 per cent, disagreed with the statement. Thus, current participants were the most likely to believe that they were never late in paying their bills.

5 Rent arrears and other debts

One of the concerns about paying Housing Benefit (HB) to claimants expressed by stakeholders was that it could result in an increase in rent arrears.²⁸ A key aim of the DPDP evaluation, therefore, was to examine whether there was an increase in arrears among tenants taking part in the project.²⁹ However, it was also possible that difficulty in paying rent could result in an increase in other kinds of debt rather than in rent arrears. Hence the evaluation also looked at the links between rent arrears and debts more generally.

This chapter examines tenant perceptions of the affordability of their rent before going on to explore the prevalence of rent arrears and whether the arrears were in place before they went onto the DPDP or had arisen subsequently. It also looks at self-reported reasons why tenants were behind with the rent and how their landlords had responded (if at all) to the arrears. Finally, the chapter looks at attitudes to paying the rent and to rent arrears, the existence of other kinds of debts, and the risk factors associated with rent arrears.

5.1 Affordability

Tenants whose HB covered part but not all of the rent, and also at stage 3 those who were no longer getting HB, were asked how easy or difficult it was for them to afford the rent (after HB).³⁰

Table 5.1 shows that, in the follow-up sample, there was a significant increase of 15 percentage points in the proportion of tenants who reported that their rent was difficult to afford. At the stage 1 Baseline Survey, 25 per cent of tenants said their rent was difficult to afford, but in the stage 3 follow-up this had increased to 40 per cent. Taking the follow-up and top-up samples together at stage 3, almost half said the rent was either fairly or very difficult to afford.

Table 5.1 How easy or difficult was it to afford the rent (after Housing Benefit) at stage 1 or stage 3?

How easy or difficult to afford? **	Follow-up sample at stage 1	Follow-up sample at stage 3	All tenants at stage 3
Easy	61	47	38
Neither	14	13	14
Difficult	25	40	48
<i>Base: all tenants</i>	<i>110</i>	<i>114</i>	<i>342</i>

Statistical significance: ** $p < 0.01$ (for technical reasons, the significant test compared difficult to afford versus neither/easy).

²⁸ For example, see stakeholder representations to the Select Committee on Work and Pensions (2012) *Universal Credit Implementation: meeting the needs of vulnerable claimants*, HC 576 (London: The Stationery Office).

²⁹ A companion component of the evaluation has examined the impact of direct payment on landlords' rental income. In addition, the qualitative interviews with tenants' panels also looked at rent arrears. A further element of the evaluation has examined persistent underpayment of rent. All of the different components of the evaluation will be brought together in the final, overarching report, to be published later in 2014.

³⁰ To be absolutely clear, only tenants whose HB covered all of their rent were not asked this question. All tenants were in receipt of HB at stage 1.

5.2 Rent arrears

In all three stages of the tenant survey, respondents were asked if they were currently up-to-date with the rent or in arrears. Table 5.2 shows that the proportion of tenants reporting that they were behind with their rent increased in the follow-up sample from 16 per cent at the stage 1 Baseline Survey to 30 per cent at the stage 3 follow-up survey.

It is important to note that these arrears figures, as with all of the findings in this report, are based on the tenants' self-reporting and may not necessarily be consistent with their landlord's administrative data. The DPDP evaluation included a separate analysis of landlord rent account data. For example, that analysis showed that tenants who went onto direct payment during the 18 months of the DPDP programme, paid 95.5 per cent of all rent owed, compared with a comparator sample (not on direct payment) who paid 99.1 per cent of rent owed (a difference of 3.6 percentage points).³¹

Tenants who were in arrears at stage 3, but not at stage 1, were disproportionately likely to have run out of money before the end of the week or month during the previous year. Around three-quarters (76 per cent) of them reported that they had either 'often' or 'very often' run out of money. About two-fifths (44 per cent) had 'very often' run out of money.

Taking the follow-up and top-up samples together at stage 3, about a third of tenants were behind with their rent and two-thirds were up to date (Table 5.2).

Table 5.2 Were tenants up-to-date or behind with their rent?

	<i>Column percentages</i>		
Up to date? ***	Follow-up sample at stage 1	Follow-up sample at stage 3	All tenants at stage 3
Up-to-date	84	70	68
In arrears	16	30	32
<i>Base: all tenants</i>	<i>447</i>	<i>447</i>	<i>637</i>

Statistical significance: *** p<0.001 (stage 1 versus stage 3 follow-up samples).

Rent arrears were only about half as prevalent among current participants as among ex-participants and non-participants. As Table 5.3 shows, 22 per cent of current participants, compared with 43 per cent of ex-participants and 42 per cent of non-participants, were behind with the rent.

Table 5.3 Were tenants in rent arrears? – by DPDP status

	<i>Column percentages</i>		
Up to date? ***	Current participants	Ex- participants	Non-participants
Up-to-date	78	57	58
In arrears	22	43	42
<i>Base: DP participants</i>	<i>271</i>	<i>158</i>	<i>140</i>

Statistical significance: *** p<0.001.

³¹ *Direct Payment Demonstration Projects: Key findings of the 18 months' Rent Account Analysis exercise*, DWP Research Report No. 891.

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The prevalence of rent arrears also differed significantly across the six Project Areas. Arrears were lowest in Shropshire (17 per cent) and Edinburgh (21 per cent) and highest in Wakefield (44 per cent) and Southwark (51 per cent). The figures were 32 per cent in both Oxford and Torfaen (Table 5.4).

Tenants who were no longer claiming HB were significantly more likely than those still receiving HB to be behind with their rent. As Table 5.4 shows, 55 per cent of non-claimants, compared with 31 per cent of HB claimants, were in rent arrears at stage 3.

Table 5.4 also demonstrates that arrears were much less prevalent among tenants whose HB covered all of the rent than among those whose benefit covered only part of the rent (16 per cent compared with 45 per cent).

Table 5.4 Were tenants up-to-date or behind with their rent? – by area

	<i>Column percentages</i>					
Up to date? ***	Oxford	Shropshire	Southwark	Torfaen	Wakefield	Edinburgh
Up-to-date	68	83	49	68	56	79
In arrears	32	17	51	32	44	21
<i>Base: all tenants</i>	<i>116</i>	<i>101</i>	<i>98</i>	<i>114</i>	<i>99</i>	<i>109</i>

Statistical significance: *** p<0.001.

Tenants who had experienced a reduction in HB due to either the Removal of the Spare Room Subsidy (RSRS) or the total Benefit Cap (or both) were significantly more likely to be behind with the rent than those who had not experienced a reduction. Forty-three per cent of tenants whose benefit had been reduced were in rent arrears at stage 3.³² By comparison, 29 per cent of tenants who had not experienced a reduction in HB were in arrears.

Rent arrears were significantly more prevalent among tenants whose HB was paid to their landlord than among those on direct payment. Thus, 39 per cent of tenants on landlord payment, compared with 22 per cent of those on tenant payment, were behind with their rent (Table 5.5).

Perhaps not surprisingly, tenants who found the rent difficult to afford were significantly more likely to be in arrears than were other tenants. Thus, 56 per cent of tenants who found their rent difficult to afford, compared with 32 per cent who found it easy to afford, were behind with their rent at stage 3 (Table 5.5).

³² To clarify for the avoidance of doubt: the reduction in HB mentioned here (and in the logistic regression analysis reported later in the chapter) refers to a single variable about whether or not claimants had experienced a reduction in HB due to either the RSRS or the total Benefit Cap or both.

Table 5.5 Were tenants up-to-date or behind with their rent? – by key Housing Benefit variables

	<i>Row percentages</i>	
	Up to date	In arrears
Claiming HB? **		
Yes	69	31
No	46	55
HB covers? ***		
All of the rent	83	16
Part of the rent	55	45
HB is paid to? ***		
Landlord	61	39
Tenant	78	22
How easy or difficult to afford the rent? **		
Easy	69	32
Neither	49	51
Difficult	44	56
<i>Base: all tenants</i>	436	201

Statistical significance: *** p<0.001; ** p<0.01.

There were statistically significant differences in the prevalence of arrears between some, but not all, of the key socio-demographic characteristics of tenants and their households (Table 5.6).

In particular, women (36 per cent) were more likely than men (26 per cent) to be behind with their rent. Tenants from black and other minority ethnic backgrounds were significantly more likely than those from white backgrounds to be in arrears (47 per cent compared with 30 per cent respectively). Finally, proportionally more tenants living in workless households were in rent arrears than those in working households. As Table 5.6 shows, 40 per cent of tenants in workless households, compared with 29 per cent in working households, were behind with their rent.

Although rent arrears increased during the life of the DPDP, it does not necessarily follow that this was due to tenants' participation in the projects. Current and ex-participants who were in arrears were therefore asked whether or not they had been in arrears before they took part in the DPDP.

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**Table 5.6 Were tenants up-to-date or behind with their rent? –
by socio-demographic variables**

	<i>Column percentages</i>	
	Up to date	In arrears
Gender of respondent *		
Male	74	26
Female	64	36
Age of respondent		
16 to 24	71	29
25 to 34	61	39
35 to 44	64	36
45 to 54	69	31
55+	75	25
Ethnicity of respondent **		
White	70	30
Black or other ethnic minority	53	47
Household type		
Single person	72	28
Lone parent	68	32
Couple with children	57	43
Couple	63	37
Multi-person household	69	31
Disability status of household		
No	66	34
Yes	68	32
Work status of household **		
Working	71	29
Not working	61	40
<i>Base: all tenants</i>	436	201

Statistical significance: *** $p < 0.001$; ** $p < 0.01$.

Table 5.7 shows that 30 per cent of participants who were behind with their rent at stage 3 reported that they were already in arrears before the DPDP and 70 per cent said they were not. Ex-participants were significantly more likely than current participants to have been in arrears before the DPDP (39 per cent compared with 21 per cent).

Table 5.7 Were tenants in arrears before they went onto the Direct Payment Trial?

In arrears before the Direct Payment Trial? *	<i>Column percentages</i>		
	Current participants	Ex- participants	All participants
Yes	21	39	30
No	79	62	70
<i>Base: DP participants in arrears</i>	59	66	125

Statistical significance: * $p < 0.05$.

Participants in arrears who said they were already behind with the rent before the DPDP began were asked whether their arrears had increased or decreased after they went onto the DPDP. The sample size for this question is very small ($n=39$) and hence the results need to be treated with caution.

However, with that caveat in mind, half of these tenants reported that their arrears had increased, a quarter that they had decreased and a quarter that the arrears had remained the same since they had gone onto the DPDP (Table 5.8).

Table 5.8 Did arrears increase or decrease among tenants who were in arrears before they went onto the Direct Payment Trial?

Did arrears increase or decrease?	<i>Column percentages</i>
	All participants
Increased	51
Decreased	25
Remained the same	24
<i>Base: DP participants in arrears before the Direct Payment Trial</i>	39

Statistical significance: $p < 0.01$.

5.3 Reasons for rent arrears

Tenants who were behind with the rent were asked what was the single most important reason for the arrears. As in other surveys of tenants, there was a wide range of reasons why tenants had got behind with their rent (Table 5.9). No one reason dominated the responses.

The two most commonly mentioned reasons were loss of income due to the RSRS and 'low income', both of which were mentioned by ten per cent of tenants in arrears. The next most commonly mentioned reason was 'unexpected expenses'. Previous research has shown that sudden reductions in income and unexpected increases in outgoings are common triggers for the onset of rent arrears among low-income tenants.

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Five of the single most important reasons for the arrears shown in Table 5.9 were related to the direct payment of HB:

- Problems with HB being paid directly to me.
- Confusion over due dates for rent payment.
- Incurred bank charges due to problems with HB.
- Used the HB to pay off other debts.
- Used the HB to pay for something else.

Taken together, these accounted for about one in five (19 per cent) of the single most important reasons for the rent arrears.

Table 5.9 What was the single main reason why the tenant was in arrears?

