Report on the Working Life in York (WLinY) survey*

Project title: "Identifying sustainable pathways out of in-work poverty"

Funded under the Economic and Social Research Council (ESRC) Knowledge Exchange programme with project partners Joseph Rowntree Foundation/Housing Trust (JRF/JRHT), City of York Council (CYC) and York St John University (YSJU)

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Executive Summary

The “Identifying sustainable pathways out of in-work poverty” knowledge exchange project, centred on the design and analysis of a structured quantitative poverty survey of employees working at the three project partners (Joseph Rowntree Foundation/Housing Trust (JRF/JRHT), City of York Council (CYC) and York St John University (YSJU)) and earning (at or below) £10 per hour. The research findings from this structured quantitative poverty survey are detailed in this report. In addition the project also included a follow-up qualitative survey and an analysis of the Living Wage implementation at the three partner organisations. A summary of the key findings from across the full project are detailed below:

A. In-work poverty and role of the Living Wage (LW)

LW workers are at greater risk of in-work poverty than those employees further up the wage distribution, however risk was experienced across the distribution analysed (employees earning up to £10 per hour) and many LW recipients did not live in households in poverty. Workers at risk of in-work poverty have shorter working hours per week (on average), and workers at risk of in-work poverty are more likely to report a preference or desire for more working hours.

Employees were supportive of the LW policy that had been adopted at their organisation. For those receiving the LW directly it was welcomed and more than half reported that it made a positive difference to them in terms of their financial circumstances. There was a clear understanding that the extent of the LW impact was a function of hours worked, and this would limit any benefit.

B. Additional pathways out of low-pay

Additional pathways investigated to support low-paid employees included consideration of the remuneration packages or *employee benefit schemes* run in the organisations. There was compelling evidence that the composition of the benefits under these schemes, the methods of communication internally around them, and the confidence employees had in accessing them significantly reduced the value of the benefits for the lower-waged groups in the workforce.

Career progression was also considered as a route out of low-pay. In a series of direct question about aspirations and progression, more than half of the sample responded that they were not looking for progression. The follow-up qualitative interviews provided some useful context to these findings. For example, that a lack of confidence in themselves, and their skills by lower-waged employees might explain lack of engagement with ‘career advancement’ when offered.

The benefit entitlement checks on 40% of completed surveys undertaken by the Welfare Benefits Unit (WBU) in York suggested that roughly 28% of employees were under claiming on benefit entitlement in summer/autumn 2014. Also, within those respondents (c.20%) reporting receipt of working and/or tax credits, there was a higher level of employees receiving the LW.

C. Sustainability of the Living Wage policy

Implementation of the LW policy has presented challenges at all three organisations but arguably the more significant issues arise around the longer-term embedding or sustainability. Early evidence suggests that for the LW to be fully embedded requires; organisation leads to have a high-level principled commitment to the policy, as well as a deep understanding of what the policy will mean for their organisation in 5-8 years’ time; and for senior HR colleagues to not only understand the wage policy but be fully committed to its success, as on-going innovative thinking around internal pay structures, wage growth across the distribution and productivity changes will be critical to sustainability.

Summary

Our key findings suggest a complex picture for organisations to engage with if the aim is to be an ‘anti-poverty employer’. The risk of in-work poverty relates not only to the wage rate but is also inextricably linked to the working hours. We suggest that employers might wish to engage in a range of additional pathways to help low-waged employees including:

- consideration of their employees' weekly working hours and whether current jobs could be actively re-designed in this dimension e.g. stitching together part-time roles, into more significant employment,
- consideration of the provision, access and engagement of the full workforce to any employee benefit package provided, and
- where career progression is promoted as an answer to low-pay that an underpinning and supportive organisational structure to foster and develop confidence and aspiration within the group it is aimed at is also provided.

These key findings do not make a case against adopting LW rather they highlight that the effectiveness of the LW as a tool against poverty will be greatest when combined with other measures. Indeed, and as has been noted by other researchers previously it may well be that the LW's greatest contribution to poverty alleviation is actually through a galvanising concept for social campaign and justice.

Introduction

In a time of austerity and low economic growth the challenges faced by low-waged workers in earning enough to support themselves and their families to achieve a socially acceptable standard of living are immense. Identifying effective and sustainable pathways out of in-work poverty for these workers holds significant benefit for the workers, their families and the state. However for employers facing increasing expectations to view their employees' wage through a lens of social responsibility rather than purely productivity or market comparison, this can amount to another significant cost pressure, to be set against a general background of competing wage demands throughout the organisation's workforce. Understanding how effective different anti-poverty measures actually are for workers, and how sustainable they are as long-term measures to be engaged with by employers, is therefore crucial to the in-work poverty policy debate. A debate that is increasingly urgent as recent UK figures show in-work poverty to be currently outstripping that of poverty in workless households.

This project has provided a unique and valuable opportunity for a team of social scientists from the University of York and three important employers from the York labour market to collaborate on an applied research project, using mixed-methods research to underpin a knowledge exchange. The project partners are the City of York Council (CYC), Joseph Rowntree Foundation/Joseph Rowntree Housing Trust (JRF/JRHT) and York St John University (YSJU). The knowledge exchange has centred on the design and analysis of a structured quantitative poverty survey, a follow-up qualitative survey of employees from the project partners' workforce, and an analysis of the Living Wage implementation at each of the three partner organisations.

This report contains a summary of the 'Working Life in York' survey dataset collected in late spring and summer 2014 in York (and surrounding areas) from respondents who were employees earning at or below £10 per hour at JRF/JRHT, CYC and YSJU. This detailed data description of the working lives of (a sample of) those employees employed at the three project partners who have directly benefitted from the implementation of the Living Wage Foundation's *Living Wage,* alongside those employees who earn slightly further up the wage distribution more allows an assessment to be made of how effective and relevant the Living Wage discussion is to those at risk of in-work poverty.

Policy background

The living wage idea emerged from a campaign began by a group of NGOs and Trades Unions in London, who now operate under the aegis of the Living Wage Foundation (http://www.livingwage.org.uk/what-living-wage). The living wage is currently (since October 2015) £8.25 per hour and £9.40 per hour in London. The statutory national minimum wage (NMW) is currently £6.70 per hour. The living wage is a voluntary hourly rate, set independently, and updated annually according to the basic cost of living published by the Minimum Income Standards project (https://www.jrf.org.uk/report/minimum-income-standard-uk-2015). Employers choose to pay the living wage on a voluntary basis and, in exchange, receive the Living Wage Employer Mark, an ethical badge for responsible pay. The Living Wage Foundation believes that paying the living wage is good for business, good for the individual and good for society.

Low wages have become an increasingly important cause of poverty. According the *Households below average incomes* between 2007/8 and 2013/14 the percentage of children living in earning households with equivalent income less than 60 per cent of median before housing costs increased from 57% to 67%. In the summer budget in 2015 the Chancellor announced that he would raise the minimum wage for over 25s to £7.20 per hour in April 2016 and to the equivalent of 60% of median earnings or £9 per hour in 2020. In some ways this is a fantastic achievement for the Living Wage Foundation, and the research on budget standards showing that the present minimum wage is not enough. A single earner working full-time on the minimum wage would be £53.63 per week short of the MIS. A couple with two children short £75.38 per week and a lone parent with one child £38.72 short of the MIS (Hirsch et al 2015).

The Chancellor's higher living wage badged (confusingly and wrongly) as a *national living wage* (NLW) will give single people and childless couples welcome help towards reaching a decent living standard, which the national minimum wage fails to achieve. However it would have been undermined for families with children by the associated cuts in child tax credits/universal credits. Following the summer 2015 budget announcements a number of analyses of their distributional consequences were published (Kelly 2015; Finch 2015a, 2015b; Elming et al 2015; Hirsch 2015; Cribb et al 2013). These indicated that, despite the national minimum wage, under-25s, most families with children, and families in the bottom end of the income distribution would lose substantial amounts. Most of their national living wage increase would be clawed back in higher tax and national insurance liabilities, a tapering in tax credit support, cuts in the rates and thresholds of child tax credits and frozen child benefit.

Following a defeat on the proposed cuts in tax credits in the House of Lords, the Chancellor of the Exchequer announced in the Autumn Statement in November 2015 that he was abandoning some of the cuts in tax credits, in particular the reduction in the eligibility threshold and the increase in the taper. All the other measures remain, including the cash freeze on benefit levels, the reduction in the income rise disregard, reduced eligibility for new claims (including the loss of the family element and the limit to two children) and all the changes he had proposed to Universal Credit will remain – including the reduction in the earnings disregard. He also announced a new earnings floor for the self-employed (which assumes that they are earning the new minimum wage), tighter eligibility for childcare tax credits and savings to housing benefit.

So some of the immediate losses proposed for 2016 will be avoided. Losses that people will actually experience will now depend on when they move onto Universal Credit. The Resolution Foundation estimate that average losses in 2020 will be £1000, £1300 for families with children, and that the distributional consequences are heavily regressive (Whittaker 2015). The latest projections by the Institute for Fiscal Studies (Browne and Hood 2016) indicate that child poverty will increase by as much as 1.3 million by 2020/21.

Chapter 1

Survey sampling and recruitment for the Working Life in York (WLinY) survey

1.1 Overview

An investigation of the constraints and challenges currently being faced by workers from the three project partners was investigated through the design and collection of a structured quantitative survey sample of approximately 500 employees earning below £10 per hour.

The WLinY survey was run over late spring and summer 2014 with face-to-face interviews undertaken in the respondent's home (or at the survey company's offices in York) by a professional survey company, *Qa Research*. The respondents invited to take part in the survey were employees of the three project partners earning at or below £10 per hour. The total sample recruited and interviewed by the survey company produced 494 completed interviews providing a useable sample for analysis of 491 employees.[1]

The WLinY survey questions were informed by existing national surveys of household resources e.g. Family Resources Survey, Understanding Society and the Poverty and Social Exclusion Survey. The survey contained details of earnings, income from other sources including benefits/tax credits, as well as expenditures. The themes covered on the quantitative survey (in addition to detailed standard household survey questions on composition etc.) include employment and training (hours, wage and future career), housing, transport, fuel, water, council tax and finances (debt, savings, pensions and benefits). In addition questions relating to access and usage of local services such as libraries and swimming pools were also be included (as the degree to which particular income groups rely on such provision would provide valuable information to the project partners, particularly CYC).

The collected WLinY survey data is summarised in this report and provides a detailed analysis of the family/household resources of a sample of workers in each of the three partner organisations.

[1] Of these 494 respondents three were excluded from the survey analysis: two because they did not complete a consent form and one as they have a gross hourly wage in excess of £10 per hour.

1.2 Why the £10 per hour sample threshold?

The aim of the ESRC KE project was to understand how effective and sustainable the Living Wage and other anti-poverty policies might be for employees at risk of in-work poverty. Clearly not all employees on the LW are at risk of in-work poverty, or indeed are those above this wage rate free of risk. As a result it was agreed to sample employees up to £10 per hour to seriously investigate the question of in-work poverty - as the living wage adoption and any improvements that flow from this to the household resources will only affect those workers at the very bottom of the wage distribution, whereas significant challenges are in fact also being faced by workers slightly further up the wage distribution. This consideration is particularly relevant if the possibility of increasing the 'wage envelope' to improve the wages of workers (even above that of the living wage) is limited or indeed may even be shrinking in real terms.

In selecting the £10 per hour rate (in late December 2013) as the WLinY 2014 survey sample threshold, reference was paid to the national wage distribution (see Table 1.1 below) using the most recent data available (at the time) from the Annual Survey of Hours and Earnings (ASHE). This showed half of male full-time mean gross wages to be £8.25 and two-thirds of the median to be £8.75. Consideration was also given to the Minimum Income Standard (2013) figures (of which the LW is a weighted average) of £9.91 for a couple with two children and £13.09 for a lone parent with one child.

Table 1.1: Survey sampling cut-off point: which hourly wage rate to use?

	Gross hourly wage rates per hour
ASHE 2012	
½ of Male full-time mean	£8.25
½ of Male full-time median	£6.56
2/3rd of Male full-time median	£8.75
MIS 2013	
Single	£8.62
Couple with two children	£9.91
Lone parent with one child	£13.09
Mandatory & voluntary rates December 2013	
NMW	£6.31
Living Wage (outside London)	£7.65
London Living Wage	£8.80
Rates to consider for survey	**£9 or £10 per hour**

The decision to use the £10 per hour as the cut-off was decided upon as it incorporated both the standard wage distribution reference points and the MIS (2013) figures for a couple with children (as the focus of the study was on considering the hourly wage rate in the context of in-work poverty).

1.3 What does the population workforce look like for the project partners in relation to £10 per hour?

For the three partner organisations the proportion of the workforce below the £10 threshold are the following; for CYC approximately 55% of the total directly employed workforce are paid at or below the £10 threshold, for JRF/JRHT this is 72% and for YSJU just 26%. This difference is internal wage distribution is a function of the activity of the organisation: for JRF/JRHT this is predominately adult social care (in terms of staff numbers), for CYC they are a local council and YSJU which employs academic, administrative and ancillary staff.

Based on the relative workforce sizes across the three partner organisations the relative workforce sizes to be interviewed were agreed as 70% CYC, 20% JRF/JRHT and 10% YSJU. Compared to the population figures this sampling frame proposed an under sampling of CYC (70% rather than 86% of those paid under £10 per hour across the three partner organisations) and an oversampling of the other two project partners (JRF/JRHT 20% compared to 10% and YSJU 10% compared to 3.5%).

Table 1.2: Proposed sampling frame across the project partners

	500 survey interviews to be completed with distribution as:	**# observations (%)**
CYC	350 (70%)	4,646 (86%)
JRF/JRHT	100 (20%)	567 (10%)
YSJU	50 (10%)	191 (3.5%)
Total	500	5,404

In addition to the sampling by employer the proposed recruitment was also stratified by wage rate and job type. Consideration was also given to include an explicit stratification on the basis of full-time and part-time employment at the project partner but this was decided against based on the cell sizes of staff that could be recruited from the non-opted out sample shared with the survey company for survey recruitment given the wage and job type stratification.

Table 1.3: Population gender profile (for roles at or below £10 per hour) by project partner

	% female	% male	# observations
CYC	78.91	21.09	4,646
JRF/JRHT	80.95	19.05	567
YSJU	71.73	28.27	191

Table 1.4: Population full-time working profile (for roles at or below £10 per hour) by project partner

	# FTE=1	# observations
CYC	392 but 2,171 are FTE=0 due to ‘casual’ worker status	4,646
JRF/JRHT	65 but 126 are coded as NULL due to ‘zero hour contracts’	567
YSJU	63	191

Further detail on the proposed recruitment plan for the survey is shown below and the detailed job type recruitment stratification is presented in Technical Appendix 1.2.

Table 1.5: Population wage rate profiles across the project partners (for roles at or below £10 per hour) shown in black % and recruitment profile % in red

Percentages (%) shown	CYC	JRF/JRHT	YSJU
Wage group 0 Wage at or below £7.65 per hour	35.00 **50**	21.52 **30**	1.57 **50***
Wage group 1 Wage per hour greater than £7.65 per hour and less than or equal to £8.00 per hour	1.46 **5**	16.05 **20**	29.84 **50***
Wage group 2 Wage per hour greater than £8.00 per hour and less than or equal to £8.50 per hour	24.15 **30**	40.56 **40**	15.71 **20**
Wage group 3 Wage per hour greater than £8.50 per hour and less than or equal to £9.00 per hour	5.81 **5**	7.05 **5**	14.14 **20**
Wage group 4 Wage per hour greater than £9.00 per hour and less than or equal to £10.00 per hour	33.58 **10**	14.81 **5**	38.74 **10**

Notes:

1. For CYC employees earning below £6.38 per hour excluded (e.g. lower paid apprentice roles mainly and those below Grade 1 Level 1 on CYC 12 point Grade Pay Structure)

2. **50***denotes that for YSJU 50% of the sample will have a wage per hour less than or equal to £8.00 per hour (as there are only three population observations on the Living Wage rate of £7.65).

1.4 What was achieved in terms of the WLinY survey recruitment?

The WLinY survey sample was recruited by phone, email and letter by the survey company using a list of employees shared by the project partners with the survey company. These employees were earning at or below £10 per hour (see Technical Appendix 1.4 for a detailed procedural review and Technical Appendix 1.5 for the survey company reflections on recruitment).

The names of the employees shared with the survey company were those who had not opted-out of the survey recruitment after correspondence from the employer (e.g. the approach was a survey opt-out rather than opt-in).

In the tables below a summary of the recruited sample of 491 respondents is given. In the first table we can see that the final sample recruited reflected closely the original population proportions.

Table 1.6: WLinY respondents by employer

Employer	Freq.	Percent	Cum.
CYC	380	77.39	77.39
JRF/JRHT	86	17.52	94.91
YSJU	25	5.09	100.00
Total	491	100.00	

Of the full 491 observations five were apprentices earning at or below the LW rate of £7.65, 193 were LW employees (earning at the LW rate or receiving the LW supplement at CYC) and 293 were above the LW (up to £10 per hour).

Table 1.7: WLinY respondents by Living Wage status

	Freq.	Percent	Cum.
Above LW £7.65	293	59.67	59.67
Living Wage / LW Supplement	193	39.31	98.98
Apprentice	5	1.02	100.00
Total	491	100.00	

A more detailed tabulation of the wage categories are presented below where the number (and proportion) at each wage band is shown.

Table 1.8: WLinY respondents by hourly wage rates

Gross Wage per hour groupings	Freq.	Percent	Cum.
Apprentice	5	1.02	1.02
Living Wage or LW supplement	193	39.31	40.33
£7.66 - £8.00	23	4.68	45.01
£8.01 - £8.50	133	27.09	72.10
£8.51 - £9.00	48	9.78	81.87
Greater than £9.00	89	18.13	100.00
Total	491	100.00	

A summary of the job-types covered in the WLinY survey is presented below and the dominant frequencies of job types such as Midday Supervisory Assistant (MSA), Teaching Assistants, Carers (assistants and ILSW) and Cleaners can be seen.

The proportion of full-time employees (defined as 30 hours per week or more) at the three project partners are 28.3% at CYC, 26.7% at JRF/JRHT and 36% at YSJU. These proportions are broadly in line with Table 1.4 though may suggest a slight oversampling of full-time employees.

Table 1.10: Full-time and part-time working at CYC, JRF/JRHT and YSJU

	Employer			
	CYC	**JRF/JRHT**	**YSJU**	**Total**
Part-time	272	63	16	351
	71.77	73.26	64.00	71.63
Full-time	107	23	9	139
	28.23	26.74	36.00	28.37
Total	379	86	25	490
	100.00	100.00	100.00	100.00

Table 1.9: Main job titles at CYC, JRF/JRHT & YSJU

Main job title	Freq.	Percent	Cum.
Admin Assistant	27	5.50	5.50
Care Assistant	35	7.13	12.63
Carer	4	0.81	13.44
Caretaker	1	0.20	13.65
Catering Assistant	3	0.61	14.26
Cleaner	36	7.33	21.59
Cook	4	0.81	22.40
Customer Service Representative	7	1.43	23.83
Estate worker	5	1.02	24.85
General Assistant	12	2.44	27.29
ILSSW	9	1.83	29.12
Information Assistant	4	0.81	29.94
Kitchen Assistant	8	1.63	31.57
Midday Supervisor Assistant	61	12.42	43.99
Maintenance	3	0.61	44.60
Office Manager	4	0.81	45.42
Porter	4	0.81	46.23
Production operative	4	0.81	47.05
Reading and learning advisor	6	1.22	48.27
Receptionist	10	2.04	50.31
School crossing	6	1.22	51.53
School support Assistant	5	1.02	52.55
Senior care Assistant	3	0.61	53.16
Support worker	17	3.46	56.62
Teaching Assistant	80	16.29	72.91
Technical Support	5	1.02	73.93
Other	128	26.07	100.00
Total	491	100.00	

Summary to Chapter 1

The Working Life in York (WLinY) sample included 491 individual respondents working at the three project partners at Joseph Rowntree Foundation/Housing Trust (JRF/JRHT), City of York Council (CYC) and York St John University (YSJU) and earning (at or below) £10 per hour. The sample proportions across job type, gender, working hours and wage rate is broadly in line with the population data for each of the three project partners.

Chapter 2

Individual, household and labour market characteristics of the WLinY sample[2]

Individual characteristics

The individual characteristics of the WLinY sample of 491 respondents are described below. For the full sample 76.2% are female (76.3% of the CYC sub-sample, 80.2% of the JRF/JRHT sub-sample and 60% - 15 of 25 – of the YSJU sub-sample.

Table 2.1: Gender split of WLinY sample

Gender	Freq.	Percent	Cum.
Male	117	23.83	23.83
Female	374	76.17	100.00
Total	491	100.00	

The mean (median) age of the employees is just over 44.5 (47) years of age and this is again very similar across the three organisations. The sample is predominately white with, with over 94% of the sample reporting their own ethnicity as White (UK or Irish), and almost 90% of the sample lives in the York area (other areas included are Leeds, Hartlepool, Scarborough, Selby, Harrogate, Hull, Malton and Whitby).

Household characteristics

In terms of household characteristics 62.3% or 306 of the 491 report being part of a couple and general household types can be categorised as below (those unable to be easily classified are reported as 'not classified under this variable'):

Table 2.2: Household characteristics

	Freq.	Percent	Cum.
Not classified under this variable	25	5.09	5.09
one adult	60	12.22	17.31
two adults	134	27.29	44.60
one adult one child	26	5.30	49.90
one adult two children	21	4.28	54.18
one adult three children	2	0.41	54.58
two adults and one child	59	12.02	66.60
two adults two	67	13.65	80.24

[2] See WLinY questionnaire Section 1 & 2 pp.1-6.

children			
two adults three children	23	4.68	84.93
two adults and four children	5	1.02	85.95
three adults	39	7.94	93.89
three adults one child	18	3.67	97.56
three adults two children	9	1.83	99.39
four adults one child	3	0.61	100.00
Total	491	100.00	

In terms of the number of people in the respondent's household this varies between one and eight people but more than 87% of the 491 sample have four or less people in their own household.

Table 2.3: Number of people in the respondent's household

	Freq.	**Percent**	**Cum.**
1	58	11.81	11.81
2	149	30.35	42.16
3	119	24.24	66.40
4	106	21.59	87.98
5	45	9.16	97.15
6	13	2.65	99.80
8	1	0.20	100.00
Total	491	100.00	

In terms of a more detailed breakdown as needed for applying the equivalence scale for the BHC and AHC income comparisons across household types we classified the respondents into a household unit classification of single-tax units with the number of under and over 14s so that an equivalence scale can be applied to income.

Table 2.4: Household unit classification of single-tax units

	Freq.	**Percent**	**Cum.**
Not classified under this variable	167	34.01	34.01
single unit one person	57	11.61	45.62
single unit couple	102	20.77	66.40
single unit lone parent plus 1 under 14	12	2.44	68.84
single unit lone parent plus 2 under 14	9	1.83	70.67
single unit lone parent plus 1 14 plus	6	1.22	71.89

single unit lone parent plus 2 14 plus	4	0.81	72.71
single unit plus one under and one over	5	1.02	73.73
single unit lone parent plus 1 less 14	1	0.20	73.93
single unit lone parent plus 2 under 14	2	0.41	74.34
single unit couple plus 1 less 14	29	5.91	80.24
single unit couple plus 2 less 14	34	6.92	87.17
single unit couple plus 3 less 14	9	1.83	89.00
single unit couple plus 0 less 14 and 1 over 14	14	2.85	91.85
single unit couple plus 0 less 14 and 2 over 14	4	0.81	92.67
single unit couple plus 1 less 14 and 1 over	22	4.48	97.15
single unit couple plus one less 14 and 2 over	6	1.22	98.37
single unit couple plus 2 less 14 and 1 over	5	1.02	99.39
single unit couple plus 2 less 14 and 2 over	2	0.41	99.80
single unit couple plus 3 less 14 and 1 over	1	0.20	100.00
Total	491	100.00	

We also produced a classification based on multiple-tax units. The single-tax units within are identified so an equivalence scale can be applied to income as well.

Table 2.5: Household unit classification of multiple-tax units

	Freq.	Percent	Cum.
Not classified under this variable	323	65.78	65.78
one adult plus one or more adults no children	63	12.83	78.62
one adult plus non dependent children	11	2.24	80.86
couple no children plus others	44	8.96	89.82
couple and non-dependent children	11	2.24	92.06
lone parent plus 1 child under14 plus 1 over	1	0.20	92.26
single person plus adults and one children	2	0.41	92.67
single person other adults plus two children	1	0.20	92.87
single person plus other adults with only child	11	2.24	95.11
single person plus other adults plus 2 children	1	0.20	95.32
couple plus one child under 14 and other adults	2	0.41	95.72

couple plus 2 less 14 and other adults	1	0.20	95.93
couple plus adults and child under 14	2	0.41	96.33
couple plus other adults two children under 14	1	0.20	96.54
couple plus other adults and 1 14 plus child	12	2.44	98.98
couple plus other adults plus two 14 plus children	3	0.61	99.59
couple plus other adults plus three 14	1	0.20	99.80
couple + other adults plus one under 14	1	0.20	100.00
Total	491	100.00	

In terms of children for the sample of 491 respondents there are 149 respondents which report one or more children in the household that are aged under 14 years and 127 respondents which report children aged 14 and over.

Labour market histories and experience

WLinY respondents were asked at what age they completed their continuous full-time education. As can be seen clearly from the tabulation below is that the peak of education is at 15 and 16 years of age, followed by 17/18 and then 21/22. Comparing the Living Wage workers with the others (above LW up to £10 per hour) there was no formally significant difference between the ages of completed full-time education.

Table 2.6: Age at which respondents completed continuous full-time education

Age	**Freq.**	**Percent**	**Cum.**
Missing	1	0.20	0.20
14	4	0.81	1.02
15	65	13.24	14.26
16	165	33.60	47.86
17	48	9.78	57.64
18	66	13.44	71.08
19	16	3.26	74.34
20	11	2.24	76.58
21	50	10.18	86.76
22	28	5.70	92.46
23	12	2.44	94.91
24	11	2.24	97.15
25	5	1.02	98.17
26	2	0.41	98.57
27	2	0.41	98.98
29	1	0.20	99.19
30	3	0.61	99.80
35	1	0.20	100.00

Total	491	100.00	

In terms of educational qualifications achieved these appear broadly consistent with the age left school e.g. 110 respondents reporting highest educational qualification as GCSE/O-Level or CSE. However the relatively high proportion reporting degree level qualification or equivalent (more than 90) suggest that a number of respondents have engaged in part-time study (returning after completing full-time study).

Table 2.7: Highest level of qualification received

Qualification	Freq.	Percent	Cum.
Degree level qualification (or equivalent)	93	18.94	18.94
Higher educational qualification below	57	11.61	30.55
A-Levels or Highers	50	10.18	40.73
ONC / National Level BTEC	32	6.52	47.25
O Level or GCSE equivalent (Grade A-C)	79	16.09	63.34
GCSE grade D-G or CSE grade 2-5 or Stan	31	6.31	69.65
Higher than degree level qualification	35	7.13	76.78
Other (including overseas qualification)	66	13.44	90.22
No formal qualifications	48	9.78	100.00
Total	491	100.00	

<u>Labour market characteristics</u>

In terms of the labour market characteristics of the 491 WLinY respondents we collected detailed information on their working lives. This included a potted history of their labour market activity to date and an estimate of the number of years that they had spent in full-time and part-time employment.

In terms of reported years spent in full-time and part-time employment the mean (median) levels of full-time employment were 16 (13) years and approx. 10.5 (8) years part-time employment. Comparisons of these actual years of labour market experience with potential years of labour market experience (length of time that individuals could have been working since first leaving continuous full-time education) show that the difference between actual and potential labour market experience are much greater for the female employees than males. Female employees have on average (and median) 13 (14.5) years less full-time labour market experience than the maximum (which would have been all years in full-time employment since leaving full-time education). In comparison for the male employees in the sample this was 1 year on average (median 3.4 years). These differences between actual and potential full-time labour market experience could have been due to return to education, and/or periods out of the labour market caring (e.g. children or parents) and due to time spent in part-time employment. The reported evidence in the WLinY survey is certainly supportive of this as female employees report on average 9 (11.8 as median) years in part-time employment since leaving full-time education.

For the Living Wage sample compared to all other employees there is relatively little difference e.g. the split of significance seems to be gender rather than the Living Wage group compared to all others.

In types of type of labour market experiences the recorded verbatim/open answers given by respondents as descriptions/potted histories of labour market activity were broadly described and coded as:

I. Continuously employed in same job or with same employer
II. Continuously employed in series of low paid jobs (e.g. cleaning, caring, catering/waiting, assistant-type jobs etc.)
III. Continuously employed in a series of jobs/employers (mix of levels)
IV. Continuously employed in a series of jobs/employers (levels unspecified or unclear)

If 'continuously employed' did not apply then the respondent's employment is likely to be interspersed with unemployment or out of labour market (education spells, caring for family, illness etc.). If this was the case then the labour market life history might be best described as ‘intermittent employment’ and the following classifications were used:

V. Intermittent employment in series of low paid jobs (e.g. cleaning, caring, catering/waiting, assistant-type jobs)
VI. Intermittent employment in a series of jobs/employers (mix of levels)
VII. Intermittent employment in a series of jobs/employers (levels unspecified or unclear)

For the sample of 491 respondents 293 can be categorised as ‘continuously employed’ (categories I-IV above) based on their own report of lifetime labour market histories and the majority of these (177) would be spells of employment that were low paid jobs (e.g. cleaning, caring, catering/waiting, assistant-type jobs etc.). For the remaining respondents who reported lifetime histories with intermittent employment (197) the majority were reporting spells of employment again describable as low paid jobs (e.g. cleaning, caring, catering/waiting, assistant-type jobs etc.).

Summary to Chapter 2

The Working Life in York (WLinY) sample of respondents could be characterised by the following factors:

- Almost three-quarters female, white and York based
- Complex household arrangements
- Although the dominant age of leaving school was 15/16 just over 90% have some formal qualification
- Labour market histories dominated by series of low paid jobs (e.g. cleaning, caring, catering/waiting, assistant-type jobs)

Chapter 3: Wage rates, working hours, benefits and in-work poverty[3]

Earnings, wage rates, multiple jobs and working hours

All the respondents interviewed as part of the WLinY survey were employed at CYC, JRF/JRHT or YSJU.[4] The proportions at each of the organisations were 77.4% at CYC, 17.5% at JRF/JRHT and 5.1% at YSJU.

Table 3.1: Proportions of WLinY respondents at CYC, JRF/JRHT & YSJU

Employer	Freq.	Percent	Cum.
CYC	380	77.39	77.39
JRF/JRHT	86	17.52	94.91
YSJU	25	5.09	100.00
Total	491	100.00	

The respondents were recruited across a range of jobs across the three organisations and the tabulation below shows the range of roles and the frequency of roles in this group such as the school-based Midday Supervisor Assistant (MSA) and Teaching Assistant as well as the social care roles of Care Assistant and also Cleaning. In each case the gross hourly wage rate was at or below £10 per hour.

