UNCERTAIN FUTURES

A report examining the impact of removing automatic entitlement to Housing Benefit for 18 to 21 year olds

AUGUST 2015
Acknowledgments

This research was made possible with the generous support of The Haramead Trust.

A special thank you also goes to the young people who shared their stories, YMCAs across England, and the local authorities who responded to the request for information.
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.

YMCA enables people to develop their full potential in mind, body and spirit. Inspired by, and faithful to, our Christian values, we create supportive, inclusive and energising communities, where young people can truly belong, contribute and thrive.

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Summary

Introduction

The Government recently set out its plans to introduce measures to tackle youth unemployment and dependency on the social security system, including proposals to remove automatic Housing Benefit entitlement for 18 to 21 year olds who are out of work and claiming Universal Credit.

“I want us to end the idea that aged 18 you leave school, go and leave home, claim unemployment benefit and claim Housing Benefit. We should not be offering that choice to young people.”

David Cameron, 2014

This report seeks to challenge some of the assumptions underpinning the argument that many young people are choosing a life on benefits and draw out the types of young people that may be adversely affected by these reforms when they are introduced in April 2017.

Key Findings

Long term unemployment remains a critical issue for young people

- Over 80,000 18 to 21 year olds in England have been unemployed for over 12 months.

However...

More young people are already choosing to live at home

- Seven in ten 18 to 21 year olds live with their parents and this is increasing year on year.

Fewer young people are claiming benefits each year

- Of the estimated 3.2 million 18 to 21 year olds, just over 19,000 young people are currently claiming Jobseeker’s Allowance and Housing Benefit.
- 18 to 21 year olds accessing both Jobseeker’s Allowance account for less than 1% of all Housing Benefit claimants.
- The numbers of 18 to 21 year olds claiming Jobseeker’s Allowance and Housing Benefit has more than halved in the last two years and is falling quicker than any other age group.

Young people who are claiming benefits are doing so for shorter periods of time

- 71% of the 18 to 21 year olds that access Jobseeker’s Allowance do so for less than six months.

Many of the young people claiming are doing so because they have no other option

- 2,100 18 to 21 year olds claiming Jobseeker’s Allowance and Housing Benefit have at least one dependent child to look after.
- 7,200 young care leavers between 19 and 21 years old in England are currently out of work and would potentially be eligible to claim Jobseeker’s Allowance and Housing Benefit.
- Between 5,800 and 6,400 18 to 21 year olds were identified as homeless and in priority need last year.
- Nearly 1,400 18 to 21 year olds currently living in YMCA supported accommodation claim Jobseeker’s Allowance and Housing Benefit.

For the young people claiming benefits, it is far from an attractive lifestyle choice

- Most young people are entitled to £57.90 a week in Jobseeker’s Allowance.
- 44% of 18 to 21 year olds claiming Jobseeker’s Allowance and Housing Benefit get less than £75 a week in help towards their housing costs.
Conclusions

Long-term unemployment remains a critical issue for young people and the country as a whole and the Government is right to recognise that more needs to be done to tackle it.

However, as the evidence in this research shows, the results being sought by removing automatic entitlement to Housing Benefit are largely already happening. Increasing numbers of young people are now staying at home for longer and opting not to claim benefits, while the small numbers that do leave home and claim are increasingly doing so for shorter periods of time.

Among the young people claiming unemployment benefits and Housing Benefit there will be those few who seek to take advantage of the social security system and it is appropriate that the Government want to tackle this, both in encouraging more young people into work and in looking to deliver savings.

However, 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.

As this report demonstrates, to believe that removing entitlement to Housing Benefit will drive all young people to ‘earn or learn’ is to misunderstand many of those that rely upon this part of the social security system. It is also to underestimate how important having a stable and safe home is in enabling these vulnerable young people to find training and employment.

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 the 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.

Action is needed to address youth unemployment, but without protections thousands of vulnerable young people will face uncertain futures, not knowing if they will have anywhere they can call home and leaving them less able to find work.

Recommendations

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 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
Introduction

The Government recently set out its plans to introduce measures to tackle youth unemployment and dependency on the social security system, including proposals to remove automatic Housing Benefit entitlement for 18 to 21 year olds who are out of work and claiming Universal Credit.

“It is not fair that taxpayers should have to pay for 18-21 year olds on Jobseeker’s Allowance to claim Housing Benefit in order to leave home. So we will ensure that they no longer have an automatic entitlement to Housing Benefit.”

