

Support for housing costs for young people

In the Summer Budget the Chancellor announced that from April 2017, 18 to 21 year olds will no longer be automatically entitled to the housing costs element of Universal Credit. This is to make sure that young people are unable to leave home and start claiming housing support unless they have a job. It is intended to mirror the choices made by young people who choose to live at home until they can afford to support themselves.

The Government has made clear however that young people will be protected if they are vulnerable, if they are unable to live at home with their parents or if they have been working for the previous six months. We understand the policy is intended only to cover those who are out of work and subject to all work-related requirements. This should also protect those with limited capability for work (who are sick and disabled) and those with young dependent children.

Crisis welcomes the Government's commitment to protect the most vulnerable. We believe it is essential that the Government carefully considers all the reasons why young people may be unable to live in the family home.

We are concerned we could otherwise see a further rise in youth homelessness. In four years the number of young people sleeping rough in London has more than doubled¹ and 8 per cent of 16-24 year olds report recently being homeless². For young adults who are trying to rebuild their lives following a period of homelessness, the removal of this safety net– if protections for the most vulnerable are not sufficient– may make it much harder to keep their lives on track.

For many young people housing benefit is all that stands between them and homelessness. This includes care leavers and those who have experienced violence or abuse from family members. Some younger adults may be unable to live with their parents because of relationship breakdown but find this difficult to prove, for example if they have been thrown out because they are gay or if a parent has remarried.

In order to make sure that all young people at risk of homelessness are protected, the list of those who will be exempted from the proposals must take into account all the reasons young people may need support with their housing costs.

What you can do

These proposals do not require primary legislation and so will be laid via regulations. There may nevertheless be opportunities to raise the issue through other means, including during the passage of the Welfare Reform and Work Bill.

Please urge the Government to commit to prevent youth homelessness by protecting all the groups outlined in this briefing.

1 Crisis analysis of CHAIN data

2 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S & Watts, B. (2013) *The Homelessness Monitor: England 2013*. London: Crisis/JRF

Janey³

Janey was taken into care at the age of 4 and adopted a few months later. Her mental health and well-being has been significantly affected by her formative experiences, resulting in challenging behaviour as a child and adolescent and ongoing depression. Her relationship with her adoptive parents broke down when she was 16 and she was asked to leave the family home. Janey moved into a hostel, supported by Housing Benefit, and was allocated a support worker who helped her access a housing association tenancy a year or so later. Once she secured her tenancy Janey enrolled in a college course that she attends for two days a week. She is in receipt of Income Support and Housing Benefit. Janey would prefer to live at home with her parents but they will not let her return. She is, however, slowly rebuilding her relationship with her parents and now sees them once a month.

Who will be affected?

- There are currently 15,573 18 to 21 year olds with no dependent children claiming Housing Benefit and Jobseeker's Allowance
 - Almost two thirds (9,925) live in social homes so will already have met strict eligibility criteria for housing
 - Those living in the private rented sector are already entitled to only the lowest rate of housing benefit, the Shared Accommodation Rate; almost seven in ten (3,900) receive less than £75 per week⁴.
 - 18 to 21 year olds represent just two per cent of all those claiming housing benefit⁵.
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Tom

Tom lived with his mother until the age of 11 when their relationship became so fraught he was sent to live with his father. Tom's father found it difficult to cope with his son's challenging behaviour and for the next 18 months Tom was moved back and forth between his parents until, at the age of 14, his relationship with his parents broke down completely and he ran away from home to stay with an older friend. At the age of 16, Tom asked if he could move back home with his father. By this time, however, Tom's father had a new partner, a step child and a baby and there was no longer room for Tom. He was able to stay for short periods, sleeping on the sofa, but could not return home permanently. Tom spent the next two years staying with his father, his elderly grandma, friends, and occasionally sleeping rough until, at the age of 19, he was successful in his bid for a council

³ Cole, I., Pattison, B. & Reeve, K. (2015) *The withdrawal of support for housing costs under Universal Credit for young people: more pain for little gain*. London: Crisis

⁴ Data from DWP StatXplore (as of May 2015)

⁵ Cole, I., Pattison, B. & Reeve, K. (2015) *The withdrawal of support for housing costs under Universal Credit for young people: more pain for little gain*. London: Crisis

property. His rent is covered by Housing Benefit. During the two years he stayed temporarily with friends and family Tom mostly claimed JSA. He occasionally worked and studied but found employment, education and training difficult to sustain while homeless.