Table 3.2: Main job titles at CYC, JRF/JRHT & YSJU

Main job title	Freq.	Percent	Cum.
Admin Assistant	27	5.50	5.50
Care Assistant	35	7.13	12.63
Carer	4	0.81	13.44
Caretaker	1	0.20	13.65
Catering Assistant	3	0.61	14.26
Cleaner	36	7.33	21.59
Cook	4	0.81	22.40
Customer Service Representative	7	1.43	23.83
Estate worker	5	1.02	24.85
General Assistant	12	2.44	27.29
ILSSW	9	1.83	29.12
Information Assistant	4	0.81	29.94
Kitchen Assistant	8	1.63	31.57
Midday Supervisor Assistant (MSA)	61	12.42	43.99
Maintenance	3	0.61	44.60

[3] See WLinY questionnaire Sections 3 & 5 pp.6-26 and pp.29-38.

[4] At question Q3.1 this was checked as all respondents were asked if they were currently employed by one of the project partners (CYC, JRF/JRHT or YSJU). For those 20 (18 from CYC and two from JRF/JRHT) respondents who were no longer employed the responses were supplied in relation to the last period of payment at the project partner.

Office Manager	4	0.81	45.42
Porter	4	0.81	46.23
Production operative	4	0.81	47.05
Reading and learning advisor	6	1.22	48.27
Receptionist	10	2.04	50.31
School crossing	6	1.22	51.53
School support Assistant	5	1.02	52.55
Senior care Assistant	3	0.61	53.16
Support worker	17	3.46	56.62
Teaching Assistant	80	16.29	72.91
Technical Support	5	1.02	73.93
Other	128	26.07	100.00
Total	491	100.00	

Among a number of questions asked about pay and working arrangements was the question of whether the individual was a union member. Of the 491 respondents asked 155 (31.6%) reported that they belonged to a union.

Table 3.3: "Are you a member of a trades union or staff association?"

	Freq.	**Percent**	**Cum.**
Yes	155	31.57	31.57
No	333	67.82	99.39
No reply	1	0.20	99.59
Don't Know	2	0.41	100.00
Total	491	100.00	

In terms of the unions that were listed by those who said they were a union member the most frequently reported union was Unison (109), GMB (15) and Unite (6). Union membership is interesting to consider as although CYC and YSJU do formally recognise unions (e.g. Unison in recognised by both) JRF/JRHT does not. Also interesting to note is that within the sample of employees the probability of union membership is significantly lower for Living Wage worker compared to the rest of the sample (wage greater than £7.65 up to £10 per hour).

<u>How many jobs (and types of jobs) are being held?</u>

The WLinY respondents were asked if the job at the project partner (CYC, JRF/JRHT or YSJU) was their main job – a description of the 'main job' was not given to the respondents so this was for them to decide e.g. could be defined in terms of their only job, or the one they have the most hours in or their preferred/defining employment. Over 90% of respondents defined their employment with the project partner as their main job.

Table 3.4: "Is your job at {CYC, JRF/JRHT or YSJU} your main job?"

	Freq.	Percent	Cum.
Yes	449	91.45	91.45
No	42	8.55	100.00
Total	491	100.00	

Of those 42 defining this job as not their main job, 37 of these were from CYC and were employed as a midday supervisor assistants (MSA) in a York school.

In terms of multiple job holding, the number of respondents holding one or more job was roughly 30% of the sample but only a relatively small number (less than 5%) held more than two jobs at the time of interview.

Table 3.5: "How many jobs do you hold?"

	Freq.	Percent	Cum.
Only one, the CYC, JRF/JRHT or YSJU job	343	69.86	69.86
Two including the CYC, JRF/JRHT or YSJU	126	25.66	95.52
More than two	22	4.48	100.00
Total	491	100.00	

For those reporting holding just one job their mean (and median) working usual hours (excluding overtime) was 26 hours per week, and for those with a second or third job the working hours at the project partner was approximately 14-16 hours per week. Asked if any of these jobs were full-time, 35.2% report holding at least one that is full-time. Of those that report 'no', none of these jobs are full-time we can see from the tabulation below that the majority of these (almost 65%) are described as 'all part-time'. In terms of the job(s) profile we can see the majority of the sample is working in part-time employment, and just over a third are holding multiple jobs.

Table 3.6: Types of additional jobs held

Q3.9c. Are the remainder part-time or casual work?	**Freq.**	**Percent**	**Cum.**
Yes, all part-time	202	64.95	64.95
Yes, all casual	7	2.25	67.20
Yes, mixture of both	16	5.14	72.35
No, other	7	2.25	74.60
Don't Know	79	25.40	100.00
Total	311	100.00	

In terms of working weeks in the last year respondents report that they have undertaken a mean (median) of 44.5 (47) weeks of regular paid work (full-time or part-time) with almost a quarter of the sample reporting 52 paid working weeks in the last 12 months.

In terms of usual working hours per week in the CYC, JRF/JRHT or YSJU job (excluding meal breaks and overtime) the mean (median) working week is almost 23 (22.5) hours per week and the maximum reported is 42.5 and the minimum is 2.5 hours per week.

Of the 491 respondents, 125 report usual paid overtime hours in their job with the project partner with a mean (median) report of 5 (6.5) per week with 35 of the 125 reporting some or all of those hours being paid a premium rate to their basic hours and 91 reporting some or all of those overtime hours being paid at the normal basic rate. Unpaid usual overtime hours were much smaller in the sample but present all the same with the mean (median) levels being slightly over 3.5 (2) hours per week for the 133 employees reporting a positive number of unpaid hours per week. In terms of special working hours arrangements that vary daily or weekly of the 491 respondents 203 report that they have term-time working, 87 annualised hours contracts, 77 flexitime, 21 job sharing and 10 on zero-hour contracts (7 at JRF/JRHT and 3 at CYC).

In terms of working hours preference, overall just over 30% of the respondents would like to work more hours and this preference is much higher within the part-time (less than 30 hours per week) sample (38.8% of part-time employees report they would like more hours) compared with 17.9% of the full-time sample. Further the preference for more working hours is greater (and statistically significant) for the Living Wage group.

Table 3.7: Preference over working hours "Would you prefer to work more, hours, fewer hours or are you happy with the hours you work in this job?"

	Freq.	Percent	Cum.
More hours	155	31.57	31.57
Happy with existing hours	286	58.25	89.82
Less hours	48	9.78	99.59
Don't Know	2	0.41	100.00
Total	491	100.00	

Earnings and wage rates

Respondents reported a range of detailed earnings information. Of the 491 respondents 486 provided a figure for their last take-home pay including overtime, bonus, commission, tip and other payments. This figure ranged from a minimum of £25.01 to a maximum of £2103.34 and had a mean value of £749.96. Although the period covered by this last take-home varied a little for the vast majority of respondents the period was one calendar month (96.91%).

Using these two variables a net weekly take-home amount was constructed to allow direct comparison across all the respondents. This provided a figure that had mean (median) £172.39 (£173.40) per week and a minimum of £5.77 and a maximum of £485.39.

At CYC the Living Wage is paid via a Living Wage supplement therefore for those employees at CYC who are receiving the Living Wage will have the LW supplement noted on their payslip (a separate and gross item). For the CYC employees then we can identify the gross benefit of the Living Wage. Respondents at CYC (only) were asked directly 'do you receive the living wage supplement', 132 of the CYC employees reported that they did. For these 132 respondents this response was consistent with the administrative wage record supplied for 125 cases. For these cases with valid data the gross weekly amount of the Living Wage supplement was mean (median) £7.75 (£2.88) and the maximum was £47.62 per week. These figures remind us that although the Living Wage is the (minimum) hourly wage rate describable as a Living Wage (see JRF's ongoing Minimum Income Standard (MIS) project)[5] it still depends on a full working week. For these reported LW supplement figures (essential the hourly supplements to make the actual wage rate up to the LW at CYC) the working hours that sit behind these range from 1 hour (minimum) to 42.50 (maximum) with a mean (median) of 12 (15) per week. Considering these (weekly equivalent) LW supplement amounts in relation to the gross weekly wage for CYC employees shows the LW supplement to be on average (median) approximately 4.7% (6.4%) where the gross wage includes the LW supplement and approximately 5% (7.3%) where the LW supplement is excluded from the gross wage measure. In both cases the amount of the gross wage supplement is not about a maximum of roughly 7%.

[5] E.g. see Hirsch, D. (2015) Minimum Income Standards 2015, York: Joseph Rowntree Foundation https://www.jrf.org.uk/report/minimum-income-standard-uk-2015.

In an attempt to validate the reported earnings data respondents were asked if they had their CYC, JRF/JRHT or YSJU payslip to hand, something that was also mentioned at the time of recruitment to the survey interview. As shown below we can see 62.5% of the 491 respondents had their most recent payslip consulted in the interview and slightly over 85% had the most recent or other payslip consulted.

Table 3.8: Was the CYC, JRF/JRHT & YSJU payslip consulted?

	Freq.	**Percent**	**Cum.**
Yes, most recent payslip consulted	307	62.53	62.53
Yes, payslip consulted but not most recent	112	22.81	85.34
No - no payslip consulted	70	14.26	99.59
No- refused to consult employer payslip	1	0.20	99.80
Don't Know	1	0.20	100.00
Total	491	100.00	

Hourly wage rates

The WLinY respondents were asked how the pay in their CYC, JRF/JRHT or YSJU job was calculated. For just over 45% of the sample it was reported that the pay was calculated ‘by the hour’. For these 228 respondents they were then asked what their hourly wage rate was. For those that replied with a figure we were able to compare this with the administrative wage rate supplied by the employer.

Table 3.9: How is your pay at CYC, JRF/JRHT & YSJU calculated?

	Freq.	**Percent**	**Cum.**
Salaried	255	51.93	51.93
Paid by the hour: please specify	228	46.44	98.37
Basic salary plus commission	2	0.41	98.78
Other please specify	4	0.81	99.59
Don't Know	2	0.41	100.00
Total	491	100.00	

For those who are paid by the hour and report a valid (non-missing) value (210 of the 228 respondents shown in Table 3.9 above) for their hourly wage rate we can directly compare the two wage figures. The Gross hourly wage rate reported by respondent who state they are paid by the hour is s reported is £8.15 with a minimum of £4.98 and a maximum of £14.80.

The check between these reported wage rates and the administrative record provides the following information: the mean (median) absolute difference is £0.09 (less than 10 pence) and the mean difference is £0.35. A more helpful distribution of these differences is shown below. Here we can see that 45.7% of workers report wage rates that differ by less than 5p from the administrative records, and slightly over 60% within 25p. Also shown below is whether the payslip was seen at the time of interview. Here we see that the proportion for which the most recent payslip was consulted decreases as the difference between the self-reported and administrative record increases.

Table 3.10: Differences between self-reported and administrative pay records for respondents paid by the hour.

	Number (%)	**Proportion of these with most recent payslip consulted**
Difference less 5 pence	96 (45.7%)	71.9%
Difference less 10 pence	106 (50.5%)	67.9%
Difference less 25 pence	133(63.3%)	65.4%
	210	

These comparisons suggest some degree of inaccuracy of the self-reported wage rates. However whether the reported wage rates are really inaccurate or not depends on the accuracy of the administrative record being used, so a few points are worth noting in relation to this:

First, is it possible that the wage rate had changed between the supply of the administrative records (late March 2014) and the survey interview date (spring and summer 2014)? Of the 491 survey respondents, 380 are from CYC. Of these 380 employees there was no pay rise between the point when the wage data was pulled from payroll (March 2014) and entire survey period.

The only exception to this was the LW supplement change that was extended to cover employees earning up to £7.65 per hour. This wouldn't have changed their hourly wage rate, though it did mean that some employees would now be receiving the LW supplement.

For YSJU only 3 of the 25 respondents had interviews after 1st August - which was the date of the YSJU pay rise uplift was paid out in the first increased salary in the end of August salary.

For JRF/JRHT 87 respondents were interviewed and although a number will have had a potential pay rise in the summer (end of July pay packet/slip) for those 21 employees who are in the sample and were LW (£7.65) workers in March 2014 18 were still on this rate at the time of interview and of the other three who had no reported Q322 wage figure only one had a 'date of visit' after July (therefore potentially affected by a wage rise).
Second, it is of course possible that employees have changed job with the same employer (thus changing their wage rate) but the responses on the question (Q32) that asked about when did you start your current job with CYC, YSJU or JRF/JRHT it shows that very few started after March 2014 (which was when the payroll data was pulled) e.g. only about 24 of the full 494.

So in conclusion then there is certainly evidence that a sizeable number of employees (who are in fact paid by the hour) are unclear about the wage rate that they are earning.

Benefits - Welfare Benefits Unit assessment of entitlement and Universal Credit[6]

As part of the ESRC project "Identifying sustainable pathways out of in-work poverty" the York Welfare Benefits Unit (WBU) was commissioned to undertake a benefit entitlement check on approximately 200 (40%) of the WLinY survey interviews and to simulate the implications of a move to Universal Credit. If the WBU found that the household had possible additional benefit entitlement appropriate notification was passed back to the research team in the form of a brief benefit entitlement advice note that was forwarded to the household in a letter produced by the survey company. The full report authored by the WBU can be found in Appendix A1 along with a supplementary report post the Summer Budget 2015 in Appendix A2.

A summary of the main WBU report is provide below using extracts from the full reports presented in Appendix A1 and 3.2. Firstly on the implications of Universal Credit the WBU "identified approximately 25% of cases where people would gain under Universal Credit (5 couples, 9 families, 14 lone parents and 19 single people). However, a third of these (16 cases) were possibly under claiming means-tested benefits and/or tax credits at the time of the survey" and "approximately 15% of cases where people would lose entitlement under

[6] Both the Universal Credit and Benefit Entitlement assessments by the WBU were made on the rules in place summer 2014.

Universal Credit (1 couple, 15 families, 5 lone parents and 7 single people). However, 14% of these (4 cases) were possibly also under claiming means-tested benefits and/or tax credits at the time of the survey".

The features of the Universal Credit (UC) that lead to the gains included: higher earnings disregards; income from lodgers as this is currently counted in means-tested benefits but is to be ignored in UC; childcare costs (as can now be included without a minimum hours' requirement; lone parents (without eligible housing costs) will have a higher earnings threshold before benefit is reduced; 100% of pension contributions from wages are to be ignored (currently 50% in means-tested benefits), there is to be no minimum hours requirement in UC; and that UC will be available from age 18. In comparison UC features leading to the losses under UC include the use of current income, assessed monthly (whereas tax credit entitlement is usually calculated on the claimant's previous year's taxable income), the treatment of capital (whereas tax credits do not have a capital limit), the change in how people with disability benefits are supported in work, the upper age limit.

On the assessment of benefit entitlement the WBU identified "32 cases where there may be a potential claim for a disability benefit" as well as "32 cases [being] identified as having missing entitlement to means-tested benefits and/or tax credits (including 10 disability benefit claims): 15 single people, 7 couples, 6 lone parents and 4 families. Three established carers (claiming Carer's Allowance) and a further 4 carers were also potentially missing out". So a total of 54 cases out of an assessable 193 WLinY survey interviews suggested a shortfall in benefit uptake of roughly 27.9%. Such a high proportion to be under claiming on benefits suggests this as a potential significant factor for employers to consider in supporting employees with claims if the aim is to reduce the household risk of in-work poverty. Such employer support might be through the circulation of information on entitlement and/or support on actual benefits applications.

<u>Benefits - WLinY</u>

For the full sample of 491 respondents, 99 (approximately 20% of the sample) report receiving working and/or child tax credits. The proportion of Living Wage employees in receipt of tax credits is significantly higher than the rest of the WLinY sample. Other benefits that employees (192 of 491) report that they are in receipt of include child benefit, guardian's allowance, carer's allowance, retirement pension (NI) or old person's pension, widowed pension, armed forces compensation, disability living allowance and personal independence payments (PIP) and in both cases care, mobility or both components). The most frequently reported benefit is unsurprisingly that of child benefit but the second most frequently reported was the ‘retirement pension (NI) or old person’s pension’ suggesting that the earned income from the employment at one of the project partners is supported or supplemented by a state pension.

Respondents were asked directly about how much they (themselves) thought they received from all the benefits and tax credits per week. For those that were able to respond to this question (185 of the 494 replied with a non-zero figure) the mean (median) figures per week were £92.94 (£47). For these 185 respondents the mean (median) figures for LW workers within this group were very slightly higher at £103. (£48) but the differences were not formally statistically significant. In terms of how these benefit figures compare with earnings it is interesting to note that for those employees working full-time and reporting a non-zero value of weekly benefits and tax credits (approximately 38 employees) the weekly reported benefits and tax credits (question 5.7 on the WLinY survey) are mean (median) 29.3% (12.5%) of their gross weekly wage earned at the one of the three project partners. These figures are interesting to see and particularly so in contrast to the weekly LW supplement figures presented previously.[7] To make a direct comparison for full-time only LW employees at CYC the LW supplement is in the order of 8% of gross weekly wage. Although such comparisons need to be undertaken very carefully it is worth noting the comparisons and the clear importance of state transfers as a proportion of weekly gross income for those lower paid employees within an organisation.

<u>Before Housing Cost (BHC) and After Housing Cost (AHC) income (equivalised)</u>

To assess the risk of in-work poverty the Before Housing Costs (BHC) and After Housing Costs (AHC) income measures were constructed (see Technical Appendix 3.3 for the components included/deducted from the BHC and AHC income construction). For an accurate income measure to be constructed requires the detailed collection of earnings, benefits and other income received by the respondent (and their partner). This measure was achieved for 338 of the 491 WLinY respondents (please see Technical Appendix A1 for missing data issues). Summary statistics are presented for these figures below in Table 3.11

[7] As with the LW supplement these benefit figures are presented as a proportion of gross weekly income from the employer (JRF/JRHT, CYC and YSJU).

and the equivalised figures allow us to compare income levels across different family types in a consistent way.

Table 3.11: Summary statistics for the BHC and AHC (and equivalent) measures

Variable	Freq.	Mean	Std. Dev.	Min	Max
BHC	338	486.2736	376.433	31.98903	5064.69
EBHC	338	461.8841	338.9619	31.98903	5064.69
AHC	338	408.2626	364.6436	6.658463	4908.979
EAHC	338	383.6453	333.6242	6.222862	4908.979

Although it was not possible to construct a BHC and AHC measure (without imputation) for a number of respondents the proportions of employees across the three partner organisations remained representative. Of these 338 respondents (full sample) 54 are at or below 60% median on BHC and 80 are at or below 60% median in relation to AHC.

Table 3.12: No. of respondents at or below 60% median Equivalised BHC in 2012/13

Equivalised BHC at or below 60% median 2012/13: £264 per week	Freq.	Percent	Cum.
Above 60% median	284	84.02	84.02
At or below 60% median	54	15.98	100.00
Total	338	100.00	

Table 3.13: No. of respondents at or below 60% median Equivalised AHC in 2012/13

Equivalised AHC at or below 60% median 2012/13: £224 per week	Freq.	Percent	Cum.
Above 60% median	258	76.33	76.33
At or below 60% median	80	23.67	100.00
Total	338	100.00	

For the CYC respondents with valid BHC and AHC income data 42 are at or below 60% median income on BHC and 63 are at or below 60% median income in relation to the AHC figures. These figures are relatively consistent across all three employers e.g. risk of in-work poverty at CYC is similar to average across all the three employers (CYC, JRF/JRHT & YSJU).

Table 3.14: No. of CYC respondents at or below 60% median Equivalised BHC in 2012/13

Equivalised BHC at or below 60% median 2012/13: £264 per week	Freq.	Percent	Cum.
Above 60% median	217	83.78	83.78
At or below 60% median	42	16.22	100.00
Total	259	100.00	

Table 3.15: No. of CYC respondents at or below 60% median Equivalised AHC in 2012/13

Equivalised AHC at or below 60% median 2012/13: £224 per week	Freq.	Percent	Cum.
Above 60% median	196	75.68	75.68
At or below 60% median	63	24.32	100.00
Total	259	100.00	

For JRF/JRHT we have (respectively) ten and 13 of the 60 respondents with valid BHC and AHC below the 60% threshold. For YSJU two respondents of the 19 with valid BHC and are below the 60% median threshold and four for the AHC measure..

<u>In-work poverty risk by Living Wage status</u>

Figures for the Living Wage workers with BHC and AHC income data show that the risk of in-work poverty is slightly higher than rest of the sample. For the Living Wage workers with BHC and AHC data 21.5% are at or below the 60% median poverty threshold for BHC (and 16.2% for AHC).

Table 3.16: No. of LW respondents at or below 60% median Equivalised BHC in 2012/13

Equivalised BHC at or below 60% median 2012/13: £264 per week	Freq.	Percent	Cum.
Above 60% median	102	78.46	78.46
At or below 60% median	28	21.54	100.00
Total	130	100.00	

Table 3.17: No. of LW respondents at or below 60% median Equivalised AHC in 2012/13

Equivalised AHC at or below 60% median 2012/13: £224 per week	Freq.	Percent	Cum.
Above 60% median	89	68.46	68.46
At or below 60% median	41	31.54	100.00
Total	130	100.00	

Formally comparing the proportions of LW and above LW workers (up to £10 per hour) that are at risk of in-work poverty on the BHC and AHC measures show the risk for LW workers is statistically significantly higher for the Living Wage workers on both measures of income.

Although this is statistically a higher risk on in-work poverty a tabulation of the wage rates of those with equivalised BHC at or below the 60% median threshold shows that this risk of poverty is not restricted to the Living Wage group at all. As shown below of the 54 respondents at risk on in-work poverty 19 earn a wage rate between £8.01 and £9 per hour and three in excess of £9 per hour.

Table 3.18: Wage rates of those with equivalised BHC at or below the 60% median

Gross Wage per hour groupings	Freq.	Percent	Cum.
Apprentice	3	5.56	5.56
Living Wage or LW supplement	28	51.85	57.41
£7.66 - £8.00	1	1.85	59.26
£8.01 - £8.50	16	29.63	88.89
£8.51 - £9.00	3	5.56	94.44
Greater than £9.00	3	5.56	100.00
Total	54	100.00	

<u>In-work poverty risk by working hours</u>

Formally comparing the working hours of those at or below the poverty threshold (for both the BHC and AHC income measures (equivalised)) with those above shows that the workers at risk of in-work poverty on both measures are working significantly less (usual) working hours per week on average (a mean difference of approximately 5.5 hours per week).

In-work poverty risk by desire to have more working hours

Formally comparing the respondent's response to whether they would prefer to work more hours shows that those at or below the poverty threshold (for both the BHC and AHC income measures (equivalised)) with those above shows that the workers at risk of in-work poverty (on both measures) are significantly more likely to report that they would like to work more hours in their current job.

These final three points show that:

(1) Living Wage workers are at greater risk on in-work poverty than those employees slightly further up the wage distribution,

(2) That workers at risk of in-work poverty have shorter working hours per week (on average),

(3) And that the workers at risk of in-work poverty are more likely to report a preference for more working hours.

Summary to Chapter 3

There is evidence in the WLinY dataset that a number of employees are at risk of in-work poverty. It is the case that Living Wage workers face a higher risk of in-work poverty than other workers in the sample but other workers are not risk free. Those members of the workforce at risk of in-work poverty are characterised by having shorter (usual) working hours per week and also a preference to work more hours.

As a result, although the Living Wage brings some benefit to those in receipt the extent of any benefit to employees is clearly limited in its potential impact due to the number of hours worked.

If the aim is to significantly reduce the in-work poverty risk for an organisation's workforce then a focus on the wage rate alone (e.g. the Living Wage policy) will only ever provide a partial solution (at best) – consideration is really needed of both the determinants of earnings (wage rate per hour and the number of hours worked) if poverty risk and incidence is to be reduced.

As such it is worth considering if (some of the) current jobs should be actively re-designed to give full-time working hours – e.g. a way of piecing or stitching together these part-time roles into full-time employment that would warrant the description as a ‘Living Wage’.

Finally, assessments of the benefit receipt of approximately 40% of the WLinY sample by the York Welfare Benefits Unit suggested over a quarter were under claiming in relation to their entitlement.

Chapter 4: Health[8]

In Section 4 of the WLinY survey the respondents were asked a series of questions around their own health, their partner's health and the impact that their health status had on their activities and work &/or working time. A summary of responses are shown below in Table 4.1 for the full sample, by employer (CYC, JRF/JRHT and YSJU) and by whether the employee is a Living Wage worker.

Table 4.1: Health status and implications for activities and work &/or working time

	Respondents reporting "Yes"	
Respondent	%	#
Do you have any long-standing (troubled you for a period of 12 months or more) physical or mental illness, disability or infirmity?	25.3% CYC 22.4% JRF/JRHT 34.9% YSJU 36.0% LW only 22.8%	124 of 491 85 of 380 30 of 56 9 of 25 44 of 193
Does this illness limit your activities?	61.3% CYC 60% JRF/JRHT 66.7% YSJU 55.6% LW only 63.6%	76 of 124 51 of 85 20 of 30 5 of 9 28 of 44
Does this illness limit your work or working time in any way?	32.3% CYC 36.5% JRF/JRHT 26.7% YSJU 11.1% LW only 38.6%	40 of 124 31 of 85 8 of 30 1 of 9 17 of 44
Respondent's partner		
[If partner present] Does your partner have any long-standing (troubled you for a period of 12 months or more) physical or mental illness, disability or infirmity?	20.8% CYC 18.8% JRF/JRHT 26.0% YSJU 38.5% LW only 18.9%	63 of 303 45 of 240 13 of 50 5 of 13 21 of 111
Does their illness limit <u>your</u> activities?	39.7% CYC 42.2% JRF/JRHT 30.8%	25 of 63 19 of 45 4 of 13

[8] See WLinY questionnaire Section 4 pp.27-28.

	YSJU 40.0% LW only 42.9%	2 of 5 9 of 21
Does their illness limit <u>your</u> work or working time?	36.0% CYC JRF/JRHT YSJU LW only	9 of 25 7 of 19 1 of 4 1 of 2 3 of 9
Respondent's children		
[If there is a dependent child in the household] Does/do your child/children have additional care of supervision needs due to an illness or disability?	6.5% 15 of 232 respondents report that this is the case. For 14 of the 15 this is for one child and for one respondent this applies to two children.	
If there is a dependent child in the household] Does/do your child/children need more guidance and supervision outdoors due to this illness or disability?	6.03% 14 of 232 respondents report that this is the case. For 13 of the 14 this is for one child and for one respondent this applies to two children.	

Overall we can see that over a quarter of the sample report a long-standing physical or mental illness, disability or infirmity and over 60% of these report that it limits their activities and over 30% report that it limits their work or working time. For those with a partner over 20% report their partner has a long-standing physical or mental illness, disability or infirmity and almost 40% of these report that this limits their own activities and over 35% their work or working time.

Focusing on the health of the CYC employee, their partner &/or children we can see that 85 of the 380 CYC employees sampled (earnings up to £10 per hour) or 22.37% report themselves as having a "long-standing physical or mental illness, disability or infirmity". Of these 85 CYC employees who report such a long-standing illness/disability/infirmity 51 of 85 (60%) say that this limits activities and of those 51 reporting limited activity 31 or 36.47% say it limits work or working time.

Comparisons between CYC and JRF/JRHT suggest a slightly higher incidence of illness for both the worker themselves and their partner at JRF/JRHT. For YSJU given the sample size is so small it is less helpful to consider these in isolation. Overall there appears quite a significant amount of reported illness and notably above those records held by the employer (see Appendix 4.1)

Summary to Chapter 4

Chapter 4 has presented summary information on a series of questions around the respondent's own health, their partner's health and the impact that their health status had on their activities and work &/or working time. Noting the main points (in relation to CYC on points 1-4) shows that of the 380 CYC employees

- 113 (29.74%) either have themselves or their partner has a long-standing physical or mental illness, disability or infirmity",
- 65 (17.1%) report activity limited by own or partner's health,
- and 36 (9.47%) report their own work or working time being limited by their own or partner's health

Of those CYC employees responding to the question of whether their child has additional care or supervision needs due to an illness or disability 14 of 198 report they have one or more child with such needs.

Finally, the incidence of "long-standing physical or mental illness, disability or infirmity" appears quite distinct from the formally recorded disability figures at CYC, JRF/JRHT and YSJU.

Appendix 4.1

Comparison with disability flags in the YSJU, CYC & JRF/JRHT population data

Table A4.1: YSJU population disability flagged: **11 of 191**

Disability description	**Freq.**	**Percent**	**Cum.**
A disability, impairment or medical con	1	0.52	0.52
A long standing illness or health condition	1	0.52	1.05
Deaf or serious hearing impairment	1	0.52	1.57
Disability	2	1.05	2.62
Disability - mental health condition	2	1.05	3.66
Disability - physical impairment or mob	1	0.52	4.19
Disability -long standing illness or he	2	1.05	5.24
Disabled - Learning difficulty	1	0.52	5.76
Information refused	4	2.09	7.85
No known disability	176	92.15	100.00
Total	191	100.00	

Table A4.2: CYC population disability flagged: **92 of 4,646**

Consider Disabled?	**Freq.**	**Percent**	**Cum.**
Missing (no coding)	1,002	21.57	21.57
No	3,539	76.17	97.74
Not Known	13	0.28	98.02
Yes	92	1.98	100.00
Total	4,646	100.00	

Table A4.3: JRF/JRHT population disability flagged: **9 of 567**

Disability	**Freq.**	**Percent**	**Cum.**
Decline to answer	99	17.46	17.46
Disabled	9	1.59	19.05
No disabilities	302	53.26	72.31
Unknown	157	27.69	100.00
Total	567	100.00	

Chapter 5: Budgeting, debt and savings[9]

Budgeting

All respondents were asked about their household's decision making process in relation to their household budget. Full responses to each of the choices are shown below. We can see that the responses are very similar between the full and LW samples and generally households tend to report joint or individual decisions which align with their family unit situation (e.g. of those 204 reporting "I generally make decisions" 156 or 76.5% are in non-couple households), though this is clearly not the case in all circumstances. For 48 of these 204 they are making the decision whilst in a couple and 6.92% (34 of the 491) report that their partner makes this decision for them. Interestingly of these 34, 26 are female, proportionately in line with the full sample gender split, of 76.32%.

Table 5.1: All respondents "Who makes decisions about the household budget"?

	Freq.	Percent
I generally make decisions	204	41.55
My partner generally makes decisions	34	6.92
We generally make decisions together	210	42.77
I don't make any decisions	10	2.04
Another adult makes the decisions	33	6.72
Total	491	100.00

Table 5.2: Living Wage respondents only "Who makes decisions about the household budget"?

	Freq.	Percent
I generally make decisions	83	43.01
My partner generally makes decisions	16	8.29
We generally make decisions together	72	37.31
I don't make any decisions	4	2.07
Another adult makes the decisions	18	9.33
Total	193	100.00

To assess the budgeting circumstances all respondents were asked about their decision making processes about their household budget. Full responses to each of the choices are shown below. We can see that the responses are similar between the full and LW samples (and not formally statistically different). We can see that of the 491 respondents 242 report

[9] See WLinY questionnaire Section 7 pp.41-46

some degree of struggle or not keeping up with bills (though there is no difference here between the LW and non-LW sample).

Table 5.3: All respondents: "Which statement best describes how well your household has been keeping up with bills and credit agreements?"

	Freq.	**Percent**
Keeping up with all bills w/o difficulty	248	50.51
Keeping up with all bills but a struggle	159	32.38
Keeping up with all bills constant struggle	69	14.05
Not keeping up: fallen behind with some	12	2.44
Not keeping up: fallen behind with many	2	0.41
Don't Know	1	0.20
Total	491	100.00

Table 5.4: Living Wage respondents only: "Which statement best describes how well your household has been keeping up with bills and credit agreements?"