Conservative Party Manifesto 2015

Earlier this year, a report commissioned by the End Youth Homelessness Alliance examined the financial case for removing automatic Housing Benefit entitlement for young people and whether the reforms would generate the £120m savings indicated.¹

This research undertaken by Heriot Watt University found that once the costs of exemptions and knock on costs to other public services have been taken into account, the policy would save a maximum of £3.3 million, with only an additional 140 young people needing to become homeless before the policy ends up costing more than it saves.²

In addition to cost saving, a key argument that has been put forward by the Government in proposing the measures is that the availability of Housing Benefit acts as an incentive for young people to leave home to claim benefits.

“I want us to end the idea that aged 18 you leave school, go and leave home, claim unemployment benefit and claim Housing Benefit. We should not be offering that choice to young people.”

David Cameron, 2014

Building on the findings from the research conducted by the End Youth Homelessness Alliance, this report seeks to examine the evidence behind the other side of the argument put forward for removing Housing Benefit entitlement; that it motivates young people to leave home and become dependent on the social security system.

This piece of research seeks to explore the evidence underpinning the assumption that removing automatic entitlement to Housing Benefit will deter young people from opting to leave home and choose a life on benefits.
Key findings

Unemployment remains a critical issue for young people in this country. With unemployment amongst 18 to 21 year olds standing at over 300,000 in England and an unemployment rate of 18% compared to 4% amongst 25 to 49 year olds, they are four times more likely to be out of work than older age groups.¹

In addition to the relatively high unemployment rate, large numbers of young people are now spending long periods out of work.²

Everyone loses when young people are out of work. YMCAs see first-hand the impact that unemployment at a young age can have; from reducing the wages a person will go on to earn throughout their life, to increasing the chances of them becoming unemployed again in later life, to having a long-term impact on their health.

To enable young people to fulfil their potential and achieve full employment, the Government is right to recognise that more does need to be done.

However as this report sets out, rather than driving individuals to ‘earn or learn’, if protective measures are not put in place, removing automatic entitlement to Housing Benefit has the potential to damage the prospects of many young people being able to find training or employment.

Rather than moving out to claim benefits, more young people are choosing to live with their families for longer

A key assumption underpinning this policy is that young people are making a choice to leave home.

However, rather than more young people choosing to live away from home, the evidence suggests that an increasing number of this age group are now opting to stay with their parents for longer.

The proportion of young people living with their parents has increased by 4% in the last 10 years, with 69% of young people now living at home with their parents.³

Given that the unemployment amongst those living at home is more than twice that of those who do not, the evidence suggests that being out of work is already linked to young people either staying on at home longer or returning to live with their parents.⁶
Rather than increasing, fewer young people are now starting to claim benefits

The current trends in the numbers of people claiming benefits also gives weight to the idea that living on benefits is not proving such an attractive option for young people.

As the evidence shows, contrary to an increasing number of young people choosing to live on benefits, fewer and fewer young people are claiming both Jobseeker’s Allowance and Housing Benefit.

Of the estimated 3.2 million 18 to 21 year olds living in Great Britain, just over 19,000 young people are currently claiming Jobseeker’s Allowance and Housing Benefit. The numbers of 18 to 21 year olds claiming Jobseeker’s Allowance and Housing Benefit has declined by 52% in the last two years.

Young people who access both Jobseeker’s Allowance and Housing Benefit account for less than 1% of all Housing Benefit claimants.

In the last two years alone the number of young people claiming both Jobseeker’s Allowance and Housing Benefit has more than halved, falling from 41,100 in 2013 to 19,000 in 2015.

Not only is it falling but the decline in the numbers claiming Jobseeker’s Allowance and Housing Benefit has been greatest amongst young people – with the numbers claiming both benefits across the other age groups falling by 43% in the last two years compared to a 52% fall amongst 18 to 21 year olds over the same period.

Again this would suggest that young people more than any other age group are rejecting this as an option and are striving to get off benefits.
Sam 18, Grimsby

Things seemed to be going well for Sam, he was at a local private school and his studies were going well, however his life was turned upside down when his parents split up.

Faced with a difficult decision, Sam decided to stay with his dad so he could remain in the area to continue his studies at his current school. This seemed to be working out until they moved in with his dad’s new partner and her family.

Feeling isolated, Sam began suffering with serious bouts of depression and this eventually led to him having a break down and being admitted to hospital. Sam’s struggle with his mental health issues and a collapse in his relationship with his dad and new family eventually led to him being told to leave.

Unable to move in with him mum and with only £200 to his name, Sam got the train to Huddersfield to move in with his grandmother and begin rebuilding his life. However once the local authority found out about him sleeping on the sofa in his grandmother’s one bedroom council house, he was told that he was not entitled to any support and was forced to return to Grimsby.

