
YMCA England
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Communities and Local Government Committee
House of Commons
London
SW1A 0AA

13 October 2015

Dear Sir or Madam,

YMCA England response to the Communities and Local Government Committee's inquiry into the housing association sector and the Right to Buy

YMCA was established in 1844 and is the largest and oldest youth charity in the world, helping over 58 million people in 119 countries. Here in England where it all began, 114 YMCAs work to transform over 530 different communities, impacting on the lives of nearly 600,000 people every year.

Alongside this YMCA is the largest provider of safe, supported accommodation for young people in England - providing just under 10,000 beds every night.

YMCAs across England offer a wide range of accommodation; from emergency beds through to supported longer term accommodation. Our philosophy of supporting young people holistically means that YMCA provides not only a bed but also seeks to help a young person gain the training, skills and confidence to go on to lead independent lives.

Proposals on the Right to Buy

The type and quality of housing stock covered by the extension.

- 1.1 YMCA England is supportive of the *Right to Buy* concept. However the extension of Right to Buy to housing associations does signal a potential danger in YMCA's ability to support young people through difficult periods of their lives by providing a roof over their heads.

- 1.2 For the most part, the accommodation provided by YMCAs would not fall under the regulations for which Right to Buy could be extended to. However one area which potentially could be affected is the 'move-on' accommodation YMCAs provide.
- 1.3 The purpose of the move-on accommodation is to be an intermediary step between supported accommodation and full independence. Move-on accommodation generally exists where YMCA's have purchased properties that enable young people who have previously been living in a YMCA to move into, prior to moving into the private rented sector or social housing.
- 1.4 If move-on accommodation such as this would be eligible under the Right to Buy extension it would eventually reduce YMCA's housing stock and no longer allow the organisation to provide the necessary support that vulnerable young people require to complete the transition to full independence.
- 1.5 YMCA England's research '*Delayed until further notice*' highlights the problem YMCAs are facing with increasing numbers of young people trying to accessing its homelessness services and YMCAs being forced to turn them away due to capacity limitations. Nine out of ten YMCAs have had to turn away individuals in need of accommodation in the past year due to being at capacity.¹
- 1.6 With YMCAs already struggling to move young people into the private rented sector, this issue would only be exacerbated further were YMCAs no longer able to provide move on accommodation as part of its homelessness support due to a lack of properties within its provision.
- 1.7 The extension of Right to Buy to housing associations would also likely discourage YMCAs from further investing in move on properties through fear of having these purchased by residents.

Proposals in the Budget

What the effects will be on housing associations of the cap on rents.

¹ Delayed until further notice, YMCA England, 2015

- 2.1 YMCAs support some of the most challenging and vulnerable young people in our society. A natural consequence of this is that they will often be in and out of work or claiming housing and unemployment benefits which enable them to stay at a YMCA while they rebuild their lives.
- 2.2 The income in rent received by YMCAs goes straight back in to providing support and educational opportunities to enable these young people to get their lives back on track. If YMCAs had to absorb the costs of a rental cap, it would in turn mean that the level of support they would be able to offer to vulnerable young people would decline.
- 2.3 An alternative option would be to ask the young people to contribute more towards their accommodation. However, due to the financial tightrope that these young people will often walk, with most living hand to mouth, any capping of rental payments could have significant consequences on their situations.
- 2.4 Therefore when the cap on rents for housing associations is introduced the only potential way of mitigating this damage to the individual's financial situation would be for the costs to be absorbed by the association – this is likely to result in a reduction of support through limited services and/or loss of staff.

What the effects will be on housing associations of changes in housing benefit for younger people.

- 2.5 For a significant number of young people that are claiming both unemployment benefits and Housing Benefit, it is not a choice. Instead it is due to them having a clear need for support – whether that is having to look after a child, having recently left care, having been made homeless, living in supported accommodation or being estranged from their family.
- 2.6 By removing automatic entitlement to Housing Benefit for 18 to 21 year olds the Government could be in danger of inadvertently taking away support from these young people who need it most, and in doing so, exposing many more vulnerable young people to the risk of becoming homeless and therefore damaging their prospects of finding work in the future.
- 2.7 Furthermore the removal of automatic entitlement to Housing Benefit could go against the aims of the Government's policy to reduce youth

unemployment – as the prospects of a young person moving into employment or training will be reduced without the security of a roof over their head.²

- 2.8 For those housing associations that support young people in this age bracket the potential removal of Housing Benefit could have a devastating impact on the ability for young people to stay within housing associations. Housing associations which are charities may be able to rely on donations in order to deliver some of this work – however for those that are not able to fundraise in this way they may have to stop or significantly reduce the support they offer to young people.
- 2.9 In changing entitlement to Housing Benefit for 18 to 21 year olds, YMCA believes that detailed measures should be put in place to ensure the most vulnerable young people in the country continue to receive protection and support during their time of need. YMCA England's recent report '*Uncertain Futures*' covers this point in much greater detail.³
- 2.10 YMCA believes that as a minimum, protection should be put in place for young people who are: -
 - ▶ Pregnant or have dependent children
 - ▶ Care leavers or former children in need
 - ▶ Homeless or have a history of homelessness
 - ▶ Estranged from their parents

Welfare reform proposals

What the effects have been on housing associations of changes to the welfare system in the last Parliament.