	Freq.	**Percent**
Keeping up with all bills w/o difficulty	89	46.11
Keeping up with all bills but a struggle	67	34.72
Keeping up with all bills constant struggle	29	15.03
Not keeping up: fallen behind with some	6	3.11
Not keeping up: fallen behind with many	1	0.52
Don't Know	1	0.52
Total	193	100.00

Debt

To try and understand the experience of debt within the WLinY sample respondents were asked a series of questions about their ability to pay and afford certain expenses. For example to gauge the degree of actual debt experienced, all respondents were asked if they (or their household) had been arrears during the last 12 months due to a lack of money for a series of items listed covering housing costs, utility bills, hire purchase, loans etc. (see page 41 of the WLinY survey questionnaire for the full list of 13 items listed). From the listed items those identified by more than nine of the 491 respondents were 29 for "Mortgage or Rent", 21 for "Council Tax" and 20 for "Credit card payments". Overall on this question 418 respondents out of the 491 identified "None of the above" in relation to the 13 items listed as having been in arrears in over the last 12 months. Interestingly the experience of the LW only and non-

LW sub-samples do seem to differ significant in relation to this final point. Comparing the proportions within the sub-samples reporting “none of these” to this question identified the LW only sample to have a significantly lower response of “none of these” a finding which is consistent with a higher instance and experience of arrears for the LW only sample.

To understand the financial resources of the sample to absorb an unexpected but necessary expenses they were asked, could you household afford to pay an expenses of £200, and if so then asked if they could absorb one of £500. The table below shows these proportions for the full, LW only and three employer samples. We can see that over three-quarters of the sample respond that they can afford this expense and 78% of these can afford an unexpected expense of £500 (59% of the full sample). Overall the experience of the non-LW and the LW only sample are not formally statistically distinct here.

Table 5.5: Ability to manage unexpected expenses

	Yes	
Could your household afford to pay an unexpected, but necessary, expense of £200?	All ~ 373 of 491 76.0% LW only ~ 141 of 193 73.0%	CYC ~ 285 of 380 75% JRF/JRHT ~ 64 of 86 74.4% YSJU ~ 24 of 25 96.0%
If yes, could your household afford to pay an unexpected, but necessary, expense of £500?	All ~ 291 of 373 78.0% LW only ~ 103 of 141 73.1%	CYC ~ 223 of 285 78.3% JRF/JRHT ~ 48 of 64 75% YSJU ~ 20 of 25 83.3%

Respondents were asked about their borrowing over the last 12 months and given a range of possible sources for borrowing e.g. pawnbroker, money lender (doorstop, payday loan), loan shark, social fund etc. (see page 42 of the WLinY survey questionnaire for the full list of seven items listed). Of the responses 343 (69.9%) report “None of these” (no difference between the LW only and non-LW sample) of the others though there is clearly a large amount of informal borrowing to meet <u>day-to-day</u> needs within the sample, 113 report using family and 28 report using friends to help them meet these day to day needs. Also, 18 report using pawnbrokers, money lenders (payday loans, doorstep or money shop) or unlicensed lenders – more than threefold higher response than for the credit union (only five respondents noted this).

Individuals were asked about their regular debt repayments, 373 respondents responded that they did not have any of the regular debts listed but for those that did outside of student loans (20) the most frequently reported items were benefit/social fund re-payments (15), doorstep or paycheck loans (11), and Other (58) which was then most frequent other specified of these 58 were credit card repayments (22), bank loans (14) and debt advisors & management (5). Respondents were invited to list the amounts paid on a regular basis and the weekly equivalised amounts reported the for benefit/social fund re-payments ranged from £2.31 to £46.19 per week with median (mean) being £9.24 (£11.19), doorstep or paycheck loans between £4.62 to £40.42 (median £6.93, mean £16.66) and “Other” ranging from £2.31 to £184.76 (median £27.32 and mean £37.89).

Respondents were asked to characterise their card payments and the responses are shown below for the full and LW only sample. Interestingly the proportions are similar with the exception of option four which is “no cards”. The full sample proportion reporting not the not holding of credit card 38.29% compared to 44.56% within the LW only sample. This is interesting to see as it clearly limits the credit access of this group – a distinction between the LW and non-LW group that is formally significant.

Table 5.6: “How would you characterise your card payments?”

	Freq.	Percent	Cum.
I clear the balance(s) every month	149	30.35	30.35
I usually clear the balance(s) every month	28	5.70	36.05
I pay the minimum every month	58	11.81	47.86
No cards	188	38.29	86.15
Other please specify:	65	13.24	99.39
Don't Know	3	0.61	100.00
Total	491	100	

Table 5.7: Living Wage respondents only: "How would you characterise your card payments?"

	Freq.	Percent	Cum.
I clear the balance(s) every month	53	27.46	27.46
I usually clear the balance(s) every month	12	6.22	33.68
I pay the minimum every month	21	10.88	44.56
No cards	86	44.56	89.12
Other please specify:	20	10.36	99.48
Don't Know	1	0.52	100.00
Total	193	100	

Savings

Respondents were asked whether and how much they saved. Of the 491 respondents, 220 reported "No, they did not save" – and there was no formally significant difference in this between LW only and non-LW workers. Of the 271 that did save 236 (87.1%) reported that they saved on a monthly basis with median (mean) monthly savings of £67.40 (£110.50).

Overall levels of savings are reported in the table below with about half the sample having below £2,000.

Table 5.8: Levels of savings held by respondents

Savings		
	Number of all (LW only) respondents	Proportions of all (LW only) respondents
Below £2,000	254 (107)	51.7% (55.4%)
£2,000 - £16,000	147 (57)	29.9% (29.5%)
Above £16,000	80 (25)	16.3% (13.0%)
Don't know	10 (4)	2.0% (2.07)
Number of respondents	491 (193)	

Notes to Table 5.8:The LW and non-LW are not formally distinct in responses here.

Summary to Chapter 5

Overall there seems to be a challenge meeting day-to-day needs and 49% of the sample report some difficulty or greater with meeting bills. For the LW only sample they are less likely to hold credit cards than the other employees in the sample (with wage rates above £7.65 up to £10 per hour). The lack of access to formal credit would make the possibility of an employer supported/recommended credit union a good and safe sort of credit for this group, and particularly so if the method of engagement around the credit union was in a form(s) that was easily accessible for this group.

Chapter 6: Fuel Poverty[10]

6.1 Overview of the questions and data transformations

A variety of survey questions relating to fuel poverty were asked with the majority of questions focusing on consensual measures of fuel poverty[11]. Fuel poverty researchers have used consensual measures for a range of practical and conceptual reasons. In practical terms, the UK's definition of fuel poverty relies on detailed technical information about the housing stock (drawing on data from the English Housing Survey), which means that whilst fuel poverty statistics can provide national estimates of fuel poverty, it is very difficult to identify households that are actually in fuel poverty. In conceptual terms, those arguing in favour of consensual measures suggest that 'such an approach attempts to capture the wider components of fuel poverty, such as social exclusion and material deprivation' (Healy and Clinch 2002: 10). For both reasons, their use has become popular within fuel poverty research (see Thomson and Snell 2013).

Within the survey the consensual measures were grouped into a number of components:

- A self-assessment of whether the home was sufficiently warm;
- The consequences of the home being of a sub optimal temperature, such as staying in bed for longer periods, worsened health, staying away from the home, feeling depressed, not having guests into the home;
- Actions taken to cut energy bills (despite the home not being warm enough) such as reduced heating hours, using less lighting, using less hot water, having fewer hot meals or drinks

In addition to these questions, two other indicators of fuel poverty were considered: presence of energy debt and payment type. Participants were also asked whether they had received any energy related support, both financial (such as the Warm Home Discount) and practical (such as cavity wall insulation).

[10] See WLinY questionnaire Section 9 pp.53-62
[11] Inspired originally by Townsend and Gordon in the broader field of poverty/social indicators

Following an initial analysis of the data a number of transformations were made, largely due to the size of the dataset and low number of responses across the questions. Firstly, a 'cut down fuel costs' indicator was created which combined all actions that were taken to reduce energy bills. Secondly a 'fuel poverty consequences' indicator was created which combined all reported negative effects of the home not being at an 'about right' temperature (including the reported health effects and social impacts). Whilst these transformations lose detail, they act as a fuel poverty flag, highlighting where a household may be experiencing some form of fuel poverty.

6.2 Energy debt, cash payments and energy payment type

6.2.1 Energy used

Table 6.1 outlines the forms of energy used in the respondents' homes. The majority of households in the sample were served by mains gas and electricity. However, 41 households reported not having mains gas (a situation typically associated with higher energy bills, see Baker (2011).[12] 56 households reported using solid fuel, in most cases this was wood that was collected cheaply or freely and used in a wood burner.

Table 6.1: Forms of energy used in the home

Energy type	Yes	No	Percentage (yes)
Soil fuel	56	435	11.4
Mains electricity	486	5[13]	99
Mains gas (mains)	450	41	91.6
Gas (bottled)	8	483	1.6
Oil	16	475	3.3
Other	9	482	1.8

6.2.2 Payment type for those on mains gas and/or electricity

Within this dataset 297 (60 per cent) households were on a dual fuel tariff, 125 (25.5 per cent) paid for their gas and electricity separately, and 33 (6.7 per cent) only paid for electricity as they did not have gas. Table 6.2 highlights payment method. Of the households

[12] This figure is questionable as it is extremely rare for a household not to receive mains electricity.

with gas and/or electricity the majority paid for these by direct debit (72.4 per cent for electricity and 73 per cent for gas).

Typically the optimal payment method is considered to be direct debit as this allows households to pay the same amount every month, regardless of energy used. Monthly/quarterly bills (also known as Standard Credit) can be less desirable as they can cause financial shocks following periods of high energy use (see Beatty *et al* 2014). Pre-payment meters (PPMs) are considered even less desirable as they usually carry the highest energy costs (which vary significantly over the course of the year). PPM customers also run the risk of 'self-disconnection' (see Vyas (2014)) where they are temporarily disconnected from their energy supply if insufficient funds are available (see Snell *et al* 2015 for a discussion of the impact of PPMs). Analysis of official fuel poverty data (DECC 2015a) shows that the lowest rates of fuel poverty are amongst those who pay for their energy by direct debit (6 per cent fuel poverty rate amongst gas customers and 7 per cent for electricity customers). Amongst those paying by standard credit rates are higher at 16 per cent for gas customers and 15 per cent for electricity customers. Rates are the highest amongst those using a PPM, at 21 per cent for gas customers and 22 per cent for electricity customers (DECC 2015a: 47-48).

These figures can be compared to national data. Data analysis from 2015 from the Department of Energy and Climate Change estimates that 55.76 per cent of households pay for electricity by Direct Debit, 27.48 per cent by Standard Credit, and 16.72 by PPM (DECC 2015b). For Gas Customers 57 per cent pay by Direct Debit, 28 per cent by Standard Credit, and 15 per cent by PPM (DECC 2015c). In this dataset more households pay by direct debit and fewer by PPM than the national average.

Table 6.2: Energy payment method

Utility	Payment method	Number	Per cent	Per cent of sample
Electricity	Direct Debit	307	72.4	62.5
	Standard Credit	71	16.7	14.5
	PPM	46	10.8	9.4
	Total	424	100.0	86.4
Gas	Direct Debit	287	73.0	58.5
	Standard Credit	64	16.3	13.0
	PPM	42	10.7	8.6
	Total	393	100.0	80.0

Payment method by employer

Tables 6.3 and 6.4 present cross tabulations of payment method by employer for electricity and gas. The results are similar for both utilities, with JRF employees having lower rates of Direct Debit payment and higher rates of Standard Credit use. Whilst the results for electricity payment are not statistically significant, the results for gas are significant at the 95 per cent level.

Table 6.3: Payment method by employer (electricity)

		Employer			
		CYC	JRF/JRHT	YSJU	Total
pays for electricity by Direct Debit	Count	241	46	20	307
	% within electricity	78.5%	15.0%	6.5%	100.0%
	% within Employer	74.2%	61.3%	83.3%	72.4%
	% of Total	56.8%	10.8%	4.7%	72.4%
pays for electricity by Standard Credit	Count	51	18	2	71
	% within electricity	71.8%	25.4%	2.8%	100.0%
	% within Employer	15.7%	24.0%	8.3%	16.7%
	% of Total	12.0%	4.2%	0.5%	16.7%
pays for electricity by PPM	Count	33	11	2	46
	% within electricity	71.7%	23.9%	4.3%	100.0%
	% within Employer	10.2%	14.7%	8.3%	10.8%
	% of Total	7.8%	2.6%	0.5%	10.8%
Total	Count	325	75	24	424
	% within electricity	76.7%	17.7%	5.7%	100.0%
	% within Employer	100.0%	100.0%	100.0%	100.0%
	% of Total	76.7%	17.7%	5.7%	100.0%

Pearson Chi Square= 6.682, df = 4, sig = .154

Table 6.4: Payment method by employer (gas)

		Employer			Total
		CYC	**JRF/JRHT**	**YSJU**	
pays for gas by Direct Debit	Count	228	41	18	287
	% within gas	79.4%	14.3%	6.3%	100.0%
	% within Employer	74.5%	61.2%	90.0%	73.0%
	% of Total	58.0%	10.4%	4.6%	73.0%
pays for gas by Standard Credit	Count	46	18	0	64
	% within gas	71.9%	28.1%	0.0%	100.0%
	% within Employer	15.0%	26.9%	0.0%	16.3%
	% of Total	11.7%	4.6%	0.0%	16.3%
pays for gas by PPM	Count	32	8	2	42
	% within gas	76.2%	19.0%	4.8%	100.0%
	% within Employer	10.5%	11.9%	10.0%	10.7%
	% of Total	8.1%	2.0%	0.5%	10.7%
Total	Count	306	67	20	393
	% within gas	77.9%	17.0%	5.1%	100.0%
	% within Employer	100.0%	100.0%	100.0%	100.0%
	% of Total	77.9%	17.0%	5.1%	100.0%

Pearson Chi Square = 10.446, df = 4, sig = .034

Payment method by Living Wage

Tables 6.5 and 6.6 present payment method by living wage for electricity and gas payment respectively. Some minor differences exist between groups, with slightly lower proportions of respondents in receipt of the living wage paying by Direct Debit, and slightly higher proportions of the same group paying by Standard Credit and PPM. However, these differences are small and are not statistically significant.

Table 6.5: Payment method by living wage (electricity)

		Living Wage			Total
		Above LW £7.65	**Living Wage / LW Supplement**	**Apprentice**	
pays for electricity by Direct Debit	Count	191	115	1	307
	% within electricity	62.2%	37.5%	0.3%	100.0%
	% within Living Wage	74.0%	69.7%	100.0%	72.4%
	% of Total	45.0%	27.1%	0.2%	72.4%
pays for electricity by Standard Credit	Count	42	29	0	71
	% within electricity	59.2%	40.8%	0.0%	100.0%
	% within Living Wage	16.3%	17.6%	0.0%	16.7%
	% of Total	9.9%	6.8%	0.0%	16.7%
pays for electricity by PPM	Count	25	21	0	46
	% within electricity	54.3%	45.7%	0.0%	100.0%
	% within Living Wage	9.7%	12.7%	0.0%	10.8%
	% of Total	5.9%	5.0%	0.0%	10.8%
Total	Count	258	165	1	424
	% within electricity	60.8%	38.9%	0.2%	100.0%
	% within Living Wage	100.0%	100.0%	100.0%	100.0%
	% of Total	60.8%	38.9%	0.2%	100.0%

Pearson Chi Square 1.600, df = 4, sig = .809

Table 6.6: Payment method by living wage (gas)

		Living Wage			Total
		Above LW £7.65	**Living Wage / LW Supplement**	**Apprentice**	
pays for gas by Direct Debit	Count	178	108	1	287
	% within gas	62.0%	37.6%	0.3%	100.0%
	% within	75.4%	69.2%	100.0%	73.0%
	% of Total	45.3%	27.5%	0.3%	73.0%
pays for gas by Standard Credit	Count	36	28	0	64
	% within gas	56.3%	43.8%	0.0%	100.0%
	% within Living Wage	15.3%	17.9%	0.0%	16.3%
	% of Total	9.2%	7.1%	0.0%	16.3%
pays for gas by PPM	Count	22	20	0	42
	% within gas	52.4%	47.6%	0.0%	100.0%
	% within Living Wage	9.3%	12.8%	0.0%	10.7%
	% of Total	5.6%	5.1%	0.0%	10.7%
Total	Count	236	156	1	393
	% within gas	60.1%	39.7%	0.3%	100.0%
	% within Living Wage	100.0%	100.0%	100.0%	100.0%
	% of Total	60.1%	39.7%	0.3%	100.0%

Pearson Chi Square 2.358, df = 4, sig = .8067

Payment method by poverty threshold

The AHC poverty threshold/payment method cross tabulation highlights several interesting findings that are statistically significant (Tables 6.7 and 6.8). Firstly, of the households below the poverty threshold a higher proportion of households are on a PPM than the national average and secondly, almost double the proportion of households below the poverty threshold are on a PPM in comparison to those that are above it. As described above PPMs can leave households vulnerable to financial shocks, for example, PPM customers feel the immediate financial effects of cold weather and do not have the ability to spread the cost of increased energy use over longer periods of time.

Table 6.7: Payment method by AHC poverty threshold (electricity)

		Equivalised AHC at or below 60% median 2012/13: £224 per week		
		Above 60% median	At or below 60% median	Total
pays for electricity by Direct Debit	Count	173	37	210
	% within electricity	82.4%	17.6%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	74.6%	58.7%	71.2%
	% of Total	58.6%	12.5%	71.2%
pays for electricity by Standard Credit	Count	35	12	47
	% within electricity	74.5%	25.5%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	15.1%	19.0%	15.9%
	% of Total	11.9%	4.1%	15.9%
pays for electricity by PPM	Count	24	14	38
	% within electricity	63.2%	36.8%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	10.3%	22.2%	12.9%
	% of Total	8.1%	4.7%	12.9%
Total	Count	232	63	295
	% within electricity	78.6%	21.4%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	100.0%	100.0%	100.0%
	% of Total	78.6%	21.4%	100.0%

Pearson Chi Square = 7.66, df = 2, sig = .022

Table 6.8: Payment method by AHC poverty threshold (gas)

		Equivalised AHC at or below 60% median 2012/13: £224 per week		
		Above 60% median	At or below 60% median	Total
pays for gas by Direct Debit	Count	161	34	195
	% within gas	82.6%	17.4%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	74.9%	59.6%	71.7%
	% of Total	59.2%	12.5%	71.7%
pays for gas by Standard Credit	Count	32	10	42
	% within gas	76.2%	23.8%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	14.9%	17.5%	15.4%
	% of Total	11.8%	3.7%	15.4%
pays for gas by PPM	Count	22	13	35
	% within gas	62.9%	37.1%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	10.2%	22.8%	12.9%
	% of Total	8.1%	4.8%	12.9%
Total	Count	215	57	272
	% within gas	79.0%	21.0%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	100.0%	100.0%	100.0%
	% of Total	79.0%	21.0%	100.0%

Pearson Chi Square = 7.201, df = 2, sig = .027

Tables 6.9 and 6.10 demonstrate the impact of using the BHC poverty threshold. Once again, a higher proportion of households that fall below the poverty threshold use the Standard Credit method compared to those above it. As before, the proportion of those on PPMs does not fit with the general expectation that poorer households will be on a PPM. These results are not statistically significant.

Table 6.9: Payment method by BHC poverty threshold (electricity)

		Equivalised BHC at or below 60% median 2012/13: £264 per week		
		Above 60% median	**At or below 60% median**	Total
pays for electricity by Direct Debit	Count	182	28	210
	% within electricity	86.7%	13.3%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	71.7%	68.3%	71.2%
	% of Total	61.7%	9.5%	71.2%
pays for electricity by Standard Credit	Count	37	10	47
	% within electricity	78.7%	21.3%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	14.6%	24.4%	15.9%
	% of Total	12.5%	3.4%	15.9%
pays for electricity by PPM	Count	35	3	38
	% within electricity	92.1%	7.9%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	13.8%	7.3%	12.9%
	% of Total	11.9%	1.0%	12.9%
Total	Count	254	41	295
	% within electricity	86.1%	13.9%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	100.0%	100.0%	100.0%
	% of Total	86.1%	13.9%	100.0%

Pearson Chi Square 3.339, df = 3, sig = .188

Table 6.10: Payment method by BHC poverty threshold (gas)

		Equivalised BHC at or below 60% median 2012/13: £264 per week		
		Above 60% median	At or below 60% median	Total
pays for gas by Direct Debit	Count	169	26	195
	% within gas	86.7%	13.3%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	71.9%	70.3%	71.7%
	% of Total	62.1%	9.6%	71.7%
pays for gas by Standard Credit	Count	33	9	42
	% within gas	78.6%	21.4%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	14.0%	24.3%	15.4%
	% of Total	12.1%	3.3%	15.4%
pays for gas by PPM	Count	33	2	35
	% within gas	94.3%	5.7%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	14.0%	5.4%	12.9%
	% of Total	12.1%	0.7%	12.9%
Total	Count	235	37	272
	% within gas	86.4%	13.6%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	100.0%	100.0%	100.0%
	% of Total	86.4%	13.6%	100.0%

Pearson Chi Square 4.054 df = 3, sig = .132

6.3.3 Debt and support

When asked whether the household had been in arrears on electricity, gas or fuel bills in the last 12 months 12 households (2.4 per cent) responded that they had. This compares favourably to the most recent nation figures (from 2013) of 6 per cent (Ofgem 2014) across both domestic gas and electricity accounts.

In terms of financial support (see Table 6.11) 9 households (1.8 per cent) reported receiving the Warm Home Discount (a means tested energy rebate paid through energy bills) or Cold

Weather Payments (a means tested payment provided during cold weather). Additionally, 53 (10.8 per cent) reported receiving the non-means tested Winter Fuel Allowance.

Table 6.11: Financial Support for energy

Scheme	Frequency	Percent
Warm Home Discount (energy rebate based on qualifying benefits, arranged through energy company)	5	1
Cold Weather Payment (cash payment based on qualifying benefits, paid during exceptionally cold weather)	4	.8
Winter Fuel Allowance (non means tested benefit paid to those of pensionable age)	53	10.8
Fuel Direct (payment plan arranged between DWP and energy company)	0	0

A variety of energy efficiency subsidies exist, and respondents were asked whether 1) they (or their landlord) had made energy efficiency related improvements to their homes, and 2) whether they had received financial support for this. Figures are presented in Table 6.12, with specific energy efficiency measures highlighted in bold.

Table 6.12: Energy efficiency measures undertaken

	Frequency	Percentage
Put in a complete central heating system	**5**	**1**
Replace central heating boiler	**62**	**12.6**
Service the central heating boiler	**240**	**48.9**
Replace at least half of the central heating radiators	**19**	**3.9**
Add more radiators	**28**	**5.7**
Put storage heaters in where the house/flat only had individual fires or room heaters before	0	
Replace at least half of the storage heaters	0	
Service gas fires or heaters	47	9.6
Put in extra gas fires or heaters	9	1.8
Put in extra loft insulation	**43**	**8.8**
Put in cavity wall insulation	**23**	**4.7**
Put in solid wall insulation	**1**	**.2**
Put in sound insulation to floors, walls or ceilings	3	.6
None of the above	**163**	**33.2**

Of the energy efficiency measures undertaken, 37 respondents (29.8 per cent) reported that more than half the cost was paid for by a grant or their landlord, 6 (4.8 per cent) had less than half paid for, and 81 (65.3 per cent) had no financial support.

6.3 Self-assessment of whether the home is sufficiently warm

Participants were asked to describe the level of warmth in their home over the previous winter (Table 6.13). The majority, 70.3 per cent described it as ‘About right’, however, 23.8 per cent described it as ‘A bit colder’ or ‘Much colder’ than they would have liked.

Table 6.13: How would you describe the level of warmth in your home last year?

Temperature	Frequency	Percent
Much colder than you would have liked	34	6.9
A bit colder than you would have liked	83	16.9
About right	345	70.3
A bit warmer than you would have liked	11	2.2
A lot warmer than you would have liked	4	.8
Both too warm and too cold	9	1.8
Don't Know	5	1.0
Total	491	100.0

A sub sample of 146 respondents (all those describing the temperature as not being ‘about right’ were then asked follow up questions about the consequences of this[14] and results are presented in Table 6.14.

Table 6.14: Consequences of the home not being of a satisfactory temperature

Consequence	Frequency	Percentage of sub sample	Percentage of total sample
Made an existing health problem or problems worse	19	13	3.9
Brought on a new health problem or problems	6	4.1	1.2
Made me/us feel miserable, anxious or depressed	40	27.4	8.1
I/we did not feel able to invite friends or family to the house	18	12.3	3.7
I/we spent as much time as possible away from the house	11	7.5	2.2
I/we stayed in bed longer than we wanted to keep warm	32	21.9	6.5

[14] Respondents were able to choose as many as they wanted

Given the relatively low numbers in the sub sample, and the need to compare these findings with other variables, at this point a new binary 'fuel poverty consequences' indicator was created that combined the presence of any of the above consequences into a single measure.

In total, 62 respondents, representing 12.6 per cent of the entire sample reported at least one of the listed fuel poverty consequences. Within the new indicator, three categories have been created to capture 1) those who are satisfied with the level of warmth in their home 2) those who are not satisfied but who have reported no negative consequences, and 3) those who are not satisfied and who have reported negative consequences. Following this four cross tabulations were conducted, comparing the fuel poverty consequences against the poverty threshold (s), employer, and living wage status. Whilst very few results are statistically significant and no generalisations can be made, the results remain of interest.

6.3.1 Fuel poverty consequences and employer

Table 6.15 presents a cross tabulation that analyses the fuel poverty consequences indicator against employer. The highest levels of satisfaction are amongst CYC employees with 71.8 per cent reporting that the level of warmth is about right compared to 66.3 per cent at JRF and 60 per cent at YSJU. In contrast, the highest proportion of respondents reporting negative consequences is amongst YSJU employees (24 per cent) compared to 17.4 per cent at JRF and 10.8 per cent at CYC. It should be noted that the results are not statistically significant, and the numbers (especially for YSJU) are very low.

Table 6.15: Fuel poverty consequences and employer

		Employer			Total
		CYC	JRF/JRHT	YSJU	
Heating 'about right'	Count	273	57	15	345
	% within negative consequences of household temperature	79.1%	16.5%	4.3%	100.0%
	% within Employer	71.8%	66.3%	60.0%	70.3%
	% of Total	55.6%	11.6%	3.1%	70.3%
Heating not as respondent would like but no consequences	Count	66	14	4	84
	% within negative consequences of household temperature	78.6%	16.7%	4.8%	100.0%
	% within Employer	17.4%	16.3%	16.0%	17.1%
	% of Total	13.4%	2.9%	0.8%	17.1%
Heating not as respondent would like with reported consequences	Count	41	15	6	62
	% within negative consequences of household temperature	66.1%	24.2%	9.7%	100.0%
	% within Employer	10.8%	17.4%	24.0%	12.6%
	% of Total	8.4%	3.1%	1.2%	12.6%
Total	Count	380	86	25	491
	% within negative consequences of household temperature	77.4%	17.5%	5.1%	100.0%
	% within Employer	100.0%	100.0%	100.0%	100.0%
	% of Total	77.4%	17.5%	5.1%	100.0%

Pearson Chi-Square = 5.927, df=4, Sig = .205

6.3.2 Fuel poverty consequences and poverty thresholds

Table 6.16 presents a cross tabulation that analyses the fuel poverty consequences indicator against the AHC poverty threshold. 73.5 per cent of those above the AHC threshold reported their household temperature being 'about right' compared to 59.2 per cent below the threshold. Equally, of those below the threshold, 22.4 per cent reported negative consequences associated with the temperature of their home compared to 11.7 per cent who were above the threshold. Results are similar for the BHC measure of poverty (Table 6.17), although the proportion of those under the BHC poverty line who are experiencing negative consequences is lower than the AHC figure at 16.7 per cent, and for those over the threshold is .2 per cent higher at 13.4 per cent. The results are not statistically significant and should be treated with caution.

Table 6.16: Negative consequences of household temperature for those at/below AHC poverty threshold[15]

		Equivalised AHC at or below 60% median 2012/13: £224 per week		
		Above 60% median	At or below 60% median	Total
Heating 'about right'	Count	189	45	234
	% within negative consequences of household temperature	80.8%	19.2%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	73.5%	59.2%	70.3%
	% of Total	56.8%	13.5%	70.3%
Heating not as respondent would like but no consequences	Count	38	14	52
	% within negative consequences of household temperature	73.1%	26.9%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	14.8%	18.4%	15.6%
	% of Total	11.4%	4.2%	15.6%
Heating not as respondent would like with reported consequences	Count	30	17	47
	% within negative consequences of household temperature	63.8%	36.2%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	11.7%	22.4%	14.1%
	% of Total	9.0%	5.1%	14.1%
Total	Count	257	76	333
	% within negative consequences of household temperature	77.2%	22.8%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	100.0%	100.0%	100.0%
	% of Total	77.2%	22.8%	100.0%

Pearson Chi Square 6.964; df = 2; sig = .031

[15] Due to the construction of this variable an additional 5 cases have been designated 'missing'.

Table 6.17: Negative consequences of household temperature for those at/below BHC poverty threshold

		Equivalised BHC at or below 60% median 2012/13: £264 per week		Total
		Above 60% median	**At or below 60% median**	
Heating 'about right'	Count	198	36	234
	% within negative consequences of household temperature	84.6%	15.4%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	69.7%	66.7%	69.2%
	% of Total	58.6%	10.7%	69.2%
Heating not as respondent would like but no consequences	Count	48	9	57
	% within negative consequences of household temperature	84.2%	15.8%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	16.9%	16.7%	16.9%
	% of Total	14.2%	2.7%	16.9%
Heating not as respondent would like with reported consequences	Count	38	9	47
	% within negative consequences of household temperature	80.9%	19.1%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	13.4%	16.7%	13.9%
	% of Total	11.2%	2.7%	13.9%
Total	Count	284	54	338
	% within negative consequences of household temperature	84.0%	16.0%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	100.0%	100.0%	100.0%
	% of Total	84.0%	16.0%	100.0%

Pearson Chi Square = .415 ; df =2; sig = .813

6.3.3 Fuel Poverty consequences and living wage

Whilst a similar cross tabulation was conducted for living wage variable the results are not presented here. This is because the results for each category were very similar, and the p value was .982.

6.4 Actions to cut costs

Respondents were asked whether they had taken actions to reduce their energy expenditure 'because you could not afford the costs'. The responses are listed in Table 6.18. 254 (51.7 per cent) responded that they took none of the listed actions. On the other hand, 100 (20.4 per cent) reported turning the heating down or off despite it being too cold, 150 (30.5 per cent) reported cutting down on heating hours, 103 (21 per cent) reported turning out more lights than they wanted to, and 63 (12.8 per cent) only heated and used part of the house.

Table 6.18: Actions to cut heating costs

Actions to cut costs	Response	Frequency	Percent
Turned heating down/off, even though it was too cold in the house/flat	No	391	79.6
	Yes	100	20.4
	Total	491	100.0
Only heated and used part of the house	No	428	87.2
	Yes	63	12.8
	Total	491	100.0
Cut the number of hours the heating was on to reduce fuel costs	No	341	69.5
	Yes	150	30.5
	Total	491	100.0
Used less hot water than I/we needed to reduce fuel costs	No	465	94.7
	Yes	26	5.3
	Total	491	100.0
Turned out more lights in my home than I/we wanted to, to try to reduce the electricity bill	No	388	79.0
	Yes	103	21.0
	Total	491	100.0
Had fewer hot meals or hot drinks than I/we needed to reduce fuel costs	No	489	99.6
	Yes	2	.4
	Total	491	100.0
Other cut back on fuel use to reduce fuel costs	No	466	94.9
	Yes	25	5.1
	Total	491	100.0
None of these	No	237	48.3
	Yes	254	51.7
	Total	491	100.0

These variables were then combined to create a binary 'cutting fuel costs' indicator of fuel poverty, where at least one action was undertaken to cut energy costs.