Upon returning to Grimsby Sam was left with no option but to turn to the local YMCA for emergency accommodation – where he has been living for the past six months.

Sam is reluctant to go on to Employment Support Allowance and is instead determined to overcome his health issues and find work. Currently on Jobseeker’s Allowance he is actively seeking work and applying for all the jobs he can to gain experience.

Without Housing Benefit, Sam believes that he would be left with no option but to live on the streets.
3. Rather than staying on benefits, young people are largely claiming for short periods of time

While the numbers of young people experiencing entrenched unemployment remains relatively high, the overall trends are positive.

In the last year, the proportion of young people ending their Jobseeker’s Allowance claim within six months has increased from 65% to 71%.\textsuperscript{11}

Yet again the trends among young people compare favourably to other age groups, with less than half of older claimants ending their Jobseeker’s Allowance within six months.\textsuperscript{12}

Given that 71% of young people now spend less than six months accessing Jobseeker’s Allowance, the evidence would seem to suggest it is largely utilised as a short-term safety net – as it is intended to be.\textsuperscript{13}

Despite a much smaller number of claimants, similar trends also apply for those young people accessing Universal Credit. 69% of 18 to 21 year olds on Universal Credit spend less than six months out of work.

Rather than being a barrier to employment, being able to access the social security system and the support available to them while they are out of work can help young people get back on their feet and back into work.

This is particularly the case for those young people who live in social and supported housing while claiming. A significant proportion of social landlords and supported accommodation providers like YMCA provide young people with a range of support targeted at getting their residents back into training and employment and off Jobseeker’s Allowance.
Aden 19, Peterborough

Aden first began living with his grandmother at the age of eleven, following the tragic death of his parents.

However, his grandmother’s health deteriorated forcing her to move into a residential care home and with no other family members left, Aden became homeless and began sleeping rough on the streets.

Aden was informed about the local YMCA in Peterborough by a friend and was able to move in immediately after contacting them.

Aden had no income when he first arrived at the hostel and was supported by staff in applying for Jobseeker’s Allowance and Housing Benefit.

He also received a range of support including bereavement counselling to help him come to terms with the death of his parents and basic life skills training to help build back his confidence and prepare for independent living.

While there, Aden began volunteering one day a week at a local charity and after seven weeks he was offered a part time paid role in their shop.

If Jobseeker’s Allowance and Housing Benefit had not been available, it is likely that Aden would still be sleeping rough and be out of work.
Rather than claiming benefits out of choice, many young people are doing so out of necessity

There is no clear picture of those young people who claim unemployment and housing benefits. This grouping will of course include young people who by choice leave home to claim benefits; however through bringing together a range of available data for key groups of young people, we can begin to get an idea of the people for whom accessing these benefits is not a choice and why this is the case.

Young people with children

The first group are young people who depend on Housing Benefit while out of work to help support them and their children. 2,100 young people, equivalent to one in ten of those currently claiming Jobseeker’s Allowance and Housing Benefit, have children to care for.

For many of these young parents, staying at home with their own parents or extended family is not an option, whether this is due to overcrowding or their family being unwilling to house them.

Without access to Housing Benefit, this group of young people will struggle to receive the support they need to make successful futures for themselves and their children.

Care leavers

Another group that could potentially be affected are those leaving care. While there are no national figures for how many care leavers are currently claiming both Jobseeker’s Allowance and Housing Benefit, some broad estimates can be extracted.

Currently in England there are over 27,000 care leavers between the ages of 19 and 21. A quarter (7,200) of these are not in education, employment or training for reasons other than that which would prevent them claiming Jobseeker’s Allowance, consequently a significant number are likely to be eligible and claiming Jobseeker’s Allowance and Housing Benefit.

As demonstrated by the less than one in ten care leavers living with their family or relatives, going home is not an option for the vast majority of the young people leaving care.

Care leavers are one of the most vulnerable groups in society who are already more likely to be homeless, be unemployed and spend time in prison.

Without the option of being able to return home or access Housing Benefit when they find themselves out of work – young care leavers would be left with few or no options in finding a safe place to live.
Young people who are homeless

A third large group of young people that currently access both Jobseeker’s Allowance and Housing Benefit are those experiencing homelessness.

As with care leavers, there is limited national data available on the numbers of young people in this age group who are homeless and access these benefits, although again some broad estimates of how many would be affected can be established.