Single most important reason	Column percentages
	All tenants
Problems with HB administration	7
Problems with HB being paid directly to me	7
Confusion over due dates for rent payment	2
Incurred bank charges due to problems with HB	4
Used the HB to pay off other debts	2
Used the HB to pay for something else	4
Loss of income due to the removal of the spare room subsidy+	10
Loss of income due to reduction in HB for other reasons	7
Low income	10
Unexpected expenses	8
Overcommitted financially	3
Increase in rent	2
Loss of income due to redundancy	2
Loss of income due to sickness or disability	3
Loss of income due to relationship breakdown	1
Loss of income due to other reasons	6
Mental health problems	<1
Drug or alcohol addiction	<1
Some other reason (specify)	17
Nothing/none of these	1
Don't know	4
<i>Base: tenants in arrears</i>	201

+ The questionnaire referred to the 'bedroom tax' as that seemed more likely to have more name recognition with tenants than the 'removal of the spare room subsidy'.

5.4 How landlords responded to the arrears

Table 5.10 shows how, according to the tenants, their landlords responded to the arrears. Forty-four per cent of tenants in arrears reported that their landlord had responded by asking them to pay back the money gradually over time. Five per cent had been asked to repay the arrears immediately. Thirty-nine per cent of tenants said that their landlord had responded by sending them a letter about the arrears. And nine per cent of them said that the landlord had visited them personally to discuss the situation (Table 5.10).

Some landlords were reported as having taken legal action: seven per cent of tenants in arrears said their landlord had taken them to court for rent arrears, four per cent had served them with a written notice to quit and three per cent that their landlord had asked the courts to grant them a suspended possession order (Table 5.10).

Thirteen per cent of tenants who were behind with the rent said the landlord had done nothing in response to the arrears (Table 5.10).

Table 5.10 In what ways had tenants' landlords responded to the rent arrears?

Landlord response	Column percentages	
	Tenants in arrears at stage 1	Tenants in arrears at stage 3
Sent you a letter about the arrears	58	39
Visited you personally to discuss the situation	26	9
Asked you to pay back the arrears gradually over time	40	44
Asked you to pay back the arrears immediately	7	5
Took you to court for rent arrears	10	7
Served you with a written notice to quit	6	4
Asked the courts to grant them a suspended possession order	2	3
Taken you off the Direct Payment Trial	na	2
Arranged to have HB paid directly to them	na	0
Changed rent payment methods	1	3
Referred you to advice or other support services	na	4
Some other way	2	11
Nothing/none of these	7	13
Don't know	0	1
<i>Base: tenants in arrears</i>	403	201

Tenants could give more than one response by their landlord.

The data report tenant perceptions, which may be different from that of their landlords.

5.5 Attitudes to rent arrears

In the stage 3 survey, tenants were asked: *'To what extent would you say falling behind with the rent concerns you?'* As Table 5.11 shows, the great majority of them said it would concern them.

Table 5.11 To what extent would falling behind with the rent concern you? – by DPDP status

How concerned?	Column percentages			
	Current participants	Ex-participants	Non-participants	All
A great deal	73	73	67	71
A fair amount	10	13	15	12
Not very much	8	5	5	6
Not at all	9	9	14	11
<i>Base: all tenants</i>	275	156	140	571

Seventy-one per cent reported that it would concern them 'a great deal' and 12 per cent that it would concern them 'a fair amount'. However, about one in six tenants said that it would concern them either 'not very much' (six per cent) or 'not at all' (11 per cent). The differences in this respect between tenants in the three DPDP status groups were not statistically significant (Table 5.11).

Tenants were also asked about the extent to which they agreed or disagreed with the statement that *'I am unlikely to be evicted if I always or sometimes pay only part of the rent'*.

Table 5.12 shows whether tenants agreed or disagreed this statement. The table includes 'Don't know' and 'Not applicable' responses because there were more than just a handful of them. Indeed, it is relevant to note that 11 per cent of tenants said they did not know the likelihood of their being evicted in the underpaid their rent. A further five per cent felt unable to either agree or disagree with the statement.

Table 5.12 To what extent do tenants agree or disagree with the statement that *'I am unlikely to be evicted if I always or sometimes pay only part of the rent'*?

	Column percentages
	Tenants
Agree	26
Neither	5
Disagree	55
Not applicable	4
Don't know	11
<i>Base: all tenants</i>	650

Thus, a substantial minority of tenants – 16 per cent or one in six – was uncertain or did not know whether they would be evicted if they always or sometimes underpaid their rent. In addition, four per cent of tenants thought that the question was not applicable to them.

Meanwhile, about a quarter (26 per cent) of tenants agreed with the statement that they would be evicted and just over half (55 per cent) disagreed (Table 5.12). There was no statistically significant difference between tenants in the three DPDP status groups in their responses to this statement. Similarly, there was no statistically significant difference in responses to this statement between tenants who were behind with the rent and those who were not.

There was no significant difference in the prevalence of rent arrears between tenants who agreed and those who disagreed with this statement about the likelihood of being evicted if they underpaid the rent.

5.6 Other debts

In the stage 3 survey, about two out of five tenants were behind either on household bills³³ or on loans and other repayments (or both). As Table 5.13 shows, a similar proportion of follow-up tenants that had been behind with household bills or repayments in the stage 1 survey. Thus, while the prevalence of rent arrears had increased since stage 1, the prevalence of these other debts had not increased.

Table 5.13 Were tenants behind on any ‘household bills’?

Behind on any household bills or loan and other repayments?	Follow-up sample at stage 1	Follow-up sample at stage 3
Yes	42	43
No	58	57
<i>Base: all follow-up tenants</i>	453	453

Table 5.14 shows the prevalence of arrears on household bills at stage 3 among the combined follow-up and top-up samples. These household bills include Council Tax, water charges, gas and electricity, landline and mobile telephones, Internet, Sky/cable TV and childcare.

Thirty-seven per cent of tenants were behind on one or other of these household bills. The differences in these debts between the three DPDP status groups were not statistically significant (Table 5.14).

Table 5.14 Were tenants behind on any ‘household bills’? – by DPDP status

Behind on household bills?	<i>Column percentages</i>			
	Current participants	Ex-participants	Non-participants	All
Yes	32	43	39	37
No	68	57	61	63
<i>Base: all tenants</i>	275	161	140	576

³³ That is, household bills excluding the rent.

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Table 5.16 shows the prevalence of arrears on loans and other finance debts at stage 3 among the combined follow-up and top-up samples. These debts include those on credit cards, HP agreements, catalogue bills paid by instalments, bank or finance company loans, pay-day loans and loans from friends and relatives.

Table 5.15 Were tenants behind on any loans or other finance repayments? – by DPDP status

Behind on repayments? *	Column percentages			
	Current participants	Ex-participants	Non-participants	All
Yes	13	19	24	18
No	87	81	76	82
<i>Base: all tenants</i>	276	160	141	577

Statistical significance: $p < 0.05$.

Eighteen per cent of tenants were behind with one or more of these loans and related finance repayments. The prevalence of such debts varied significantly between the three DPDP status groups. Thirteen per cent of current participants, 19 per cent of ex-participants and 24 per cent of non-participants had such debts (Table 5.15).

5.7 Rent arrears and other debts

It was noted above that, while the prevalence of rent arrears had increased between stage 1 and stage 3, the prevalence of other kinds of debt had not. Table 5.16 shows for stages 1 and 3 whether tenants in the follow-up sample had both rent arrears and other debts.

As Table 5.16 indicates, the proportion of tenants with both rent arrears and other debts increased from 11 per cent to 19 per cent. And the proportion that had only rent arrears increased from five per cent to 11 per cent. Meanwhile, the proportion of tenants that had only other debts fell from 32 per cent to 24 per cent.

Thus, compared with the stage 1 Baseline Survey, at stage 3 more tenants had some kind of debt and more had both rent arrears and other types of debt. However, since the prevalence of other debts did not change significantly between stage 1 and stage 3, it is clear that these shifts were driven by the increase in rent arrears.

Table 5.16 Were tenants behind on both rent arrears and other debts?

Behind on rent arrears and other debts? **	Follow-up sample at stage 1	Follow-up sample at stage 3
Rent arrears plus other debts	11	19
Rent arrears only	5	11
Other debts only	32	24
Neither	52	46
<i>Base: all follow-up tenants</i>	<i>440</i>	<i>440</i>

Statistical significance: $p < 0.01$ (for technical reasons the statistical test (McNemar) is for arrears &/or other debt versus neither).

There were significant differences in the prevalence of any debts, and in the co-prevalence of rent arrears and other debts, between tenants in the three DPDP status groups (Table 5.17). In particular:

- current participants were much **more** likely than ex-participants and non-participants to have neither rent arrears nor other debts;
- current participants were much **less** likely than ex-participants and non-participants to have both rent arrears and other debts.

Table 5.17 Were tenants behind on both rent arrears and other debts? – by DPDP status

Behind on rent arrears and other debts? ***	<i>Column percentages</i>			
	Current participants	Ex-participants	Non-participants	All
Rent arrears and other debts	13	28	32	22
Rent arrears only	9	15	10	11
Other debts only	25	23	21	23
Neither	53	34	37	44
<i>Base: all tenants</i>	<i>269</i>	<i>155</i>	<i>139</i>	<i>563</i>

Statistical significance: *** $p < 0.001$.

Table 5.18 shows that there was no significant change between stage 1 and stage 3 in the prevalence of automatic deductions from earnings or benefits to pay back arrears and debts. In both surveys, about three out of ten tenants had such deductions. This may not be surprising given that other debts had not increased either over the life of the DPDPs.

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Table 5.18 Did tenants have automatic deductions from their earnings or benefits to pay back arrears or debts?

Automatic deductions?	Follow-up sample at stage 1	Follow-up sample at stage 3
Yes	31	29
No	69	71
<i>Base: all follow-up tenants</i>	452	452

However, the prevalence of deductions from earnings or benefits to pay back debts varied by DPDP status groups, being lower among current participants than among the other two groups. As Table 5.19 shows, about a quarter of current participants, compared with around a third of ex-participants and non-participants, had such deductions from their earnings or benefits.

Table 5.19 Did tenants have automatic deductions from their earnings or benefits to pay back arrears or debts? – by DPDP status

Automatic deductions? *	Column percentages			
	Current participants	Ex-participants	Non-participants	All
Yes	24	34	35	30
No	76	66	65	70
<i>Base: all tenants</i>	276	162	140	578

Statistical significance: * p<0.5.

5.8 Prioritising rent versus other household bills

Qualitative research has indicated that paying the rent is the first priority among household bills for many tenants on HB.³⁴ In the stage 3 survey tenants were asked: ‘If you could afford to pay **only one** household bill, which one of the following, if any, would you choose?’

The list of household bills is shown in Table 5.20. The order in which the list was read out by the interviewer was randomised in order to minimise the risk of bias in tenants’ responses to the question.

As Table 5.20 shows, two-thirds (65 per cent) of tenants said that the rent was the one household bill they would choose. One in six (17 per cent) said it would be the electricity bill and about one in ten (nine per cent) the gas or other fuel bill, if they could afford to pay only one bill. Thus for the majority of tenants, the rent was their number one priority bill.

³⁴ Irvine, A., Kemp, P.A. and Nice, K. (2007). *Direct Payment of Housing Benefit: what do claimants think?* York: Joseph Rowntree Foundation.

Table 5.20 If tenants could afford to pay only one of these household bills, which would they choose?

Bill type	<i>Column percentages</i>
	Tenants
Rent	65
Electricity bill	17
Gas or other fuel bills like coal or oil	9
Council Tax	2
Water rates	1
Telephone (including mobile) bills	1
Loan repayments	<1
Childcare	2
Sky/cable TV	1
None of these	2
<i>Base: all tenants</i>	636

There were statistically significant differences in household bill priorities between the three DPDP status groups (Table 5.21). For this purpose, bills other than rent, electricity and gas were consolidated into a single category, which accounted for eight per cent of the total.

As Table 5.21 shows, current participants (72 per cent) were more likely than ex-participants (64 per cent) to report that the rent was the one bill they would pay. And ex-participants, in turn, were more likely to give priority to the rent than were non-participants (53 per cent).