6.4.1 Cutting fuel costs and employer

Table 6.19 demonstrates that compared to CYC and JRF, a lower proportion of YSJU respondents reported taking cost cutting measures (36 per cent). As with the previous cross tabulations the numbers are relatively small and the results are not statistically significant.

Table 6.19: Cutting heating costs (by employer)

		Employer			Total
		CYC	**JRF/JRHT**	**YSJU**	
Not reported	Count	199	43	16	258
	% within cutting costs	77.1%	16.7%	6.2%	100.0%
	% within Employer	52.4%	50.0%	64.0%	52.5%
	% of Total	40.5%	8.8%	3.3%	52.5%
Taken cost cutting measures	Count	181	43	9	233
	% within cutting costs	77.7%	18.5%	3.9%	100.0%
	% within Employer	47.6%	50.0%	36.0%	47.5%
	% of Total	36.9%	8.8%	1.8%	47.5%
Total	Count	380	86	25	491
	% within cutting costs	77.4%	17.5%	5.1%	100.0%
	% within Employer	100.0%	100.0%	100.0%	100.0%
	% of Total	77.4%	17.5%	5.1%	100.0%

Pearson Chi Square 1.544, df = 2, Sig = .462

6.4.2 Cutting fuel costs and poverty

Table 6.20 demonstrates that higher proportions of respondents below the AHC threshold have taken cost cutting measures than those above the threshold (62.5 per cent compared to 43.2 per cent). The cross tabulation is statistically significant.

Table 6.20: Cutting heating costs and AHC poverty threshold

		Equivalised AHC at or below 60% median 2012/13: £224 per week		
		Above 60% median	**At or below 60% median**	Total
Not reported	Count	146	30	176
	% within cutting costs	83.0%	17.0%	100.0%
	% within BelowEAHCv2	56.6%	37.5%	52.1%
	% of Total	43.2%	8.9%	52.1%
Taken cost cutting measures	Count	112	50	162
	% within cutting costs	69.1%	30.9%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	43.4%	62.5%	47.9%
	% of Total	33.1%	14.8%	47.9%
% within cutting costs	% within cutting costs	258	80	338
	% within cutting costs	76.3%	23.7%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	100.0%	100.0%	100.0%
	% of Total	76.3%	23.7%	100.0%

Pearson Chi Square = 8.916 df = 1; Sig = .003

The results for the BHC threshold cross tabulation (Table 6.21) are less striking than the AHC measure. 51.9 per cent of those under the BHC threshold reported taking cost cutting measures compared to 47.2 per cent who are about the threshold. However, the numbers are small and results are not statistically significant.

Table 6.21 Cutting heating costs and BHC poverty threshold

		Equivalised BHC at or below 60% median 2012/13: £264 per week		Total
		Above 60% median	**At or below 60% median**	
Not reported	Count	150	26	176
	% within cutting costs	85.2%	14.8%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	52.8%	48.1%	52.1%
	% of Total	44.4%	7.7%	52.1%
Taken cost cutting measures	Count	134	28	162
	% within cutting costs	82.7%	17.3%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	47.2%	51.9%	47.9%
	% of Total	39.6%	8.3%	47.9%
Total	Count	284	54	338
	% within cutting costs	84.0%	16.0%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	100.0%	100.0%	100.0%
	% of Total	84.0%	16.0%	100.0%

Pearson Chi Square = .396; df = 1; Sig = .529

6.4.3 Cutting fuel costs and the living wage

Of those who had taken cost cutting measures 49.7 per cent were on the living wage/supplement compared to 46.1 per cent who were above the living wage (Table 6.22). As before, the same caveats apply to the data.

Table 6.22: Cutting heating costs and the Living Wage

		Living Wage			Total
		Above LW £7.65	**Living Wage / LW Supplement**	**Apprentice**	
Not reported	Count	158	97	3	258
	% within cutdownfuelcosts	61.2%	37.6%	1.2%	100.0%
	% within Living Wage	53.9%	50.3%	60.0%	52.5%
	% of Total	32.2%	19.8%	0.6%	52.5%
Taken cost cutting measures	Count	135	96	2	233
	% within cutdownfuelcosts	57.9%	41.2%	0.9%	100.0%
	% within Living Wage	46.1%	49.7%	40.0%	47.5%
	% of Total	27.5%	19.6%	0.4%	47.5%
Total	Count	293	193	5	491
	% within cutdownfuelcosts	59.7%	39.3%	1.0%	100.0%
	% within Living Wage	100.0%	100.0%	100.0%	100.0%
	% of Total	59.7%	39.3%	1.0%	100.0%

Pearson Chi Square: .740; df = 2; Sig = .691

A note on Water and Sewerage

Discussions about 'water poverty' have become more prevalent over the last five years, especially given that water is a utility that cannot be disconnected regardless of debt or (see Bradshaw and Huby 2013) non-payment. Within this sample a total of eight households reported being behind with their water bills in the last 12 months - a lower number than those reporting fuel debt. Several schemes exist to help households that are in debt, one respondent reported being on a debt repayment scheme, whereas seven households reported receiving some form of help but were unable to specify what this was.

Summary to Chapter 6

This section has highlighted that almost a quarter of respondents live in a home that is 'colder' or 'much colder' than they would like, and 12.6 per cent of the sample have experienced consequences as a result of this including worsened health, feeling depressed and staying in bed for longer periods of time. Additionally, 30.5 per cent of respondents have cut heating hours in order to reduce fuel costs, and 20.4 per cent turned the heating down or off despite the house being too cold. Whilst the dataset is arguably too small to analyse these figures convincingly by employer, living wage or poverty threshold, overall these results indicate vulnerability to the effects of fuel poverty across the sample.

Analysis of energy payment method has also provided interesting results. Whilst Direct Debit usage is higher than the national average, approximately 10 per cent of the households pay by PPM and may be exposed to higher costs and periods of disconnection. Equally, around 16 per cent of households pay by Standard Credit and are more likely to be exposed to the financial shocks associated with this method. One significant finding is that 26.9 per cent of JRF employees used Standard Credit compared to 15 per cent of CYC employees. It is a difference that warrants further attention.

Despite the findings outlined above, there appear to be relatively low levels of take up of fuel poverty schemes such as the Warm Home Discount and energy efficiency schemes such as the Green Deal or Energy Companies Obligation (ECO).

Chapter 7: Transport[16]

Given that low income groups are generally less likely to have access to a motorised vehicle, despite this often being an essential means of accessing essential goods, services, and employment (see Titheridge *et al* 2014), this chapter considers the presence of a motorised vehicle (e.g. a car, van, motorbike or moped) within the sample households. Furthermore, patterns of commuting, and time and money spent commuting are considered. These variables are assessed against employer, the two poverty thresholds, and receipt of the living wage.

7.1 Presence of motorised vehicle in the house

A large majority of households contained a motorised vehicle[17] 414 (84.3 per cent), although 73 (15 per cent) did not.

7.1.1 Presence of a motorised vehicle and employer

Table 7.1 shows a cross tabulation of households containing a motorised vehicle by employer. CYC employees report the highest levels of ownership (85.9 per cent) and YSJU report the lowest levels (72 per cent). These results are not statistically significant.

Table 7.1: Household contains motorised vehicle and employer

		Employer			Total
		CYC	**JRF/JRHT**	**YSJU**	
none	Count	53	13	7	73
	% within motorised vehicle	72.6%	17.8%	9.6%	100.0%
	% within Employer	14.1%	15.1%	28.0%	15.0%
	% of Total	10.9%	2.7%	1.4%	15.0%
motorised vehicle in household	Count	323	73	18	414
	% within motorised vehicle	78.0%	17.6%	4.3%	100.0%
	% within Employer	85.9%	84.9%	72.0%	85.0%
	% of Total	66.3%	15.0%	3.7%	85.0%
Total	Count	376	86	25	487
	% within motorised vehicle	77.2%	17.7%	5.1%	100.0%
	% within Employer	100.0%	100.0%	100.0%	100.0%
	% of Total	77.2%	17.7%	5.1%	100.0%

Pearson Chi Square: 3.558; DF = 2; sig = .169

[16] See WLinY questionnaire Section 10 pp.62-64

[17] Comprised of: car, van, lorry, motorbike, moped, motorhome, ‘other’

7.1.2 Presence of motorised vehicle and poverty threshold

Table 7.2 presents a cross tabulation of the presence of a motorised vehicle and the AHC poverty threshold. Given that lower income groups are less likely to own a car or motorbike (see Titheridge *et al* 2014) it is unsurprising that lower proportions of respondents under the AHC poverty threshold report having a motorised vehicle within the household compared to those who are above it. 27.8 per cent of those under the threshold report not having a motorised vehicle compared to 11.7 per cent of those who are above it. These results are statistically significant.

Table 7.2: Presence of a motorised vehicle against the AHC poverty threshold

		Equivalised AHC at or below 60% median 2012/13: £224 per week		
		Above 60% median	**At or below 60% median**	Total
none	Count	30	22	52
	% within motorised vehicle	57.7%	42.3%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	11.7%	27.8%	15.5%
	% of Total	9.0%	6.6%	15.5%
reported motorised vehicle in household	Count	226	57	283
	% within motorised vehicle	79.9%	20.1%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	88.3%	72.2%	84.5%
	% of Total	67.5%	17.0%	84.5%
Total	Count	256	79	335
	% within motorised vehicle	76.4%	23.6%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	100.0%	100.0%	100.0%
	% of Total	76.4%	23.6%	100.0%

Pearson Chi Square: 11.977; df = 1, sig = .001

Table 7.3 presents a similar comparison, but instead uses the BHC threshold. The differences are more notable under this measure, where 27 per cent of households under the poverty threshold do not have a motorised vehicle compared to 13.2 per cent of those that are above the threshold. These results are significant at the 95 per cent level.

Table 7.3: Presence of a motorised vehicle against the BHC poverty threshold

		Equivalised BHC at or below 60% median 2012/13: £264 per week		
		Above 60% median	**At or below 60% median**	Total
none listed	Count	37	15	52
	% within motorised vehicle	71.2%	28.8%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	13.2%	27.8%	15.5%
	% of Total	11.0%	4.5%	15.5%
reported motorised vehicle in household	Count	244	39	283
	% within motorised vehicle	86.2%	13.8%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	86.8%	72.2%	84.5%
	% of Total	72.8%	11.6%	84.5%
Total	Count	281	54	335
	% within motorised vehicle	83.9%	16.1%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	100.0%	100.0%	100.0%
	% of Total	83.9%	16.1%	100.0%

Pearson Chi Square 7.374; df = 1; sig = .007

Table 7.4 presents the results of the cross tabulation between presence of a motorised vehicle and the living wage. The proportion of households without a motorised vehicle in the household is higher amongst those on the living wage compared to those above it (17.7 per cent compared to 12.8 per cent), although these results are not statistically significant.

Table 7.4: Presence of a motorised vehicle and living wage

		Living Wage			Total
		Above LW £7.65	**Living Wage / LW Supplement**	**Apprentice**	
none listed	Count	37	34	2	73
	% within motorised vehicle	50.7%	46.6%	2.7%	100.0%
	% within Living Wage	12.8%	17.7%	40.0%	15.0%
	% of Total	7.6%	7.0%	0.4%	15.0%
reported motorised vehicle in household	Count	253	158	3	414
	% within motorised vehicle	61.1%	38.2%	0.7%	100.0%
	% within Living Wage	87.2%	82.3%	60.0%	85.0%
	% of Total	52.0%	32.4%	0.6%	85.0%
Total	Count	290	192	5	487
	% within motorised vehicle	59.5%	39.4%	1.0%	100.0%
	% within Living Wage	100.0%	100.0%	100.0%	100.0%
	% of Total	59.5%	39.4%	1.0%	100.0%

Pearson Chi Square 4.701; df = 2, sig = .095

7.2 Commuting practices

Respondents were asked how they usually travel to work (Table 7.5). The most common mode was by car or van followed by walking and cycling. For those that responded ‘other’, responses were typically made up of a combination of modes, e.g. ‘cycle and walk’ or ‘car and walk’.

Table 7.5: ‘How do you usually travel to work?’

Mode	Frequency	Percent
Train	5	1.0
Bus, minibus or coach	37	7.5
Motorcycle, scooter or moped	5	1.0
Car or van	194	39.5
Bicycles	91	18.5
On foot	141	28.7
Other please specify:	17	3.5
Don't Know	1	.2
Total	491	100.0

These are substantially different to national figures from the end of 2013 where 68 per cent of journeys to work were made by car, 10 per cent were made on foot, and 7 per cent were made by bus or coach (DfT 2014). The focus on one geographic area with its particular transport system and population density may account for these factors, however, it is also likely that the socio-economic profile of this sample may affect the findings, especially given that lower income groups are less likely to own their own vehicles (Titheridge *et al* 2014).

Respondents were also asked whether they went to the same place every time they went to work. As demonstrated by Table 7.6, 440 (89.6 per cent) worked in one place, whereas 20 (4.1 per cent) went to the same place at least two days in a row, and 30 (6.1 per cent) went to different places.

Table 7.6: Location of employment

	Frequency	Percent
Go to the same place every time	440	89.6
Go to the same place on at least 2 days running each week	20	4.1
Go to different places	30	6.1
Work at home or in the same building or grounds as your home	1	.2
Total	491	100.0

7.2.1 *Mode of transport and employer*

A new variable that combines the private motorised vehicle categories (e.g. cars and motorbikes) and excludes the 'others' and 'don't know' has been created in order to analyse the results from section 2 in further.

Table 7.7 shows that the highest proportion of journeys by foot are made by YSJU employees (48 per cent) compared to the lowest proportion by JRF employees (15.1 per cent). JRF employees have the highest rate of private motorised vehicle usage (64 per cent) compared to YSJU with the lowest (16 per cent). Overall CYC employers have a more varied transport profile compared to the two other employment groups. These results are significant at the 99.9 per cent level.

Table 7.7: Mode of transport by employer

		Employer			Total
		cyc	**JRF/JRHT**	**ysju**	
train	Count	4	1	0	5
	% within mode	80.0%	20.0%	0.0%	100.0%
	% within Employer	1.1%	1.2%	0.0%	1.1%
	% of Total	0.8%	0.2%	0.0%	1.1%
bus or coach	Count	24	12	1	37
	% within mode	64.9%	32.4%	2.7%	100.0%
	% within Employer	6.6%	14.0%	4.0%	7.8%
	% of Total	5.1%	2.5%	0.2%	7.8%
car, van, moped or motorbike	Count	140	55	4	199
	% within mode	70.4%	27.6%	2.0%	100.0%
	% within Employer	38.7%	64.0%	16.0%	42.1%
	% of Total	29.6%	11.6%	0.8%	42.1%
bicycle	Count	78	5	8	91
	% within mode	85.7%	5.5%	8.8%	100.0%
	% within Employer	21.5%	5.8%	32.0%	19.2%
	% of Total	16.5%	1.1%	1.7%	19.2%
on foot	Count	116	13	12	141
	% within mode	82.3%	9.2%	8.5%	100.0%
	% within Employer	32.0%	15.1%	48.0%	29.8%
	% of Total	24.5%	2.7%	2.5%	29.8%
Total	Count	362	86	25	473
	% within mode	76.5%	18.2%	5.3%	100.0%
	% within Employer	100.0%	100.0%	100.0%	100.0%
	% of Total	76.5%	18.2%	5.3%	100.0%

Pearson Chi Square = 41.144, df = 8, sig = .000

7.2.2 Mode of transport and poverty

The results for the AHC poverty threshold/mode of transport cross tabulation are unsurprising. Those who fall below the threshold use cars/vans/motorbikes less than those above it (30.7 per cent compared to 48.4 per cent), and a higher proportion walk. The results are statistically significant.

Table 7.8: Mode of transport by AHC poverty threshold

		Equivalised AHC at or below 60% median 2012/13: £224 per week		
		Above 60% median	At or below 60% median	Total
train	Count	2	1	3
	% within transmode	66.7%	33.3%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	0.8%	1.3%	0.9%
	% of Total	0.6%	0.3%	0.9%
bus or coach	Count	13	13	26
	% within transmode	50.0%	50.0%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	5.2%	17.3%	8.0%
	% of Total	4.0%	4.0%	8.0%
car, van, moped or motorbike	Count	120	23	143
	% within transmode	83.9%	16.1%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	48.4%	30.7%	44.3%
	% of Total	37.2%	7.1%	44.3%
bicycle	Count	49	13	62
	% within transmode	79.0%	21.0%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	19.8%	17.3%	19.2%
	% of Total	15.2%	4.0%	19.2%
on foot	Count	64	25	89
	% within transmode	71.9%	28.1%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	25.8%	33.3%	27.6%
	% of Total	19.8%	7.7%	27.6%
Total	Count	248	75	323
	% within transmode	76.8%	23.2%	100.0%
	% within Equivalised AHC at or below 60% median 2012/13: £224 per week	100.0%	100.0%	100.0%
	% of Total	76.8%	23.2%	100.0%

Pearson Chi Square = 16.076, df = 4, sig - .003

A similar cross tabulation is presented in Table 7.9, and uses the BHC threshold of poverty. The results are very similar to the AHC table (e.g. 28 per cent of those under the threshold commute by car compared to 47.3 per cent who are over the threshold). Again, the results are not significant.

Table 7.9: Mode of transport by BHC poverty threshold

		Equivalised BHC at or below 60% median 2012/13: £264 per week		
		Above 60% median	At or below 60% median	Total
train	Count	2	1	3
	% within mode	66.7%	33.3%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	0.7%	2.0%	0.9%
	% of Total	0.6%	0.3%	0.9%
bus or coach	Count	19	7	26
	% within mode	73.1%	26.9%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	7.0%	14.0%	8.0%
	% of Total	5.9%	2.2%	8.0%
car, van, moped or motorbike	Count	129	14	143
	% within mode	90.2%	9.8%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	47.3%	28.0%	44.3%
	% of Total	39.9%	4.3%	44.3%
bicycle	Count	51	11	62
	% within mode	82.3%	17.7%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	18.7%	22.0%	19.2%
	% of Total	15.8%	3.4%	19.2%
on foot	Count	72	17	89
	% within mode	80.9%	19.1%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	26.4%	34.0%	27.6%
	% of Total	22.3%	5.3%	27.6%
Total	Count	273	50	323
	% within mode	84.5%	15.5%	100.0%
	% within Equivalised BHC at or below 60% median 2012/13: £264 per week	100.0%	100.0%	100.0%
	% of Total	84.5%	15.5%	100.0%

Pearson Chi Square = 8.006; df = 4; sig = .091.

7.2.3 Mode of transport by living wage

Table 7.10 presents the results of the mode of transport by living wage cross tabulation. The most notable finding is that of those receiving the living wage, 35.3 per cent walk compared to 26.4 per cent of those who earn more than the living wage. These results are significant at the 99.9 per cent level.

Table 7.10 Mode of Transport by living wage

		Living Wage			
		Above LW £7.65	**Living Wage / LW Supplement**	**Apprentice**	Total
train	Count	4	0	1	5
	% within mode	80.0%	0.0%	20.0%	100.0%
	% within Living Wage	1.4%	0.0%	20.0%	1.1%
	% of Total	0.8%	0.0%	0.2%	1.1%
bus or coach	Count	25	10	2	37
	% within mode	67.6%	27.0%	5.4%	100.0%
	% within Living Wage	8.8%	5.4%	40.0%	7.8%
	% of Total	5.3%	2.1%	0.4%	7.8%
car, van, moped or motorbike	Count	125	74	0	199
	% within mode	62.8%	37.2%	0.0%	100.0%
	% within Living Wage	44.0%	40.2%	0.0%	42.1%
	% of Total	26.4%	15.6%	0.0%	42.1%
bicycle	Count	55	35	1	91
	% within mode	60.4%	38.5%	1.1%	100.0%
	% within Living Wage	19.4%	19.0%	20.0%	19.2%
	% of Total	11.6%	7.4%	0.2%	19.2%
on foot	Count	75	65	1	141
	% within mode	53.2%	46.1%	0.7%	100.0%
	% within Living Wage	26.4%	35.3%	20.0%	29.8%
	% of Total	15.9%	13.7%	0.2%	29.8%
Total	Count	284	184	5	473
	% within mode	60.0%	38.9%	1.1%	100.0%
	% within Living Wage	100.0%	100.0%	100.0%	100.0%
	% of Total	60.0%	38.9%	1.1%	100.0%

Pearson Chi Square = 33.217; df = 8; sig = .0

7.3 Time and money

Table 7.11 presents a summary of the amount of time (in minutes) and money that respondents report spending (time is calculated on a daily basis, and cost on a weekly basis). The average time spent commuting is similar across the employers, and is similar to the national average in 2014 of 28 minutes (DfT 2014). Reported travel costs are much lower amongst YSJU employees compared to the other two employers. Interestingly the median travel cost for YSJU and CYC employees is £0, which is likely to correspond with the high levels of walking and cycling reported.

Table 7.11: Commuting cost and travel time

Employer		In total, how many minutes per day do you usually spend travelling	In a normal working week, how much does your travel to and from work cost
CYC	Number	379	368
	Mean	35.25	6.0902
	Median	30.00	.0000
	Maximum	0	.00
	Minimum	220	55.00
JRF/JRHT	Number	86	84
	Mean	33.20	11.3196
	Median	20.00	5.0000
	Maximum	1	.00
	Minimum	160	88.50
YSJU	Number	25	25
	Mean	38.28	2.4440
	Median	40.00	.0000
	Maximum	6	.00
	Minimum	90	40.00

7.4 Support with travel costs

There were five instances of support with travel costs being provided. In two cases the employer provided a loan to help with travel costs, and in two cases the employed paid for the cost of travel.

Summary to Chapter 7

Whilst 84.3 per cent of households contain a motorised vehicle, 15 per cent of households do not. Unsurprisingly, lower levels of ownership are present in households that are below the BHC poverty threshold.

In terms of commuting 194 respondents travel by car and 232 walk or cycle. Travel patterns were found to vary by employer, with the highest proportion of walking and cycling trips being made by CYC and YSJU, and highest proportion of car/equivalent journeys made by JRF staff. Additionally, the data analysis has shown that a higher proportion of those on the Living Wage walk compared to those who earn more. It is unsurprising then that average commute costs are low, with a median cost of £0 amongst CYC and YSJU employees (compared to £5 amongst JRF staff).

Chapter 8: Job satisfaction and employee benefit scheme uptake[18]

Job Satisfaction

Respondents to WLinY were asked to use a scale of 1-7 (where 1 represents completely dissatisfied, 4 represents neither satisfied/dissatisfied and 7 represents completely satisfied) to note how satisfied they were with a range of aspects of their current job at CYC, JRF/JRHT or YSJU. Table 8.1 below reports these for each of the three employers and for the LW workers across the sample.

Table 8.1: Satisfaction with current job at CYC, JRF/JRHT or YSJU

		Respondents reporting positive satisfaction (5, 6 & 7) %	Neither satisfied or not (4) # of respondents	5	6	Completely satisfied (7)
The total pay, including any overtime pay or bonuses	CYC (379)	52.24%	78	75	76	47
	JRF/JRHT (86)	87.21%	5	16	31	28
	YSJU (25)	64%	5	3	9	4
	LW only(173)	59.59%	37	31	48	36
Your job security	CYC (376)	52.39%	42	58	69	96
	JRF/JRHT(86)	87.21%	6	18	29	27
	YSJU (25)	64%	2	2	10	9
	LW only(172)	59.38%	14	31	37	67
The actual work itself	CYC (378)	52.38%	38	61	114	129
	JRF/JRHT(86)	87.21%	5	20	24	31
	YSJU (25)	64%	2	7	10	3
	LW only(173)	59.59%	16	30	58	69
The hours you work	CYC (378)	52.38%	44	61	99	121
	JRF/JRHT(86)	87.21%	10	17	26	28
	YSJU (25)	64%	2	4	9	9
	LW only (173)	59.59%	19	35	43	65
Your present job overall, all things considered	CYC (376)	52.39%	44	100	119	75
	JRF/JRHT(86)	87.21%	9	14	34	24
	YSJU (25)	64%	4	5	13	3
	LW only (171)	59.69%	16	45	60	52

Respondents that replied 'Don't know' in relation to each question are excluded from the above table.

From the above table we can see that the JRF/JRHT employees appear the most satisfied, followed by YSJU, then by all LW and then CYC. Within the CYC employees the actual

[18] See WLinY questionnaire Section 11 pp.65-69

work and hours provide the highest levels of satisfaction followed by job security and 'total pay' the greatest "neither satisfied or not". For LW workers this is the same (though note that the majority of LW are CYC employees).

<u>Employee Benefit Scheme Uptake - CYC</u>

In Table 8.2 below column 2 the proportions of the CYC sample that know about the scheme listed in the left hand column (column 1) are shown. Column 3 then gives the proportion of those CYC employees that know about the scheme and uptake it. The final column gives the most frequent type of reason given by those CYC employees who know about the scheme but do not uptake it.

These figures are interesting. Overall there seems to be a picture of staff being largely unaware of the benefits that are available to them (though there are notable exceptions such as the Cycle Scheme and Discounts). Of the staff that do know about the benefits the uptake can be quite low – some of the more frequently reported reasons for this are "*Have no need, not relevant to me*" which if you are being offered (for example) childcare vouchers and you have no school/nursery aged children is quite a reasonable response.

Other responses though might offer CYC with some opportunities to increase the uptake of these benefits, for example:

- *I have just not got round to it or keep forgetting* – maybe CYC could have an extra push to get employees engaged with, or sharing among colleagues the benefits of these schemes (e.g. lunchtime road shows or 'champions' within workplaces sharing this information/benefits of these schemes or working with the local unions reps to promote these benefits?)

- *It is not valid in the places I use or do not eat out much* – maybe CYC could reconsider what is being offered? Are you offering the discounts that 'Vectis' gives you to offer or do you base the discounts on where your staff actually go to shop? Maybe a greater range of shop types should be considered, maybe even asking staff where they shop? Maybe also a greater consideration that some activities are not open to all staff due to income levels (e,g. don't go out to eat, or out to the cinema etc.)

- *Not interested, do not want to use it* – again could this be that you are offering things that staff do not actually want, if so then such benefits are unlikely to be considered positively by staff as part of their ‘pay’.

Employee Benefit Scheme Uptake – JRF/JRHT and YSJU

In Tables 8.3 and 8.4 below the equivalent figures are presented for awareness and uptake of the benefit packages at JRF/JRHT and YSJU. Contrasting these with the CYC findings above does tend to show some slightly higher awareness and uptake though the small sample size (for YSJU in particular) does need to be kept in mind. Interestingly even though JRF/JRHT does have seem to have better awareness and uptake there are some schemes that are employees are clearly not aware of e.g. only 12.8% of the JRF/JRHT employees report that they are aware of the ‘Season ticket loan’ scheme and slightly over 40% are unfamiliar with the online shopping discount scheme.

Table 8.2: CYC Employee Benefit Scheme Uptake

	Q11.2 A Proportion of CYC employees that knew that this scheme was available to them (Answer of YES to this question) **Yes**	Q11.2B Proportion of CYC employees that uptake this scheme (within those that knew about the scheme (Q11.2A=Yes and Q11.2B=Yes) **Yes**	Q11.2C Most frequent reason(s) given by those CYC employees who knew about the scheme but don't uptake (Q11.2A=Yes and Q11.B=No)
Scheme title	Column 2	Column 3	Column 4
Health and Well-being	55.53% 211 of 380 (40.46% 70)	39.34% 83 of 211 (31.43% 22 of 70)	*Have no need, not relevant to me* (41 CYC employees report a similar verbatim comment) *I have just not got round to it or keep forgetting* (18 report a similar verbatim comment)
Money Advice	26.05% 99 (21.39% 37)	2.02% 2 (0% 0)	*Have no need, not relevant to me* (65)
Cycle to Work	71.32% 271 (60.69% 105)	5.54% 15 4.76% 5)	*Have no need, not relevant to me* (70) *I already have a bike* (58) *I do not cycle or cannot ride a bike* (23)
Childcare vouchers	41.58% 158 (32.95% 57)	5.06% 8 1.75% 1)	*Have no need, not relevant to me* (83)
Staff lottery	61.32% 233 (49.13% 85	13.30% 31 (5.88% 5)	*Not interested, do not want to use it* (78) *Have no need, not relevant to me* (25)
Vectis cashback	17.89% 68 (13.87% 24)	8.82% 6 (4.17% 1)	*Have no need, not relevant to me* (21)
Reloadable shopping cards	16.84% 64 (13.87% 24)	10.99% 7 (4.17% 1)	*Have no need, not relevant to me* (17) *Not interested, do not want to use it* (15)

Gift vouchers and codes	28.16% 107 (22.54% 39)	19.63% 21 (20.51% 8)	*Have no need, not relevant to me* (24) *Not interested, do not want to use it* (23)
Discounts	71.58% 272 64.74% 112	34.19% 93 (31.25% 35)	*I have just not got round to it or keep forgetting* (42) I*t is not valid in the places I use or do not eat out much* (28)
Vectis discount cards	31.32% 119 (28.90% 50)	35.29% 42 (32% 16)	*Have no need, not relevant to me* (23) *I have just not got round to it or keep forgetting* (11)
HM assist (employee well-being service)	26.84% 102 19.65% 34	6.86% 7 5.88% 2	*Have no need, not relevant to me* (61)
CYC employees (LW CYC)	380(173)		

Table 8.3: JRF/JRHT Employee Benefit Scheme Uptake

JRF/JRHT employee scheme	Q1 Are you aware that JRF/JRHT runs this scheme and you have access to this benefit? **Yes**	Q2 If Yes to Q1 only, do you currently uptake this employee benefit at CYC? **Yes**	Q3 If No to Q2 only why don't you uptake when you know about it?
Health Shield: Cash back health scheme that allows staff to claim back costs for dental optical and some medical costs [All staff after 5 months]	93.02% e.g. 80 of 86	61.25% e.g. 49 of 80	*I have no need for it (17)* *I may use it or intend on doing so (5)*
Health Matters: Employee assistance advice line providing wide range of advice including legal financial and access to counselling [All staff]	63.95%, 55 of 86	16.36%, 9 of 55	*I have no need for it (39)*
Salary sacrifice schemes to reduce the cost of childcare, bicycle purchase and pension contributions [All staff after 5 months]	59.30%, 51 of 86	19.61%, 10 of 51	*I have no need for it (30)*
Asperity: online shopping discount scheme that allows staff to access a wide range of discounts at major retailers [All staff after 5 months]	59.30%, 51 of 86	27.45%, 14 of 51	*I have no need for it (13)* *It is too complicated (10)* *I do not have a computer or internet (5)*
Thank You Scheme: Managers can nominate an employee to receive a £50 shopping voucher for going the extra mile etc. [All staff]	48.84%, 42 of 86	21.43%, 9 of 42	*I have never qualified for it or received it (19)*
Free meals for staff working in our care homes [Care staff only]	46.51%, 40 of 86	75.0%, 30 of 40	I do not qualify for this (6)
Season ticket loan for annual bus or train passes, loan is recouped through payroll deductions [All staff over 1 years' service]	12.79%, 11 of 86	9.09%, 1 of 11	*I have no need for this (8)*

Buying or selling holiday: Employees can purchase up to 5 extra days or sell 5 days for cash [All staff over 1 years' service]	70.93%, 61 of 86	14.75%, 9 of 61	*I have no need (31)* *I have enough holiday already (8)*

Table 8.4: YSJU Employee Benefit Scheme Uptake Question Employee Benefit

YSJU employee scheme	Q1 Are you aware that YSJU runs this scheme and you have access to this benefit? **Yes**	Q2 If Yes to Q1 only, do you currently uptake this employee benefit at YSJU? **Yes**	Q3 If No to Q2 only why don't you uptake when you know about it?
YSJ Active 'Your Wellbeing' programme: supporting staff to lead a healthier lifestyle through free staff health checks including cholesterol and blood pressure checks, free exercise classes, free early morning fitness suite access, free nutritional advice workshops, monthly seminars focused on health, wellbeing and physical activity, and weekly sports massage clinics.	88% of 25	31.82% 7	*I have no need for it (5)* *I do not have enough time for it (3)*
Chaplaincy & Spiritual Care;.	92%	13.04% 3	*I have no need for it (13)* *I have no interest in it (3)*
Occupational Health support	60%	13.33% 2	*I have no need for it (11)*
Staff Healthplan: providing cash back on health costs such as dental and optical and other treatments such as physiotherapy	88%	72.73% 16	*I have no need for it (2)*
Access to free counselling sessions through the Healthplan and health & wellbeing Freephone advice	80%	10% 2	*I have no need for it (17)*
Staff shop in York Hospital	76%	15.79% 3	*I have no need for it (11)* *I may use it in the future (2)*
Discounts covering (any of the following) e.g. Holiday & travel; Shopping; Eating out & leisure; Health & well-being; Home & electrics; Motoring; Insurance; Money & legal	88%	72.73% 16	*I have no need for them (2)* *I forget to use them (2)*
Employee Salary Sacrifice	56%	0% 0	*I have no need*

Scheme for Childcare Vouchers (providing for tax and NI savings)			*for this (10)* *This could have adverse effects on financial situation (2)*
Employee Cycle Scheme: salary scheme for national insurance and tax-free savings on bicycles	92%	17.39% 4	*I have no need for it (8)* I already own a bicycle (7) Scheme is too expensive (3)
Comprehensive staff development programme available for all staff	92%	69.57% 16	*I have no interest in it (4)* *I have no need for it (3)*
Up to 100% fee remission on study programmes to support your career and personal development	72%	27.78% 5	*I have no need for this (9)* *I am not eligible for this (2)* *I have no time for this (2)*
Support to quit smoking	56%	0% 0	*I do not smoke (9)* *I have not needed this (2)*

Summary to Chapter 8

Further consideration of the scheme's components would be worthwhile, and also the methods by these are communicated to staff - some methods of communication may work well for some CYC employees but other methods might be needed by other groups.