How much will this save?

The projected savings for this measure are small. The Treasury has estimated that this measure will save the public purse £25 million in the first year, rising to £40 million a year by 2020/21⁶. Forthcoming research from Sheffield Hallam University suggests the savings could be even lower, representing just 0.2 per cent of the total annual spend on housing benefit for working age claimants in 2014/15⁷.

However, if the government's exemptions are not sufficient to protect young people at risk of homelessness, greater costs will be placed on the public purse. Homelessness is estimated to cost the exchequer £1 billion per year⁸. Investing in homelessness prevention, on the other hand, can make significant savings. Recent research commissioned by Crisis found that tackling homelessness early could save the Government between £3,000 and £18,000 for every person helped⁹.

The report uses illustrative vignettes, each based on qualitative data from 165 interviews, to give an overview of the costs of homelessness. Each vignette explores two scenarios, one where homelessness is prevented or resolved and the other where homelessness persists for a year.

One of these vignettes concerns a 19 year-old who is expected to leave the parental home and exhausts sofa surfing arrangements with friends:

- In the first scenario she is helped into immediate temporary accommodation in supported housing for four weeks. She then receives a low intensity floating support service during a short-term return to the parental home which enables her to make a planned move into suitable shared private rented accommodation. Parental relationships become positive while she is able to live independently and she secures paid work within one year.
- In the second scenario, the local authority finds her ineligible for the homelessness duty. She receives a list of private rented accommodation but no other assistance. She relies initially on sofa surfing but negative experiences from these arrangements lead to a deterioration in her mental health. She makes increasing use of homelessness services and uses drugs as a result of stress and depression. She has a non-elective long stay in hospital as a result of the deterioration in her health. She is admitted into residential detoxification service for six

6 Summer Budget 2015

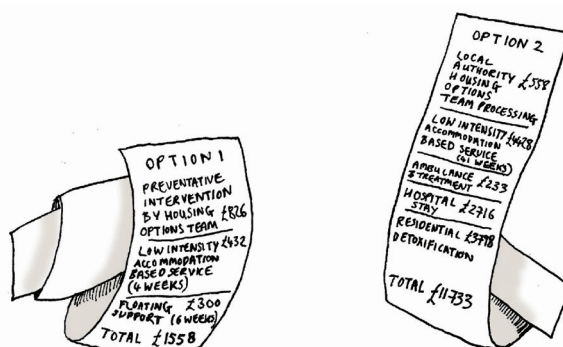
7 Cole, I., Pattison, B. & Reeve, K. (2015) *The withdrawal of support for housing costs under Universal Credit for young people: more pain for little gain*. London: Crisis

8 DCLG (2012) *Evidence review of the costs of homelessness*

9 Pleace, N. (2015) *At what cost? An estimation of the financial costs of single homelessness in the UK*. London: Crisis

weeks but lack of settled, suitable housing presents major challenges in trying to end her drug use.

The research calculated that preventing her homelessness in the first scenario cost £1,558. By comparison, this cost rose to £11,733 when her homelessness was not properly resolved as described in scenario two.



If this young person were unable to meet the eligibility threshold for claiming the housing costs element of Universal Credit, the first scenario would not be open to her.

Ryan

Ryan was in care as a young child, before being adopted at the age of 4. His relationship with his adoptive parents was always strained and they told him to leave as soon as he turned 16, just as he was sitting his GCSEs. Ryan has spent the past four years living in a series of hostels, B&Bs and temporary flats, claiming Housing Benefit to cover the housing costs. During this time he embarked on training courses a number of times, including a year at catering college and a travel and tourism course but has sometimes found it difficult to sustain while being homeless. He persists, however, while applying for a social housing tenancy. Ryan's parents are only willing to see him at special occasions (such as at family birthdays) but he has a good relationship with his grandparents and younger brother.

Who needs to be protected?

As the stories throughout this briefing show, the experiences of some young people claiming support for housing costs are chaotic, with moves in and out of stable accommodation, and in and out of work and training. It is vital that exemptions cover young people living in these types of situations. However, we are yet to see the Government's full list of groups who will be exempt. Crisis believes the following groups of young people should be protected. Crucially, the system must be flexible enough to cover more difficult or complex cases.

