

Executive Summary: Winning support  
for a stronger safety net

Shelter

## Responding to the challenge

Successive governments have been exercised by the promise of welfare reform, pledging to make work pay and to restore confidence in the system. Calls for reform have occurred symbiotically with declining public support for the welfare state. This has been evident over several decades and appeared to both fuel and justify the need for reform. This has culminated in far-reaching cuts to the safety net, which have – initially at least – been supported by a majority of the public.

The severity of recent cuts has prompted concern and opposition within the housing and anti-poverty sectors. Attention has been focused on the negative impacts of changes on current users, as well as emphasising the positive role that the safety net can play in reducing poverty and homelessness. However, attempts to resist cuts have frequently been unsuccessful and the political and fiscal environment make it likely there will be further cuts to the safety net.

In this current climate, it is difficult to believe that support can be maintained for existing provision unless campaigners engage with the substance of political attacks and the public concern which underpins them. Going further and strengthening the safety net appears an even more daunting task yet evidence of existing gaps in the safety net suggests this is also necessary, for example to provide better protection for low income working homeowners or single people.

To build a safety net that truly supports people when they need it, and is less vulnerable to cuts in future downturns, we also need to ensure it is a safety net that people will support politically. That may be achieved either via policy reform to address entrenched concerns, a more persuasive way of talking about the safety net or a combination of the two.

To set about doing this we need to ask what the welfare state is trying to achieve. It performs multiple roles that are often conflated and rarely articulated and defended in their own right.

Broadly it:

- 1. Provides short-term support for those who suffer a drop in income (the insurance role)**
- 2. Provides long-term support for those unable to work (the dignity role)**
- 3. Bridges the mismatch between wages and the cost of living (the compensatory role)**

The housing safety net - by which Shelter means housing benefit, access to social housing, homelessness legislation and advice - plays a

role in all three functions. This paper is primarily concerned with the housing safety net but we believe the lessons are applicable elsewhere.

## Public support for the welfare state

Broad support for its core functions

Strip the debate back to first principles and it becomes apparent that the public do support the principles of the welfare state, including these three broad aims. However, there are concerns with how it achieves these in practice and recurring concerns that support is also being claimed by people who do not meet these criteria.

1. **A majority of people do agree that the government should support people during a spell of unemployment.** However, it is support for this insurance role that has fallen most starkly over time. This may be explained by a growing concern that the system does not do enough to encourage people to bounce back and that the design of the system may instead be entrenching dependency. As well as concerns that the benefit system is too soft towards those who could work but don't, a clear majority of the public also think it does too little to support people who have previously contributed and now need short-term support to get back on their feet.

2. **The public are also strongly defensive of the system's dignity role.** But this generosity towards those who need long-term support is coupled with a desire for access to be tightly controlled. However, the public lack confidence in the system's ability to correctly identify those who need support. There is also disagreement over what circumstances justify longer term durations on benefits.

3. **Public support for the compensatory role is positive but not unqualified.** The compensatory role is less frequently invoked as a core principle and fits less neatly with the common conceptions as the welfare state as a safety net responding to individual problems (as opposed to broader market failures). But it has become an increasingly important function and one that has the potential to unite a large constituency of beneficiaries. People broadly agree with the need to augment low wages. However, the public are concerned by high housing benefit payments, even if a household is in work.

The problem of rent

The growing importance of the compensatory role can be seen particularly keenly when looking at the housing safety net in isolation. There are now

more than one million in-work households in receipt of housing benefit. However, this is not a popular state of affairs. Housing benefit appears to be one of the most problematic strands of the welfare system and is viewed more negatively than other benefits.

Reasons for this are not immediately apparent but are likely to include the size of awards (which relate to high housing costs); the fact that protection is limited to renters and therefore excludes the majority of the population; a lack of clarity of purpose; its prominence in media debates around welfare; and/or a conflation between housing benefit and other grievances stemming from social housing more broadly. This creates a particular incentive for housing organisations to consider how the welfare state can best meet people's needs and be defended publicly.

### Public concern at delivery

Underneath this support for the core principles there are concerns that the system has strayed beyond these agreed goals. The public are increasingly concerned that too little is done to ensure support is correctly and tightly targeted; that too little is asked of people in return for support; and that those who have contributed to the system are insufficiently rewarded.

In principle the public's appetite for reform to combat this and cutback the benefit system is huge. Research for Shelter found that people would rather the housing safety net is reformed so that "skivers" get less than it is strengthened to ensure that people who have paid in are adequately protected. Bluntly put, many people would now prefer the government took £10 away from people on benefits rather than handing their own families an additional £10.

However, while there is a generalised appetite for "reform" and specific policies have found headline support, there is also emerging unease at the way in which specific changes are being implemented. In particular, in-principle support for reform declines if people are confronted with the consequences, such as a family now struggling to pay essential bills or forced to move to a cheaper area. The visible experience of those affected by cuts can also undermine support for cuts, particularly if empathetic stories challenge the preconception of who benefit recipients are.