Additional pathways investigated to support low-paid employees included consideration of the remuneration packages or *employee benefit schemes* run in the organisations. There was compelling evidence that the composition of the benefits under these schemes, the methods of communication internally around them, and the confidence employees had in accessing them significantly reduced the value of the benefits for the lower-waged groups in the sample.

Chapter 9: Working hour preferences[19]

In Section 12 of the WLinY survey questionnaire all of the respondents were asked about their preferred working hours. Working hours are central to earned income – as much so as the wage rate yet the LW policy has focussed purely on 'wage' rather than earning (wage multiplied by hours). In Section 12 of the survey the question of working hours, and preferred working hours was investigated.

The first question asked to the respondents was to imagine they wanted to increase their working hours in your {CYC, JRF/JRHT, YSJU} job (or any other jobs you have), whether it be possible for them to do so.

Table 9.1: "Imagine you wanted to increase your working hours in your {CYC, JRF/JRHT, YSJU} job or any other jobs you have, would it be possible for you to do this?"

	Yes	No	Don't know	
CYC	143	236	1	380
JRF/JRHT	38	47	1	86
YSJU	12	13	0	25
LW only	74	119	0	193
All	39.31%	60.29%	0.41%	
# of respondents	193	296	2	

Overall almost 40% of the full sample responded that this would be possible for them to do so. It is worth noting that formal tests of statistical significance did not reject the null hypothesis of equal mean between the LW and other (non-LW) workers for each of the options (showing no distinction between the LW and other workers in their responses on this question).

For those that replied "Yes" to this first question they were then asked if the reason why it would be possible for them to increase their hours if they (imagined) they wanted to the reasons given were listed on the showcard (as presented in Table 9.2 below):

[19] See WLinY questionnaire Section 12 pp.70-72

Table 9.2: Reasons why respondents could increase their hours if they wanted to

Reason	Of the 193 respondents those selecting each option are:
Extra hours are available for this work	123 (63.73%) CYC 87 JRF/JRHT 29 YSJU 7 LW only 43
It would not have an impact on my benefits	14
Suitable child care services are available and affordable to allow you to work extra hours if you wanted to	8
Suitable care services for ill, disabled or elderly adults that you are caring for are available or and affordable to allow you to work extra hours if you wanted to	1
You know how to ask for extra working hours	154 (79.79%) CYC 109 JRF/JRHT 34 YSJU 11 LW only 58

Clearly those responding that they would be able to increase their hours say this because (a) they know there are hours available and (b) they know how to ask for them.

In contrast, for those that replied "No" to the first question (question 12.1) they give the reasons as below for why it would not be possible for them to increase their hours if they (imagined) they had wanted to. The dominant reason was that 'extra hours are <u>no</u>t available for this work'.

Table 9.3: Reasons why respondents could not increase their hours even if they wanted to

Reason	Of the 296 respondents those selecting each option are:
Extra hours are <u>no</u>t available for this work	267 (90.20%) CYC 217 JRF/JRHT 39 YSJU 11 LW only 112
It might have an impact on my benefits	10
Suitable child care services are <u>not</u> available and affordable to allow you to work extra hours if you wanted to	15
Suitable care services for ill, disabled or elderly adults that you are caring for are <u>not</u> available or and affordable to allow you to work extra hours if you wanted to	0
You don't know how to ask for extra working hours	6

This first question was asking about a hypothetical situation about working hours to try to get a picture of availability of working hours that the employee could get access to if they wanted. The next question was a direct question about the employee's working hour preferences 'thinking about the hours you currently work in your (main) {CYC, JRF/JRHT, YSJU} job and on the basis of your current basic hourly wage rate in your job what would you preference over working hours be?'

Table 9.4: Working hour preferences

	Full sample	**By employer & LW**
Working fewer hours than you do now	45 (9.16%)	CYC 36 JRF/JRHT 8 YSJU 1 LW only 11
Working more hours than you do now	173 (35.23%)	CYC 144 JRF/JRHT 24 YSJU 5 LW only 79
Carry on working the same number of hours	267 (54.38%)	CYC 194 JRF/JRHT 54 YSJU 19 LW only
Don't know, can't say	5 (1.02%)	CYC 5 LW only 4
Don't know	1 (0.20%)	CYC 1

These responses show that almost 55% stated they were content with their current working hours with over 35% wanting to work more than they currently did. These preferences were not symmetric as less than 10% stated that they wanted to work less hours. Respondents were then asked about their full working week (which would include second and third jobs held) and the findings were relatively similar though possibly suggesting a slight preference to increase hours in the CYC, JRF/JRHT or YSJU than in other jobs held (e.g. almost 60% report 'happy with hour I work overall' in Table 9.5 compared with just under 55% in Table 9.4).

Table 9.5 Thinking about your general working week

	Full sample	By employer & LW
I work fewer hours than I would like	141 (28.72%)	CYC 114 JRF/JRHT 23 YSJU 4 LW only 67
I am happy with the hours I work overall	293 (59.67%)	CYC 221 JRF/JRHT 52 YSJU 20 LW only 109
I work more hours than I would like	57 (11.64%)	CYC 45 JRF/JRHT 11 YSJU 1 LW only 17

For those who state “I work fewer hours than I would like” (141 respondents) they are then asked if they have looked for another job to make up those hours. Of the 141 respondents 62 (43.97%) say they have looked for another job to make up these hours they would like (there was no formal difference between LW and non-LW workers in the (mean) responses to this question). Of the reasons why these respondents were unable to find another job to make up these hours the dominant reasons for not finding a job were “there’s no work that would fit around my current hours” (21 of 62 coded this) and “There’s no work available that would fit around my family commitments” and the under “Other – please specify” the dominant coded replies fell into “I have already found another job” and “There is work but I have been unsuccessful”.

For those that had not been looking for another job (78 respondents) even though they stated that “I work fewer hours than I would like” frequent reasons for not having looked for another job to make up those hours included: family commitments prevent me taking another job (10), hours of main job make it difficult to take another job (13), would prefer more hours in main job (14) and I already have another job (12).

Actual time use and potential time use

Of the 491 respondents 100 (20.4%) are volunteering (unpaid work) with time spent per week of 0-4 hours (71 respondents), 5-9 hours per week (20).

In relation to time spent caring or helping family, friends or neighbours, 82 respondents report such time use and 24 report 10+ hours spent in this per week.

We also asked those with children if you were working less hours per week would you spend this time with your children (asked to respondents with children aged 16 or younger) almost 40% of respondents said that they would spend some or all of this time with their children if they were working less.

Table 9.6: If you were working less hours per week would you spend this time with your children? (asked of respondents with children aged 16 or younger)

	Full sample	**By LW and lone parent**
Yes, all of it	43 (18.53%)	LW only 18 (17.31%)
Yes, some of it	47 (20.26%)	LW only 20 (19.23%)
No	102 (43.97%)	LW only 51 (49.04%)
Don't know	40 (17.24%)	LW only 15 (14.42%)
# of respondents	232 (LW only 104)	

Summary to Chapter 9

Chapter 9 has presented summary information on a series of questions around the respondent's preferred working hours. Several of the points that were highlighted included:

-
- approximately half of the employees reported that they were happy with their working hours however slightly over a third were not and wanted more hours.

- for those that reported that they would like more hours less than half had looked for another job to make up these desired hours

- dominant reasons given for not having sought out additional employment (2nd, 3rd jobs) were "there's no work that would fit around my current hours" and "there's no work available that would fit around my family commitments".

Together this provides some evidence to suggest that there is a desire (or demand) for increased hours of work and for these to be with the current employer as constraints making it challenging for employees to search out these additional hours with other (additional) employers.

Chapter 10: Pensions[20]

Current and future pension provision is a key issue for considering lifetime poverty. Within the WLinY survey respondents were asked a series of questions to give a picture about their current pension provision, how effective the auto-enrolment scheme has been and the respondent's expectations about retirement.

The first series of questions asked about membership of the employer's pension scheme and when they joined.

Table 10.1 Membership of pension scheme at CYC, JRF/JRHT or YSJU

Question A: Do you belong to the {CYC, JRF/JRHT or YSJU} pension scheme for which you are eligible? Respondents could reply YES, NO or Don't Know	75.6% replied **YES** they belong to the pension scheme CYC 298 of 380 JRF/JRHT 52 of 86 YSJU 21 of 25 LW only 137 of 193
Question B: [For those that replied **YES** to question A above they were then asked] Did you join through the auto-enrolment launch in 2013? Respondents could reply YES, NO or Don't Know	42.0% of those belonging to the pension scheme replied **YES** they joined through the auto-enrolment CYC 112 of 298 JRF/JRHT 40 of 52 YSJU 4 of 21 LW only 61 of 137
Question C: [For those that replied **NO** to question A above they were then asked] Did you request to leave to leave the scheme after the automatic enrolment? Respondents could reply YES, NO or Don't Know	36.1% of those replying they did not belong to the scheme stated **YES** they had requested to leave after the automatic enrolment. CYC 27 of 70 JRF/JRHT 8 of 34 YSJU 2 of 4 LW only 12 of 51

[20] See WLinY questionnaire Section 14 pp.76-77

Focussing on the CYC results we can see that 78.42% (or 298) of the CYC 380 employees report belonging to the CYC pension scheme to which they are eligible. Of these 298, 112 (or 37.58%) report having joined through the auto-enrolment scheme launched in April 2013. 27 of those who are not in the scheme (e.g. 27 of the 70 reporting 'No' at Question 13.2) said that they requested to leave after auto-enrolment. Some additional characteristics of low paid CYC employees in relation to the pensions point are that of those reporting not belonging to the CYC pension scheme the proportion of CYC LW supplement workers is slightly higher (in the raw probabilities) e.g. 45.53% of the sample are LW at CYC and 57.14% of those not in a CYC pension scheme are LW workers at CYC (LW workers more likely not to be in a pension scheme. Of those reporting having joined through the auto-enrolment scheme launched in April 2013, the proportion of CYC LW supplement workers having joined is in line with employer proportions.

Of those requesting to leave the scheme the LW workers have a higher share e.g. 45.53% of the sample here are LW at CYC and 61.76% of those requesting to leave the pension scheme are LW workers at CYC. This is interesting to see as it suggests that LW workers more likely to opt-out of scheme, however it is really important to remember that the sample of responses is small, just 34 so we need to be a little careful about how claiming too much on the basis of this, and we also note that these differences are not formally significant.

Table 10.2 Other pension provision

Do you have any other pension provision?	% of all respondents replying **No** to this question	% of respondents replying **No** to this question and who <u>also</u> that were not covered by the CYC, JRF/JRHT and YSJU pension scheme that they were eligible for (see Table 10.1)
All respondents:	56.62% 278 of 491	61.8% 55 of 89
LW respondents only:	55.44% 107 of 193	53.85% 21 of 39

Table 10.2 above suggests of the 491 respondents at least 55 or 11.2% have no pension provision of their own. For those reporting that they have a partner 72.3% state that their partner has pension and 79.1% of these (178 of 225) would have access to this if they outlived their partner. For those respondents not reporting their own personal or occupational pension (including those reporting ‘Don’t know’ to the questions) the dominant reasons for not having one are “I don’t think I can afford it” or “Don’t know about getting a pension”.

Life cycle expectations

The mean expectation reported by respondents on retirement was about 65 years of age and a tabulation of reported ages shows the peak frequency at 65 followed by 67 and 60 and then 70 years of age. In terms of expectations of future working 186 of the 491 respondents, 37.4% (37.8% for LW workers) think it is likely or very likely that they will do paid employment (full or part-time are reaching the retirement).

Table 10.3 Expectations about income during retirement

	All	**LW only**
More than enough to meet my needs	42 8.55%	15 7.77%
Just about enough to meet my needs	224 45.62%	97 50.26%
Less than enough to meet my needs	158 32.18%	55 28.50%
Don’t know	67 13.65%	26 13.47%
	491	193

Summary to Chapter 10

Chapter 10 has focussed on the pension provision that respondents currently have in place and their expectations about future working and income during ‘retirement’. Pension provision is an important issue for the individual worker and the state both now and in the future. For the lowest paid workers the question of pension provision has the potential to provide even greater challenges as current (low levels of) earned income need to be deferred for the future.

For our sample of respondents there was relatively little (formally significant) evidence of differences between the full sample of workers earning up to £10 per hour and the Living Wage (LW) only workers in relation to pension provision.

Also, notable was the fact that overall, only about 11.2% of the sample reported not having any pension provision at all. This does appear encouraging in terms of the 'incidence' of pension provision though it should be noted that we did not ask respondents about the exact level of their own provision e.g. number of years paid and likely pensionable income once retired.

There is a clear question of how best to engage with this group around pensions. The evidence of the auto-enrolment (at least based on these self-reports) is a positive one showing that beneficial outcomes maybe best achieved through 'nudge' or opt-out (rather than opt-in) methods.

Chapter 11: Training and aspirations[21]

In section 14 respondents were asked about their training (up to three events) in the last 12 months, they are asked have you done any training schemes or courses even if they are not finished yet (including any part-time or evening course, training provide by employer, day release schemes, apprenticeships and government training schemes)?

Table 11.1 below shows the proportions of employees with at least one experience of training in the last 12 months. Overall this is 53.8% or 264 of the 491 respondents. The proportion is lower at roughly 47% for LW only staff. This difference is statistically significant – LW workers in this sample report overall a lower probability of training in the last 12 months. For the JRF/JRHT sub-sample the proportion reporting training is higher at over 70%.

For those staff (264) experiencing training 77 respondents report three training events, 71 two events and 116 report one event in the last 12 months.

Table 11.1: Incidence of training in the last 12 months

Yes, training in the last 12 months	#	%
All	264	53.77%
CYC	186	48.95%
JRF/JRHT	63	73.26%
YSJU	15	60%
LW only	91	47.15%
All	264	53.77%
Total number of respondents	491	

In the table below the provider for each of the three (maximum) reported training events are shown. The dominant provider for each is the employer and this is strongest for the JRF/JRHT sub-sample.

[21] See WLinY questionnaire Section 14 pp.76-77

Table 11.2: Who provided this training?

	1st	2nd	3rd
All			
Provided by employer	75.76	81.76	87.01
Provided by employer (in another job held)	4.55	3.38	2.6
Government training scheme	2.65	0.0	0.0
College/university degree	6.82	3.38	2.6
Other type of training scheme	9.85	9.46	6.49
Total number of respondents	264	148	77
LW only			
Provided by employer	72.53	74.47	77.78
Provided by employer (in another job held)	6.59	6.38	0.0
Government training scheme	5.49	0.0	0.0
College/university degree	6.59	2.13	5.56
Other type of training scheme	8.79	17.02	16.67
Total number of respondents	91	47	18
CYC only			
Provided by employer	72.58	76.53	79.55
Provided by employer (in another job held)	5.38	4.08	4.55
Government training scheme	2.15	0.0	0.0
College/university degree	7.53	3.06	2.27
Other type of training scheme	11.83	13.27	11.36
Total number of respondents	186	98	44
JRF/JRHT			
Provided by employer	85.71	97.67	100.0
Provided by employer (in another job held)	1.59	0.0	0.0
Government training scheme	4.76	0.0	0.0
College/university degree	3.17	2.33	0.0
Other type of training scheme	4.76	0.0	0.0
Total number of respondents	63	43	30
YSJU			
Provided by employer	73.33	(4)	(2)
Provided by employer (in another job held)	6.67	(1)	0.0
Government training scheme	13.33	0.0	0.0
College/university degree	0	(1)	(1)
Other type of training scheme	6.67	(1)	0.0
Total number of respondents	15	7 (#)	3 (#)

Notes to table: The excluded % is Don't know

In terms of outcomes (e.g. qualifications achieved) for the training undertaken all the outcomes were very similar across employers and LW and non-LW workers once the course had been completed.

Table 11.3: Did you gain any qualification from that training scheme or course? All respondents

	1st	2nd	3rd
All			
Yes	48.48	43.24	38.96
Waiting for results	8.33	4.73	2.60
Total number of respondents	264	148	77
LW only			
Yes	48.35	42.55	50.0
Waiting for results	9.89	4.26	0.0
Total number of respondents	91	47	18
CYC only			
Yes	48.39	40.82	38.64
Waiting for results	8.06	5.10	0.0
Total number of respondents	186	98	44
JRF/JRHT			
Yes	84.13	51.16	43.33
Waiting for results	0.0	2.33	3.33
Total number of respondents	63	43	30
YSJU			
Yes	60	(2)	0.0
Waiting for results	0.0	(1)	(1)
Total number of respondents	15	7 (#)	3 (#)

Table 11.4: Did you gain any qualification from that training scheme or course? Only those who had completed course

	1st	2nd	3rd
All			
Yes	56.11	46.27	42.25
Waiting for results	2.26	0.75	0.0
Total number of respondents	221	134	71
LW only			
Yes	55.70	46.51	(9)
Waiting for results	5.06	2.33	0.0
Total number of respondents	79	43	16 (#)
CYC only			
Yes	55.97	44.19	41.46

Waiting for results	2.52	1.16	0.0
Total number of respondents	159	86	41
JRF/JRHT			
Yes	56.60	52.37	46.43
Waiting for results	1.89	2.38	0.0
Total number of respondents	53	42	28
YSJU			
Yes	(5)	(2)	(0)
Waiting for results	(0)	(0)	(0)
Total number of respondents	9(#)	6(#)	2 (#)

All respondents were asked whether about their current role and their future with their employer and what would help them develop most over the 12 months. The answers that employees could choose from are listed below, and respondents could choose as many that apply. The percentages in Table 11.5 below show the proportion of CYC employees that select each of the responses. For example 48.2% of the 380 CYC employees select "Work related training (on the job)".

Table 11.5: "Thinking of your current role at {CYC} and your future with CYC what would help you to develop over the coming 12 months?"

Q14.5	**All CYC sub-sample**	**CYC Living Wage sub-sample**
Work related training (on-the-job)	48.2% of 380	41.6% of 173
Work related training (outside of workplace)	34.5%	30.1%
Job rotation	13.4%	7.5%
General education supported by my employer	10.7%	8.1%
Advice, mentoring or support by other colleagues at my organisation	24.3%	17.3%
Nothing reported	25.5%	32.4%
Number of respondents	380	173

Overall the full CYC sample and CYC LW employees appear quite similar in their answers e.g. work related on-the-job training is the dominant response, followed by work related training outside of job and then advice/mentoring.

A sizeable proportion of employees do report nothing though: 25.5% of full CYC sample and almost a third of CYC LW employees (32.4%) report that there is nothing that would help them develop within their current role at CYC.

On a more positive note the fact that about a quarter of the sample noted “Advice, mentoring by colleagues” as a way to develop in their current role is interesting and may offer the possibility for developing/using more peer support/coaching for developing staff (e.g. consider the YSJU ‘Raising Aspirations’ example).

Table 11.6: “Thinking of your current role at {CYC, JRF/JRHT or YSJU} what would help you to develop over the coming 12 months?”

Q14.5	All JRF/JRHT sample	All YSJU sample	All Living Wage sub-sample
Work related training (on-the-job)	65.1% of 86	48.0% of 25	40.4% of 193
Work related training (outside of workplace)	23.3%	20.0%	28.0%
Job rotation	9.3%	28.0%	7.3%
General education supported by my employer	14%	8%	8.3%
Advice, mentoring or support by other colleagues at my organisation	31.4%	32.0%	17.1%
Nothing reported	16.3%	24.0%	33.2%
Number of respondents	86	25	193

Considering now career progression all employees were asked if they would like career progression at their current employer. Again the potential answers that employees could choose from are listed below in Table 11.7 and respondents can choose as many as apply. In Table 11.7 below the proportion of CYC employees that select each of the responses is shown. For example 44.7% of the 380 CYC employees select “Yes”, yes, I would like career progression at CYC.

Table 11.7: “Would you like career progression at CYC?”

	All CYC sub-sample	CYC Living Wage sub-sample
Yes	44.7% of 380	39.3% of 173
No, I am happy in the role I have now	38.7%	41.6%
No, the extra responsibility and stress isn’t worth it, even if paid more	10.5%	9.2%
Maybe, but depends on other factors outside of work	5.5%	4.6%
Declined to answer	0.8%	1.7%
Number of respondents	380	173

These figures are informative; for example over 65% of the CYC sample does not report "Yes, I want career progression at CYC". To the extent that career progression is often offered as a method for moving individuals out of lower paid roles this is discouraging in relation to lifetime wage mobility for these lower paid CYC staff.

However, we should remember that these are responses based on current practices at CYC, if there were more active and effective policies centred on raising awareness of, and aspirations for career progression at CYC then responses such as above might improve also.

For the other two employers and the LW employees the results are presented in Table 11.8 below and show a slightly larger proportion being happy in the role that they have now (so slightly less looking for career progression).

Table 11.8: Would you like career progression at JRF/JRHT, YSJU?

	All JRF/JRHT sample	**All YSJU sample**	**All LW sub-sample**
Yes	34.9% of 86	40% if 25	37.8% of 193
No, I am happy in the role I have now	46.5%	48%	44.0%
No, the extra responsibility and stress isn't worth it, even if paid more	12.8%	0%	8.8%
Maybe, but depends on other factors outside of work	8.1%	4%	4.7%
Declined to answer	0%	4%	5.2%
Number of respondents	86	25	193

Summary to Chapter 11

Chapter 11 has explored current training uptake and the interest of different groups (LW versus all respondents) in career progression with the current employer.

The presented figures show that a large proportion of existing training does not produce formal qualifications. This is important as the value of this training for employees, in terms of supporting job movements (or mobility for advancements) between different employers will be limited.
Also interesting to note is that the possibility for ‘job progression’ to significantly impact on low-wages will be reduced if large numbers of employees do not view ‘career progression’ as something that they can engage with. Our figures suggested that roughly 50% of the sample did not see ‘career progression’ as something that they would like.

Chapter 12: Living Wage at CYC, JRF/JRHT and YSJU [22]

In Section 15 of the WLinY survey questionnaire all respondents were asked a series of questions about the Living Wage, as well as additional open answer questions about what their employer might do to help them with the challenges that they currently face.

Living Wage employees only

Question 15.2 asked "In terms of improvement to my family's financial circumstance, to what extent would you say the Living Wage (LW) has made a difference?" and this question should have been asked of all Living Wage employees at the three partner organisations (193 respondents).

The previous survey question should have identified, and routed within the survey the LW workers only to this question and then asked them a question about how the LW has affected them. Unfortunately there seems to have been some confusion with the routing on this question possibly based on whether the employees are fully aware of whether they have LW status and/or the gross hourly wage rate they are paid e.g. confusion over the wage rates that they are paid, a point already referred to previously in Chapter 3.

Looking at the Living Wage identifying question only (Question 15.1) this suggests that there are 158 LW workers in the full sample. In comparison the LW flag variable which is based on the employer's administrative pay records suggests 193 employees. There is a direct match between these two methods of identifying LW status for 143 respondents. The figures for LW only responses are presented below for these 143 respondents as if the employee did not identify themselves as a LW employee they were not asked these questions.[23]

For those respondents who were identified as LW employees they were asked "In terms of improvements to [your] family's financial circumstances, to what extent would you say the Living Wage has made a difference?". Table 12.1 tabulates the responses to this question.

[22] See WLinY questionnaire Section 15 pp.78-81

[23] Respondents were asked a series of questions based on their Living Wage status so the information reported below is for those employees who replied to these questions and had an administrative pay recorded wage rate that signified LW status.

Table 12.1: "To what extent would you say the Living Wage has made a difference?"

	Living Wage (%)	LW at CYC (#)	LW at JRF/JRHT (#)
No difference at all	32.9	43	4
Little difference	32.9	39	8
Some difference	19.6	23	5
A big difference	6.3	9	0
Don't Know/Unsure of difference	8.4	11	1
Number of respondents	143	125	18

Looking at these figures in Table 12.1 it is clear that over a quarter of LW respondents report that there has been 'some' or a 'big' difference as a result of the LW on their family's financial circumstances. Clearly there is variation here over the scale of the effect that is being reported e.g. only slightly over 5% report a 'big' difference and over 30% report 'no difference at all'. Even so, the sum of respondents reporting a difference is over 58% in total.

For CYC there figures can be presented as almost 57% of CYC staff on the LW supplement report a difference due to the LW. In comparison almost 35% of CYC staff on the LW report "no difference" due to the LW e.g. 43 of the 125.

Some caution should be taken in interpreting the figures on LW above though - a temptation might be to read this as if it makes "no difference" therefore not effective rather an alternative reading might be that the challenges faced by some respondents and their households are so great that the LW alone will not fix this (particularly if LW rate hours are short – see Chapter 3).

Table 12.2: ‘How has the LW changed how you feel about your employer, and affected your life?”

	Strongly disagree	Disagree	Neither	Agree	Strongly agree	Don’t know
I feel more loyal to my employer	15.4	16.1	36.4	21.0	7.0	4.2
I feel more valued at work	14.0	16.1	36.4	23.1	5.6	4.9
I feel more satisfied about my job	14.0	14.7	38.5	23.1	5.6	4.2
I work fewer hours now	44.01	27.3	21.7	2.1	0.7	4.2
My partner would fewer hour now	32.2	18.9	21.0	0.7	0.0	27.3
I spend more time with my family	37.1	25.9	23.8	4.9	0.7	7.7
It has had an impact on my benefits	37.8	14.7	24.5	2.8	4.2	16.1
Number of respondents	143					

In the Table 12.2 above there is evidence that there is an improvement in how LW employees feel they are valued by their employer as over a quarter are reporting that they agree/agree strongly that they feel more valued about work and more satisfied with their job.

Respondents were asked how the implementation of the LW policy had affected them as an employee in their work. The responses were verbatim/open answers and were coded into groups, the dominant response (from 86 of the 143) was coded into a category of “it has had no effect”, followed by “it has helped financially” (11 respondents) and “it has only had a marginal impact” (9). Some examples of the verbatim comments from respondents on this question include:

> *“It’s made me have a bit more, made me more comfortable, less worried ...”*
>
> *“Hasn’t affected me that much, but I know it made a big difference to some of my colleagues”*

“It means I have a little bit more money, but not much because there are so few hours in this job”

“I am grateful that they pay it. I don’t do enough hours to make it relevant”

“It has given me more pride in my role”

“In no way - I only get a small amount as I work few hours - so little benefit if only working a few hours”

“No difference to me. Perhaps made people think their wage is fairer”

“No effect – but there is now no difference between skilled and unskilled labour”

“It is positive and will hopefully encourage others to do the same”

“Feel more loyal to the council. Other jobs in the same field of work I am in are all lower paid”

The general points that are seen here are that the amount of LW money is relatively small particularly if the working hours at the employer are limited, however the general principle of the payment is much welcomed.

Respondents were also asked how the implementation of the LW policy had affected them in terms of their family household. Again the open answer responses were coded into groups, and the dominant type of response (from 77 of the 143) was coded into a category of “it has had no effect”, followed by “it has only had a marginal impact” (16), “it has helped financially” (9 respondents) and “it has improved or helped maintain living standards”.

Some examples of the verbatim comments from respondents on this question include:

“*Extra money to spend on essentials”*

“Increase in disposable income means more likely to save money for rainy day”

“No, because it gets taken away because of income support. It might help others”

“Family budget increased. The type of work means I can spend more time with my daughter”

“Not a lot financially, getting a job was what made a difference to wellbeing”

“Not much, I don’t see it because it goes straight out on bills”

“Everything is the same as most of the extra money I lose in tax for my extra job”

“A small difference which is probably swallowed up by the rise in costs”

“Feel can meet bills better. Extra income helps us to not worry”

“It’s just a struggle at times so it helps a bit”

“Slightly better off, money used to pay for children’s activities”

“Extra money used to meet rising costs of living – bills, food etc.”

At the time of the WLinY interview (late spring/summer 2014) CYC, JRF/JRHT and YSJU had all adopted a Living Wage policy over the previous 18-24 months. All respondents were asked to select from a series of options to identify their thoughts on this – respondents could code more than one reply and these are shown in Table 12.3 below:

Table 12.3: What are your views on the LW at your organisation?

	#	%
Good thing even if I am not benefitting directly	372	75.8
Good thing as long as I'm not adversely affected by it	116	23.6
Good thing but those earning a bit higher need good annual wage increases too.	217	44.2
Other things could also be done that would help staff more with cost of living	198	40.3
Adoption of the Living Wage policy is not helpful	7	1.43
No strong views either way	24	4.89
Other	60	12.2
Number of respondents	491	

For those reporting "Other" comments then these could be classified generally as "it [LW] is a good thing" (15 respondents), "it is still not high enough" (12), "everyone should get the LW" (10) and also "Negative comment or comment expressing concern" with the wage policy (14 respondents).