- 3.1 Even before reforms were implemented, young people's housing options were already extremely limited. As well as home ownership proving too expensive for young people, social housing was already difficult for them to access, even for those coming out of supported accommodation that traditionally could have relied upon this form of housing.
- 3.2 Given also that living with parent(s) is not an option for many of the young people that YMCAs work with, this has made the private rented sector the only 'non-supported' housing option available to many

² Uncertain Futures, YMCA England, 2015

³ See 2

young people.

- 3.3 These factors plus reforms to welfare have meant that moving people on from supported accommodation to appropriate housing within the community has become increasingly challenging for YMCAs. The slow-down in the move on rates currently being experienced by YMCAs creates two negative consequences.
- 3.4 The first is delaying young people's transition to independence. Something which through our research young people said they felt was further perpetuated by potentially being forced by the benefit system to live in shared accommodation up until the age of 35.
- 3.5 The second consequence is that the young people who are not able to be moved on are creating a situation of 'bed-blocking', which is increasingly preventing young people in greater need from being able to access the accommodation and services YMCAs provide.⁴
- 3.6 With the Local Housing Allowance being lowered and the extending of the Shared Accommodation Rate, YMCA research found that young people felt that this increases the likelihood that the housing benefit they receive will not meet the cost of renting in the private sector.⁵
- 3.7 The impact of this is that young people are less likely to move on from supported accommodation through fear of not being able to afford somewhere safe to stay in the private rented sector.
- 3.8 The reality behind this fear is legitimate. In some areas of the country the dual change to the Local Housing Allowance and Shared Accommodation Rate has meant there are not sufficiently enough properties available to rent at this price. The consequences of which are young people being put under increased financial pressures that have the potential to result in them facing a cycle of repeat homelessness.
- 3.9 The struggle individuals are now facing in meeting their rent is evidenced by the numbers becoming homeless as a result of the end of an assured shorthold tenancy having more than doubled in the last

⁴ See 1

⁵ YMCA England's submission to the Department for Work and Pensions inquiry into support for housing costs in the reformed welfare system, 2013

four years.⁶

- 3.10 The introduction of welfare reform changes has also had an increase in the number of young people which have been sanctioned. YMCA England's 2014 report, '*Signed on and Sanctioned*', highlighted the increase in numbers of young people as well as the reasons why so many had been affected⁷.
- 3.11 Nearly all the YMCAs taking part in the research reported seeing an increase in the number of sanctions being issued to the vulnerable young people they work with since the reforms were introduced in October 2012. The disproportionate impact that sanctions are having on young people is clear.
- 3.12 Whilst there is recognition amongst YMCAs and the vulnerable young people they work with for the need for some form of sanctions, the research raised some serious concerns, with vulnerable young people as well as staff and volunteers surveyed believing that the way that sanctions are being applied is unfair.
- 3.13 The findings demonstrated that while the majority of the vulnerable young people the YMCA works with are aware that they can potentially be sanctioned, Jobcentre Plus fail to communicate many aspects around sanctions.
- 3.14 Our evidence shows that when young people are sanctioned one of the first things they are forced to cut back on is payment for housing costs; this naturally will lead to an increase in rental arrears and put their places within housing associations in jeopardy.⁸
- 3.15 The Department for Work and Pensions has failed to effectively communicate how young people can avoid being sanctioned, why they have been sanctioned and what they can do once they have been sanctioned. The arrangements since being introduced have simply punished vulnerable young people rather than helping them.

What the effects will be on housing associations of the proposed changes to the welfare system.

⁶ Department for Communities and Local Government, Homelessness statistics, 24th June 2015

⁷ Signed on and Sanctioned, YMCA England, 2014.

⁸ See 5

- 3.16 The rollout of Universal Credit in this Parliament and the move to monthly payments will impact upon a number of YMCAs.
- 3.17 YMCA England's research in 2013 showed that young people were significantly concerned about the introduction of this policy. The main reason given by those questioned focused on the difficulties they find managing their finances, and the potential for these reforms to lead to increased levels of debt, rent arrears, evictions and eventually homelessness.
- 3.18 The widespread reluctance and anxiety towards these reforms is demonstrated by 86% of those young people surveyed saying that if given the choice they would choose to have their housing benefit paid directly to their landlord.⁹
- 3.19 The concerns raised by the young people surveyed were echoed by the YMCAs who are particularly concerned with the period when young people move into the community. These reforms, without a managed transition phase, were felt to have the potential to place unnecessary extra pressure on this already vulnerable group during this critical period in their move to independence.
- 3.20 Firstly by delaying move-on rates, as YMCAs will be reluctant to move vulnerable young people into independent living if this could lead to them quickly going into arrears. Secondly, due to the predicted increase in the levels of arrears, evictions and homelessness resulting from vulnerable young people being unable to manage their housing costs, YMCAs expect to see an increase in demand for supported accommodation.

Yours faithfully

Denise Hatton

A handwritten signature in blue ink that reads "Denise Hatton".

Chief executive
YMCA England

⁹ See 5