This gradient was reversed among those tenants who prioritised electricity as the one bill they would pay, if they could afford only to pay one. Thus, 13 per cent of current tenants, 18 per cent of ex-participants and 25 per cent of non-participants, said they would prioritise the electricity (Table 5.21).

Non-participants (37 per cent) were more likely than either current participants (22 per cent) or ex-participants (26 per cent) to give priority to one or other energy bill than to the rent.

Table 5.21 If tenants could afford to pay only one household bills, which would they choose? – by DPDP status

Bill type **	<i>Column percentages</i>			
	Current participants	Ex-participants	Non-participants	All
Rent	72	64	53	65
Electricity	13	18	25	17
Gas or other fuel bill	9	8	12	9
Other household bills	6	11	10	8
<i>Base: all tenants</i>	272	159	139	570

Statistical significance: ** p<0.01.

5.9 Attitudes to spending HB money

One of the concerns about paying HB to tenants expressed by stakeholders is that tenants might be tempted to spend the money on something else.³⁵ In fact, qualitative research has indicated that a minority of tenants thought that might happen to them if they were put onto direct payment.³⁶ In the stage 3 survey, therefore, tenants were asked about the extent to which they agreed or disagreed with the statement that *'I could be tempted to spend some or all of the Housing Benefit money on something other than the rent'*.

As Table 5.22 shows, the great majority of tenants expressed disagreement with this statement. However, about one in six tenants agreed that they could be tempted to spend HB money on something other than the rent.

Table 5.22 To what extent did tenants agree or disagree with the statement that *'I could be tempted to spend some or all of the Housing Benefit money on something other than the rent'*?

<i>Column percentages</i>				
Agree or disagree? ***	Current participants	Ex-participants	Non-participants	All
Agree	10	17	32	17
Neither	2	3	1	2
Disagree	89	81	67	81
<i>Base: all tenants</i>	275	150	121	546

Statistical significance: *** p<0.001.

There were significant differences between the tenants in the three DPDP status groups in relation to possible temptation to spend the HB money (Table 5.22). One in ten current participants, one in six ex-participants and one in three non-participants, admitted that they could be tempted to spend some or all of the HB money on something other than the rent.

Tenants were asked about the extent to which they agreed with the statement that *'If I had an unexpected expense or large bill that was difficult to pay, I would use Housing Benefit money to pay for it'*. The results are shown in Table 5.23.

Three-quarters of tenants expressed disagreement with this statement. However, just under a quarter agreed that, if they had an unexpected expense or large bill that was difficult to pay, they would use HB money to pay for it (Table 5.23). The differences between tenants in the three DPDP stats groups were not statistically significant.

³⁵ For example, see stakeholder representations to the Select Committee on Work and Pensions (2012). *Universal Credit Implementation: meeting the needs of vulnerable claimants*, HC 576. London: The Stationery Office.

³⁶ Irvine, A., Kemp, P.A. & Nice, K. (2007). *Direct Payment of Housing Benefit: what do claimants think?* York: Joseph Rowntree Foundation.

Table 5.23 To what extent do tenants agree or disagree with the statement that *'If I had an unexpected expense or large bill that was difficult to pay, I would use Housing Benefit money to pay for it'*?

Agree or disagree?	<i>Column percentages</i>			
	Current participants	Ex-participants	Non-participants	All
Agree	18	25	28	22
Neither	3	4	1	3
Disagree	80	71	72	75
<i>Base: all tenants</i>	266	149	117	532

5.10 Risk factors for rent arrears

Table 5.2 showed that about a third of tenants were in rent arrears at the time of the stage 3 survey and Table 5.9 showed the self-reported single most important reasons why they were behind with the rent. This section looks at the characteristics of the tenants and their households to identify the factors that are associated statistically with being in rent arrears.

The analysis uses a statistical technique known as logistic regression. This technique makes it possible to explore statistically the relationship between a number of **independent** variables³⁷ (such as age, gender, disability) and a categorical **dependent** variable³⁸ (such as whether or not a tenant is in rent arrears) **while holding all other independent variables constant**.

Analysis was undertaken with two different indicators of rent arrears as the dependent variable:

- The first dependent variable was being in rent arrears when the stage 3 survey was undertaken – 'rent arrears at stage 3'.
- The second dependent variable was having rent arrears that had arisen or increased since the tenant went onto the DPDP – 'new rent arrears'.³⁹

A range of variables that might plausibly be associated with being in rent arrears was used in the logistic regression models. Key socio-demographic variables – age, gender, ethnic status, household composition and the disability status of the household – were also included in all of the models. The final, 'parsimonious' models presented in Tables 5.24 and 5.25 include these key socio-demographic variables, but as none of them were significant

³⁷ Strictly speaking, these independent variables are better described as correlates as they may be statistically related to the dependent variable but not necessarily have a causal effect on it.

³⁸ A categorical variable is one for which there are two or more possible categories (for example, being either in work or out of work).

³⁹ Tenants with 'new rent arrears' are defined here as those who were either (a) in arrears at stage 3 but were not in arrears before they went onto the DPDP; or (b) in arrears beforehand but whose arrears had increased after they went onto the DPDP.

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the 'odds ratios' are not shown.⁴⁰ Odds ratios and significance levels are shown only for the variables in the final models that were statistically significant.

The fact that the key socio-demographic variables were not significant in any of the models is important. It suggests that it is not the fact of being, for example, a certain age, or living in a particular household type, or from a white or ethnic minority background, that accounts for their rent arrears. Instead, it is other characteristics that account for the arrears, though they may interact with the socio-demographic variables. The key socio-demographic variables were retained in the models in order to hold them constant while analyzing the other independent variables.

Table 5.24 shows the odds ratios for the seven independent variables that were significant in the final logistic regression model for rent arrears at stage 3. Odds ratios show the odds of being in rent arrears among tenants having a particular characteristic relative to tenants who did **not** have that characteristic, **when controlling for the other variables in the model.**⁴¹

A statistically significant odds ratio of more than one indicates that tenants having a particular characteristic were more likely to be behind with the rent. And a significant odds ratio of less than one indicates that such tenants were less likely to be in arrears than tenants not having that characteristic.

As Table 5.24 shows, the odds of tenants being in rent arrears at stage 3 were higher for tenants who:

- were behind on other household bills;
- received HB that was less than the full amount of their rent;
- disagreed with the statement that they were 'very organised when it comes to managing my money day to day';
- had a fluctuating income;
- had a separate bank account to receive HB and pay the rent, or who kept the cash for their rent separate from their other cash; and
- were not claiming HB.

The odds of being in rent arrears at stage 3 were lower among tenants whose HB was paid directly to them (Table 5.24).

⁴⁰ All other non-significant variables are thus excluded from the final models shown in these two results tables.

⁴¹ The ability to hold all other characteristics constant when comparing two groups – men and women, for example – is a very important feature of logistic regression. That is because, in this example, men and women as a whole tend to different characteristics in some respects. Compared with men, women are more likely to be at home looking after children or to have caring responsibilities. More women than men work part-time and in low-paid occupations. Hence, differences between men and women may not be a function of their sex, but reflect the other characteristics that women are more (or less) likely to have than men.

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Table 5.24 Logistic regression odds of being in rent arrears at stage 3

	Arrears at stage 3	<i>Column percentages</i>
	Sig.	Odds
Behind on 1+ household bills ***	.000	3.2
HB covers only part of the rent ***	.000	3.3
Not a 'very organised' money manager **	.002	2.1
Fluctuating income *	.030	1.8
HB is paid to the tenant **	.001	0.5
Keeps separate HB or rent cash/ bank account **	.001	2.4
Not claiming HB **	.004	3.2
<i>Base: all tenants</i>		615

Statistical significance: *** p<0.001; ** p<0.01; * p<0.05.

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

The factors that were significantly correlated with arrears (other things held constant) were related to having a low or fluctuating income, having experienced a negative income shock (such as a cut in HB) and not being a very well-organised money manager. Most of these factors were more prevalent among ex-participants and non-participants than among the tenants who were currently participating in the DPDP at the time of the stage 3 survey.

The fact that having a separate bank account or pot of cash for paying the rent was positively correlated with having rent arrears suggests that it may be better to integrate paying the rent into household money management rather than being kept entirely separate from it.

The odds of tenants being in rent arrears at stage 3 were lower – in fact, about half as low – for tenants who were on direct payment relative to those on landlord payment (Table 5.24). Although it may seem surprising that being on direct payment was negatively associated with rent arrears, it is important to recall from Table 5.4 that a higher proportion claimants on landlord payment (39 per cent) than on direct payment (22 per cent) were behind with the rent. And of course it was precisely because they were in arrears that many claimants (ex-participants) had been switched back to landlord payment.

Table 5.25 shows the five independent variables that were significant in the final logistic regression model for being in 'new arrears' at stage 3. They were not the same as the significant independent variables for all rent arrears cases at stage 3.

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Table 5.25 Logistic regression odds of being in 'new' rent arrears at stage 3

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

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

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

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

The odds of being in new rent arrears were higher among tenants who:

- were behind on one or more household bills;
- received HB that was less than the full amount of their rent;
- had automatic deductions from their wages or benefits to pay back arrears or other debts;
- had experienced a reduction in their HB due to the RSRS or the total Benefit Cap (or both); and
- said they would use their HB money to pay for an unexpected expense or large bill that was difficult to pay.

6 Conclusions

This report has presented results from the longitudinal surveys of social housing tenants on Housing Benefit (HB) that were conducted as part of the independent evaluation of the Direct Payment Demonstration Projects (DPDPs) in six local authority areas across Britain. As well as presenting the results for stage 3, the report also made comparisons between stage 3 and the stage 1 'baseline' survey of tenants.

Since the stage 1 survey was conducted before the DPDPs went 'live', and the stage 3 survey was undertaken after they had officially come to an end, these comparisons provide a 'before and after' analysis of the DPDPs. It was therefore possible to explore the extent to which, if at all, tenants' circumstances, beliefs and behaviors had changed over time.⁴²

6.1 The challenge of direct payment

The DPDPs involved the payment of HB directly to social housing tenants instead of to their landlords. For almost all tenants taking part in the DPDP, this payment arrangement represented a major change from what they were used to. This was particularly the case for tenants on 'full HB' – that is, those whose HB covered all of their rent – as prior to going onto direct payment they were not handing over any rent money to their landlord.

After moving onto direct payment, tenants had to learn how to manage their HB payments and pay the full rent to their landlord. It presented tenants with a major challenge, especially as the rent is typically by far the largest single item in their budgets. In fact, when the stage 1 Baseline Survey was carried out, only one per cent of tenants were on direct payment of HB: 99 per cent were on landlord payment.

A further important, but less commonly discussed, feature of the DPDPs was that HB was paid at monthly or four-weekly intervals, instead of weekly or fortnightly, in order to mirror paid work and the payment arrangements in Universal Credit (UC). This too represented a major change and challenge to tenants in receipt of HB in the Project Areas.

In fact, the stage 1 Baseline Survey found that, among tenants who had a regular spending limit to help them manage their finances, only a relatively small proportion had a four-weekly or monthly one. Instead, the majority of tenants with a regular spending limit budgeted on a

⁴² The stage 2 survey of tenants was conducted while the DPDPs were still in progress. It was carried out in the autumn of 2013, approximately a year to 15 months after the DPDPs began (depending on when they went 'live', which varied between the Project Areas). The report on the stage 2 survey was published in July 2014: Kemp, P.A. (2014) *Direct Payment Demonstration Projects: report from the stage 2 survey of tenants*. Research Report No.878. London: Department for Work and Pensions. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/333072/dpdpd-report-from-the-stage-2-survey-of-tenants.pdf

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weekly basis and most of the remainder did so fortnightly.⁴³

The Baseline Survey found that a substantial minority of respondents believed – in advance of the DPDP going ‘live’ – that they would not cope well with direct payment of HB. Many also thought that it would be difficult to manage their finances when HB is paid directly. A substantial minority anticipated that they would need support to help them manage if HB was paid directly to them. Some of these tenants felt they would need a ‘great deal’ of support; and some that they would need support ‘for the long-term’ rather than just at the beginning while they adjusted to the new arrangements.