There is clearly evidence that this section of the workforce (earning up to £10 per hour) at the three organisations are supportive of the wage policy (over three-quarters) but also that those earning further up the wage distribution from the LW need support too, and that there may be other things that employers could do to help staff more with cost of living.

Living Standards

All respondents were asked in this section of the survey 'what has been the most important impact in your household's standard of living over the past 12 months'? Across the 491 open answers that were recorded and coded into categories (based on frequency of response) this dominant factors that came up were "increase in food prices" (88), "increase in utility prices" (35), "increase in fuel prices" (78), "general increase in the cost of living" (90), "family costs (children, childcare, clothing etc.)" (30), and "nothing, no change" (63). Cleary then for those respondents that note there are factors impacting on their household's standard of living these tend to be dominated by the increase in costs relating to essentials or basics (food, fuel, childcare etc.).

Respondents were then asked to look ahead to the next 12 months and 'what would help you most in maintaining or even improving your family's standard of living'? Respondents again replied with open/verbatim answers and the dominant themes that emerged were "getting a pay rise through promotion, job change or job move" (108 respondents), "working more hours" (84), "lower fuel or petrol prices" (75), and "more job security" (51). Respondents were then asked if your employer could help with that, the responses in Table 12.4 below show that more than 40% of employees can imagine a way that the employer could help them with this, and that the expectations were pretty equal across the three employers.

Table 12.4: If there is something that would improve your family's standard of living could your employer help you with this?

	All	CYC	JRF/JRHT	YSJU
Yes	44.4	44.7	43.0	44.0 [11]
No	49.1	48.2	52.3	52.0 [13]
Maybe	5.3	6.1	3.5	0.0
Don't know	1.22	1.1	1.2	4.00 [1]
Number of respondents	491	380	86	25

The final question in Section 15 was to follow-up for those respondents (218) who reported that they thought the employer could help in terms of how this help could be provided. Responses included "more working hours" (46), "cost of living pay rises" (18), "better hourly rate or salary" (78), "ensure job security" (30), "promote and improve career prospects" (28), "offer more training courses" (19) and "offer to supplement travel and parking costs" (16).

Summary to Chapter 12

Chapter 12 investigated how the Living Wage policy implemented at the three employers – CYC, JRF/JRHT and YSJU – had been received and impacted on the workforce.

Overall employees seemed to be supportive of the LW policy that had been adopted. For those receiving the LW it was welcomed and more than 56% reported that it made a difference to them in terms of their financial circumstances. However there was a clear understanding that the extent of the LW impact was a function of the hours worked and that this was limiting the benefit.

Open questions asked to all respondents about household resource constraints evidenced the fact that many more employees in the sample (earning up to £10 per hour) were facing challenges e.g. rising fuel, food prices and thought there was something that their employer could do to help them with this.

Chapter 13: Social Wage[24]

In Section 16 of the WLinY survey the respondents were asked a series of questions around their use of public and other social facilities. The respondents were asked if they 'use' or 'do not use' each of the listed services. If they report that they use the service they are then asked if they find it 'adequate or inadequate' for their needs. If they report that they do not use this service then they are asked if the reason why they are not using was because it was 'unavailable/inadequate' or 'can't afford'. A full set of responses are presented for the WLinY sample in Table 13.1 below:

Table 13.1 Use of public and social facilities

	Use % of respondents that use the listed service	**Inadequate service** % of respondents that consider the service inadequate (if they **Use** it)	**Unavailable/ Inadequate service** % of respondents who do not use as service unavailable or inadequate	**Can't afford** % of respondents who do not use as can't afford it
Libraries	60.1 39.7	5.8 e.g. 17 of the 295 (295 = 60.1% of 491)	5.6 e.g. 11 of the 195 (195 = 39.7% of 491)	0.0
Public sports facilities	61.5 38.3	8.0	10.6	11.2
Museums & galleries	55.2 44.8	1.9	7.3	5.0
Evening classes	14.9 84.9	5.5	3.4	11.8
Public or community village hall	26.9 72.7	5.3	8.7	0.0
Dentist	87.6 12.4	6.1	27.9	13.1**
Optician	74.3 25.7	1.6	4.8	4.0
Citizen's Advice Bureau or other advice services	19.4 80.5	23.2	3.8	0.0
Corner shop	85.3 14.5	2.9	43.7	4.2
Medium to large supermarkets	97.6 2.4	2.7	58.3	0.0
Pub	75.4 24.6	2.4	5.8	12.4

[24] See WLinY questionnaire Section 16 pp.82-83

Food bank	1.4 (7 employees) 97.8	14.3 (1 of the 7 employees)	1.9	0.0
Number of respondents	491			
Yorkcard*	64.2 34.9	5.7	5.2	2.6
Number of respondents	438			

Notes to table:
* City of York Council Library card (the "Yorkcard") entitles residents to discounts at leisure facilities across York.

Figures in Table 13.1 above show a number of points that are worth noting, firstly, just over 60% of the sample is reporting use of public sports facilities and libraries though this is a little lower (55%) for museums and galleries.

Secondly, for those not using the dentist, (61 of 491 respondents) 28 of these report the reason for not using the dentist is that they 'can't afford'. Interestingly the only item showing statistical difference between the LW and non-LW groups is for this item e.g. for employees not using the dentist the LW workers were significantly more likely to report the reason as can't afford (as opposed to 'unavailable/inadequate' or don't want to). This is important and highlights access to health care (dentistry) being restricted for those on the lowest wage rates.

Thirdly, within the sample of 491 respondents across the three employers, there were seven employees who replied that "they or a member of their household had used a food bank in the last 12 months". Of these seven employees all were female, living in York and employed at CYC at the time of the interview.

Of the other respondents, 480 replied that they (or a household member) had not used a food bank in the last 12 months. The remaining four respondents responded with "Don't Know" - these four respondents were employed JRF/JRHT and YSJU.

It is worth noting that of the seven CYC employees that reported the use of a food bank in the last 12 months, three of these had a basic wage rate at or below the LW; the other four had a wage rate above this (one at £8.22 and three at £8.24).

Although small numbers (less than 10) this finding should be of concern and particularly so where access to food banks is not on a self-referral basis.

In Section 16 of the survey respondents with children were asked about services that their children had used in the last 12 months. In table 13.2 below these responses are shown.

Table 13.2 Use of public and social facilities for children

	Use % of respondents that use the listed service	**Inadequate service** % of respondents that consider the service inadequate (if they **Use** it)	**Unavailable/ Inadequate service** % of respondents who do not use as service unavailable or inadequate	**Can't afford** % of respondents who do not use as can't afford it
Facilities to play safely nearby	66.4 17.7	15.6 e.g. 24 of the 154 (154 = 66.4% of 232)	26.8	0.0
School meals	47.8 35.8	17.1	8.4	0.0
Youth clubs	16.8 66.8	15.4	17.4	0.0
After school clubs	30.2 53.0	8.6	4.9	3.3
Public transport to get to school	22.4 61.2	17.3	5.6	0.0
Nurseries, playgroups, mother and toddler groups.	16.4 63.4	2.6	1.4	0.7
Number of respondents	232			

Figures in the above table show that for those employees with children there appears to be affordability issues for the listed activities but there are clearly issues of availability e.g. particularly in relation to youth clubs and facilities to play safely nearby.

Summary to Chapter 13

Chapter 13 investigated the access and uptake of public and other social facilities by the WLinY respondents. As has been summarised above there were clear affordability issues relating to some services such as evening classes and sports affordability (for all employees) as well as dentistry (and particularly so for Living Wage workers).

There is also some evidence that the lack of adequate support available for respondents from the Citizen's Advice Bureau (CAB) or other advice services is a reason for lack of use of this service. Also, noteworthy was that seven respondents (all employees working at one of the partner organisations) reported a use of a food bank by their household in the last 12 months – all these respondents were female and living in York.

Each of these findings offers the potential for the employer to help or support their employees in a way that is outside the formal wage rate e.g. financial support for gym membership, evening class enrolment and even dentistry, and also the importance for support of the type of services offered by the CAB.

Chapter 14: Housing[25]

This chapter considers a range of housing related issues including: physical space, housing condition and quality, access to housing benefits, housing related debt, and tenure type. As with other chapters these factors are explored by employer, presence of the living wage and poverty thresholds.

14.1 Accommodation characteristics

Respondents were asked how many bedrooms were present in their accommodation (Table 14.1). 45.2 per cent had three bedrooms, whereas 26.7 had four or more, and 22.8 per cent had two. It is assumed that a 0 bedroom property refers to a bedsit.

Table 14.1: Number of bedrooms in home

	Frequency	Percent
0	1	.2
1	25	5.1
2	112	22.8
3	222	45.2
4+	131	26.7
Total	491	100.0

Table 14.2 indicates the number of bedrooms by household composition. The results indicate that (unsurprisingly) larger households tend to live in larger dwellings, for example, of those living in accommodation with four or more bedrooms, 49.6 per cent of occupants live with their partner and at least one child. Equally, of those living in three bedroom properties 41.4 per cent live with their partner and at least one child.

[25] See WLinY questionnaire Section 8 pp.46-53.

Table 14.2 Household Composition and bedrooms

		Household Composition							Total
		Just the respondent	Respondent & a partner	Respondent & adult family members	Respondent & other adults (not close family)	Respondent & child or children	Respondent partner & child or children	Respondent partner child/ children & others	
0	Count	1	0	0	0	0	0	0	1
	Number of bedrooms	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0 %
	% of Total	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
1	Count	16	7	2	0	0	0	0	25
	Number of bedrooms	64.0%	28.0%	8.0%	0.0%	0.0%	0.0%	0.0%	100.0 %
	% of Total	3.3%	1.4%	0.4%	0.0%	0.0%	0.0%	0.0%	5.1%
2	Count	25	39	5	6	15	22	0	112
	Number of bedrooms	22.3%	34.8%	4.5%	5.4%	13.4%	19.6%	0.0%	100.0 %
	% of Total	5.1%	7.9%	1.0%	1.2%	3.1%	4.5%	0.0%	22.8 %
3	Count	14	53	32	5	25	92	1	222
	Number of bedrooms	6.3%	23.9%	14.4%	2.3%	11.3%	41.4%	0.5%	100.0 %
	% of Total	2.9%	10.8%	6.5%	1.0%	5.1%	18.7%	0.2%	45.2 %
4+	Count	6	22	21	4	10	65	3	131
	Number of bedrooms	4.6%	16.8%	16.0%	3.1%	7.6%	49.6%	2.3%	100.0 %
	% of Total	1.2%	4.5%	4.3%	0.8%	2.0%	13.2%	0.6%	26.7 %
Total	Count	62	121	60	15	50	179	4	491
	Number of bedrooms	12.6%	24.6%	12.2%	3.1%	10.2%	36.5%	0.8%	100.0 %
	% of Total	12.6%	24.6%	12.2%	3.1%	10.2%	36.5%	0.8%	100.0 %

Pearson Chi Square 136.17, df = 24, p= .000

14.2 Tenure

Within this sample, the majority of respondents are owner occupiers, with 21.2 per cent owning their property outright, and 44.2 per cent buying it with a loan or mortgage (this combined figure corresponds with a national owner occupier figure of 63 per cent in 2014). 29.9 per cent rent their accommodation (Table 14.3), which is just below the national figure of 36 per cent in 2014[26]).

Table 14.3: Tenure Type

	Frequency	Percent
Own it outright	104	21.2
Buying it with the help of a mortgage or loan	217	44.2
Pay part rent and part mortgage (shared ownership)	3	.6
Rent it	147	29.9
Live here rent free including in a relative's/friend's property	20	4.1
Total	491	100.0

The average age for these different tenures groups varies, with a mean age of 54 years old for those owning outright, 44.8 for those with mortgages/loans, 45.6 who have shared ownership, 36.9 who rent, and 32.1 who live rent free.

Of respondents renting or living rent free 150 (30.5 per cent) responded to the question 'who is your landlord', of this group 36 per cent rent from the Local Authority, 10.7 per cent from a Housing Association/Charitable trust, and 41.3 per cent from a private landlord/letting agency (Table 14.4).

Table 14.4: Type of landlord

	Frequency	Percentage of total	Percentage of sub group
The local authority/council/New Town development/Scottish Homes	54	11.0	36.0
A housing association, charitable trust or Local Housing Company	16	3.3	10.7
Employer (organisation) of a household member	2	.4	1.3
Another organization	2	.4	1.3
Relative/friend (before you lived here) of household member	13	2.6	8.7
Employer (individual) of a household member	1	.2	.7

[26] DCLG (2015) English Housing Survey: Households 2013-2014 accessed at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/461439/EHS_Households_2013-14.pdf

Another individual, private landlord or Letting Agency	62	12.6	41.3
Total	150	30.5	100.0
Missing	341	69.5	
Total	491	100.0	

There are some differences to national statistics where 19 per cent of **all** households were in the Private Rented Sector, 10 per cent rented through Housing Associations or equivalent, and 7 per cent rented through Local Authorities (DCLG 2015).

Table 14.5 provides an overview of financial arrangements relating to housing. Mean mortgage payments are £525, although median payments are slightly lower at £479.50p. For those in the Social Rented Sector (SRS), mean weekly payments including any rent holidays are £84.42p, although median payments are slightly higher at £87.34p. For those in the Private Rented Sector (PRS) rents are on average higher with a mean of £108.15p and median of £103.85p (including any rent holidays). A small proportion of respondents reported receiving housing benefit, with a mean weekly figure of £30.16p. A small number of households reported the presence of a lodger with a mean weekly rent of £95.12p.

Three broad tenure groups have been created, owner occupiers (all owned and those with mortgages), those in the Social Rented Sector (SRS), and those in the Private Rented Sector (PRS). As those living rent free were not asked financial questions, they are excluded from this section of the results.

Table 14.5: Financial arrangements relating to housing

Broad Tenure Type		**Weekly rent figure not including a deduction for rent holidays £**	**Weekly rent figure including a deduction for rent holidays £**	**Weekly amount of HB received £**	**Monthly mortgage payment £**	**Weekly amount of rent from a lodger or boarder £**
All owned + Some Owned	Mean				525.2399	95.1154
	Median				479.5000	100.1923
	N				206	8
All social rented	Mean	87.6104	84.4185	30.1615		
	Median	89.0769	87.3373	24.3788		
	N	65	65	12		
All PRS	Mean	107.9497	108.1528	92.8061		
	Median	103.2692	103.8462	107.6723		
	N	78	77	8		

Total	Mean	98.7045	97.2885	55.2193	525.2399	95.1154
	Median	92.3077	88.9431	46.1250	479.5000	100.1923
	N	143	142	20	206	8

Table 14.6 shows average rents, mortgages, housing benefit received, and income from lodgers according to whether the respondent is above or on the living wage. Rental figures are very similar for both of the main groups, although on average, those on the living wage report receiving higher levels of Housing Benefit. Whilst mean mortgage payments are around £10 lower per month for living wage respondents, median mortgage payments are actually £28 higher for this group.

Table 14.6: Financial information by living wage status

Living Wage		**Weekly rent figure not including a deduction for rent holidays**	**Weekly rent figure including a deduction for rent holidays**	**Weekly amount of HB received**	**Calendar monthly mortgage payment**	**Weekly amount of rent from a lodger or boarder**
Above LW £7.65	Mean	100.7099	99.5898	39.3237	529.6234	107.6538
	Median	92.3077	90.9231	26.2788	460.0000	104.6923
	N	81	81	6	125	6
Living Wage / LW Supplement	Mean	98.1346	96.2221	62.0318	518.4751	57.5000
	Median	92.3077	88.1862	49.0000	488.0000	57.5000
	N	59	58	14	81	2
Apprentice	Mean	55.7692	55.7692			
	Median	34.6154	34.6154			
	N	3	3			
Total	Mean	98.7045	97.2885	55.2193	525.2399	95.1154
	Median	92.3077	88.9431	46.1250	479.5000	100.1923
	N	143	142	20	206	8

Table 14.7 presents the same information by employer. On average JRF employees have lower rents, although this varies by mean/median and whether or not a rent holiday is included. In terms of mortgage payments there are substantial variations by employer. YSJU has the highest average mean figure (£603) compared to JRF (£444.99) and CYC (£535.16).

Table 14.7: financial information and employer

		Rent figure not including a deduction for rent holidays	Rent figure including a deduction for rent holidays	Weekly amount of HB received	Calendar monthly mortgage payment	Weekly amount of rent from a lodger or boarder
CYC	Mean	99.8483	98.3978	58.3409	535.1611	106.9487
	Median	92.3077	89.0585	49.0000	494.0000	119.5000
	N	104	103	18	171	6
JRF/ JRHT	Mean	94.4356	92.8045	10.0000	444.9896	59.6154
	Median	92.3077	88.8462	10.0000	400.7500	59.6154
	N	29	29	1	28	2
YSJU	Mean	99.1896	98.8663	44.2500	603.8786	
	Median	88.6154	88.6154	44.2500	678.3400	
	N	10	10	1	7	
Total	Mean	98.7045	97.2885	55.2193	525.2399	95.1154
	Median	92.3077	88.9431	46.1250	479.5000	100.1923
	N	143	142	20	206	8

Table 14.8 shows the results from a cross tabulation of tenure by living wage status. Of those on the living wage 63.7 per cent are owner occupiers compared to 67.9 per cent of those who are above the living wage. 17.6 per cent of those on the living wage are in the SRS compared to 11.6 per cent who are above the living wage. However, a larger proportion of those above the living wage are in the PRS compared to those who are on the living wage (17.1 per cent compared to 13.5 per cent). These results are significant at the 95 per cent level.

Table 14.8: Tenure by Living Wage

		Living Wage			Total
		Above LW £7.65	Living Wage / LW Supplement	Apprentice	
All owned + SO	Count	199	123	2	324
	% within tenure	61.4%	38.0%	0.6%	100.0%
	% within Living Wage	67.9%	63.7%	40.0%	66.0%
	% of Total	40.5%	25.1%	0.4%	66.0%
All SRS	Count	34	34	0	68
	% within tenure	50.0%	50.0%	0.0%	100.0%
	% within Living Wage	11.6%	17.6%	0.0%	13.8%
	% of Total	6.9%	6.9%	0.0%	13.8%
All PRS	Count	50	26	3	79
	% within tenure	63.3%	32.9%	3.8%	100.0%
	% within Living Wage	17.1%	13.5%	60.0%	16.1%
	% of Total	10.2%	5.3%	0.6%	16.1%
Rent free	Count	10	10	0	20
	% within tenure	50.0%	50.0%	0.0%	100.0%
	% within Living Wage	3.4%	5.2%	0.0%	4.1%
	% of Total	2.0%	2.0%	0.0%	4.1%
Total	Count	293	193	5	491
	% within tenure	59.7%	39.3%	1.0%	100.0%
	% within Living Wage	100.0%	100.0%	100.0%	100.0%
	% of Total	59.7%	39.3%	1.0%	100.0%

Pearson Chi Square = 12.65, df = 6, sig = .049

Table 14.9 shows the results from a cross tabulation of tenure by employer. 56 per cent and of YSJU and 57 per cent of JRF employees are owner occupiers compared to 68.7 per cent of staff from CYC. The highest rate of those in the SRS is amongst JRF employees (at 18.6 per cent this is around six per cent higher than the other employer groups). In contrast the highest proportion of those in the PRS is amongst YSJU staff at 28 per cent (over 10 per cent higher than the other employer groups). These results are not statistically significant.

Table 14.9: Tenure group by employer

		Employer			Total
		cyc	JRF/JRHT	ysju	
All owned + SO	Count	261	49	14	324
	% within tenure	80.6%	15.1%	4.3%	100.0%
	% within Employer	68.7%	57.0%	56.0%	66.0%
	% of Total	53.2%	10.0%	2.9%	66.0%
All SRS	Count	49	16	3	68
	% within tenure	72.1%	23.5%	4.4%	100.0%
	% within Employer	12.9%	18.6%	12.0%	13.8%
	% of Total	10.0%	3.3%	0.6%	13.8%
All PRS	Count	57	15	7	79
	% within tenure	72.2%	19.0%	8.9%	100.0%
	% within Employer	15.0%	17.4%	28.0%	16.1%
	% of Total	11.6%	3.1%	1.4%	16.1%
Rent free	Count	13	6	1	20
	% within tenure	65.0%	30.0%	5.0%	100.0%
	% within Employer	3.4%	7.0%	4.0%	4.1%
	% of Total	2.6%	1.2%	0.2%	4.1%
Total	Count	380	86	25	491
	% within tenure	77.4%	17.5%	5.1%	100.0%
	% within Employer	100.0%	100.0%	100.0 %	100.0%
	% of Total	77.4%	17.5%	5.1%	100.0%

Pearson Chi Square 8.33, df = 6, sig = .215

Table 14.10 shows the results of the cross tabulation between tenure and the BHC poverty threshold. Results indicate much lower owner occupancy rates amongst those below the poverty threshold (48.1 per cent compared to 67.6 per cent). Whilst SRS rates are very similar, PRS occupancy is higher amongst those below the poverty threshold compared to those who are above it (22.2 per cent compared to 15.8 per cent). These results are significant at the 99.9 per cent level. It should also be noted that higher a proportion of those living ‘rent free’ are below the poverty threshold.

Table 14.10: Tenure and BHC poverty threshold

		Equivalised BHC		
		Above 60% median	**At or below 60% median**	Total
All owned + SO	Count	192	26	218
	% within tenure	88.1%	11.9%	100.0%
	% within Equivalised BHC	67.6%	48.1%	64.5%
	% of Total	56.8%	7.7%	64.5%
All SRS	Count	41	7	48
	% within tenure	85.4%	14.6%	100.0%
	% within Equivalised BHC	14.4%	13.0%	14.2%
	% of Total	12.1%	2.1%	14.2%
All PRS	Count	45	12	57
	% within tenure	78.9%	21.1%	100.0%
	% within Equivalised BHC	15.8%	22.2%	16.9%
	% of Total	13.3%	3.6%	16.9%
Rent free	Count	6	9	15
	% within tenure	40.0%	60.0%	100.0%
	% within Equivalised BHC	2.1%	16.7%	4.4%
	% of Total	1.8%	2.7%	4.4%
Total	Count	284	54	338
	% within tenure	84.0%	16.0%	100.0%
	% within Equivalised BHC	100.0%	100.0%	100.0%
	% of Total	84.0%	16.0%	100.0%

Pearson Chi Square = 25.48, df = 3, sig = .000

Table 14.11 shows the same cross tabulation, but uses the AHC poverty threshold instead. Once again, owner occupancy rates are lower amongst those under the poverty threshold (at 43.8 per cent compared to 70.9 per cent). A higher proportion of those in the SRS are above the poverty threshold compared to those that are below it (21.3 per cent compared to 12 per cent). Additionally, a higher proportion of those below the poverty line are in the PRS compared to those above it (26.3 percent/14 per cent). These results are significant at the 95 per cent level.

Table 14.11: Tenure and AHC poverty threshold

		Equivalised AHC		
		Above 60% median	**At or below 60% median**	Total
All owned + SO	Count	183	35	218
	% within tenure	83.9%	16.1%	100.0%
	% within Equivalised AHC	70.9%	43.8%	64.5%
	% of Total	54.1%	10.4%	64.5%
All social rented	Count	31	17	48
	% within tenure	64.6%	35.4%	100.0%
	% within Equivalised AHC	12.0%	21.3%	14.2%
	% of Total	9.2%	5.0%	14.2%
All PRS	Count	36	21	57
	% within tenure	63.2%	36.8%	100.0%
	% within Equivalised AHC	14.0%	26.3%	16.9%
	% of Total	10.7%	6.2%	16.9%
Rent free	Count	8	7	15
	% within tenure	53.3%	46.7%	100.0%
	% within Equivalised AHC	3.1%	8.8%	4.4%
	% of Total	2.4%	2.1%	4.4%
Total	Count	258	80	338
	% within tenure	76.3%	23.7%	100.0%
	% within Equivalised AHC	100.0%	100.0%	100.0%
	% of Total	76.3%	23.7%	100.0%

Pearson Chi Square = 20.528, df = 3, sig = .000

14.3 Satisfaction and housing conditions

Respondents were asked how satisfied they were with their current accommodation. 432 respondents reported being fairly or very satisfied with their accommodation, compared to only 32 respondents expressing any negative level of satisfaction.

14.12: Level of satisfaction with current accommodation

Satisfaction level	Frequency	Percent
Very dissatisfied	14	2.9
Slightly dissatisfied	18	3.7
Neither satisfied nor dissatisfied	27	5.5
Fairly satisfied	126	25.7
Very satisfied	306	62.3
Total	491	100.0

In addition to this, respondents were asked to comment on the state of repair of their home. Only 17 (3.5 per cent) responded that it was 'poor' compared to 353 (72 per cent) describing it as 'good'.

14.13: Description of state of repair of housing

	Frequency	Percent
Poor	17	3.5
Adequate	120	24.5
Good	353	72.0
Total	490	100.0
Don't Know	1	
Total	491	

Despite the relatively positive responses detailed in Tables 14.12 and 14.13, various housing problems were still reported (Table 14.14). The most commonly reported problem was a shortage of space (89 respondents). Following this, the most commonly reported problems were those typically associated with fuel poverty[27], with 82 respondents reporting damp or mould, 58 reporting condensation, and 55 reporting draughts.

[27] Such housing problems are often used as consensual measures of fuel poverty – see Chapter 6 in this report.

Table 14.14: Accommodation problems

Problem	Responses N	Responses Percent
Do you have any of these problems with your accommodation?-Shortage of space	89	18.5%
Do you have any of these problems with your accommodation?-Too dark, not enough light	12	2.5%
Do you have any of these problems with your accommodation?-Heating faulty or difficult to control/regulate	36	7.5%
Do you have any of these problems with your accommodation?-Heating system or radiators not sufficient	26	5.4%
Do you have any of these problems with your accommodation?-Draughts	55	11.4%
Do you have any of these problems with your accommodation?- Damp or mould on walls, ceilings, floors, foundations, etc.	82	17.0%
Do you have any of these problems with your accommodation?- Rot in window frames or floors	28	5.8%
Do you have any of these problems with your accommodation?-Problems with plumbing or drains	29	6.0%
Do you have any of these problems with your accommodation?-Condensation	58	12.0%
Do you have any of these problems with your accommodation?-No place to sit outside	19	3.9%
Do you have any of these problems with your accommodation?-Other	23	4.8%
Total	482	100.0%

Further analysis of the 89 households reporting a shortage of space indicates that the majority of households expressing this concern are families, made up of the respondent, partner and at least one child (42.7 per cent). These families were mostly in two or three bedroom accommodation. The results are significant at the 99.9 per cent level. Results are presented in Table 14.15.

Table 14.15: Households reporting a shortage of space

		Number of bedrooms				Total
		1	2	3	4+	
Just the respondent	Count	6	3	0	0	9
	% within Household Character	66.7%	33.3%	0.0%	0.0%	100.0%
	% within Number of bedrooms	60.0%	8.3%	0.0%	0.0%	10.1%
	% of Total	6.7%	3.4%	0.0%	0.0%	10.1%
Respondent & a partner	Count	4	8	8	1	21
	% within Household Character	19.0%	38.1%	38.1%	4.8%	100.0%
	% within Number of bedrooms	40.0%	22.2%	22.2%	14.3%	23.6%
	% of Total	4.5%	9.0%	9.0%	1.1%	23.6%
Respondent & adult family members	Count	0	4	1	1	6
	% within Household Character	0.0%	66.7%	16.7%	16.7%	100.0%
	% within Number of bedrooms	0.0%	11.1%	2.8%	14.3%	6.7%
	% of Total	0.0%	4.5%	1.1%	1.1%	6.7%
Respondent & other adults (not close family)	Count	0	3	0	2	5
	% within Household Character	0.0%	60.0%	0.0%	40.0%	100.0%
	% within Number of bedrooms	0.0%	8.3%	0.0%	28.6%	5.6%
	% of Total	0.0%	3.4%	0.0%	2.2%	5.6%
Respondent & child or children	Count	0	4	6	0	10
	% within Household Character	0.0%	40.0%	60.0%	0.0%	100.0%
	% within Number of bedrooms	0.0%	11.1%	16.7%	0.0%	11.2%
	% of Total	0.0%	4.5%	6.7%	0.0%	11.2%
Respondent, partner & child or children	Count	0	14	21	3	38
	% within Household Character	0.0%	36.8%	55.3%	7.9%	100.0%
	% within Number of bedrooms	0.0%	38.9%	58.3%	42.9%	42.7%
	% of Total	0.0%	15.7%	23.6%	3.4%	42.7%
Total	Count	10	36	36	7	89
	% within Household Character	11.2%	40.4%	40.4%	7.9%	100.0%
	% within Number of bedrooms	100.0%	100.0%	100.0%	100.0%	100.0%
	% of Total	11.2%	40.4%	40.4%	7.9%	100.0%

Pearson Chi Square 52.58, df = 15, sig = .000

The sub-sample of respondents who had stated that they were likely or very likely to move in the next year or two (88) were asked about reasons for doing this (Table 14.16). The most commonly cited reason for wanting to move to a larger property (46), whereas no more than 10 respondents chose the other options. Responses to the 'other' option were highly varied and included divorce, 'no particular reason', going away to study, and wanting to buy a property.

14.16: Reasons for wanting to move

Reason	Responses	
	N	Percent
Wanting a larger property	46	41.1%
Wanting to move to a different or better area	11	9.8%
Problems with the neighbours or neighbourhood, including crime, noise, vandalism etc.	8	7.1%
Employment reasons	10	8.9%
Family reasons	7	6.3%
Cannot afford current accommodation	6	5.4%
Eviction/repossession/end of tenancy	1	0.9%
Health, disability or mobility problems	5	4.5%
Other	18	16.1%
Total	112	100.0%

14.4 Debt

A small proportion of households (5.9 per cent) reported being behind with their mortgage or rent within the past 12 months (Table 14.17).

Table 14.17: Being behind with housing payments in the previous 12 months

	Frequency	Percent
No	462	94.1
Yes	29	5.9
Total	491	100.0

In addition to this 8 households (1.6 per cent) reported making regular debt repayments for their rent.

Summary to Chapter 14

In Chapter 14 a detailed summary of housing (tenure, costs etc. was presented). Within the sample the majority of respondents lived in two or three bedroom dwellings, with families typically occupying larger spaces. The majority of respondents were owner occupiers, although nearly a third rented their accommodation. On average, owner occupiers were older than those renting. There were fewer owner occupiers amongst living wage employees, and comparatively higher proportions of living wage employees in Social Housing. Once again, there were substantially lower levels of home ownership amongst those under the poverty thresholds.

There were variations in average housing costs: for those on the living wage compared to those above it; by employer; and by poverty threshold. Living wage employees received higher levels of Housing Benefit, although this group actually had higher median mortgage payments than those above the living wage. JRF employees had the lowest mortgage payments, and YSJU had the highest.

On the whole housing was described as being in a good or adequate condition, with the main complaints relating to space. However, given reports of condensation, mould, damp and drafts, it is likely that between 10 – 17 per cent of the sample are experiencing some of the underlying causes of fuel poverty.

Whilst levels of debt were relatively low, it is concerning that of this working sample, 29 respondents reported being behind with housing payments in the previous 12 months.

Chapter 15: Deprivation and the Living Wage[28]

Introduction

In Chapter 3 the living standards of the sample was explored using income. Income has a number of weaknesses as an indicator of living standards. In this project the income unit was the respondent and any partner only, but as has been seen 34.2 per cent of the sample of respondents were living in multi-unit households – apart from their own partners and dependent children there were other adults (and/or) children in the household and the living standards of the respondent and their family unit may have been influenced positively and negatively by those other household members. Income is anyway only an indirect indicator of living standards – it does not take into account borrowing, dissaving or gifts which may influence actual living standards.