- *Young people owed the homelessness duty*

By definition, people who are already homeless have nowhere else to live and should be exempted from these proposals or they will be at serious risk of street homelessness. Young people who approach their local authority and meet the statutory definition

of ‘unintentionally homeless’ (in Scotland) and in ‘priority need’ (in England and Wales) should automatically qualify for support. Local authorities have a statutory duty to house those who meet this threshold, which they will be unable to meet if young people owed the duty cannot claim the housing costs element of Universal Credit.

- *Young people who are homeless or at risk of homelessness being supported by local authority Housing Options teams*

In England the threshold for ‘priority need’ is high, however, and most single people will not meet it. Those who are found ‘unintentionally homeless’ should therefore qualify for support, regardless of whether they are ‘priority need’. Homelessness prevention teams across England, Scotland and Wales should be able to recommend that a younger adult qualifies for support, in order to protect those who fall short of the statutory homelessness threshold, as well as to prevent young people at risk of becoming homeless. Prevention teams usually offer mediation to see if a young adult can remain in the family home, before supporting them to find alternative accommodation.

- *Young people living in homelessness accommodation projects*

Nearly half of people using voluntary sector homelessness accommodation projects are aged under 25¹⁰. Such accommodation projects would be unable to support young people who were not entitled to support for their housing costs. In the short-term, most supported accommodation will continue to be funded through Housing Benefit and not Universal Credit, leaving their residents unaffected by these proposals. Crisis wishes to see a firm commitment from the Government that young people living in homelessness accommodation projects will be protected in the long term, regardless of the future funding arrangements for such projects.

- *Homeless young people supported by voluntary or statutory agencies into alternative accommodation*

Homeless hostels are not right for everyone who has experienced homelessness. Others may struggle to find a bed space, since numbers are declining¹¹. Those being supported by homelessness organisations to find and sustain alternative forms of accommodation should therefore be protected. This includes private rented sector access schemes and supported lodgings. Withdrawing support from young people using such schemes would undermine the Government’s own efforts to tackle single homelessness, given that they have already invested significantly in them.

- *Those who have formerly been homeless as young adults*

People who first become homeless when young are particularly vulnerable to repeat homelessness¹². To mitigate the risk of people becoming homeless again following a period of stability,

10 Homeless Link (2015) *Support for single homeless people in England Annual Review 2015*

11 Ibid.

12 Mackie, P. (2014) *Nations apart? Experiences of single homeless people across Great Britain*. London: Crisis

it's important that young homeless people who qualify for the housing costs element of Universal Credit can continue to do so following a change in circumstances, up until the age of 21. Young people ready to move on from a homeless hostel must be able to access financial support to maintain a private tenancy, or move-on will be impossible. This will in turn enable other young homeless people to access hostel places.

- *Those without family or who have experienced relationship breakdown with their parents*

The Government has been clear that those who cannot live at home will be protected. Crisis welcomes this commitment, since relationship breakdown is a leading cause of homeless young people no longer being accommodated by parents¹³. A broad exemption to protect young people at risk of homelessness due to family breakdown will prevent young people having to become homeless before they can access support. This protection must apply to those without living parents, or without parents in the UK, and to those for whom it would be damaging to remain in, or return to, the family home.

- *Care leavers and those who are known to children's services due to child protection concerns*

In August a DWP spokesperson suggested care leavers will be exempt¹⁴. Crisis welcomes this commitment to protect some of the most vulnerable young people as they transition to independent living. However, existing protections only apply to those leaving care after their 16th birthday. Those who left care when younger, have been a child in need or have had a child protection plan (or Child's Plan under Getting It Right For Every Child in Scotland) will often have faced similar issues and should be protected.

- *People who cannot live with their families because the accommodation is unsuitable, for example due to overcrowding*

Some young adults need to leave home because the family home is unsuitable or puts them at risk of harm. This may be because of overcrowding, for instance if the family has downsized due to the Social Sector Size Criteria. Overcrowding is a form of hidden homelessness, with implications for family cohesion and wellbeing. In some cases of severe overcrowding, councils may offer to rehouse adult children independently, rather than move the entire family.¹⁵ If young people in overcrowded homes can no longer access housing support, this will not be possible.