6.2 The experience of direct payment

Whatever tenants’ fears beforehand, about half of all HB claimants in the stage 3 survey said they were on direct payment. In the follow-up sample, direct payment had increased from just one per cent at stage 1 to 53 per cent at stage 3. That is a very substantial increase in the proportion of claimants who were expected to pay all of the rent themselves, rather than some or all of it being paid by transfer from the HB office to their landlord. Thus, the DPDPs had a significant ‘afterlife’ in that many tenants continued on direct payment after they had officially come to an end.

Moreover, the great majority of current participants felt they were managing well with direct payment of HB. Indeed, almost nine out of ten of them said they were coping well. And three-quarters also said it was easy to manage their finances while HB was being paid directly to them. This is an important finding because (as noted in Chapter 1) many stakeholders had been concerned beforehand that tenants would not be able to cope with direct payment of HB.

It is also noteworthy that there was a significant increase between stage 1 and stage 3 in the proportion of tenants who said they preferred to have their HB paid directly to them rather than their landlord. The share of tenants who did not mind whether the HB was paid to them or their landlord also increased. Nevertheless, although fewer claimants preferred payment to the landlord at stage 3 than at stage 1, it was still by far the most preferred method. Indeed, seven out of ten said they preferred landlord payment to direct payment to themselves.

The experience of direct payment of HB among the ex-participant sample, not surprisingly, was less positive. Many had been ‘switched back’ to landlord payment precisely because things had not gone well for them when they were on direct payment. For example, one in ten ex-participants said they had been switched back to landlord payment because they had missed some or all of the rent payments. One in ten had been switched back because they could not cope with, or were confused by, direct payment. Others had problems with bank accounts or had been tempted to spend the HB money on something else.

⁴³ Kemp, P. A., Hickman, P., Reeve, K., Collins, B., Finlay, S. and Robinson, D. (2012). *Direct Payment Demonstration Projects: Findings from a baseline survey of tenants in five Project Areas in England and Wales*. Research Report No. 822. London: Department for Work and Pensions.
<https://www.gov.uk/government/publications/direct-payments-demonstration-projects-findings-from-a-baseline-survey-of-tenants-in-five-project-areas-in-england-and-wales-rr822>

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Three out of five tenants who had been switched back to landlord payments had wanted to leave the DPDP and hence the change was in line with their wishes. But the remaining two-fifths either wanted to stay on direct payment or did not mind either way.

However, the most commonly mentioned reason for no longer participating in the DPDPs was that it had ended in their area (25 per cent of ex-participants). When asked whether they had wanted the DPDP to continue or come to an end, the majority said they had not minded one way or the other (56 per cent). But far more had wanted it to end (42 per cent) than to continue (two per cent). Thus, while there appeared not to be great enthusiasm for direct payment among those who reported that the DPDP had ended, a majority of them were not against it continuing.

The second most commonly mentioned reason given by tenants for leaving the DPDPs was that they had stopped claiming HB (14 per cent). Tenants who left the DPDP for this reason were of course expected to continue paying all of their rent themselves. Participating in the DPDP, therefore, had given them experience of doing so before they ceased claiming HB.

In the Baseline Survey, a substantial minority of tenants felt that they would need advice or support if they were moved onto direct payment of HB. In fact, by the time the stage 3 survey was conducted, only one in six tenants had received any advice or support to help them manage while HB was being paid directly to them.

Moreover, only two-fifths of those who had received advice or support reported that it had helped them to manage direct payments; the remainder said that it had helped them hardly or not at all. This self-perception appears to be supported by the logistic regression analysis of the factors associated with rent arrears, which found that having been in receipt of advice or support made no difference one way or the other.

Nevertheless, a third of current participants who had received advice or support said they still needed it to help them manage their HB while it was being paid directly to them. By contrast, almost all of the current participants who had not received advice or support said they did not need it (96 per cent).

It appears, therefore, that local stakeholders were targeting advice and support on the right tenants, even though more often than not, they were failing to provide assistance that was helping recipients to manage their HB payments.

6.3 Managing money

The introduction of direct payment of HB, as noted above, was bound to be a test of tenants' ability to manage their finances, not least because it raised the 'degree of difficulty' involved in doing so successfully. Not only did tenants have to manage the receipt of HB when, in almost all cases, it was previously managed for them by an automatic transfer of the money from the local authority HB office to their landlord. But they also had to ensure that they paid all of the rent – instead of just some (if on partial HB) or none (if on full HB) of it – to the landlord themselves.

For tenants getting by on a low income, having to juggle various sources of income and a range of different bills – most of which arrive at different points in time – money management can be a struggle.⁴⁴ Indeed, over half of tenants interviewed in the stage 1 Baseline Survey

⁴⁴ Kempson, E. (1996). *Life on a Low Income*. York: Joseph Rowntree Foundation.

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admitted that they often ran out of money before the end of the week or month.

The stage 3 survey revealed that there had been significant changes in tenant beliefs and behaviour since the stage 1 Baseline Survey. There had, for example, been a small, but statistically significant, increase in the proportion of tenants that had a bank account. It was already high at baseline at 88 per cent among the follow-up sample of tenants, but by stage 3 it had increased to 90 per cent.

Twelve per cent of tenants with a bank account or accounts reported that they had one that they used solely for the purpose of receiving HB or paying the rent. The logistic regression analysis found that having a separate bank account for HB and rent or keeping rent money separate from other cash was associated with a higher risk of rent arrears. However, it will no longer be possible to have a separate account for receiving HB when tenants move onto UC because housing support will be incorporated into the UC payment.

There was a significant reduction between stage 1 and stage 3 in the proportion of tenants who normally paid their rent by cash, which declined from 30 per cent at the former to 11 per cent at the latter. By the time they were interviewed in the stage 3 survey, 30 per cent of tenants in the combined follow-up and top-up samples normally paid their rent by Direct debit, 23 per cent by rent payment card (such as Allpay), 19 per cent by debit card, eight per cent by standing order and four per cent by electronic transfer from an e-bank account.

Another, perhaps surprising, change since the stage 1 Baseline Survey was the decline among the follow-up sample of tenants in the use of regular spending limits to help them manage their finances. This fell from three-quarters of the follow-up sample at stage 1 to two-thirds at stage 3.

As in the Baseline Survey, at stage 3 the most common period that tenants used for their regular spending limit was weekly and the second most common was fortnightly. Nevertheless, significantly fewer tenants at stage 3 than at stage 1 were using weekly spending limits and more were using fortnightly and monthly limits.

Thus, while fewer tenants had them, there was a modest shift towards longer time periods for the regular spending limits that tenants used to help them manage their finances. Moreover, while fewer tenants had spending limits at stage 3 than at stage 1, they were more likely to manage to keep to them: the proportion of tenants who managed to keep to their spending limit 'always' or 'most of the time' increased from 73 per cent to 79 per cent.

There was a mixed picture in relation to financial wellbeing when comparing the follow-up sample at stage 1 with stage 3. On the one hand, there was a small, but statistically significant, increase between stage 1 and stage 3 in the proportion of tenants who said they were managing well financially these days and an equivalent decrease in the proportion who were managing poorly. Similarly, slightly more follow-up tenants reported at stage 3 than at stage 1 that they had 'never' run out of money before the end of the week or month in the previous year. On the other hand, there was a small, but significant, increase between stage 1 and stage 3 in the proportion of them who said they had run out of money 'very often' in the previous year.

Tenants who had run out of money in the year prior to the stage 3 survey coped with the shortfall in a variety of ways. By far the most common way to cover the shortfall was by borrowing from family or friends. About half of all tenants said they had covered the shortfall by doing so. About one in six had gone without food, a quarter had gone without other things, and a quarter had waited until more money came in. One in ten said that they had overdrawn from their bank account when they ran out of money.

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Given the concerns raised by some stakeholders about how tenants would respond to having their HB paid directly to them, it is worth noting that very few tenants who had run out of money in the previous year said that they had covered the shortfall by using their HB money (one per cent) or by delaying paying the rent (three per cent). Six per cent said they had delayed paying other bills.

In the Baseline Survey, a minority of respondents admitted being impulse buyers, preferred to buy things on credit, were a more of a spender than a saver, often paid bills late and were disorganised when it came to managing their money day to day. These are arguably the hallmarks of poor financial capability and even chaotic money management. However, the survey also found that the majority of respondents self-assessed themselves as not having those failings. Indeed, they appeared to have seen themselves as more or less well-organised money managers; and, by implication, as financially capable within the constraints presented by life on a low income.

In the follow-up sample, self-assessed money management beliefs had changed in many respects between the stage 1 Baseline Survey and the stage 3 survey. In the follow-up survey, significantly fewer tenants regarded themselves as impulsive buyers, fewer said they preferred to buy things on credit rather than save up, and more of them said they were never late at paying bills. However, in most cases these changes, though statistically significant, were relatively small.

6.4 Rent arrears and other debts

As already noted, stakeholders expressed concern that the introduction of direct payment would result in an increase in rent arrears among tenants. One focus of the evaluation, therefore, was on the extent to which, if at all, the prevalence of arrears increased among tenants over the life of the DPDPs.

The stage 1 Baseline Survey found that about one in five respondents already had rent arrears at their current address. Moreover, almost half had either rent arrears or were behind on other bills or both. And three out of ten baseline tenants had automatic deductions from the earnings or benefit income to pay back rent arrears or other debts gradually over time. In other words, there was already a very substantial amount of indebtedness among the survey respondents even before direct payment was introduced in the DPDPs.

A comparison of the stage 1 and stage 3 survey results revealed that the proportion of tenants in the follow-up sample that were behind with their rent increased from 16 per cent to 30 per cent. And about half of the tenants who were previously behind with the rent said their arrears had increased since they had gone onto the DPDP. A quarter said their pre-existing arrears had decreased, and a further quarter that they had remained the same, since the DPDPs began.

It is important to note that these arrears figures, as with all of the findings in this report, are based on the tenants' self-reporting and may not necessarily be consistent with their landlord's administrative data. The DPDP evaluation included a separate analysis of landlord rent account data.⁴⁵ For example, that analysis showed that tenants who went onto direct payment during the 18 months of the DPDP programme, paid 95.5 per cent of all rent owed, compared with a comparator sample (not on direct payment) who paid 99.1 per cent of rent owed (a difference of 3.6 percentage points).

⁴⁵ *Direct Payment Demonstration Projects: Key findings of the 18 months' Rent Account Analysis exercise*, DWP Research Report No. 891.

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Issues related to direct payments of HB accounted for about one in five of the 'single most important' reasons for the arrears reported by the tenants concerned. These were: problems with HB being paid directly, confusion over due dates for rent payment, bank charges due to problems with HB, using the HB money to pay off other debts and using the HB to pay for something else. Taken together, these five direct payment-related reasons accounted for about one in five (19 per cent) of the total.

However, the two most commonly mentioned 'single most important' reasons for the arrears were loss of income due to the RSRS and 'low income', both of which were mentioned by ten per cent of tenants in arrears. The next most commonly mentioned reason was 'unexpected expenses', which was cited by eight per cent. This finding is not altogether surprising, for previous research has shown that unexpected expenses are common triggers for the onset of rent arrears.

At stage 3, about two out of five tenants were behind either on household bills or on loans and other repayments (or both). This was very similar to the results in the stage 1 survey. Perhaps that is why there also was no significant change between stage 1 and stage 3 in the prevalence of automatic deductions from earnings or benefits to pay back arrears and debts. In both surveys, about three out of ten tenants had such deductions. Thus, while the prevalence of rent arrears had increased since stage 1, the prevalence of other kinds of debt had not increased. However, compared with the stage 1 Baseline Survey, at stage 3 more tenants had some kind of debt and more had both rent arrears and other types of debt.

This growth in indebtedness was driven by the increased prevalence of rent arrears. Some tenants who previously had only other debts before the DPDPs began had both other debts and rent arrears by the time the projects had officially ended. And some tenants who had neither beforehand were behind on the rent by stage 3.