So this chapter adds an analysis of deprivation. Deprivation indicators were first introduced into the study of poverty by Townsend (1979) and his techniques were developed in a series of Poverty and Social Exclusion studies, the most recent in 2014 (http://www.poverty.ac.uk/). Deprivation indicators are also incorporated into the UK Child Poverty Act targets and the European Union 2020 targets.

The questions that this section/chapter addresses are:

1. What proportion of low wage earning households employed by these employers are deprived.
2. How does deprivation vary by whether the low wage earner is a living wage earner or not and how does deprivation vary by other characteristics of respondents including their employer and household composition.

First the deprivation indicators that were used are presented.

Deprivation indices

These were derived from the 2014 Poverty and Social Exclusion (PSE) study and consisted of a set of items and activities that it had been established in that study more than half the

[28] See WLinY questionnaire Section 17 pp.84-89

population in the UK considered to be necessities that people today should not be without – so called socially perceived necessities. Each respondent to the survey was presented with shuffle cards with items and activities and asked

"Now I'd like to hand you some cards with items that relate to your standard of living. Please tell me which item you do or do not have by placing the cards on the base card that applies to you"

The choices were

A: Have/do

B: Don't have/do but don't want

C: Don't have/do and can't afford

Could not allocate

We distinguish between household necessities in Table 15.1, adult necessities in Table 15.2, and the items also asked in households with children are shown in Table 15.3. The majority of the respondents reported that their households had or did all of the necessities. The most common household necessity lacking because it could not be afforded was *household insurance*. The most common adult items lacking because they could not be afforded were *regular savings* and *money to repair broken electrical goods*. The most common child necessities lacking because they could not be afforded were *money to save* and *a holiday away from home*. Around 16% of the respondents were not able to answer the child questions – most commonly because they were not the parent of the children in the household.

There is no direct national comparison for these social perceived deprivation rates, but to provide a perspective, the final column of the tables present the results obtained from the PSE survey in 2014. The PSE was national sample of all households and therefore pensioners, and for child households, out-of-work parents. Comparison of the results for the individual items indicates a lower proportion of the living wage sample lacked items because they could not afford them than in the PSE sample. This is the case even when account is taken of the high proportion of 'cannot allocate' for the living wage sample child items. This suggests that this sample of households with a low paid employee in York is not as deprived as the national average household.

Table 15.1: Household necessities N=491

	Have	Don’t have but don’t want	Don’t have and can’t afford	Could not allocate	PSE Does not have and can’t afford[29]
Washing machine	99.4	0.4	0.2		1
Damp-free home	83.7	2.9	8.4	5.1	10
Television	97.6	2.0	0.4		0
Telephone at home (landline or mobile)	99.0	0.6	0.4		2
Household contents insurance	83.3	4.3	8.1	4.3	12
Curtains or window blinds	100				1
A table, with chairs, at which all the family can eat	93.1	4.1	1.4	1.4	5

Table 15.2: Adult necessities

Enough money to keep your home in a decent state of decoration	83.3	0.8	13.6	2.2	19
Enough money to replace or repair broken electrical goods such as refrigerator or washing machine	79.4	1.2	16.7	2.6	26
Two pairs of all-weather shoes	93.3	2.2	3.7	0.8	7
Regular savings (of at least £20 a month) for rainy days	70.5	4.7	23.4	1.4	31
A warm waterproof coat	94.9	1.2	2.6	1.2	4
Meat, fish or vegetarian equivalent every other day	96.7	1.6	1.2	0.4	4
Heating to keep home adequately warm	95.3		4.7		7
Two meals a day	97.1	2.2	0.6		2
Fresh fruit and vegetables every day	93.3	3.7	3.1		6
An outfit to wear for social or family occasions such as parties and weddings	95.1	1.2	2.9	0.8	8
Appropriate clothes to wear for job interviews	94.3	1.8	3.7	0.2	8
All recommended dental work/treatment	87.4	1.8	9.6	1.2	17
Regular payments into an occupational or private pension	78.4	9.2	10.0	2.4	27

	Do	Don’t do but don’t want to do	Don’t do and can’t afford	Don’t do for any other reason	Could not allocate	PSE Does not have and can’t afford
A hobby or leisure activity	80.4	5.7	5.3	7.9	0.6	8
Celebrations on special occasions such as Christmas	96.3	0.8	1.4	1.4		3
Taking part in sport/exercise activities or classes	58.7	17.9	10.0	13.2	0.2	11

[29] These numbers were derived from a paper by Gordon, D. (2015) Producing an ‘objective’ poverty line in eight easy steps: PSE 2012 Survey: Adults & Children.

Table 15.3 Child necessities

	Have	Don't have but don't want	Don't have and can't afford	Could not allocate	PSE Does not have and can't afford
Three meals a day	83.2	1.3	0.4	15.1	1
New, properly fitting, shoes	83.2	0.4	1.3	15.1	4
Some new, not second-hand clothes	82.8	0.9	0.9	15.6	4
Fresh fruit or vegetables at least once a day	81.9	1.3	1.3	15.6	4
Outdoor leisure equipment such as roller skates, skateboards, footballs, etc.	73.3	9.5	1.7	15.6	6
Enough bedrooms for every child of 10 or over of a different sex to have their own bedroom	82.3	0.4	1.3	16.0	9
A warm winter coat	82.3	0.9	1.7	15.1	1
Books at home suitable for their ages	81.9	2.6	0.4	15.1	2
A garden or outdoor space nearby where they can play safely	81.5	0.9	1.7	15.1	5
Meat, fish or vegetarian equivalent at least once a day	83.6	0.4	0.9	15.1	3
A suitable place at home to study or do homework	78.4	3.0	1.3	17.2	5
Indoor games suitable for their ages (building blocks, board games, computer games etc)	83.6	1.3		15.1	1
At least 4 pairs of trousers, leggings, jeans or jogging bottoms	82.3	0.9	1.7	15.1	4
Construction toys such as Duplo or Lego	62.5	17.2	0.4	19.8	4
Pocket money	61.2	15.5	5.6	17.7	14
Money to save	59.5	8.6	15.9	16.0	29
Computer and internet for homework	78.9	3.0	0.9	17.2	6

	Do	Don't do but don't want to do	Don't do and can't afford	Don't do for any other reason	Could not allocate	PSE Does not have and can't afford
A hobby or leisure activity	75.0	3.9	2.6	3.0	15.6	6
Celebrations on special occasions such as birthdays Christmas or other religious festivals	83.6	1.3	0.4		14.7	1
A holiday away from home for at least one week a year	68.5	2.2	12.9	0.9	15.5	25
Toddler group or nursery or play group at least once a week for pre-school aged children	11.6	19.0	0.4	34.5	34.5	3
Going on a school trip at least once a term	56.0	5.2	3.9	15.1	19.8	6
Day trips with family once a month	68.1	2.6	7.8	5.6	16.0	18
Children's clubs or activities such as drama or football training	59.9	11.2	3.0	7.3	18.5	8

From these responses two scales were produced. The number of items lacked by adults was produced by adding the number of household and adult items and activities lacking because they could not be afforded. Table 15.4 summarises the number of adult items lacking and shows that 57.2% lacked no items and 71.0% lacked one or fewer items.

Table 15.4: Adult items lacking

	Frequency	Percent
.00	281	57.2
1.00	68	13.8
2.00	42	8.6
3.00	35	7.1
4.00	19	3.9
5.00	19	3.9
6.00	9	1.8
7.00	5	1.0
8.00	5	1.0
9.00	1	.2
10.00	2	.4
11.00	2	.4
12.00	2	.4
13.00	1	.2
Total	491	100.0

Analysis of the number of child items lacking was restricted to households where the respondent was the parent of the child in order to exclude the cases where the respondent was living in a household with children but did not know the circumstances of the child. It can be seen in Table 15.5 that 62.0% were lacking no child items and 79.2% were lacking one or fewer items.

Table 15.5: Child items lacking: Respondents with dependent children only

	Frequency	Percent
.00	101	62.0
1.00	28	17.2
2.00	14	8.6
3.00	7	4.3
4.00	10	6.1
5.00	1	0.6
9.00	1	0.6
14.00	1	0.6
Total	163	100.0

If we take an adult threshold of lacking two or more necessities then the answer to the first question is that 29% of households with a low paid employee of the City of York Council, University of York St John's or the JRF are deprived. If we take a threshold of lacking one or more child necessity then 21% of low paid employees with children have a child which is deprived.

Characteristics of deprived households

The levels of deprivation are compared in two ways in the following analysis. First the proportion of deprived adults (lacking two or more necessities) is compared. Then for those lacking any necessities the mean number lacking is compared.

Table 15.6 shows that those employees on the living wage have a higher proportion deprived and significantly higher levels of deprivation than those not on the living wage – low paid but on rates above the living wage. CYC employees and CYC employees receiving the living wage have a slightly higher proportion deprived and higher mean deprivation but these differences are not statistically significant.

Table 15.6: Adult deprivation by employer and living wage status

		% adults deprived	Chi squared sig level	Mean	Std. Deviation	N	sig.
Living wage		33.0%	0.079	3.6	2.7	81	0.029
Not living wage		26.5%		2.8	2.2	129	
Employer	CYC	30.1%	0.467	3.1	2.5	167	0.716
	JRF/JRHT	24.1%		2.8	2.1	35	
	YSJU	24.0%		2.9	1.6	8	
CYC	Living wage	34.4%	0.528	3.6	2.7	75	0.295
	Not living wage	27.2%		2.8	2.2	92	
JRF/JRHT	Living wage	21.2%		3.2	2.0	6	
	Not living wage	25.0%		2.8	2.2	29	
YSJU	Living wage					0	
	Not living wage	25.0%		2.9	1.6	8	
Total N=491		28.9%		3.1	2.4	210	

It is clear in Table 15.7 that lone parents have a higher risk of adult deprivation. This holds whether or not they are living in single unit or multi-unit households. Single respondents also have a higher risk of deprivation and living in a household with other people does not appear to mitigate this.

Table 15.7: Adult deprivation by household composition

	% adults deprived on 2+	Chi squared sig level	Mean Deprivation score	Std. Deviation	N	Sig.
All multi-unit households	30.5	0.006	3.4	2.6	68	.331
Single unit households:						
Respondent single	33.3		3.2	3.0	30	
Respondent Couple	21.6		2.5	1.9	40	
Respondent Lone parent	51.3		3.1	2.2	26	
Respondent Couple with children	23.8		2.8	2.3	46	
N=410	28.9		3.1	2.4	210	
All single unit households	28.2	0.118	2.9	2.3	142	.102
Multi-unit households						
Single person plus other adults	37.1		3.5	2.6	42	
Couple plus other adults	32.2		3.0	2.3	19	
Lone parent plus others	100		8.0	-	1	
Couple with children plus others	21.7		4.0	2.8	6	
N=410	28.9		3.1		210	

In Table 15.8 large families have a higher risk of deprivation but because lone parents tend to have fewer children, the relationship between deprivation and number of children is not linear. Families with two children have a lower deprivation rate than those with no children. The mean deprivation score is higher in large families but the mean differences are not significant.

Table 15.8: Adult deprivation Number of dependent children

Number of dependent children	% adults deprived 2+	Chi squared sig level	Mean	Std. Deviation	N	Sig.
None	28.1%	0.345	3.1	2.5	123	0.565
1	27.4%		2.9	2.2	42	
2	30.6%		2.7	1.6	32	
3	50.0%		3.9	3.6	14	
All N=491	28.9%		3.1	2.4	210	

The same analysis was undertaken comparing the percentage of households with children lacking one or more child necessities and the mean number of items lacked. Table 15.9 shows that there were no significant differences in child deprivation by employer, or whether or not the respondent was on the living wage.

Table 15.9: Child deprivation by employer and living wage status

		% households with children deprived	Chi squared sig level	Mean	Std. Deviation	N	sig.
Living wage		34.6	0.33	2.3	1.3	31	.583
Not living wage		39.5		2.5	2.7	26	
Employer	CYC	35.1	0.25	2.4	2.2	46	.426
	JRF/JRHT	50.0		1.7	1.1	9	
	YSJU	40.0		3.5	0.7	2	
CYC	Living wage	38.0	0.76	2.5	2.8	23	.703
	Not living wage	32.5		2.3	1.4	23	
JRF/JRHT	Living wage	50.0		2.5	2.1	2	
	Not living wage	50.0		1.4	0.8	7	
YSJU	Living wage	-		-			
	Not living wage	40.0		3.5	0.7	2	
Total N=169		36.7		3.5	2.0	57	

Table 15.10 repeats that analysis by household composition. Again there is some evidence that lone parents have a higher rate of deprivation but this is not significant and their mean scores are no higher than for couples with children.

Table 15.10 Child deprivation by household composition

	% households with children deprived on 1+	Chi squared sig level	Mean Deprivation score	Std. Deviation	N	Sig.
All multi-unit households	25.0	0.151	4.0	1.4	4	.170
Single unit households:						
Respondent Lone parent	53.8		1.8	1.2	17	
Respondent Couple with children	31.7		2.4	2.3	36	
All single unit households	37.2	ns	2.2	2.0	53	ns
Couple plus other adults			6.0		1	
Lone parent plus others	100		4.0		1	
Couple with children plus others	0		3.0		2	
	36.7		2.2	2.0	57	

The deprivation section of the survey ended with some more general questions about deprivation. In the tables below these have been analysed by employer and living wage status and by household type.

The respondents were asked to assess the quality of a range of items that they owned on a scale from ‘top of the range’ to ‘budget or lower’. The results are presented in Table 15.11. There is a fairly even distribution across the items with a higher proportion budget or lower than top of the range. There were no significant differences by employer or living wage status. Lone parents were significantly more likely to record ‘not applicable’ to the questions on holiday accommodation and car.

Table 15.11: The quality of the items you own

	Your clothing and shoes	Accommodation you pay for on holidays away from home	Types of entertainment you go to	Your kitchen (layout cupboards, appliances and other equipment	Your furniture	Your home entertainment equipment such as TV, DVD player, stereo, home theatre etc.	Your car/ motor vehicle
Top of the range	5.5%	6.1%	6.7%	9.6%	5.9%	10.4%	6.7%
Good quality	35.6%	33.0%	32.2%	34.8%	40.7%	41.1%	29.1%
Mid-range	44.4%	30.1%	36.0%	37.9%	39.5%	38.5%	32.6%
Budget or lower	14.1%	14.7%	10.2%	15.5%	12.6%	9.4%	12.6%
Don't know	.2%	.8%	.8%	.6%	.2%	.2%	.4%
Not applicable	.2%	15.3%	14.1%	1.4%	1.0%	.4%	18.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0 %

Respondents were asked to 'imagine that you have come across an item in a shop or on the internet that you would really like to have for yourself or to share with others in the household. It has a price tag of £150. It is not an essential item for accommodation, food, clothing or other necessities – it's an extra. How restricted would you feel buying'. 40.5% of respondents said that they would be very restricted or could not buy it. There was no significant variation by employer or living wage status. However it can be seen in Table 15.12 that lone parents and couples with children felt most restricted.

Table 15.12: How restricted would you feel about buying it

	Multi-unit	single	Couple	Lone parent	Couple with children	All
Not at all restricted	17.4%	19.3%	27.5%	2.6%	11.1%	16.9%
A little restricted	28.7%	17.5%	24.5%	17.9%	21.4%	23.8%
Quite restricted	15.6%	15.8%	17.6%	23.1%	23.8%	18.7%
Very restricted	11.4%	8.8%	6.9%	15.4%	15.9%	11.6%
Couldn't buy it	26.9%	38.6%	23.5%	41.0%	27.8%	28.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There was also no variation by employer or living wage status in the proportion of respondents who felt that they were genuinely poor now. However in Table 15.13 singles and lone parents were more likely to say they were poor all the time.

Table 15.13: Do you think you could genuinely say you are poor now?

	Multi-unit	single	Couple	Lone parent	Couple with children	All
Never	68.9%	56.1%	73.5%	38.5%	70.6%	66.4%
Sometimes	24.6%	29.8%	21.6%	51.3%	26.2%	27.1%
All the time	5.4%	14.0%	4.9%	10.3%	3.2%	6.1%
Don't Know	1.2%					.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There were similar results in answer to the question 'has anything happened recently (in the last two years in your life which as reduced or improved your standard of living'. No variation by employer or living wage status but lone parents more likely to report a reduced standard of living.

Table 15.14: Change in standard of living

	Multi-unit	single	Couple	Lone parent	Couple with children	All
Reduced your standard of living	32.3%	35.1%	18.6%	43.6%	20.6%	27.7%
Neither	51.5%	45.6%	52.0%	41.0%	53.2%	50.5%
Improved your of living	15.6%	19.3%	29.4%	15.4%	26.2%	21.6%
Don't Know	.6%					.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Respondents were then asked 'how many pounds a week, after tax do you think are necessary to keep a household such as the one you live in out of poverty. How far below that level would you say your household is?'

Again in Table 15.15 it is clear that lone parents and single people are most likely to feel that they are below their own subjective poverty threshold.

Table 15.15: Subjective poverty by family type

	Multi-unit	single	Couple	Lone parent	Couple with children	All
A lot below that level of income	3.0%	14.0%	3.9%	17.9%	1.6%	5.3%
A little below	17.4%	17.5%	6.9%	25.6%	7.9%	13.4%
About the same	16.2%	29.8%	21.6%	23.1%	28.6%	22.6%
A little above	40.7%	29.8%	38.2%	25.6%	35.7%	36.5%
A lot above that level of income	16.2%	5.3%	25.5%	2.6%	23.0%	17.5%
Don't Know	6.6%	3.5%	3.9%	5.1%	3.2%	4.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

In this case there were also some significant differences by employer and living wage status. Living wage employees are more likely to say they are in subjective poverty than those above the living wage and CYC and JRF employees are more likely to say they are in subjective poverty than YSJU employees.

Table 15.16: Subjective poverty by family type

	CYC		JRF		YSJU		Total
	Living wage	Not living wage	Living wage	Not living wage	Living wage	Not living wage	
A lot below that level of income	11.0%	2.3%		4.4%			5.3%
A little below	14.7%	9.2%	22.2%	23.5%		8.3%	13.4%
About the same	25.2%	24.4%	5.6%	17.6%		16.7%	22.6%
A little above	31.3%	36.9%	55.6%	35.3%	100.0%	54.2%	36.5%
A lot above that level of income	12.9%	22.1%	11.1%	14.7%		20.8%	17.5%
Don't Know	4.9%	5.1%	5.6%	4.4%			4.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Finally respondents were asked to rate their standard of living. There were no significant difference by employer or living wage status but in Table 15.17 it can be seen that lone parents and single people rated their living standards worst.

Table 15.17: rating of living standards

	Multi-unit	single	Couple	Lone parent	Couple with children	All
Well below average	1.8%	3.5%		2.6%	.8%	1.4%
Below average	10.2%	15.8%	6.9%	25.6%	3.2%	9.6%
Average	46.7%	66.7%	61.8%	56.4%	57.9%	55.8%
Above average	32.9%	12.3%	28.4%	15.4%	31.0%	27.7%
Well above average	8.4%	1.8%	2.9%		6.3%	5.3%
Don't Know					.8%	.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Summary to Chapter 15

This study did not succeed in collecting 'complete' income records for all the 491 respondents but for the 338 (or 69%) of the sample we did have complete enough records to construct the equivalised BHC and AHC income measures. Although only 70% of the sample the constructed figures are considered accurate (based on what has been reported by the respondent) and the construction of the BHC and AHC measures have not included imputed values. Even so it is useful to use additional or alternative measures to assess the living standards of the sample; in this chapter we used indicators of deprivation.

It is clear that many low paid employees are living in households that are deprived. There is some evidence that living wage employees are more likely to be deprived than employees with wage rates above the living wage. However it is not really the wage rate that determines living standards. Hours worked will also be important (see Chapter 3) but it is also clear that the low wages being received by respondents are commonly not the main or only determinant of their living standards.

Their living standards are determined by the household they live in. The large proportion of multi-unit households in this sample is striking and it may be that they can only afford to work for these low wages because their household needs are being partly met by other people in the household. It is also striking that it is single earners and lone parents in this sample who appear to be most deprived. They are most likely to be dependent on their own earnings.

The majority of low paid employees in this sample are not deprived. Low pay should not be elided with poverty. However paying employees a living wage or more is likely to reduce the risks of poverty especially for single people. For families with children, especially lone parent families, wage rates are less important for their living standards given the heavily means-tested nature of the in-work benefit system in the UK.

Chapter 16: Education, parenting and childcare usage[30]

In Section 18 of the WLinY survey the respondents with children aged 4-18 in household were asked a series of question about education, parenting and childcare usage.

For example parents were asked which of a series of problems with school facilities (such as missed classes due to teacher shortages, problem obtaining school books, large class sizes (>30 pupils), school buildings in bad state of repair, inadequate school facilities and poor teaching) had applied to your child/any of your children in the last 12 months? Of the 232 respondents answering these questions 121 reported there to have been no problems as listed in the question. For those other 111 respondents reporting one or more item the most frequently reported issues were large class sizes (more than 30 pupils) reported by 30 respondents, 22 reported ‘child has missed classes because of teacher shortage’, 18 reported ‘school buildings are in bad state of repair’ and 18 reported ‘poor teaching’.

Time spent with children

For this sample the question on “time spent with children” shows that over 66% of the 232 respondents are recording that they had eaten an evening meal with their children most or every day and over 38% having read or talked with their children about their reading most or every day. In terms of the lower levels of time spent on activities only 25.5% of the 232 report having undertaken sporting or physical activities with their child/children.

Table 16.1: Frequency of time spent with children across different activities

	None	Some days (1-3)	Most days (4-6)	Every day	Don’t know
Read stories with your child/children or talked with them about what they are reading	15.5	18.5	14.2	24.6	27.2
Played games with your child/children e.g. computer games, toys, puzzles et	14.2	24.1	15.5	18.5	27.6
Done sporting or physical activities with your child/children	15.5	31.9	16.4	9.1	27.2
Watched TV with your child/children	5.6	20.7	14.2	33.2	26.3

[30] See WLinY questionnaire Section 18 pp.89-91

Eaten an evening meal with your child/children	0.4	6.5	12.1	54.7	26.3
Helped with or discussed homework with your child/children	13.8	16.8	23.3	17.7	28.5
Number of respondents	232				

Childcare usage

For those parents (149 of the 232 above) who report that they are not, or have not used childcare in the last 12 months the main reasons noted for not so doing (for those who did not report their children being old enough to look after themselves, 60 of the 149) 44 report that they 'choose not to use childcare' and 37 report that their 'partner/family look after their children'.

Table 16.2: Are you currently using childcare or have used childcare in the last 12 months?

	All - number	All - percentage
Yes	34	14.7
No, but planning on using	1	0.4
No	149	64.2
Don't know	48	20.7
Number of respondents	232	100%

Free school meals

For this sample of respondents 15 of the 232 report receiving free school meals. Though there is a large proportion of respondents (c. 20%, 1 in 5) reporting that they do not know if they do.

Table 16.3: Incidence of reported receipt of free school meals

Free school meals	All	LW employees
Yes	6.5 [15]	4.8 [5]
No	72.8	79.8
Don't know	20.7	15.4
Number of respondents	232	104

We can also see that of the 15 reporting that they do receive free school meals for one or more of their children that five of these are on the Living Wage rate. However a more detailed tabulation of the wage rates of those reporting free school meals (shown immediately below) shows that receipt of this benefit it not restricted to the lowest wage rates in the sample.

Table 16.4: Tabulation of wage rates for those with free school meals

	Freq.	**Percent**	**Cum.**
6.78	1	6.67	6.67
7.53	2	13.33	20.00
7.55	2	13.34	26.67
8.22	2	13.33	46.67
8.24	5	33.34	73.33
8.37	1	6.67	86.67
8.53	1	6.67	93.33
9.1	1	6.67	100.00
Total	15	100.00	

Summary to Chapter 16

In Chapter 16 the WLinY respondents with children aged 4-18 in household were asked a series of question about education, parenting and childcare usage. Evidence was presented to show there are clearly pressures being felt within some schools in the York area e.g. pressures on class sizes, teacher shortages and the quality of buildings and some teaching.

Also worthy of note is that although parents are reporting ‘frequent engagement’ with children in relation to meal times and reading which is very positive, there is arguably much less engagement on physical activities.

Finally, there is a clear preference for respondents with children to actively ‘choose not to use childcare’ and instead report that their ‘partner/family look after their children’ instead. This highlights the importance of informal or family centred childcare within the employee group being focussed on with this survey (employees earning at or below £10 per hour), and will have implications for how ‘flexible’ respondents can actually be to offered additional working hours by their employer.

Conclusion

Identifying effective and sustainable pathways out of in-work poverty for low-waged workers significantly benefits the individuals, their families and the state. Our key findings suggest that an organisation that aims to be an 'anti-poverty employer' faces a complex picture. The risk of in-work poverty relates not only to the wage rate and whether this may be a 'Living Wage' but is also inextricably linked to the number of hours worked and the composition of the worker's household.

Our collection of the 'Working Life in York' (WLinY) data set containing a sample of approximately 500 employees earning at or below £10 per hour at three Living Wage employers in York, coupled with our follow-up survey interviews of 30 WLinY respondents have provided an unique opportunity to detail the lived experience of low-wage employment in York.

The WLinY survey evidences a complex picture of challenges for workers on low wage employment and highlights potential actions that employers could undertake to improve the resource base of those at greatest risk of in-work poverty - which includes but is by no means limited to the question of whether the organisation should become a Living Wage employer.

Each Chapter in the report has carried a summary of main findings however a few points worthy of note in the main conclusions includes the following:

- that the sample analysed was predominately female, low waged employment is still a 'gender' issue, and that the respondent's labour market histories were dominated by a series of low paying jobs (e.g. cleaning, caring, catering, assistant-type jobs).

- that Living Wage (LW) workers are at greater risk of in-work poverty than those employees slightly further up the wage distribution but that the risk of in-work poverty is by no means limited to this wage group, that workers at risk of in-work poverty have shorter working hours per week (on average) and are more likely to report a preference for more working hours.

- that an assessment of the benefit receipt of approximately 40% of the WLinY sample by the York Welfare Benefits Unit suggested over a quarter were under claiming in relation to their entitlement.

- that employees reported a significant challenge to meeting day-to-day needs, with almost half the sample reporting ‘some difficulty’ or greater with meeting bills. There were clear affordability issues relating to some services such as evening classes (for all employees up to £10 per hour) as well as dentistry (and this was particularly so for LW workers). It was also noteworthy that seven respondents reported a use of a food bank by their household in the last 12 months.

- that a quarter of respondents report that they live in a home that is ‘colder’ or ‘much colder’ than they would like, and slightly over 30% of respondents report that they cut heating in order to reduce fuel costs.

- there was compelling evidence that the composition of the *employee benefit schemes*, the methods of communication internally around them, and the confidence employees had in accessing them significantly reduced the value of the benefits for the lower-waged groups in the sample.

- that employees seemed to be supportive of the LW policy that had been adopted by their employer, and for those receiving the LW it was welcomed and more than half reported that it made a difference to them in terms of their financial circumstances. However there was a clear understanding that the extent of the LW impact was a function of the hours worked and that this was limiting the benefit. Open questions asked to all respondents about household resource constraints evidenced the fact that many more employees in the sample (earning up to £10 per hour) were facing challenges e.g. rising fuel, food prices and thought there was something that their employer could do to help them with this.

- that a large proportion of existing training does not produce formal qualifications and that roughly 50% of the sample did not see ‘career progression’ with current employer as something that they would like.

Our follow-up interviews with 30 employees selected from the WLinY on the basis of low incomes supported the findings above, as well as providing important contextual information for interpreting some of the survey statistics, for example:

- there was a clear sense of fear and anxiety around debt and change (e.g. job security, sickness cover) in the workplace, and how this is managed;

- that there is a notable lack of security for families against exogenous shocks e.g. sickness as they are not in position to self-insure against this or manage if it arises (e.g. their second job employers for themselves or for family members may not provide sick pay), and there was even a lack of resources to insure for those events which are unlikely to be unexpected e.g. a car breaking down;

- individuals are exhibiting a highly disciplined and organised approach to household finances to make the limited resources they have meet their families' needs (and indeed how adults reduce their own consumption to insure their children's);

- and there appears to be a significant lack of self-confidence within many employees that seems to both hold them back in their own career development in the workplace and in the accessing of employee benefits.

Overall our survey presented evidence that that many low paid employees are living in households that are deprived. There is some evidence that LW employees are more likely to be deprived than employees with wage rates above the LW. However it is not only the wage rate that determines living standards. Living standards are determined by the household they live in. The large proportion of multi-unit households in this sample was striking and it may be that they can only afford to work for these low wages because their household needs are being partly met by other people in the household. It is also striking that it is single earners and lone parents in this sample who appear to be most deprived. They are most likely to be dependent on their own earnings.

Our key findings suggest a complex picture for organisations to engage with if the aim is to be an 'anti-poverty employer'.[31] We suggest that employers might wish to engage in a range of additional pathways to help low-waged employees. We suggest several ways that such employers might do this including: whether some short hour jobs could be actively re-designed to be more significant employment and whether greater consideration could be given to the provision, access and engagement of the lower paid workforce with employee benefit packages. Where career progression is promoted as an answer to low-pay, the provision of a supportive organisational structure to foster and develop confidence and aspiration within the group would also help (see Tunstall and Swaffield (2016) pp. 24-28 for a detailed listing of 'anti-poverty employer' suggestions).

Initial *impact* of our KE project has been focussed within our three project partner organisations and how they have responded to our findings and suggestions for considering additional 'pathways' out of low-pay. The key findings of the research project have been shared through external engagement and collaboration with the project partners on an ongoing basis throughout, and after the project period.

Illustrative examples of the embedding and/or further thinking at the three projects partners, either instigated &/or informed by our KE project includes: all three partners reviewing &/or considering further how the '*employee benefit schemes*' operate at their organisations (composition, communication/access and staff confidence in uptake); one of the three project partners has reviewed how additional overtime hours are shared across employees proving social care; one of the three partners has reviewed workplace cleaning rotas to re-consider the need for 'invisibility' of the activity; and access to affordable borrowing and support for savings to all employees has been provided at one of the project partners since the end of the KE project. A more comprehensive and detailed summary of the follow-on embedding and/or further thinking at the three projects partners from this project is included as a note immediately after the conclusions (pp 155).

[31] For example, Chapters 8, 9, 10, 11, 12 are the most relevant chapters to the employers wishing to consider policies to support an 'anti-poverty strategy'.

To conclude then we would raise two points specifically around the ‘Living Wage’: Firstly that the extent to which the labelling of specific wage rates as a ‘Living Wage’ creates confusion - possibly due to critical challenges to the underlying notion (see Bennett (2014) for a detailed discussion) and most definitely due to the recent relabelling of the National Minimum Wage (for workers over the age of 25) as a National Living Wage (NLW) - there is a serious question as to whether the LW discussion is now a useful one to have at all. Instead if wages are to be defined by ‘labels’ rather than market rates we suggest it might be more helpful to consider ‘fair’ rather than ‘living wages’, where the focus would be on how rewards are shared and reflected in the wage rate - a rate that could be motivated on grounds of efficiency, productivity and/or equity within a firm(s), without any recourse to the worker’s (potential) consumption need defined through household composition assumptions.