- *People who cannot live with their families because the neighbourhood is unsuitable, for example risk of involvement with gangs*

Neighbourhood problems can include risk of involvement with gangs or other anti-social and unlawful activity. A 2011 Cross-Government report on Ending Gang and Youth Violence

13 Homeless Link (2014) *Young and Homeless 2014*

14 Butler, P. (2015) 'Benefit cut "could make thousands of vulnerable young people homeless"', *Guardian*, 4 August

15 Greater London Authority (2010) *Overcrowding in social housing: A London action plan*, paragraph 3.3.2

committed to 'roll out schemes to re-house former gang members wanting to exit the gang lifestyle' and cited joint police and council projects that find safe accommodation for people at high risk from gang violence¹⁶. This work will be significantly undermined if young people in such circumstances cannot access support for their housing costs.

- *Those leaving custody*

Young people leaving custody are at particular risk of homelessness due to their higher levels of needs, vulnerabilities and chaotic lives. Thirteen per cent of young homeless people are offenders and 22 per cent have an offending history¹⁷. Accommodation is critical for effective resettlement¹⁸. A return to the family or neighbourhood may expose them or their families to risk of harm and the negative social networks they are trying to leave behind. An exemption for young people at the point of release will provide stability and support to help them adjust at this critical time when the risk of reoffending is greatest.

How should this work in practice?

Implementing these proposed exemptions does not need to be overly complicated. There are already a range of voluntary and statutory agencies, outlined above, that have considerable expertise in determining whether young people are in genuine need of housing support.

Crisis believes there are some general principles that should be followed to enable vulnerable 18 to 21 year olds to access the housing costs element of Universal Credit:

- *Young people should be believed in the first instance:* as a general principle, younger adults who request support with their housing costs should be believed in the first instance, given that they are likely to be in an emergency situation and may find their circumstances difficult to prove. As already outlined in the DWP guidance manual for Local Housing Allowance, 'customers most in need of safeguard action might have difficulty in making representation on their own behalf and be less able to produce evidence to support that need.'¹⁹
- *The burden of proof must not be too high:* where the individual is seeking support for their housing costs on the basis of estrangement or family breakdown, supporting evidence should only be requested or sought where there is valid evidence of doubt, for example the department has alternative evidence. This echoes the DWP Guidance on severe hardship payments for 16-17 year old jobseekers, which states that verification/ third

16 Home Office (2011) *Ending Gang and Youth Violence: A Cross-Government Report including further evidence and good practice case studies*

17 Homeless Link (2014) *Young and Homeless 2014*

18 Nacro (2015) *Effective resettlement of young people: lessons from Beyond Youth Custody*

19 DWP (2014) *LHA Guidance Manual*

party corroboration should not be sought as a matter of course²⁰. Having to document the reasons why they are estranged from their parents could exacerbate tensions, and young people's mental health problems related to the stigma and shame of family estrangement.

- *Voluntary and statutory agencies should be able to make recommendations:* local authority homelessness teams, voluntary homelessness agencies and private rented sector access schemes all have expertise in determining whether young people need housing support. These agencies should be able to make recommendations to DWP that an individual should qualify for an exemption. This will allow agencies to support young people into accommodation with confidence that they will be able to fund it. DWP should compile a list of trusted organisations in each area who they know will accurately assess individuals' housing need.
- *Work coaches should play a role in identifying vulnerability:* Jobcentre Plus Work Coaches and advisers for contracted out provision such as the Work Programme or Work Choice should also play a role in identifying younger adults in receipt of Universal Credit who cannot live with their parents and are at risk of homelessness, signposting the younger adult to support services. Likewise, the Work Coach or adviser should be informed if a younger adult is claiming the housing costs element of Universal Credit, so that they are aware of any vulnerabilities and can ensure the work-search requirements imposed on them are appropriate to their circumstances.
- *Young people must be able to appeal a decision:* it's vital that there is an appeals process in place to protect young people in case of incorrect decisions being made about their eligibility for support in the first instance.

What you can do

These proposals do not require primary legislation and so will be laid via regulations. There may nevertheless be opportunities to raise the issue through other means, including during the passage of the Welfare Reform and Work Bill.

Please urge the Government to commit to prevent youth homelessness by protecting all the groups outlined in this briefing.

For more information, please contact:

Alice Ashworth
Senior Policy Officer
alice.ashworth@crisis.org.uk or 020 7426 3893

²⁰ DWP (2008) *Jobseekers Allowance for 16-17 year olds: Making a Severe Hardship Decision*