Based on evidence gathered by YMCA England from over one hundred and thirty local housing authorities, last year around 12% of all those being accepted as homeless fell into the age group affected by the planned removal of Housing Benefit entitlement.\(^{18}\)

This is the equivalent of between 5,800 and 6,400 18 to 21 year olds in England last year alone being recognised as unintentionally homeless and in priority need.\(^{19}\)

In addition to these, around a further 2,500 to 2,800 young people in England were found by local authorities to be unintentionally homeless but not in priority need.\(^{20}\)

The limited options available to these young people without the recourse to Housing Benefit are demonstrated by the reasons they become homeless.

From evidence again obtained by YMCA England from local authorities across England, 55% of 18 to 21 year olds that were accepted as being homeless last year become homeless as a result of their relatives or friends no longer being willing or able to provide them with accommodation.\(^{21}\)

A further 15% of 18 to 21 year olds became homeless as a result of a relationship breakdown with their partner, which in many cases involved those escaping a violent partner.\(^{22}\)

Without access to Housing Benefit and no option to go home, these vulnerable young people could face longer periods of homelessness, damaging both their health and future prospects.

Those young people living in supported accommodation

The fourth group, which is linked to the previous group, are those living in supported accommodation. There are 36,500 bed spaces across England and nearly half of people accessing this supported accommodation are aged under 25.\(^{23}\)

While there are no national figures available for how many of these young people fit within the proposed age range of the reform and access both Jobseeker’s Allowance and Housing Benefit, as the largest provider of supported accommodation providing just under 10,000 beds each night right across England – YMCA data provides a good indication.

YMCA alone currently houses nearly 1,400 18 to 21 year olds in England who claim both Jobseeker’s Allowance and Housing Benefit.\(^{24}\)

Nearly 1,400 young people currently living in YMCAs claim both Jobseeker’s Allowance and Housing Benefit
For those living in supported accommodation, going home to live with their family is simply not an option open to them. This is reflected in the data gathered by YMCA England. Nearly three in five of the young people YMCA support became homeless due to their families being unable or unwilling to house them.  

Removing entitlement to Housing Benefit for this group of young people will not only mean they have nowhere to live but they will also be denied the assistance they are currently able to receive in supported accommodation to help them find training, employment and a stable home.

Young people who are estranged from the family

As with accessing the social security system, young people are much less likely to seek support even when they become estranged from their families. This makes this group of young people much harder to identify and record statistically.

Instead of accessing support, the young people who become homeless often lead chaotic lifestyles, depending on friends and extended family night after night for a roof over their head and a sofa to sleep on – often known as ‘sofa surfing’.

Research conducted this year highlighted the scale of the issue, with over a third of young people having sofa surfed because they had nowhere else to stay.

1/3 of young people have sofa surfed because they had nowhere else to stay

This group are often homeless for some time before ever accessing formal support such as Housing Benefit. When they do reach out, it is important that a safety net is there. If Housing Benefit was taken away, it would make it even more difficult for young people who are estranged from their families to break the downward cycle they often find themselves in.

While there will be overlap between these groups, the available data illustrates that a large number of the young people accessing both Jobseeker’s Allowance and Housing Benefit are doing so through necessity.

As with any system, there will always be individuals who will seek to take advantage or exploit it. However for groups like young parents, people who are homeless, those in supported accommodation, individuals estranged from their families and those leaving care – the choice of returning home is simply not an option open to them.

For these young people Housing Benefit plays a key role in helping them find somewhere safe to stay, without which the prospect of becoming or remaining homeless may well become a stark reality.
Hannah 19, Ripon

Growing up, Hannah had a difficult relationship with her mum and sister. The situation at home escalated to the extent that social services and the police frequently became involved, with Hannah suffering with serious bouts of depression.

The depression, brought on by the issues she was facing at home, eventually led to Hannah attempting to take her own life on two separate occasions. The situation reached its peak when Hannah was kicked out of the family home when she was 17 and told that she could not return.

After leaving home Hannah spent nearly three years homeless, being pushed from place to place. During this time she stayed with her friend’s family, sofa surfed with numerous friends across the area and with various members of her extended family including her aunty in London.

Her unstable living situation meant that she had to leave education and was unable to complete her A-levels.

Hannah has continued to work on and off since leaving home but has been unable to sustain a job due to having to move home constantly. Having lost her last job and exhausted all of her housing options, Hannah finally came to the YMCA in Ripon at the end of March 2015 and began claiming Housing Benefit, her only option in order to have a safe and stable place to stay.