Underpinning the concern among stakeholders that rent arrears would increase under direct payment of HB was a belief that tenants might use the money to pay off other, more pressing bills; or that they might be tempted to spend the money on other things. When asked about these two possibilities in the stage 3 survey, the great majority of tenants did not think they would do either of them. However, a minority of tenants felt they might spend the HB money on other things or use it to pay off an unexpected or large bill that was difficult to pay.

Moreover, the stage 3 survey found that there was a high level of commitment among tenants to paying the rent. For example, five out of six tenants said that falling behind with the rent would concern them. And paying the rent was the number one priority bill for the majority of tenants: if they could afford to pay just one household bill, 65 per cent of them said they would pay the rent. On the other hand, only a quarter of tenants thought they would be evicted if they sometimes or always underpaid the rent. Just over half thought they would not be evicted and one in six were either uncertain or did not know.

Finally, the logistic regression analysis examined the correlates – or 'risk factors' – associated with having any rent arrears at stage 3 and with 'new arrears'⁴⁶.

The factors that were positively correlated with having any rent arrears (other things held constant) were: having a low or fluctuating income, not being in receipt of HB, being in receipt of partial HB, keeping a separate rent account or pot of cash for paying the rent, being behind on household bills, and not being a very well-organised money manager.

⁴⁶ By 'new arrears' is meant tenants whose arrears had increased since stage 1 or who were in rent arrears at stage 3 but not at stage 1.

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It was found that, when controlling for other factors, direct payment was negatively associated with being behind with the rent at stage 3. In other words, other things being equal, HB claimants on direct payment were **less** likely to be in arrears than tenants on landlord payment. Although this may seem surprising, it is important to recall from Table 5.4 that a higher proportion of claimants on landlord payment (39 per cent) than on direct payment (22 per cent) were behind with the rent. And of course it was precisely because they were in arrears that many claimants (ex-participants) had been switched back to landlord payment.

It was also found that 'new arrears' were positively associated with: (1) being in receipt of partial HB, (2) being behind on household bills, (3) having automatic deductions to pay back debts, (4) being likely to use HB if presented with an unexpected expense or large bill that was difficult to pay, and (5) having experienced a reduction in HB due to the RSRS or the total Benefit Cap.

Being on partial HB was significantly correlated with having any arrears and having new arrears at stage 3. This suggests that paying the rent is a struggle for many tenants in that situation. The fact that being behind on household bills and having automatic deductions from benefits or earnings were both positively correlated with new arrears suggests that tenants with either or both of these are at risk of being tipped into rent arrears or an increase in rent arrears by new financial challenges. One such new challenge, of course, is having an unexpected expense or large bill to pay; and hence it is not surprising that that was positively associated with new rent arrears. And likewise, a reduction in benefit due to welfare reform is a form of income shock, which is a commonly reported type of trigger for rent arrears.

However, from the perspective of this evaluation, it is important to note that, other things being equal, having 'new' rent arrears was not significantly correlated (either positively or negatively) with being on direct payment of HB. This suggests that it was not so much the introduction of direct payment that was the underlying cause of the increased prevalence and level of rent arrears, but rather the day-to-day challenge of getting by on a low income for a substantial minority of tenants.

Appendix A

Tenant survey technical details

A.1 DPDP Evaluation: objectives and overview

The stage 3 tenant survey at the end of the Direct Payments Demonstration Project (DPDP) was added to the overall research programme as an essential mechanism for evaluating the 'extension' period to the Direct Payments Demonstration Projects. The third survey was added to continue to test assumptions and draw conclusions about groups most vulnerable to rent arrears; explore preferred and effective support mechanisms; provide longitudinal data on a cohort of respondents; and provide information to supplement the Rent Account Analysis component of the research programme.

The survey provided further longitudinal data for demonstration project participants who had taken part in the stage 1 and stage 2 surveys, and added longitudinal data for 'top-up' participants who had been included at stage 2 only⁴⁷.

A total of 650 interviews were conducted across the six demonstration projects. All interviews were conducted between January and February 2014, using a Computer Assisted Telephone Interviewing (CATI) methodology. A CATI approach was adopted as a cost effective, robust and 'interviewer-based' method to conduct fieldwork for this additional stage of research. Stage 1 and 2 surveys were conducted using a face-to-face interviewer methodology meaning comparisons between results based on different data collection methods should be treated with appropriate caution.

A.2 Sampling and fieldwork

A total of 1,685 tenants agreed to be recontacted for further research at stage 2. This consisted of 1,142 respondents who had previously taken part at both stages 1 and 2, and 543 respondents who had taken part at stage 2 only. An overall target of 600 interviews was set for stage 3, based on a target of 100 interviews per Project Area.

An advance letter was sent to tenants two weeks prior to commencement of fieldwork explaining that Ipsos MORI were conducting the survey and may contact them. All tenants who had indicated ahead of fieldwork that they did not wish to take part were removed from the sample. No financial incentives were offered for participants to take part in the research. The survey used a single questionnaire version and the CATI script routed interviews to the

⁴⁷ The stage two sample was divided according to whether respondents were follow-up or top-up sample. Follow-up sample refers to those who took part in the first phase of the research and this comprised the longitudinal component. The top-up sample refers to tenants who did not participate in the first phase of research, but who had been included in the DPDPs at the beginning. These were included to boost the possible number of respondents overall and in particular in each area. Further details on the stage two sampling approach can be found in the stage 2 technical report.

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appropriate questions depending on the respondent's answers at key points. Ipsos MORI interviewers were briefed by a combination of written instructions and telephone conference-call briefings prior to fieldwork starting.

The following table outlines the total number of tenants in the stage 3 sample and the completed number of interviews, broken down by sample type and area. A total of 650 interviews were completed, with at least 100 in each of the six demonstration project areas. Targets were not set for completed interviews by sample type.

All fieldwork was undertaken by Ipsos MORI interviewers in accordance with ISO 20252 and ISO 27001 systems and standards.

Table A.1.1 Total sample and actual interviews by case study area

Demonstration project	Total sample	Overall			Stage 1 and 2 participants		Stage 2 participants	
		Target interviews	Achieved interviews	% Achieved	Total sample	Achieved interviews	Total sample	Achieved interviews
Oxford	277	100	117	117%	194	83	83	34
Shropshire	313	100	102	102%	226	75	87	27
Southwark	243	100	100	100%	149	65	94	35
Torfaen	321	100	117	117%	211	80	110	37
Wakefield	296	100	103	103%	192	69	104	34
Edinburgh	235	100	111	111%	170	87	65	24
Total	1,685	600	650	108%	1,142	459	543	191

A.3 Data processing, weighting and interpretation

Data was captured using CATI technology and processed by Ipsos MORI's in-house Data Processing department. The data output (following checking and cleaning in line with Ipsos MORI quality procedures) was a .sav file for use in SPSS.

Data is weighted to the profile of tenants interviewed during the Baseline (stage 1) Survey by landlord type, age, and number of people in household within each demonstration project, and by demonstration project overall. A single weighting scheme is used for all participants.

Tables A.1.2 to A.1.5 show the achieved and weighted sample profiles for each demonstration project by the weighting variables.

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Table A.1.2 Interviews profile – landlord type

Demonstration project	LA		HA	
	Unweighted	Weighted	Unweighted	Weighted
Oxford	70.9%	80.2%	29.1%	19.8%
Shropshire	77.5%	68.7%	22.5%	31.3%
Southwark	73.0%	73.8%	27.0%	26.2%
Torfaen	0.0%	0.0%	100.0%	100.0%
Wakefield	0.0%	0.0%	100.0%	100.0%
Edinburgh	0.0%	0.0%	100.0%	100.0%
Total	36.2%	37.4%	63.8%	62.6%

Table A.1.3 Interviews profile – age

Demonstration project	18-24		25-44		45-59	
	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted
Oxford	6.8%	3.7%	41.9%	52.3%	51.3%	43.9%
Shropshire	1.0%	8.8%	34.7%	50.0%	64.4%	41.2%
Southwark	2.0%	6.6%	41.4%	48.1%	56.6%	45.3%
Torfaen	1.7%	8.4%	40.2%	46.7%	58.1%	44.9%
Wakefield	5.8%	12.1%	38.8%	45.8%	55.3%	42.1%
Edinburgh	1.8%	6.5%	34.2%	44.4%	64.0%	49.1%
Total	3.2%	7.7%	38.6%	47.9%	58.2%	44.4%

Table A.1.4 Interviews profile – number of people in household

Demonstration project	1 person		2 people		3 people		4+ people	
	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted
Oxford	27.4%	24.5%	20.5%	17.9%	20.5%	21.7%	31.6%	35.8%
Shropshire	33.3%	32.2%	26.5%	26.1%	21.6%	21.7%	18.6%	20.0%
Southwark	27.0%	29.9%	24.0%	16.8%	18.0%	22.4%	31.0%	30.8%
Torfaen	29.9%	29.9%	26.5%	30.8%	16.2%	15.0%	27.4%	24.3%
Wakefield	29.1%	27.4%	27.2%	27.4%	21.4%	18.9%	22.3%	26.4%
Edinburgh	55.9%	63.0%	18.9%	17.6%	9.0%	8.3%	16.2%	11.1%
Total	33.8%	34.5%	23.8%	22.8%	17.7%	18.0%	24.6%	24.7%

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Table A.1.5 Interviews profile – demonstration project

Demonstration project	Demonstration project	
	Unweighted	Weighted
Oxford	18.0%	16.4%
Shropshire	15.7%	17.7%
Southwark	15.4%	16.5%
Torfaen	18.0%	16.5%
Wakefield	15.8%	16.4%
Edinburgh	17.1%	16.6%
Total	100.0%	100.0%

A sample, and not the entire population of claimants in each of the six areas, has been interviewed. Consequently, results are subject to sampling tolerances (referred to as confidence levels or ‘margins of error’). The tolerances usually quoted for surveys assume a pure random sample with no stratification or clustering and no weighting. As the sampling approach employed on the survey was not purely random, these figures are indicative only.

The variation between the sample results and the ‘true’ values can be predicted from knowledge of the sample sizes on which the results are based and the number of times that a particular answer is given. The confidence with which we can make this prediction is usually chosen to be 95 per cent, that is, the chances are 95 in 100 that the ‘true’ values will fall within a specified range.

Sampling tolerances also mean that not all differences between sub-samples – for example between tenants in the demonstration projects – are statistically significant.

The variation between the sample results and the ‘true’ values (the findings which would have been obtained if everyone had taken part in the study) can be predicted from knowledge of the sample sizes on which the results are based and the number of times that a particular answer is given. The confidence with which we can make this prediction is usually chosen to be 95 per cent, that is, the chances are 95 in 100 that the ‘true’ values will fall within a specified range.

Table A.1.6 illustrates approximate sample tolerances for different percentage results at the ‘95 per cent confidence interval’: assuming a normal distribution of residents.

Table A.1.6 Sampling tolerances

Approximate sampling tolerances¹ to percentages at or near these levels			
	10% or 90% ±	30% or 70% ±	50% ±
650 interviews (all tenants)	2.3	3.5	3.8
459 interviews (previous participants at stages 1 and 2)	2.7	4.2	4.6
191 interviews (previous participants at stage 2 only)	4.3	6.5	7.1
111 interviews (Edinburgh) versus 117 interviews (Torfaen)	5.6	8.6	9.3
459 interviews (stages 1 and 2) versus 191 interviews (stage 2 only)	3.3	5.0	5.4

¹ The calculation of these figures assumes a pure random sample. As the sampling approach employed on the survey was not purely random, these figures are indicative only.

Finally, throughout this report and in the tables provided, where percentages do not sum to 100 this may be due to computer rounding, the exclusion of 'don't know' categories, or multiple answers. An asterisk (*) denotes any value less than half a per cent but greater than zero. It is also worth remembering that this survey, like all surveys, deals with perceptions, recalled behaviour and anticipated behaviours at the time the survey was conducted and these may, or may not, necessarily reflect reality.

Appendix B

Tenant questionnaire

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TENANT AND TOP-UP SURVEY – Stage 3

Main stage questionnaire – FINAL

Survey introduction

Good morning/afternoon/evening.

My name isand I am calling you from Ipsos MORI, the research organisation, on behalf of the Department for Work and Pensions.