This points to a contradiction in the public's approach to reform: There is a strong appetite for change, driven by an abiding suspicion that a) a minority of claimants are fraudulent and should have support withdrawn and b) the system is sufficiently generous such that support can be safely pared

back from the majority. However, the public do not want to be confronted with the reality of reform, especially if it affects the more "deserving".

This does not mean that simply moving the debate from the abstract to the specific consequences of reform will undermine support for cuts. Individual measures can prove markedly popular, in particular the overall benefit cap. Furthermore highlighting the consequences of a specific policy may not abate the generalised desire for "something to be done" on welfare - and certainly won't win support for strengthening the current safety net.

The public, perhaps understandably, appear to want reform which both addresses a broad moral unease and promises a surgical strike approach with no unintended consequences. This is extremely difficult to translate into policy. This does raise the broader question of how far public appetite for reform can translate into a concrete programme.

Awareness of the specifics of the system is often low and policies designed to address particular concerns may go unappreciated by the public unless they have sufficient impact to generate headlines (which then risks generating criticism). At the same time legitimising criticism, such as lack of conditionality or time-limiting, with a reactive, limited policy response risks deepening such concerns further, hardening public opposition rather than improving pro-safety net sentiment.

This points to the need for caution in using public opinion to dictate specific policy choices. However, the depth of feeling cannot be ignored and policy makers seeking to strengthen the welfare state have to recognise the broad direction of travel. Given the strength of public concern at present it is impossible to see how (necessary) calls to strengthen the safety net will be heeded without providing reassurances around this central legitimacy crisis at the heart of rising public concern.

While the current political and fiscal context has thrown these tensions into sharp focus, it's also important to acknowledge that the decline in support has been occurring over the long-term. This suggests that it would be highly optimistic to simply ride out the current debate and hope that emerging evidence of the impacts will shift opinion.

### Defending a stronger alternative

Rather than continuing to lose the argument, Shelter considers that it is more fruitful to engage with public concerns. People do not feel the current welfare state is fit for purpose. We need to offer them a vision that is.

Broadly we propose two areas of focus. One is the legitimacy problem; people want to know that a safety net is there to support people during hard times. But they also want considerable reassurance as to who can access it and on what terms - and this has to be balanced against the desire that Shelter will always have to prevent homelessness and housing need.

Secondly, we need to disentangle problems with the welfare state from the symptoms of the housing crisis. Much of what appears to be a problem with housing benefit is a problem with housing and intervention is needed in the housing market rather than solely through welfare reform.

### Responding to the legitimacy question

This is a daunting task and Shelter does not claim to have all the answers. Our response to the legitimacy problem is as yet unformed and will form the focus of some of Shelter's forthcoming policy work. As seen above, the public are supportive of the broad aims of the welfare state, they just do not have faith in their delivery. Rather than only talking positively about people supported who fit neatly into the welfare state's principles, we need to be prepared to engage with the public's concerns about where these principles have become blurred. We may be able to talk very positively about people helped by the welfare state when they fit neatly into one of the three core roles; but we also need to be confident as we move out from such cases into areas where the public feel the principles have become blurred. We need to build consensus around who should be receiving support and on what terms - and ensure that systems are seen to target this effectively. We also need to make a stronger case for why this support is delivered and lay out the consequences of failure for debate.

Broadly we consider that to defend an improved safety net, answers need to be found to the following dilemmas:

- **On what should entitlement be based or earned?**
- **Should it aim to redistribute or engage those on middle incomes?**
- **Should we make greater use of insurance systems?**
- **Should all entitlement be rights based or subject to discretion?**
- **How much should the welfare state demand from people in return for support?**

### Matching welfare reform with housing reform

As seen above, housing benefit appears to be a particularly problematic strand of the benefit system. It is also the only strand linked to a very specific function - paying for the cost of housing - and this is itself a market in crisis. Problems with housing benefit, particularly its expense, are in many ways the manifestation of problems in the housing market rather than issues with the welfare system per se.

Housing benefit will always be expensive when it is required to cover a very expensive cost, making it a target for fiscal ire. And it will likely remain the focus of "fairness" concerns as long as the divide continues to grow between those who are comfortably housed and those who are not, particularly if the latter fall short of qualifying for any support from the housing safety net.

In the short-term housing benefit will need to work within the current housing context, meaning that the compensatory role can be expected to grow in prominence. But we should also think about the type of responses to housing needs that would be desirable within a functioning housing market. This would include lower and more stable housing costs and the greater availability of genuinely affordable homes for those on low incomes.

Until this is achieved there is a need for the welfare system to continue to correct market failures (including via support for working households where wages and rents are misaligned). However, this should be delivered in such a way so as not to entrench them, for example by inflating rents or suppressing wages.

But we also have to be realistic about the abilities of the welfare system itself to actively correct market failure. It is the case that housing benefit expenditure has increased as a direct result of a deliberate decision to skew expenditure towards cash-based benefits rather than new supply over the past 40 years. Rebalancing this is desirable but not something which can be simply achieved and we need to avoid over-simplifying the extent to which housing investment and housing benefit to mop up the failures of investment are interchangeable. Housing benefit may have risen as a decision to allow it to take the strain, but this does not mean that the housing benefit budget can be put under strain itself in an effort to increase supply.