Having somewhere stable to live is giving Hannah a chance to overcome her depression, build her confidence and focus on finding work. Without the support of Housing Benefit and YMCA she would be back to square one, moving from one place to another and unable to find sustained employment.
Rather than taking advantage of the system, many young people currently accessing benefits are already recognised in law as needing support

Given the types of young people who are currently claiming Jobseeker’s Allowance and Housing Benefit, a significant number are already recognised as having a legitimate need for support by national legislation and regulations and have had to demonstrate this with authorities at a local level.

Young people who are pregnant or have dependent children

For young parents with dependent children, their need for support and how they prove this is clear. This is recognised in the Housing Act 1996, which identifies any household that includes someone who is pregnant or a person with dependent children as being automatically considered in priority need if they present themselves as homeless.\(^{27}\)

Young people who are care leavers or former children in need

Similarly those who have left care will have had to demonstrate their need for support through their ongoing interaction with local authorities and as with pregnant young people and households with dependent children, the Homelessness (Priority Need for Accommodation) (England) Order 2002 ensures that they are considered to be in priority need when presenting themselves as homeless.\(^{28}\)

Recognising the additional challenges young care leavers have in finding secure and stable housing, the Housing Benefit regulations also exempt 18 to 21 year olds from the Shared Accommodation Rate.\(^{29}\)

Young people who are homeless or have a history of homelessness

The thousands of young people who are accepted to be homeless will have already been through a rigorous assessment process with local authorities to prove that they have nowhere to live and they need support.

Again within national legislation there are a range of existing measures in place to help to prevent young people becoming homeless and to protect those where this cannot be avoided. Under the Homelessness Act 2002, local authorities must have a strategy for preventing homelessness and this must apply to everyone at risk, not just those that fall within a priority need group.\(^{30}\)

Recognising also the detrimental impact repeat homelessness can have on young people’s lives and prospects, some measures have already been built into existing regulations in an attempt to prevent this from happening. An example is the Housing Benefit regulations which exempt young people who have been living in homeless accommodation for three months or more from the Shared Accommodation Rate.\(^{31}\)

Most of those not being declared as homeless but accessing supported accommodation will have also been through an assessment process to identify need, either through a local authority referral process or by the accommodation providers themselves.

Once again this group are recognised as needing support through measures such as the Housing Benefit and Universal Credit (Supported Accommodation) (Amendment) Regulations 2014, which have been put in place to ensure that Housing Benefit would continue to be paid for claimants living in supported accommodation.\(^{32}\)
Young people who are estranged from their parents

As with the other groups described in this report, there is already recognition within existing legislation and regulations that those who are estranged from their parents also need protection and support in order to be able ‘earn or learn’.

The Income Support Regulation 1987 allows young people under 21 to claim Income Support while they are in education when it is necessary for them to live away from their parents due to estrangement.

Young people living in social housing

In addition to considering different groups of young people, looking at the overall proportion of those claiming both Jobseeker’s Allowance and Housing Benefit living in social housing, also gives weight to the argument that many young people are already demonstrating their need in order to access support.

11,800 of the young people claiming both Jobseeker’s Allowance and Housing Benefit are currently living in social housing.  

When we compare the numbers of people living in social housing that will be affected by this reform against the numbers of young people living in social housing more generally – the significance of this becomes more apparent. Just 26% (209,000) of young people living independently in England currently reside in social housing, compared to 62% of those currently claiming both Jobseeker’s Allowance.

To be able to access social housing, these young people will have again had to demonstrate significant need, especially given that social housing is notoriously difficult for young people to access – both due to declining availability and increasing competition.

While there will be overlap between these groups, the available data illustrates that a large number of the young people accessing both Jobseeker’s Allowance and Housing Benefit are already demonstrating their need to do so.

So rather than taking advantage of a system without challenge, a significant number of those currently claiming Jobseeker’s Allowance and Housing Benefit are groups already recognised as needing additional housing support and have already had to go through rigorous processes to demonstrate their need for support.
Rather than being an appealing lifestyle choice, the social security system is already an unattractive option for young people

Life on benefits is already far from an attractive choice for young people, even without the removal of Housing Benefit entitlement.

Young people up to the age of 24 are only entitled to a lesser rate of unemployment support, receiving £57.90 a week in Jobseeker’s Allowance – around 20% less than older claimants.\(^{38}\)

In addition to this, a large number of young people also receive less in Housing Benefit than older age groups. Those young people living in the private rented sector - which make up just fewer than 40% of those currently claiming Jobseeker’s Allowance and Housing Benefit\(^{19}\) - are only entitled to receive enough in Housing Benefit to rent a room in a shared property (referred to as the Shared Accommodation Rate).

The rate at which Housing Benefit is set was also recently reduced, meaning that as well as only being paid enough for a room in a shared house, it now also only equates to enough for properties considered to be in the lowest 30% of the local market.