Can I please speak to [insert name of resident from sample].

INTERVIEWER: If transferred to another person, repeat ‘My name is from Ipsos MORI... the Department for Work and Pensions’.

We are contacting you about some research we are conducting to find out how well tenants are able to manage their own rent payments and what type of support is best for them. We are aware you were selected to take part in a trial where your Housing Benefit was paid directly to you and you may have spoken to us in the past few months but we would like to talk to you to find out more about your experiences.

READ REASSURANCE ON CONFIDENTIALITY

I would like to assure you that any information you provide will be held in the strictest of confidence and will be handled securely throughout the study. The research findings will not identify you and no personal information will be shared with any third parties. Further, your answers will not affect your benefit entitlements or future dealings with the Department in any way.

Before we begin, I'd also like to inform you that Ipsos MORI is a member of the Market Research Society.

INTRODUCTION QUESTIONS (IC)

IC1

Can I just check, are you (or your partner) still receiving Housing Benefit?

ASK ALL//SC

1. Yes, respondent is still claiming HB – GO TO IC2
2. Yes, partner/spouse is still claiming HB – GO TO IC2
3. No – GO TO IC2
4. Don't know/refused – thank and close

IC2

Can I just confirm your full name please?

ASK ALL//RECORD NAME

INTERVIEWER: RECORD FULL NAME OF RESPONDENT.

REASSURE RESPONDENT ABOUT CONFIDENTIALITY AND THAT THEIR RESPONSES WILL NOT AFFECT THEIR BENEFITS NOW OR IN THE FUTURE

IF IC1 = CODES 1 or 2: GO TO IC4

IC3

What was the main reason that you stopped receiving Housing Benefit?

ASK IF IC1 = 3//SC

1. Moved into paid work
2. Took a better paid job
3. Took an additional job
4. Increased my hours of work
5. Income increased for other reasons (specify)
6. Moved to a lower rent property
7. A change in my household composition (specify)
8. Another reason (specify)
9. Can't remember
10. Don't know

IF IC1 = 3: GO TO DP1

IC4

Is your Housing Benefit currently paid to you (and your partner) or directly to your landlord?

ASK IF IC1 = CODES 1 OR 2//SC

1. Paid to the tenant
2. Paid directly to the landlord
3. Don't know

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DIRECT PAYMENTS TRIAL (DP)

DP1

Prior to this interview had you heard that, in this area, Housing Benefit was being paid directly to some tenants instead of their landlord, for a trial period?

ASK ALL//SC

1. Yes - GO TO DP2
2. No - GO TO 'HOUSING BENEFIT' SECTION
3. Don't know - GO TO 'HOUSING BENEFIT' SECTION

DP2

Can I just check, are you, or have you been, participating in this Direct Payments Trial where your housing benefit is paid directly to you?

ASK IF DP1 = 1//SC//PROBE AS APPROPRIATE

INTERVIEWER: PLEASE CLARIFY THAT BY PARTICIPATING WE MEAN THEY RECEIVED PAYMENTS OF THEIR HOUSING BENEFIT DIRECTLY TO THEMSELVES, EVEN IF THEY CURRENTLY DO NOT.

1. Yes, I am currently participating – GO TO DP3
2. I was participating, but am not doing so now – GO TO DP3
3. I am currently participating, but have previously been taken off the trial and put back on. – GO TO DP3
4. No, I have not participated – GO TO 'HOUSING BENEFIT' SECTION
5. Don't know – GO TO 'HOUSING BENEFIT' SECTION

INTERVIEWER: THE NEXT QUESTIONS (DP3-4B) SEEK TO FIND OUT HOW LONG EACH RESPONDENT HAS BEEN/WAS ON THE TRIAL PROGRAMME

DP3

In what month and year did you first go onto the Direct Payments Trial?

ASK IF DP2 = CODES 1, 2 OR 3//RECORD MONTH AND YEAR

1. Don't know
2. Refused

IF DP2 = 1, GO TO DP7

DP4

And in what month and year did you come off the Direct Payments Trial?

ASK IF DP2 = 2//RECORD MONTH AND YEAR

1. Don't know
2. Refused

IF DP2 = 2, GO TO DP6

DP4a

And in what month and year did you first come off the Direct Payments Trial?

ASK IF DP2 = 3//RECORD MONTH AND YEAR

1. Don't know
2. Refused

DP4b

And in what month and year did you go back onto the Direct Payments Trial?

ASK IF DP2 = 3//RECORD MONTH AND YEAR

1. Don't know
2. Refused

IF DP2 = 3, GO TO DP7

DP6

Why are you no longer participating in the Direct Payments Trial?

ASK IF DP2 = 2//MC CODES 2-6//PROBE 'Anything else?'

1. Stopped claiming Housing Benefit – GO TO DP6C
2. The Trial has ended – GO TO DP6A
3. Missed some or all of my rent payments – GO TO DP6B
4. Sometimes or always paid only part of the rent – GO TO DP6B
5. Bank account problems – GO TO DP6B
6. Housing Benefit administration/payment problems – GO TO DP6B
7. Job-related reasons – GO TO DP6B
8. Couldn't cope/found it too confusing – GO TO DP6C
9. Spent or was tempted to spend the HB money – GO TO DP6C
10. Other reasons (specify) – GO TO DP6B
11. Can't remember – GO TO DP6C
12. Don't know – GO TO DP6C

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DP6A

Did you want the Direct Payments Trial to continue, to end or did you not mind either way?

ASK IF DP6 = CODE 2//SC

1. Wanted it to continue
2. Wanted it to end
3. Did not mind either way
4. Can't remember
5. Don't know

DP6B

Did you want to stay on the Direct Payments Trial or did you want to leave or did you not mind either way?

DP6 = CODES 3-7//SC

1. Wanted to stay
2. Wanted to leave
3. Did not mind either way
4. Can't remember
5. Don't know

DP6C

Did you receive any advice or support to help you manage Housing Benefit being paid directly to you (and your partner) when you were participating in the Direct Payments Trial?

ASK IF DP2 = 2//SC

1. Yes – GO TO DP6D
2. No – GO TO DP6F
3. Can't remember – GO TO DP6F
4. Don't know – GO TO DP6F

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DP6D

What things did you receive advice or support with when you were participating in the Direct Payments Trial?

ASK IF DP6C = 1//MC CODES 1-8

1. Opening bank accounts
2. Using bank accounts
3. Money management
4. Household budgeting
5. Managing rent arrears
6. Managing other debts
7. Managing rent payments
8. Other advice or support (specify)
9. None of these/nothing
10. Can't remember
11. Don't know

DP6E

To what extent, if at all, did that advice or support help you better manage your Housing Benefit or rent payment?

ASK IF DP6C = 1//SC

1. To a great extent
2. To some extent
3. Hardly at all
4. Not at all
5. Don't know

DP6F

Taking everything into account, did you manage better, worse or about the same as you originally expected, when Housing Benefit was being paid directly to you (and your partner)?

ASK IF DP2 = 2//SC

1. Better than expected
2. About the same
3. Worse than expected
4. Don't know

IF DP6 = CODE 1: GO TO R1

IF DP6 = CODE 2-12: GO TO 'HOUSING BENEFIT' SECTION

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DP7

How well or poorly are you coping with the Direct Payments Trial, where housing benefit is paid directly to you?

ASK IF DP2 = CODES 1 or 3//SC//READ OUT

1. Very well
2. Fairly well
3. Neither well nor poorly
4. Fairly poorly
5. Very poorly
6. Don't know (DO NOT READ OUT)

DP8

How easy or difficult is it to manage your finances, now that Housing Benefit is being paid directly to you (and your partner)?

ASK IF DP2 = CODES 1 or 3//SC//READ OUT

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult
6. Don't know (DO NOT READ OUT)

DP9

Taking everything into account, have you managed better, worse or about the same as you originally expected, now that Housing Benefit is being paid directly to you (and your partner)?

ASK IF DP2 = CODES 1 or 3//SC

1. Better than expected
2. About the same
3. Worse than expected
4. Don't know

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DP10

Have you received any advice or support to help you manage Housing Benefit being paid directly to you (and your partner)?

ASK IF DP2 = CODES 1 or 3//SC

1. Yes – GO TO DP10A
2. No – GO TO DP11
3. Don't know – GO TO DP11

DP10A

What things did you receive advice or support with when you were participating in the Direct Payments Trial?

ASK IF DP10 = 1//MC CODES 1-8//PROBE: 'Anything else?'

1. Opening bank accounts – GO TO DP12
2. Using bank accounts – GO TO DP12
3. Money management – GO TO DP12
4. Household budgeting – GO TO DP12
5. Managing rent arrears – GO TO DP12
6. Managing other debts – GO TO DP12
7. Managing rent payments – GO TO DP12
8. Other advice or support (specify) – GO TO DP12
9. None of these/nothing – GO TO DP12
10. Can't remember – GO TO DP12
11. Don't know – GO TO DP12

DP11

Do you need any advice or support to help you manage now that Housing Benefit is being paid directly to you (and your partner)?

ASK IF DP10 = CODES 2 OR 3//SC

1. Yes – GO TO DP13
2. No – GO TO 'HOUSING BENEFIT' SECTION
3. Don't know – GO TO 'HOUSING BENEFIT' SECTION

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DP12

Are you still receiving that advice or support?

ASK IF DP10 = 1//SC

1. Yes – GO TO DP13
2. No- GO TO DP14
3. Don't know- GO TO HB1A

DP13

Do you think you would need that support just in the short-term or would you need it on a more long-term basis?

ASK IF DP11 = CODE 1 OR DP12 = CODE 1//SC

1. Some support – just in the short-term
2. Great deal of support – just in the short-term
3. Some support – for the long-term
4. Great deal of support – for the long-term
5. Don't know

DP14

To what extent do you agree or disagree with these statements about the advice or support that you received?

ASK IF DP10 = CODE 1//SC FOR EACH

INTERVIEWER: SOME STATEMENTS MAY NOT BE APPLICABLE TO ALL RESPONDENTS (E.G. MOVING INTO WORK IS NOT APPLICABLE FOR THOSE ALREADY WORKING). PLEASE USE 'NOT APPLICABLE' IN THESE CASES.

- a. The advice or support I received helped me to manage my rent payments.
- b. The advice or support I received helped me to manage my money on a 4-weekly or monthly basis.
- c. The advice or support I received helped me to improve my confidence about money management.
- d. The advice or support I received helped me to think about moving into paid work.
- e. The advice or support I received helped me in other ways.
 1. Strongly agree
 2. Tend to agree
 3. Neither agree nor disagree
 4. Tend to disagree
 5. Strongly disagree

6. Don't know
7. Not applicable

HOUSING BENEFIT (HB)

IF IC1 = CODE 3: GO TO R1

IF IC4 = CODE 1: ASK HB1A

IF IC4 = CODE 2: ASK HB1B

I'd now like to ask you some questions about your Housing Benefit.

HB1A

Would you prefer to have your Housing Benefit paid directly to your landlord?

ASK IF IC4 = CODE 1//SC

1. Yes
2. No
3. No opinion
4. Don't know

HB1B

Would you prefer to have your Housing Benefit paid directly to you (and your partner)?

ASK IF IC4 = CODE 2//SC

1. Yes
2. No
3. No opinion
4. Don't know

HB2

How much Housing Benefit [insert routed text below] receive?

IF IC4 = 1 [do you (and your partner)]

IF IC4 = 2 [does your landlord]

IF IC4 = 3 [do you or your landlord]

ASK IF IC4 = CODES 1-3//RECORD EXACT AMOUNT £

IF RESPONDENT DOES NOT KNOW THE EXACT AMOUNT, RECORD THEIR
ESTIMATED AMOUNT £

1. Don't know
2. Refused

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HB2a

INTERVIEWER: RECORD IF THIS IS AN ESTIMATE OR NOT.

ASK IF AMOUNT RECORDED AT HB2//SC

1. Accurate
2. Estimate

HB3

For what period does this cover?

ASK IF IC4 = CODES 1-3//SC

1. 1 week
2. 2 weeks
3. 4 weeks
4. A calendar month
5. Other (specify)
6. Don't know

HB4

Does your Housing Benefit cover all of the rent or just some of the rent?