Secondly that our key findings should not be read as making a case against adopting the LW rather they highlight that the effectiveness of the LW as a tool against poverty will be greatest when combined with other measures. Although it may be that the LW’s greatest contribution to poverty alleviation is actually through a galvanising concept for social campaign and justice (as noted in Metcalf (2008)) we would wish to clearly note that nowhere in our research did we find evidence that paying employees less per hour than the ‘Living Wage’ would make them better off, or reduce their risk of in-work poverty.

Follow-on to the key findings at the project partners

Joseph Rowntree Foundation/Housing Trust (JRF/JRHT)

- one of the three project partners has reviewed how additional overtime hours are shared across employees providing social care

- access to affordable borrowing and support for savings to all employees has been provided at one of the project partners since the end of the KE project

- and also as part of "all three partners reviewing &/or considering further how the '*employee benefit schemes*' operate at their organisations (composition, communication/access and staff confidence in uptake);

- We have invested in a full time employee benefits adviser role. This has led to an increase in the use of our benefits website by over 30% in 6 months.

- We have launched a smart-tech scheme to enable staff to buy digital equipment (laptops, tablets, PC's) with an interest free loan repaid through payroll.

- With regard to informing the solve UK poverty strategy, there are elements within the strategy that have been informed by the work …– notably our partnership with Leeds Credit Union regarding low cost loans for staff and again the focus on employee benefits.

- In terms of the work [JRF commissioned research stream] on employee benefits scheme, this work is in the plans for 2017 but is yet to be firmed up.

York St John University (YSJU)

- We are exploring partnering with an organisation (Neyber) to allow staff access to low cost loans with repayments through the Payroll. We are doing some due diligence work on this at moment so no decision as yet.

- We reorganised our cleaning provision last year and together with a voluntary severance programme last term, have been able to consolidate and increase working hours for staff in this area (a lesson learnt through the study). We also reorganised our cleaning so some of it now takes place during office hours and no longer are cleaning activities expected to be invisible.

- We have recently retendered for our benefits scheme and a new recognition platform and off the back of the study will be thinking about how we promote this and make it as accessible as possible to our staff. It will be launched from February 2017.

City of York Council (CYC)

- We are a member of West Yorkshire Combined Authorities review of Staff Benefits which is looking to introduce a common scheme for the authorities and has particular focus on how the scheme can provide benefits for the lower paid to help address in work poverty. The new provision will be contracted early 2017.

- We have increased our face to face promotional activity of our existing staff benefits scheme, running more drop in sessions and promotional days.

- We have added more information on our benefits to our recruitment information and induction programme, including publicising our Living Wage employer status in our “All About Us” Booklet and “Benefits of Working for Us” document. Both are published on our web site.

- We have introduced the ‘Yor wellbeing’ portal which includes free access to advice on financial issues.

- We have committed to the ‘Wellbeing Charter’ and are currently completing the Self Assessment.

- We are also starting work on analysing the impact of new National Living Wage target rate for 2020 along with how this sits with our commitment of being an accredited (LWF) LW employer.

Project timelines

ESRC Knowledge Exchange Scheme ES/L002086/1 project was funded January 2014 – March 2015

The ‘Working Life in York’ (WLinY) survey data was collected from late spring 2014 through to September 2014.

Key full project meetings with research team and the three project partners were:
16 December 2013 at CYC West Offices
8 August 2014 at YSJU Campus
9 September 2015 at JRF/JRHT Homestead

First draft of main report dated & circulated to project partners: 28th August 2015
Revised full draft dated & circulated to project partners: 3rd June 2016
Final version of the main report completed December 2016

Initial results and preliminary implications of the ‘Working life in York’ (WLinY) survey, with particular focus on employee response rates and employee feedback on the Living Wage, the ‘employee benefit schemes’, pensions, training and aspirations modules by project partner, e.g. Chapters 8, 9, 10, 11 & 12 were shared with project leads at each organisation in person by the Project PI (Swaffield) in November 2014. These first results meetings were CYC with Pauline Stuchfield and Tracy Walters on 21.11.14; JRF/JRHT with Louise Woodruff on 24.11.14; and YSJU with Emma Wilkins on 27.11.14.

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Appendix A1

Benefit entitlement and Universal Credit assessments for respondents to the 'Working Life in York' survey

Amy Blythe
Harry Stevens, Liz Wilson

Welfare Benefits Unit
September 2015

1. Overview

1. The Welfare Benefits Unit

The Welfare Benefits Unit (WBU) aims to maximise benefit take-up, helping to reduce the incidence and impact of poverty and thereby improving health, well-being, financial and social inclusion. The WBU provides independent support to advisers and front-line workers through an advice line (York and North Yorkshire), publications, training, consultancy and campaigns.

The Welfare Rights Advisers have specialist knowledge of the welfare benefits system and provide advice from initial benefit identification up to challenging decisions at Upper Tribunal.

The Welfare Benefits Unit is an independent registered charity, supported by City of York Council and North Yorkshire County Council with additional revenue raised through training and publication sales.

2. Project Outline

The Welfare Benefits Unit were asked to assess whether a sub-set of respondents to the 'Working Life in York' survey were receiving all the benefits they were entitled to, and to simulate the implications of a move to Universal Credit. This formed part of the ESRC, JRF/JRHT, CYC & YSJU Knowledge Exchange project "Identifying Sustainable Pathways out of In-work Poverty" and aimed to assess the impact of the introduction of Universal Credit, part of the government's Welfare Reform agenda.

The Welfare Benefits Unit were asked to detail the information required to ensure appropriate data capture in the ‘Working Life in York’ survey. A sample of approximately 40% of the quantitative surveys were then assessed. Where it appeared that a household had additional benefit entitlement appropriate notification was passed to the research team. The notification included brief benefit entitlement advice that was forwarded to the household in a letter produced by the survey company.

The results for each case were provided individually and a summary of results are noted in this report.

2. Introduction

The Welfare Benefits Unit were provided with 200 cases, of which 193 contained sufficient data to assess the respondents’ current benefit entitlement and Universal Credit entitlement. Respondents had been asked to provide information about their household composition, age, working hours, income, housing tenure and other relevant factors to allow benefit assessment and calculation.

Benefit entitlement was assessed using the respondents’ current situation.
Universal Credit entitlement was also assessed as if claims could be made at the time. Currently ‘gateway’ conditions apply that restrict who can claim. Changes in the national minimum wage, tax allowances and benefit rate increases effective from April 2015 do not feature in the calculations undertaken.

Cases were categorised in several ways:

1. Single/couple/lone parent/family.
2. Self-identification (and of their partners if they had one) within the categories provided (such as carer, retired, jobseeker, homemaker).
3. In distinct benefit groups (such as carers, disabled workers and those who had reached Pension Credit qualifying age). The category of carer can be problematic. Within benefit criteria it usually refers to someone caring for at least 35 hours a week. If the data made it clear that they did not meet this criteria they were not assessed as a carer in our calculations (for example, some people identified themselves as carer providing 5-9 hours care a week).

Each case was individually assessed. Minor data issues were corrected (for example, when the Child Benefit figure referred to the previous year's rate). Benefit entitlement was identified and calculated and checked against existing benefit income. All results were confirmed internally by another adviser. If additional benefit entitlement was identified a brief paragraph was prepared prompting the respondent to check with the relevant benefit authority or to seek advice (for example, to contact the local authority if it appeared that they would have entitlement to Housing Benefit). This information was sent to the respondent via the survey company.

The respondent was asked whether they had been affected by welfare reform.
Universal Credit calculations identified the impact on a respondent, both positive and negative, and the reason for this impact was recorded (for example, increased work allowances or changes to the rules for disabled people in work).

3. Universal Credit

Universal Credit is central to the government's welfare reform agenda. The government's stated aims include providing a simpler and fairer benefit system, reducing welfare benefit expenditure and to ensure that it pays to be in work. One benefit, Universal Credit, replaces six 'legacy' means-tested benefits for working-age claimants on a low, or no, income. It is assessed and paid monthly.

'Legacy benefits' replaced by Universal Credit:

- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Housing Benefit
- Child Tax Credit
- Working Tax Credit

Claimants are also offered personal budgeting support (mainly online). Most claimants are expected to undertake some form of work-related activity.

The roll-out of Universal Credit has been much slower than originally planned. Initially introduced in one pathfinder area in April 2013 the roll-out gradually extended to a limited number of areas before national roll-out began in February 2015. However, Universal Credit is still limited to 'gateway' claims, and in most areas can only be claimed by single jobseekers with simple claims (for example, no capital over £6,000, no caring responsibilities, no entitlement to disability benefits).

Universal Credit gains
The Welfare Benefits Unit identified approximately 25% of cases where people would gain under Universal Credit (5 couples, 9 families, 14 lone parents and 19 single people). However, a third of these (16 cases) were possibly under claiming means-tested benefits and/or tax credits at the time of the survey.

The features of Universal Credit that lead to these gains include:
1. The higher earnings disregards (for example £25.62 per week in Universal Credit compared with £5 a week in income-based Jobseeker's Allowance for a single person).
2. Income from lodgers, currently counted in means-tested benefits, is ignored in Universal Credit.
3. Childcare costs can be included without meeting a minimum hours' requirement (currently 16 hours minimum).
4. Lone parents (without eligible housing costs) have a higher earnings threshold before benefit is reduced (Tax Credits £6,420 per year, Universal Credit £8,808 per year).
5. 100% of pension contributions from wages are ignored (currently 50% in means-tested benefits).
6. Entitlement to the carer element – an extra amount is payable where Carer's Allowance is not paid due to earnings above the limit.
7. There is no minimum hours requirement in Universal Credit. Working Tax Credit can only be claimed if someone works the relevant number of hours or more (lone parents would have to work 16+ hours for example). 6 out of the 14 lone parents who gained under Universal Credit did so by £63 or more a week.
8. Universal Credit is available from age 18. Working Tax Credit can be claimed if someone is age 25 or over and working 30 hours or more a week (unless they are a parent, disabled or over 60). 4 cases gained due to this extended age criteria.

Universal Credit losses
The Welfare Benefits Unit identified approximately 15% of cases where people would lose entitlement under Universal Credit (1 couple, 15 families, 5 lone parents and 7 single people). However, 14% of these (4 cases) were possibly also under claiming means-tested benefits and/or tax credits at the time of the survey.

The features of Universal Credit that lead to losses include:
1. The use of current income. Tax credit entitlement is usually calculated on the claimant's previous year's taxable income. Universal Credit uses current income, assessed monthly.
2. The treatment of capital (£16,000 upper capital rule and yield income on capital between £6,000-16,000). Tax credits do not have a capital limit.
3. The change in how people with disability benefits are supported in work. In Universal Credit people in work also have to be assessed as having 'limited capability for work'

to gain additional elements. Extra premiums and elements are available to claimants on the ‘legacy benefits’. Losses ranged from £20.73- £83.73 a week.

4. The upper age limit in Universal Credit. Working Tax Credit does not have an upper age limit.

Claimants currently receiving tax credits will have some transitional protection when Universal Credit is rolled out nationally. Our calculations did not take this into account.

4. Respondents who identified as being impacted by welfare reform

Respondents were asked:

> Have you and/or your household been (or will you be) affected by any of the following welfare reforms?

Four respondents had been affected by the ‘bedroom tax’ (size criteria in social housing). This reduces the amount of rent payable by 14% if they are assessed as under occupying by one bedroom or by 25% if under occupying by two of more bedrooms.

Changes to the State Pension were mentioned most frequently (46 cases). These comments referred to the increase in women’s State Pension age, delaying entitlement to Pension Credit and more generous rates within means-tested benefits, as well as delaying entitlement to State Pension.

5. Respondents who identified as currently under claiming

We were able to identify 32 cases where there may be a potential claim for a disability benefit. To assess disability benefits (Disability Living Allowance for children, Personal Independence Payment for adults age 16-64 and Attendance Allowance for those aged 65+) would require more information about the help someone needs and how their disability or health conditions impacts on them. Disability benefits are paid in addition to other benefits and can lead to extra entitlement in means-tested benefits. In 2014/5 Disability Living Allowance care component was paid at £21.55, £54.45 or £81.30 per week; the amount depending on the amount of care required. Personal Independence Payment and Attendance Allowance mirror the higher two rates. Disability Living Allowance mobility component was paid at £21.55 or £56.75 per week. The rates are the same as Personal Independence Payment (although the criteria differ).

A disability benefit award may then enable the claimant’s carer to claim Carer’s Allowance.

32 cases were identified as having missing entitlement to means-tested benefits and/or tax credits (including 10 disability benefit claims): 15 single people, 7 couples, 6 lone parents and 4 families. Three established carers (claiming Carer’s Allowance) and a further 4 carers were also potentially missing out.

Examples of advice sent to respondents

From the information you provided in June we have assessed you as having a possible entitlement to Housing Benefit and Council Tax Support. This would help pay towards your rent and your Council Tax. For more information you can contact your local council or your local Citizens Advice Bureau would be able to check if there is any support available for you.

From the information provided in July you may be able to claim Working Tax Credit. Contact the Tax Credits Helpline on 0345 300 3900. You may also be able get some help with your Council Tax through Council Tax Support which is paid by the local authority. You also mentioned that your husband has a long standing illness or disability. Your local Citizens Advice Bureau would be able to do a benefits check and to explore whether or not your husband could claim Personal Independence Payment or Employment and Support Allowance.

From the information you provided in July we have assessed you as entitled to some help with Council Tax called Council Tax Support. For more information please contact your local Council. You may also be able to claim Disability Living Allowance. This is paid where children up to the age of 16 need more help/supervision than other children their age, and/or they have difficulty walking outdoors, due to their health condition or disability. Your local Citizens Advice Bureau would be able to check if you are eligible to claim.

From the information provided in September we were unable to carry out a full benefits check. However, we can advise that you are currently paying National Insurance when you no longer need to as you have reached state pension age. See www.gov.uk for more information about applying for a refund.

From the information provided in June you may be able to claim Pension Credit savings credit now that you have reached the age of 65. An award of Pension Credit can lead to other help such as cold weather payments. An award of Pension Credit will affect the amount of Housing Benefit payable but you should see an increase in your income overall. You can make a claim by ringing the Pension Credit application line on 0800 99 1234.

From the information provided in June we are able to advise that you are currently paying more income tax and National Insurance contributions than we would expect to see. It may be worth checking that you have the right tax code see www.gov.uk/tax-codes for more information.

From the information provided in June you may be able to claim Working Tax Credit now that you have reached the age of 25 and work at least 30 hours a week or more. Contact the Tax Credits Helpline on 0345 300 3900. This would reduce any award of Housing Benefit but increase your income overall.

6. Report summary

The introduction of Universal Credit clearly reflects the intention to simplify the benefits system by bringing six benefits under one banner. Furthermore, changes have been made that aim to ensure that people are better off in work, in particular an increase to the amount that someone can earn before benefit reduces (work allowances). Some changes also reflect other government interests, such as ignoring pension contributions in full thereby encouraging people to pay into an employer's pension scheme. Similarly there are more generous rules when claimants have people sharing their home (that is, lodgers and non-dependants).

Examining the financial impact and how it affects people already in work provides a useful glimpse into how Universal Credit will support workers. In this study Universal Credit is more favourable for some claimants. The removal of a minimum hours of work rule helps workers access benefit support that was not previously available. This led to a marked increase in benefit entitlement in some cases. However, these workers still face a harsh 65 % taper once earnings increase over the work allowances. Workers, on 'legacy benefits' and Universal Credit, face the problem that increases in earnings over the amounts that can be disregarded (that is, disregards, thresholds and work allowances) are often eroded by the impact on benefit entitlement. This can make it difficult for claimants to make a marked improvement on their financial circumstances.

It should be noted that the government will introduce changes in April 2016 lowering the work allowances, and removing them for most childless claimants, so the positive impact of the work allowance rates is at risk.

Comparing Universal Credit to the ‘legacy benefits’ the negative financial impact has been recognised and highlighted by many commentators. The government have committed to increasing the level of childcare costs covered (from 70% to 85%) in response to concerns that childcare costs act as a main barrier to making parents better off in work. Some of the negative impacts are clear from the structure of the Universal Credit calculation (for example, lower rates for a second child) raising concern about the impact on working families. The impact on disabled people has also been highlighted as benefit entitlement has been reduced, for both adults (in or out of work, and carers) and most parents of disabled children. An unexpected consequence shown by the study was the impact on older workers currently receiving Working Tax Credit. Older couples will further be affected negatively as Universal Credit will have to be claimed if one person in a couple is under the women’s pensionable age; currently the benefit claim depends on the older person’s age (and the system is more generous to older claimants).

Under-claiming has been highlighted in this study, affecting approximately 10% of the respondents. The interaction of income and hours of work and benefit entitlement is complex and often people are unaware of the support available. If income fluctuates it can be particularly difficult to manage benefit entitlement and claimants can be reluctant to claim if they have been previously had to repay an overpayment. Department for Work and Pensions figures for 2013/14 (published in 2015) continue to show that high levels of income-related benefits, ‘legacy benefits’, do not get claimed. Take-up is estimated around 60% for Pension Credit and 55% for Jobseeker’s Allowance. Underclaiming for Income Support, Employment and Support Allowance and Housing Benefit is lower but the estimates still show between 20 and 30% of people do not claim their full entitlement. For those on a low income or with medical conditions affecting day to day living it is advisable to re-check entitlement as circumstances change.

Looking only at the financial impact, concerns about the practical aspects of Universal Credit have not been considered. For example, the amount of time a claimant has to wait for an initial payment, monthly budgeting on a low income, payments for rent direct to the tenant, and the impact of waiting days now affecting rent payments as well as living costs. The rise in the number of sanctions has highlighted difficulties with the implementation of work conditionality, affecting claimants on Universal Credit and on 'legacy benefits'

The complexity of the benefits system reflects the complexity of people's situations and the impact of Universal Credit will only be fully understood with wider implementation. Some of the negative aspects are built into the system and will not be experienced immediately as they are unlikely to affect most 'gateway claimants'. Effective administration of Universal Credit is essential so that claimants understand their responsibilities and to ensure that changes of circumstances are dealt with promptly to ensure accurate payment. The positive aspects of Universal Credit will be eroded if the implementation is not managed successfully and if the government reduces aspects of the system that ensure that people are better off in work.

Appendix A2

Benefit entitlement and Universal Credit assessments for 'Working Life in York' respondents

Follow-up report

Liz Wilson, Harry Stevens
Welfare Benefits Unit, November 2015

1. Overview

The Welfare Benefits Unit (WBU) assessed a number of respondents of the 'Working Life in York' survey to check current benefit entitlement and to simulate the implications of a move to Universal Credit. A report was produced outlining the results.

The WBU then undertook to complete a piece of work identifying 20 cases and applying an increased wage to the main respondent. The proposal was to examine how the overall household income changed due to rises in the main wage and the subsequent impact on benefit entitlement, including Universal Credit. Suitable cases were identified however, at the time of finalising the initial report, a number of announcements within the government's Summer Budget raised concerns about the impact of tax credit changes on those working on a low wage. The WBU were asked to change the focus of the additional work and instead to examine the impact of tax credit changes on the respondents.

Initial work looking at the respondent's scenarios identified problems with managing the data due to the time period that had passed since collection of respondents' details and the inter-related changes to benefits, tax allowances and earnings. Some findings provided an indicator of the impact of the changes but could not be completed with appropriate accuracy.
As a final measure, to support understanding of the impact of the government's proposed changes, the commissioned work changed focus to examine again the impact on Universal Credit and the implications for those who will be expected to move onto it in the future.

2. Background information

Universal Credit

Universal Credit was introduced with an emphasis on the broad aims of simplifying the benefit system and making sure work pays. The principle of claimant responsibility underlies the Universal Credit system, introducing in-work conditionality for the first time (ie having to continue job-seeking whilst doing some work) and ensuring that the Claimant Commitment (outlining work-related requirements) has been integrated within the claim process.

Universal Credit replaces six legacy benefits: Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Housing Benefit, Working Tax Credit and Child Tax Credit.

Universal Credit is being phased in gradually over a number of years. It was first introduced in a limited number of job centres in the north west of England in April 2013. The national roll-out was expected to start in October 2013. However, the initial roll-out was very limited, extending in the North West and then to a further six job centres between October 2013 and March 2014. Universal Credit was rolled out to one third of job centres in Spring 2015 and will be extended nationally between September 2015 and April 2016.

During the rollout Universal Credit has been limited to 'simple claims' only. Jobseekers must satisfy 'gatekeeper conditions' (e.g. no savings over £6,000, not disabled). In most areas they must be single although it has been extended to couples and families in limited areas.

The government has recently announced details about the digital rollout of Universal Credit will begin in May 2016, accelerating in 2017. Further delays to full implementation have been made known. From 2018 the government plans to migrate people from the six legacy benefits over to Universal Credit with a projected finish date of 2020 or 2021.

Changes announced in the Summer Budget 2015 (July)

Proposed cuts to tax credits from April 2016 raised significant concern particularly centred on the impact on lower income families and the reduction of work incentives. The government argued that the cuts would be offset by increases to the National Minimum Wage and personal tax allowances. In September 2015 the Institute of Fiscal Studies issued a report (ISF Briefing Note BN175) that concluded that the increase from the National Living Wage would only compensate for 26% of losses due to proposed tax credit and benefit changes. Further, the impact will be greatest on the poorest income groups.

In October 2015 the House of Lords voted to delay changes to the regulations until the government provides transitional protection and responds to analysis about the severity of the impact these cuts.

In representation to the Work and Pensions Committee the Director of the Resolution Foundation, Torsten Bell, highlighted how similar changes had been announced in relation to Universal Credit work allowances. As with the changes to tax credits, the removal or reduction of the work allowances will have a significant impact on work incentives and fundamentally reduces the support for people on Universal Credit.

On 6 November 2015 the Telegraph reported that the government was examining plans to increase the Universal Credit taper applied to earnings from 65% to 75% (ie removing a higher proportion of earned income and thereby reducing Universal Credit entitlement). The Work and Pensions Committee reported on this matter stating that a 'raid' on Universal Credit as a means of covering adjustments to the tax credit plans would either just shift the burden of cuts to different low income families or further undermine the objectives of making work pay. The Committee points out that these changes impact greatly on the 'strivers' that the government purports to support.

Work incentives in the benefit system

A common criticism of the benefits system is that they provide a disincentive to work. To make work financially beneficial earnings disregards and tapers are used in benefit calculations.

Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance are benefits to cover basic living costs, most claimants are out of work or unable to work. Income generally reduces any award pence by pence until an individual has no entitlement. There is an earnings disregard however this is very low and could be seen to discourage paid work. The earnings disregard is £5 for a single person, £10 for a couple and £20 for specified groups (such as a disabled person or a carer). It is clear that any costs associated with work (eg travel, uniform) will negate any financial reward. Housing Benefit (to cover rent) has a £25 disregard for long parents but the same earnings disregards otherwise; however income above a 'needs' figure reduces the award by 65% (ie at this point earning an extra £10 per week reduces the Housing Benefit award by £6.50).

Child Tax Credit is paid to families who are on a low income and Working Tax Credit is paid to workers on a low income. The annual calculation uses an income threshold. For Working Tax Credit the threshold is £6420 per annum (£123 per week) - income (including earnings) below this amount do not affect the award. Income above the threshold reduces the tax credit award by 41%. This more generous threshold and taper ensures that claimants are better off in work. A disincentive remains as often there is little gain in moving into full-time low paid work compared to work of 16 hours (if a single parent) or 24 hours (couples with children).

Universal Credit uses work allowances which provide a disregard for earnings and then a taper on earnings of 65%. The work allowances for a claimant without housing costs are more generous. The work allowances for someone with housing costs included in their claim are £111 per month (£25 per week) for a single person, £263 (£60) for a lone parent, £222 (£51) for a couple with children. These work allowances are clearly greater than the allowances under the legacy benefits and through tax credits, for most groups. Under Universal Credit there are no rules relating to hours worked, making it more flexible and significant than Working Tax Credit.

There are more generous disregards for people with limited capability for work in all the benefits to encourage people to return to work. (Tax credits incentivise through more generous amounts for disabled workers).

3. Project Findings

Tax Credits

In the Summer Budget the government proposed to reduce the tax credit thresholds. Particularly significant was the reduction of the Working Tax Credit threshold from £6420 to £3850 and increasing the taper on income above this amount from 41% to 48%. As a result less income is disregarded and the income taken into account reduces the tax credit award more severely.

Cases were identified in which the respondent received Child Tax Credit or Working Tax Credit. Initial assessment of the cases revealed issues about the quality of any outcomes due to the age of the data, the changing nature of benefit entitlement and the proposed changes and interaction with the National Minimum Wage and personal tax allowances.

There had naturally been a gap between data gathering and this further assessment. As a result comparison was between entitlement based on 2014/15 rates and changes occurring in April 2016. Further, tax credits are usually based on the previous year's income removing the final comparison further away from the data held about 2014/15 income. It was clear that consideration would also have to be given to personal tax allowance increases over two years. Although not affecting the respondents as they were receiving the living wage there would have been two changes to the National Minimum Wage in the period being considered. This affected the partner's income in some cases.

For each case the following considerations were made: whether current income is above the tax allowance, current wage per hour and comparison with the National Minimum Wage, 2015/16 tax credit entitlement compared to amount received in 2014/15, tax credit comparison after proposed changes, other benefit entitlement mitigating the loss.

Thirteen cases were considered before it was agreed that the calculated outcomes would not provide an adequate assessment of the impact of the proposed changes. In brief, the calculations were problematic in 11 cases because:

- The tax credit calculation based on 2014/15 data would have led to a nil award suggesting a marked change in the circumstances of the respondents (such as increase in wages or hours). This applied to two cases.
- The data gathered did not allow accurate calculations (due to incomplete information for these purposes, tax/NI payments that did not match current circumstances or tax credits that did not mirror current circumstances). This applied to nine cases.

The cases that could be calculated showed a marked reduction in tax credit entitlement as expected.

The potential impact (names changed):

- Martha, aged 58, works 37 hours a week and takes home earnings of £260 per week. She is an owner occupier and lives with her husband who is in poor health and unable to work, and their 17 year old son who is in full-time education. Currently she receives £48.50 per week Child Tax Credit. From April 2016 she would not have any entitlement to Child Tax Credit.

- Morag is a lone parent with two children, a 13 year old son and 10 year old daughter. They live in a housing association property. She works 18 hours a week and earns £527 per month. She currently receives £74 per week Working Tax Credit and £117 a week Child Tax Credit. From April 2016 her Working Tax Credit would fall to £50 – a loss of £24 per week. However, she'll get an extra £16 Housing Benefit and £5 Council Tax Support – she will be £156 worse off over the year.

- Ash and Martha, both in their 40s, live with their teenage children who are both in education. They live in a 3 bedroom property with a mortgage. Martha has a part-time job and although Ash works full-time he is looking for increased hours of work. From April 2016 they would lose entitlement to tax credits - a reduction of £2181 per annum (£42 per week). Martha would gain approximately £75 per annum due to increases in the minimum wage.

Decisions whether to continue with the assessment were over-ridden when the House of Lords ruled that the proposals had to be re-examined and transitional arrangements made. The government are to respond to the demands in the Autumn Budget.

Universal Credit

In the Summer Budget the government also proposed to reduce the number of work allowances, removing them altogether for claimants without children unless they have limited capability for work. Further the work allowance rates have been lowered to:

- £192 per month if there are housing costs (from £192 if limited capability for work, £222 for couples with children and £263 for lone parents)
- £397 per month if there are no housing costs (from £647 if limited capability for work, £536 for couples with children and £734 for lone parents)

As a result less income is disregarded and for those not entitled to a work allowance any earnings will reduce the Universal Credit award by 65% of the earnings (ie. earning £100 will reduce the award by £65). It appears the impact will be greater for owner occupiers due to the steeper fall in the work allowance.

These proposals are expected to go ahead.

For the purposes of this project the decision was made to return to the intention in the original assessments and to simulate the impact of moving to Universal Credit. A small sample was taken of the people who had been identified as benefitting if Universal Credit had been introduced (15 cases). Cases were chosen to idenfity the impact across claimant groups and for clarity of data (such as no under-claiming at time of responding). The calculations do not take into account changes to the National Minimum Wage or personal tax allowances. It was clear from the nature of the changes that there would be a clear loss and the calculations have provided an insight into the impact of these proposals.

It was recognised that these cases provide an estimation only.

The respondents who would have found an increase in benefit entitlement under Universal Credit did so largely due to the more generous work allowances, the disregard of pension payments as income, the removal of the minimum hours of work requirement and help with childcare costs whatever hours worked.

The assessments identified negative change for the following groups:

- **Single respondents - loss or reduction of the work allowance**

  Four cases where the respondent was working full-time on a low wage would lose between £15 and £18 per week Universal Credit. For one worker, who had limited capability for work and was working 24 hours a week, the loss was greater at £36 per week. They were all in rented accommodation and all remained entitled to some Universal Credit.

- **Couples**

  One case identified a loss of £17 per week, one partner was working 33 hours and wished to do more and the other was unemployed. They lived in rented accommodation.

- **Couples - with children**

  Looking at a couple, one working part-time and other working full-time, with two children the reduction in Universal Credit was £5 per week. However, for a couple in a similar situation who had a mortgage rather than renting the loss was £26 per week.

- **Lone parents**

  One case identified a loss of £50 per week due to the steep reduction of the work allowance for owner occupiers. This respondent had a lodger and would benefit from the disregard of lodger income.

- **Carers**

  One case of a carer, who gained by the Universal Credit provision of allowing extra entitlement for carers in work, would see a loss of £17 per week due to the removal of the work allowance for people without children or incapability for work. Another carer lost £8 per week, a lower reduction due to other benefit income (her partner had contributory Employment and Support Allowance).

There was **no change** for respondents with children who were working minimal hours on a low income as their earnings remained below the reduced work allowance rates. These were often lone parents and they gained substantially under the Universal Credit system, largely due to the removal of the minimum hours requirement that exists for Working Tax Credit.

4. Report summary

The survey responses provided the opportunity to look at the implications of a changing benefits system. Although the data became out of date due to the annual updating of benefits and changes within the employment and tax arenas it was able to provide a snapshot of how proposed changes may impact on low income workers.

The government have been forced to respond to the concerns relating to tax credits. However, with the limited rollout of Universal Credit the impact will not be evident until existing tax credit claimants are migrated over.

The proposed changes to the work allowances significantly damage the work incentives in the Universal Credit system. If there is an intention to increase the taper from 65% to 75% this will further undermine the key purpose of Universal Credit which is to make work pay.

Postscript …

In the Autumn Budget the Chancellor George Osbourne confirmed the cut to Universal Credit work allowances whilst announcing that proposed tax credit cuts will not go ahead. He pointed out that 'tax credits are being phased out anyway as we introduce Universal Credit'. As reported by Child Poverty Action Group, although the decision to drop the tax credits cut was 'very welcome … the significant cuts to Universal Credit mean that in reality this is only a stay of execution.' Similarly the Joseph Rowntree Foundation presented information analysing the impact of changes to Universal Credit, the National Living Wage and the new childcare element. By 2020 families with children will only be better off if both parents work full-time on the National Living Wage; lone parent families or families where one parent is not in full-time work will experience a significant fall in income. The Resolution Foundation presented findings that working households on Universal Credit are set to lose an average of £1,000 in 2020, rising to £1,300 for those with children. Changes to Housing Benefit will also affect low income households. It is clear that working people are facing future falls in income due to work incentives eroding and the cuts to welfare support.