As a result, nearly half of the young people that would potentially be affected by the proposed reforms already receive less than £75 each week in Housing Benefit\(^{40}\) and the average weekly maximum entitlement for those on the Shared Accommodation Rate in England is £66.\(^{41}\)

Where they are unable to access social housing, too often young people on benefits are left with little choice but to live in some of the country’s worst standard of properties or face using their Jobseeker’s Allowance to supplement their rent – which can leave them short when looking to buy food and pay essential bills. A situation that many young people understandably describe as far removed from an attractive lifestyle choice.
Louise 18, Cambridge

Louise was sexually abused as a child but was too scared to tell anyone due to a fear of not being believed and other repercussions. However, when Louise found out that her younger sister had been abused by the same family member she decided to speak out.

Refusing to believe that the family member had carried out the abuse, Louise’s parents told her that she had brought shame on the family and was no longer welcome to remain living at home. Louise contacted the YMCA in Cambridge and was able to book in to their accommodation later on the same day.

Feeling desperate about her situation and guilt about her sister’s experiences, Louise began self-harming on a daily basis. While at YMCA Louise was supported in applying for Jobseeker’s Allowance and Housing Benefit and encouraged to register with a GP to enable her to get support for her depression.

Louise wanted to find employment but found that her self-harming scars were often noticed and commented upon in interviews, and in many cases put employers off. Despite this, Louise didn’t give up and after only eight weeks in YMCA accommodation she was successful in securing a job at the local supermarket.

The family member was later found guilty of abusing her, her sibling and two other girls but her parents still felt that Louise was making the allegations up and refused to speak to her.

Housing Benefit provided Louise with a safe place to stay after her family disowned her. Although Louise was originally hesitant to claim any benefits, she appreciated that it helped her get back on her feet and secure employment, enabling her to live independently.
Conclusions and Recommendations

Long-term unemployment remains a critical issue for young people and the country as a whole and the Government is right to recognise that more needs to be done to tackle it.

However, as the evidence shows, the results being sought by removing automatic entitlement to Housing Benefit are largely already happening. Increasing numbers of young people are now staying at home for longer and opting not to claim benefits, while the small numbers that do leave home and claim are increasingly doing so for shorter periods of time.

Among the young people claiming unemployment and housing benefits there will be those few who seek to take advantage of the social security system and it is appropriate that the Government want to tackle this, both in looking to make savings and in encouraging more young people into work.

However, for a significant number of young people that are claiming both unemployment and housing benefits, it is not a choice. Instead it is due to them having a clear need for support – whether that is having to look after children, having recently left care, having been made homeless, living in supported accommodation or being estranged from their family.

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 those who need it most, and in doing so, exposing many more vulnerable young people to the risk of going without support and becoming homeless.

Not only could removing Housing Benefit entitlement for these young people leave them at risk of becoming homeless, it could damage their prospects of finding work and undermine what the measures are seeking to achieve.

As this report has demonstrated, to believe that removing entitlement to Housing Benefit will drive all young people to ‘earn or learn’ is to misunderstand many of those that rely upon this part of the social security system. It is also to underestimate how important having a stable and safe home is in enabling these vulnerable young people to find training and employment.

If this Government is committed to removing automatic entitlement to Housing Benefit for 18 to 21 year olds and seeking to achieve full employment, building on precedents set in previous legislation and regulations, YMCA would urge for detailed measures to be put in place to ensure that the young people for whom returning home is not an option continue to receive support.

Building on the commitments already made, YMCA would advocate that the Government seeks to protect the vulnerable young people outlined in this report; those who are pregnant or have dependent children, care leavers or former children in need, those that are homeless or have a history of homelessness, and those estranged from their parents.

It is important the opportunities for these groups are not damaged by the removal of automatic entitlement to Housing Benefit.

Action is needed to address youth unemployment, but without protections thousands of vulnerable young people will face uncertain futures, not knowing if they will have anywhere they can call home and leaving them less able to find work.
Recommendations

In changing the 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 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
Between October and December 2014, 300,523 young people (aged 18-21 years old) in England were unemployed. With an unemployment rate of 18%, 18-21 year olds are four times more likely to be unemployed than older age groups, with 25 to 49 year olds having an unemployment rate of 4.3%. (Source: Office for National Statistics – May 2015)

Between October and December 2014, 80,193 young people (aged 18-21 years old) in England were unemployed for over 12 months. (Source: Office for National Statistics – May 2015)