ASK IF IC4 = CODES 1-3//SC

1. All of the rent
2. Some of the rent
3. Don't know

HB5

How does the council pay Housing Benefit to you (and your partner)?

ASK IF IC4 = CODES 1-3//SC//READ OUT

1. Automatically into your account (BACS)
2. HB paid direct to the landlord
3. Some other method
4. Don't know (DO NOT READ OUT)

RENT (R)

I'd now like to ask some questions about your rent.

R1

How much in total does your landlord currently charge you (and your partner) in rent? That is, the total amount of rent including any element currently covered by Housing Benefit.

ASK ALL//RECORD EXACT AMOUNT £

IF RESPONDENT DOES NOT KNOW THE EXACT AMOUNT, RECORD THEIR *ESTIMATED* AMOUNT £

1. Don't know – GO TO R3
2. Refused – GO TO R3

R1a

INTERVIEWER: RECORD IF THIS IS AN ESTIMATE OR NOT.

ASK IF AMOUNT RECORDED AT R1//SC

1. Accurate
2. Estimate

R2

For what period does this cover?

ASK ALL//SC

1. One week
2. Two weeks
3. Four weeks
4. A calendar month
5. Six months
6. Year
7. Other (specify)
8. Don't know

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R3

Can I check, does your rent include payment for service charges or any household bills? By 'household bills', I mean things like water and heating charges or Council Tax.

ASK ALL//MC

1. Water bills
2. Heating bills
3. Other utility bills
4. Council Tax
5. Home contents insurance
6. Service charges
7. Something else (specify)
8. None of the above
9. Don't know

R4

What methods do you normally use to pay the rent?

ASK IF (IC4 = 1) or (IC1 = 3) or (IC1 = CODES 1-2 and HB4=2)//MC

1. Cash
2. Postal order
3. Cheque
4. Debit card
5. Credit card
6. Standing order
7. Direct debit
8. Electronic transfer from my e-bank account
9. Rent payment card (e.g. Allpay)
10. Another method (specify)
11. Don't know

R4a

Do you keep the cash you use to pay the rent separate from the rest of your cash?

ASK IF R4 = 1//SC

1. Yes
2. No
3. Don't know

R4b

What methods would you most prefer to use for paying the rent?

ASK IF (IC4 = 1) or (IC1 = 3) or (IC1 = CODES 1-2 and HB4=2)//MC CODES 1-10

1. Cash
2. Postal order
3. Cheque
4. Debit card
5. Credit card
6. Standing order
7. Direct debit
8. Electronic transfer from my e-bank account
9. Rent payment card (e.g. Allpay)
10. Another method (specify)
11. Don't know

R5

How easy or difficult is it for you (and your partner) to afford the rent? That is, the amount of rent you have to pay after Housing Benefit.

ASK IF (IC1 = 3) or (HB4=2)//SC//READ OUT

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult
6. Don't know (DO NOT READ OUT)

R6

Are you currently up to date with the rent or are you in arrears?

ASK ALL//SC

1. Up to date – GO TO UP1
2. In arrears – GO TO R6A
3. Don't know – GO TO UP1

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R6a

By how much are you currently in arrears on this accommodation?

ASK IF R6 = 2//RECORD EXACT AMOUNT £

IF RESPONDENT DOES NOT KNOW THE EXACT AMOUNT, RECORD THEIR
ESTIMATED AMOUNT £

1. Don't know
2. Refused

R6b

INTERVIEWER: RECORD IF THIS IS AN ESTIMATE OR NOT.

ASK IF AMOUNT RECORDED AT R6A//SC

1. Accurate
2. Estimate

R7

Can I just check, were you in arrears on this accommodation before you went on to the Direct Payment Trial?

ASK IF DP2 = CODE 1, 2 or 3 and R6 = CODE 2//SC

1. Yes – GO TO R8
2. No – GO TO R9
3. Can't remember – GO TO R9
4. Don't know – GO TO R9

R8

Have your rent arrears increased, decreased or remained the same since you went on the Direct Payment trial?

ASK IF R7 = 1//SC

1. Increased
2. Decreased
3. Remained the same
4. Can't remember
5. Don't know

R9

What is the single most important reason why you are currently in arrears?

ASK IF R6 = 2//MC CODES 1-19

1. Loss of income due to the bedroom tax
2. Loss of income due to reduction in Housing Benefit for other reasons
3. Loss of income due to redundancy
4. Loss of income due to sickness or disability
5. Loss of income due to relationship breakdown
6. Loss of income due to other reasons
7. Low income
8. Unexpected expenses
9. Increase in rent
10. Over-committed financially
11. Incurred bank charges due to problems with Housing Benefit
12. Used the Housing Benefit money to pay off other debts
13. Used the Housing Benefit money to pay for something else
14. Problems with Housing Benefit being paid directly to me
15. Problems with Housing Benefit administration
16. Confusion over the due dates for rent payment
17. Drug or alcohol habit/addiction
18. Mental health problems
19. Some other reason (specify)
20. Nothing/none of these
21. Don't know

R10

In what ways, if any, has your landlord responded to your rent arrears?

ASK IF R6 = 2//MC CODES 1-11

1. Sent you a letter about the arrears
2. Visited you personally to discuss the situation
3. Asked you to pay back the arrears immediately
4. Asked you to pay back the arrears gradually over time
5. Served you with a written notice to quit
6. Took you to court for rent arrears

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7. Asked the courts to grant them a suspended possession order
8. Taken you off the direct payment trial
9. Changed rent payment methods (e.g. arranged Direct Debit payment)
10. Referred you to advice or other support services
11. Some other way (specify)
12. Nothing/none of these
13. Don't know

UNDERPAYMENTS (UP)

UP1

Have you ever underpaid the rent, that is, paid less rent than the amount that is due?

ASK ALL//SC

1. Yes - GO TO **UP2**
2. No - GO TO BA1
3. Can't remember - GO TO BA1
4. Don't know - GO TO BA1

IF UP1 = CODES 2 to 4, GO TO BANK ACCOUNTS SECTION

UP2

And why is that?

ASK IF UP1 = CODE 1//MC CODES 1-12

1. I wanted to be taken off the Direct Payments Trial
2. I could not (always) afford to pay all of the rent
3. I fell behind/to avoid falling behind – on pay-day loans
4. I fell behind/to avoid falling behind – on other bills or repayments
5. I underpaid by mistake – unsure about how much rent I had to pay
6. I underpaid by mistake – other reasons
7. I was still getting, or could not get, used to paying the rent myself
8. I was still getting, or could not get, used to managing my HB money
9. I had problems with my HB claim
10. I had problems with my bank account/direct payments
11. I have/had anxiety, depression or other mental health problems
12. Other reasons (specify)
13. Can't remember
14. Don't know

UP3

Did you first start underpaying after the introduction of the Direct Payments Trial or were you already doing it before the Trial?

ASK IF UP1 = CODE 1//SC

1. Started underpaying after introduction of the Direct Payment Trial
2. Was underpaying before the Direct Payment Trial
3. Can't remember
4. Don't know

UP4

How often do you underpay the rent?

ASK IF UP1 = CODE 1//SC//READ OUT

1. Always
2. Fairly often
3. Sometimes
4. Hardly ever
5. I no longer underpay
6. Can't remember (DO NOT READ OUT)
7. Don't know (DO NOT READ OUT)

BANK ACCOUNTS (BA)

I'd now like to ask you about banking

BA1

Do you have any bank or building society accounts in your own name or joint names?

INTERVIEWER: PROBE IF YES –

Is that one or more than one?

ASK ALL//SC

1. Yes – one account – GO TO BA1A
2. Yes – more than one account – GO TO BA1A
3. No - GO TO IS1
4. Don't know – GO TO IS1

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BA2

Do you use this (any of these) bank or building society account(s) to pay any bills by Direct Debit or standing order?

ASK IF BA1 = CODES 1 or 2//SC

1. Yes – Direct Debits – GO TO BA3
2. Yes – standing orders – GO TO BA3
3. Yes – both Direct Debits and standing orders – GO TO BA3
4. No – GO TO BA4
5. Don't know – GO TO BA4

BA3

Which, if any, household bills do you pay by Direct Debit or standing order from a bank account?

ASK IF BA2 = CODES 1-3//MC CODES 1-9

1. Rent
2. Council Tax
3. Water rates
4. Electricity bill
5. Gas bill
6. Other fuel bills like coal or oil
7. Telephone bill (including mobiles)
8. Other household bills
9. Childcare
10. None of these
11. Don't know

BA4

Do you have a separate bank account that you use only (for receiving Housing Benefit or) for paying the rent?

ASK IF BA1 = CODES 1 or 2//SC

IF IC1 = 1 OR 2: DISPLAY RED TEXT IN BRACKETS '(for receiving Housing Benefit or)

1. Yes – only for receiving HB
2. Yes – only for paying the rent
3. Yes – only for receiving HB and paying the rent
4. No
5. Don't know

BA5

Are you currently overdrawn on a bank or building society account?

ASK IF BA1 = CODE 1 OR 2//SC

1. Yes
2. No
3. Don't know

INCOME AND SAVINGS (IS)

I now want to ask about household income and savings.

IS1

Does your (you and your partner's) income normally vary a lot from week to week or month to month, or is it fairly stable?

ASK ALL//SC

1. Fluctuates
2. Fairly stable
3. Don't know

IS2

Do you yourself (or jointly with your partner/spouse) currently have any savings?

ASK ALL//SC

1. Yes – GO TO IS3
2. No – GO TO CD1
3. Don't know – GO TO CD1

IS3

Thinking of all your savings, what would you say is the current amount held by you (and your partner/spouse)?

ASK IF IS2 = 1//SC//READ OUT

1. Nil/no savings
2. Less than £50
3. £50 to £99
4. £100 to £249
5. £250 to £499
6. £500 or more
7. Don't know (DO NOT READ OUT)
8. Refused

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CREDIT AND DEBT (CD)

As you know, sometimes people are not able to pay every bill when it is due.

CD1

May I ask, which, if any, household bills you are currently behind with?

ASK ALL//MC CODES 1-10

1. Council Tax
2. Water rates
3. Electricity bill
4. Gas bill
5. Other fuel bills like coal or oil
6. Telephone bill (including mobiles)
7. Childcare bill
8. Internet bill
9. Sky/cable TV
10. Another bill (specify)
11. None of these
12. Don't know
13. Refused

CD2

And which, if any, loans or repayments on things like credit cards or purchases from catalogues are you currently behind with?

ASK ALL//MC CODES 1-10

1. Credit or store cards
2. Hire purchase agreements
3. Bank or finance company loans
4. Credit union loans
5. Money lender loans
6. Pay day loans
7. Social Fund loans
8. Loans from friends or relatives
9. Catalogues paid by instalment
10. Something else (specify)
11. None of these

12. Don't know
13. Refused

CD3

Do you currently have automatic deductions being made from your earnings or benefits to pay back any arrears or other debts?

INTERVIEWER: PROBE IF YES –

Is that one or more than one?

ASK ALL//SC

1. Yes – one
2. Yes – more than one
3. No
4. Don't know
5. Refused

MONEY MANAGEMENT (MM)

I'd now like to ask you about managing money

MM2a

Which ways do you (and/or your partner) mainly use to pay for essential items such as food and day-to-day spending?

ASK ALL//MC CODES 1-6

1. Cash
2. Cheque
3. Debit card
4. Credit card
5. Store card
6. Some other way
7. Don't know

MM2b

Which ways do you (and/or your partner) use to pay for other bills?

ASK ALL//MC CODES 1-6

1. Cash
2. Cheque
3. Debit card
4. Credit card

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5. Store card
6. Some other way
7. Does not pay for other bills – SINGLE CODE ONLY
8. Don't know

MM3

Do you (and your partner) keep a regular spending limit to manage your finances?

ASK ALL//SC

1. Yes – GO TO MM3a
2. No – GO TO MM4
3. Don't know – GO TO MM4

MM3a

Is that a weekly, fortnightly, four weekly or monthly spending limit?

ASK IF MM3 = 1//SC

1. Weekly
2. Fortnightly
3. Four weekly
4. Monthly
5. Other (specify)
6. Don't know

MM3b

And how often do you manage to keep to that spending limit?

ASK IF MM3 = 1//SC//READ OUT

1. Always
2. Most of the time
3. Sometimes
4. Hardly ever
5. Never
6. Don't know (DO NOT READ OUT)

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MM4

How often, in the last 12 months, did you (and your partner) run out of money before the end of the week or month? Please include any times when you have run out of money and had to use your credit card, an overdraft or borrow to get by.

ASK ALL//SC//READ OUT

1. Very often – GO TO MM5
2. Fairly often- GO TO MM5
3. Hardly ever- GO TO MM5
4. Never- GO TO MM6
5. Don't know- GO TO MM6

MM5

When you run out of money, how do you cover the shortfall?

ASK IF MM4 = CODES 1 TO 3//MC CODES 1-13

1. Borrow money from family or friends
2. Gifts of food from family or friends
3. Use a food bank
4. Go without food/meals
5. Go without other things
6. Wait until money/pay comes in
7. Borrow from a money lender
8. Overdraw from a bank account
9. Use a credit card
10. Use the Housing Benefit money
11. Delay paying the rent
12. Delay paying other bills
13. Other ways (specify)
14. Don't know

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MM6

Taking everything into account, how well or poorly are you (and your partner) managing financially these days?

ASK ALL//SC//READ OUT

1. Very well
2. Fairly well
3. Neither well nor poorly
4. Fairly poorly
5. Very poorly
6. Don't know (DO NOT READ OUT)

MM7

I am now going to read out some things that other people have said about managing money. Thinking about yourself, please tell me how strongly you agree or disagree with each of the statements.

ASK ALL//SC FOR EACH//RANDOMISE STATEMENTS//READ OUT

'I am impulsive and tend to buy things even when I can't really afford them.'

'I am more of a saver than a spender.'

'I prefer to buy things on credit rather than wait and save up.'

'I am very organised when it comes to managing my money day to day.'

'I am never late at paying my bills.'

1. Strongly agree
2. Tend to agree
3. Neither agree nor disagree
4. Tend to disagree
5. Strongly disagree
6. Don't know

RENT PRIORITY (RP)

RP1

If you could afford to pay only one household bill, which ONE of the following, if any, would you choose?

ASK ALL//READ OUT//SC//RANDOMISE BILLS

1. Council Tax
2. Water charges
3. Rent

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4. Electricity bill
5. Gas or other fuel bills like coal or oil
6. Telephone (including mobile phone) bills
7. Loan repayments
8. Childcare
9. Sky/cable TV
10. None of these
11. Can't decide (DO NOT READ OUT)
12. Don't know (DO NOT READ OUT)

RP2

I'd now like to ask about the last three rent payments that were due to be paid. For each, can you please tell me if you paid all of the rent, some of the rent or none of the rent?

ASK IF (IC4=1) or (IC4=3) or (IC4=2 AND HB4=2 or 3)//RECORD EITHER//SC FOR EACH

RP2A – For the most recent rent payment that was due, did you pay all of the rent, some of the rent or none of the rent?

RP2B – And for the rent payment prior to this, did you pay all of the rent, some of the rent or none of the rent?

RP2C – And for the rent payment prior to this, did you pay all of the rent, some of the rent or none of the rent?

1. All of the rent
2. Some of the rent
3. None of the rent
4. Don't know

RP3

To what extent do you agree or disagree with the following statements?

ASK ALL//READ OUT//SC FOR EACH

RP3A – If I had an unexpected expense or large bill that was difficult to pay, I would use Housing Benefit money to pay for it.

RP3B – I could be tempted to spend some or all of the Housing Benefit money on something other than the rent.

RP3C – I am unlikely to be evicted if I always or sometimes pay only part of the rent.

1. Strongly agree
2. Tend to agree
3. Neither agree nor disagree

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4. Tend to disagree
5. Strongly disagree
6. Don't know
7. Not applicable

RP4

To what extent would you say falling behind with the rent concerns you?

ASK ALL//READ OUT//SC

1. A great deal
2. A fair amount
3. Not very much
4. Not at all
5. Don't know (DO NOT READ OUT)

WELFARE REFORM (WR)

WR1

Can I just check, has your Housing Benefit been reduced because of the bedroom tax, or not? Its official name is the Removal of the Spare Room Subsidy.

ASK ALL//SC

1. Yes – it has been reduced – GO TO WR1A
2. Not yet, but it will be reduced – GO TO WR1A
3. No – GO TO WR2
4. Don't know – GO TO WR2

WR1A

Was (Will) your Housing Benefit (be) reduced by 14% or by 25%?

ASK IF WR1 = CODES 1 OR 2//SC

1. Reduced by 14%
2. Reduced by 25%
3. Can't remember
4. Don't know

WR2

And has your Housing Benefit been reduced because of the new limit on the total amount of benefit that people can get? Its official name is the Benefit Cap.

ASK ALL//SC

1. Yes – it has been reduced
2. Not yet, but it will be reduced
3. No
4. Don't know

WR3

Have you been awarded temporary financial assistance by the Council to help you with this reduction (these reductions) in your Housing Benefit? Its official name is a Discretionary Housing Payment.

ASK IF WR1 OR WR2 = CODES 1 or 2//SC

1. Yes
2. No
3. Awaiting the outcome of a DHP claim
4. Don't know

LEGACY OF THE DP TRIAL (LEG)

LEG1

And can you tell me how strongly you agree or disagree with each of these statements.

ASK IF DP2 = CODES 1-3//SC FOR EACH//RANDOMISE STATEMENTS//READ OUT

INTERVIEWER: SOME STATEMENTS MAY NOT BE APPLICABLE TO ALL RESPONDENTS (E.G. 'MORE LIKELY TO HOLD DOWN A JOB' IS NOT APPLICABLE FOR THOSE ALREADY WORKING). PLEASE USE 'NOT APPLICABLE' IN THESE CASES.

'Taking part in the Direct Payment Trial has made me:

- ...better at managing my money.'
- ...more confident at managing my money.'
- ...more interested in how much rent I'm charged.'
- ...More likely to look for work.'
- ...more likely to hold down a job.'
- ...increase the hours I work.'

1. Strongly agree
2. Tend to agree
3. Neither agree nor disagree

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4. Tend to disagree
5. Strongly disagree
6. Don't know
7. Not applicable

LEG2

Taking everything into account, has your experience of the Direct Payment Trial made you feel better or worse about your landlord or has it made no difference?

ASK IF DP2 = CODES 1-3//SC

1. Better
2. Worse
3. Neither better nor worse
4. Don't know (DO NOT READ OUT)

HOUSEHOLD CHARACTERISTICS (HC)

INTERVIEWER READ OUT: Now I'd like to ask you about each of the people in your household. By household I mean the people living here who share a living/sitting room or share at least one meal a day. As with the rest of the questionnaire, I would like to assure you that your answers are completely confidential.

Starting with yourself...

INTERVIEWER: FOR EACH HOUSEHOLD MEMBER RECORD JUST THE FIRST NAME OR ANY UNIQUE IDENTIFIER

HC1

Is (NAME) male or female?

ASK ALL//SC for each person//Interviewer to code respondent as well

1. Male
2. Female

HC2

What was your/(NAME)'s age last birthday?

ASK ALL//SC for each person//Record exact age and code by band. If exact age not known, record age band only

1. 0-4
2. 5-9
3. 10-15
4. 16-24
5. 25-34

6. 35-44
7. 45-54
8. 55-59
9. 60-64
10. 65+
11. Don't know
12. Refused

HC3

How is (NAME) related to you?

ASK ALL EXCEPT RESPONDENT//SC FOR EACH PERSON

1. Spouse or civil partner (e.g. husband or wife)
2. Cohabitee (e.g. person they are in a relationship with – their partner)
3. Son/daughter (incl. adopted)
4. Step-son/daughter
5. Foster child
6. Son-in-law/daughter-in-law
7. Parent/guardian
8. Step-parent
9. Foster parent
10. Parent-in-law
11. Brother/sister (incl. adopted)
12. Step-brother/sister
13. Foster brother/sister
14. Brother/sister-in-law
15. Grand-child
16. Grand-parent
17. Other relative
18. Other non-relative

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HC4

Can I just check, which of these best describes your/their current work status?

ASK ALL//SC for each person

INTERVIEWER: FOR AGENCY WORKERS, OR THOSE WITH FLEXIBLE HOURS OR 'ZERO HOURS' CONTRACTS, USE THEIR AVERAGE HOURS WORKED IN THE LAST FOUR WEEKS/MONTH.

- | | |
|---|--------------|
| 1. Working full-time (30 hours a week or more) | GO TO HC4a |
| 2. Working part-time (16-29 hours a week) | GO TO HC4a |
| 3. Working part-time (Less than 16 hours a week) | GO TO HC4a |
| 4. On a government training scheme/apprenticeship | GO TO HC5 |
| 5. Unemployed | GO TO
HC5 |
| 6. Long term sick or disabled | GO TO HC5 |
| 7. At home – looking after children | GO TO HC5 |
| 8. At home – other (specify) | GO TO HC5 |
| 9. Full-time carer | GO TO
HC5 |
| 10. Full-time education | GO TO HC5 |
| 11. Fully retired | GO TO HC5 |
| 12. Other (specify) | GO TO HC5 |
| 13. Refused (DO NOT READ OUT) | GO TO HC5 |
| 14. Don't know (DO NOT READ OUT) | GO TO HC5 |

HC4A

And can you tell me are you an agency worker or do you have a 'zero hours' contract?

ASK IF HC4 = CODES 1 -3//SC for each person

1. Yes, an agency worker
2. Yes, on a 'Zero hours' contract
3. Yes, both an agency worker and on a 'Zero hours' contract
4. No
5. Don't know

HC5

Still thinking about each person aged 16 or over, can I just check are you/they receiving any of these state benefits or allowances? Your answers are completely confidential.

ASK ALL//READ OUT//MC for each person aged 16+ (HC2 CODES 4-10)

Yes:

1. Income support
2. Job Seekers Allowance (formerly unemployment benefit or Income Support for unemployed people)
3. State Retirement Pension
4. Incapacity Benefit or Severe Disablement Allowance
5. Employment and Support Allowance
6. Disability living allowance (mobility or care components)
7. Some other benefit for people with disabilities (e.g. Industrial Injuries Benefit)
8. Working Tax Credit
9. Child Tax Credit
10. Child Benefit
11. Council Tax Benefit
12. Free school meals
13. Pension Credit (previously Minimum Income Guarantee)
14. Carer's allowance (formerly Invalid Care Allowance)
15. Attendance allowance
16. Some other state benefit (PLEASE SPECIFY)
17. No, none of these
18. Don't know (DO NOT READ OUT)
19. Refused (DO NOT READ OUT)

HC6

Do you, or does anyone in your household, have any long-term illness, health problems or disability which limits your/their daily activities or the work you/they can do, including any problems which are due to old age?

ASK ALL//MC EXCEPT 3 AND 4

1. Yes – respondent – GO TO HC7
2. Yes – someone else – GO TO HC8
3. No – GO TO HC8
4. Don't know – GO TO HC8

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HC7

Thinking about your own health condition or disability, can you tell me which, if any, of the following apply to you?

ASK IF HC6 = CODE 1//READ OUT//MC

1. Stress or anxiety
2. Depression
3. Mental illness
4. Health problems due to alcohol
5. Health problems due to illicit use of drugs
6. Learning difficulties
7. Other health problems or disabilities
8. None of these
9. Don't know (DO NOT READ OUT)

HC8

Are you currently looking to increase or decrease the number of hours you work?

ASK IF HC4 = CODES 1, 2 OR 3//SC

1. Yes – looking to increase hours
2. Yes – looking to decrease hours
3. No
4. Don't know

HC9

Are you currently actively looking for paid work?

ASK IF HC4 = CODES 4 to 12//SC

1. Yes
2. No
3. Don't know

THANK RESPONDENT AND CLOSE INTERVIEW