1,827,000 young people (aged 18-21) in England (2,180,000 in the UK) were still living with their parents in 2014, equivalent to 69% of this age group. This marked an increase from 65% (1,602,000 in England and 1,944,000 in the UK) in 2004. (Source: Office for National Statistics – May 2015)

The percentage of those young people (aged 20-34) living with their parents who are unemployed (13%) is more than twice that of those who don’t (6%). (Source: Office for National Statistics, Labour Force Survey – Jan 2014)

In the annual mid-year population estimates for 2014, it was estimated that 3,233,320 18-21 year olds were living in the United Kingdom. (Source: Office for National Statistics, Annual Mid-year Population Estimates – Jun 2015)

In February 2015, there were a total of 4,884,965 Housing Benefit claimants in Great Britain, of which 18-21 year olds claiming Jobseeker’s Allowance and Housing Benefit made up 19,031 (0.4%). (Source: Department for Work and Pensions, Housing Benefit Claimants, Stats Xplore – May 2015)

Between February 2013 and 2015, the number of 18-21 year olds claiming Jobseeker’s Allowance and Housing Benefit declined by 52% from 41,075 to 19,031. (Source: Department for Work and Pensions, Housing Benefit Claimants, Stats Xplore – May 2015)

Between February 2013 and 2015, the number of 18-21 year olds claiming Jobseeker’s Allowance and Housing Benefit declined by 52% from 41,075 to 19,031. Over the same time period the percentage fall across all other age groups was 43% (273,487). (Source: Department for Work and Pensions, Housing Benefit Claimants, Stats Xplore – May 2015)

In August 2013, 65% of young people (aged 18-21) had Jobseeker’s Allowance claims lasting less than 6 months, by August 2014, this had increased to 71%. (Source: Department for Work and Pensions – Jun 2015)

In August 2014 52% (282,800) of those aged between 25-49 years old had been claiming Jobseeker’s Allowance for more than six months, compared to 71% of 18-21 year olds. (Source: Office for National Statistics, Claimant Count by age and duration – May 2015)

In August 2014, 96,070 young people (aged 18-21) were claiming Jobseeker’s Allowance. Of these 67,960 (71%) had claims lasting up to 6 months. (Source: Department for Work and Pensions – Jun 2015)

In 2013/14, 2,112 (11%) of those young people aged 18-21 and claiming Jobseeker’s Allowance and Housing Benefit have at least one dependent child in February 2015. (Source: Department for Work and Pensions, Housing Benefit Claimants, Stats Xplore – May 2015)

In 2013/14, there were 27,220 care leavers in England aged between 19 and 21. (Source: Department for Education, Looked after children statistics, Sept 2014)

In 2013/14, 7,180 (26%) of care leavers in England aged between 19 and 21 were not in education, training or employment owing to other reasons than illness, disability, pregnancy or being a parent. (Source: Department for Education, Looked after children statistics, Sept 2014)

In 2013/14, 2,690 (10%) of care leavers in England aged between 19 and 21 were living with parents or relatives. (Source: Department for Education, Looked after children statistics, Sept 2014)

Across the 133 local housing authorities responding to this part of the Freedom of Information request, 2,643 young people (aged 18-21) were accepted as unintentionally homeless and in priority need during 2013/14. This represented 12% of all those individuals they accepted as unintentionally homeless and in priority need by those local authorities. (Source: YMCA England – Jun 2015)

Based on the 12% rate drawn from the local housing authorities responding to the Freedom of Information request, if taken nationally and including a suitable margin of error, this would represent between 5,800 and 6,400 18 to 21 year olds being accepted as unintentionally homeless and in priority need during 2013/14.

Across the 124 local housing authorities responding to this part of the Freedom of Information request, 1,241 young people (aged 18-21) were accepted as homeless but not in priority need during 2013/14. This represented 13% of all those individuals they accepted as homeless but not in priority need by those local authorities. Based on the 13% rate drawn from the local housing authorities responding to the Freedom of Information request, if taken nationally and including a suitable margin of error, this would represent between 2,500 and 2,800 18 to 21 year olds being accepted as homeless but not in priority need during 2013/14.

Across the 126 local housing authorities responding to this part of the Freedom of Information request, 1,559 (55%) of the young people (aged 18-21) they accepted as homeless lost their last settled home as a result of relatives or friends no longer able or willing to provide accommodation. (Source: YMCA England – Jun 2015)

Across the 126 local housing authorities responding to this part of the Freedom of Information request, 420 (15%) of the young people (aged 18-21) they accepted as homeless lost their last settled home as a result of a relationship breakdown with a partner. (Source: YMCA England – Jun 2015)

In 2015, 49% of those living in supported accommodation were aged under 25. (Source: Homeless Link, Support for Single Homeless People in England – 2014)

In a survey of YMCAs in England providing supported accommodation in March 2015, they reported currently housing 1,387 young people (aged 18-21) who were claiming Jobseeker’s Allowance and Housing Benefit. (Source: YMCA England, Jun 2015)

In a survey of YMCAs in England providing supported accommodation, they reported that 57% of the young people they housed in 2013/14 came to them as a result of relatives / friends no longer able or willing to provide accommodation (Source: YMCA England, Jan 2015)

In a representative poll of young people, over a third (35%) of respondents to the poll reported having sofa surfed at some point in the past because they had nowhere else to stay, and a fifth (20%) had done so in the last year. (Source: Centreforce, Out of reach: Young people’s experience of rough sleeping and sofa surfing – May 2015)
The Housing Act 1996 defines the following groups as having a priority need for accommodation; (a) a pregnant woman or a person with whom she resides or might reasonably be expected to reside; and (b) a person with whom dependent children reside or might reasonably be expected to reside.

The Homelessness (Priority Need for Accommodation) (England) Order 2002 defines a person as being vulnerable and in priority need if they have been looked after, accommodated or fostered.

The Housing Benefit Regulations 2006 exempt claimants under the age of 22 years who were formerly in social services care from the Shared Accommodation Rate.

The Homelessness Act 2002 places a duty on local housing authority to formulate a homelessness strategy aimed at preventing homelessness in the district of the authority and securing that accommodation is or will be available for people in the district who are or may become homeless.

The Housing Benefit (Amendment) Regulations 2011 exempt young people between 25 and 34 years old from the Shared Accommodation Rate if they have for a total of at least 3 months (whether or not continuously), occupied as their home one or more hostels for homeless people; and whilst occupying such a hostel has been offered and has accepted support services with a view to assisting him to be rehabilitated or resettled within the community.

The Housing Benefit and Universal Credit (Supported Accommodation) (Amendment) Regulations 2014 widened the scope of the previous provision to include a broader variety of supported housing ('exempt' and 'specified') and providing for those housing costs in Housing Benefit rather than Universal Credit.

11,834 (62%) of young people (aged 18-21) claiming both Housing Benefit and Jobseeker’s Allowance lived in social housing in February 2015 (Source: Department for Work and Pensions, Housing Benefit Claimants, Stats Xplore – May 2015)

In February 2015, 61% (9,382) of young people (aged 18-21) claiming both Housing Benefit and Jobseeker’s Allowance in England lived in social housing, compared to 26% (209,000) of young people (aged 16-24) living independently in England. (Source: Department of Communities and Local Government, English Housing Survey 2013/14 – Feb 2015)

Young people (aged 16-24) make up just 5% (209,000) of the total number living in the social rented sector in England. (Source: Department of Communities and Local Government, English Housing Survey 2013/14 – Feb 2015)

The number of social rented sector properties in England has declined from 5.38m in 1980 to 3.92m in 2013/14. (Source: Department of Communities and Local Government, English Housing Survey 2013/14 – Feb 2015)

In 2014 there were 1.37m householders on local authority housing waiting lists, an increase of 347,000 since 1997. (Source: Department of Communities and Local Government, Numbers of households on local authorities’ housing waiting lists – Dec 2014)

Those aged between 18-24 years old are entitled to up to £57.90 a week in Jobseeker’s Allowance, while those aged 25 or over are entitled to up to £73.10 (Source: GOV.UK – May 2015)

7,191 (38%) of the young people (aged 18-21) claiming both Housing Benefit and Jobseeker’s Allowance lived in private rented sector housing in February 2015 (Source: Department for Work and Pensions, Housing Benefit Claimants, Stats Xplore – May 2015)

In February 2015, 8,457 (44%) of those young people aged 18-21 and claiming Jobseeker’s Allowance and Housing Benefit received £75 or less in Housing Benefit each week. While only 36% (1,765,799) of all Housing Benefit claimants received less £75 or less. (Source: Department for Work and Pensions, Housing Benefit Claimants, Stats Xplore – May 2015)

For 2014/15, the Local Housing Allowance average weekly maximum entitlement for a room in England was £66.33. The maximum weekly award ranged from £131.27 in Central London to £45.00 in Sunderland. (Source: Valuation Office Agency, Local Housing Allowance Rates 2014/15)
YMCA enables people to develop their full potential in mind, body and spirit. Inspired by, and faithful to, our Christian values, we create supportive, inclusive and energising communities, where young people can truly belong, contribute and thrive.

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