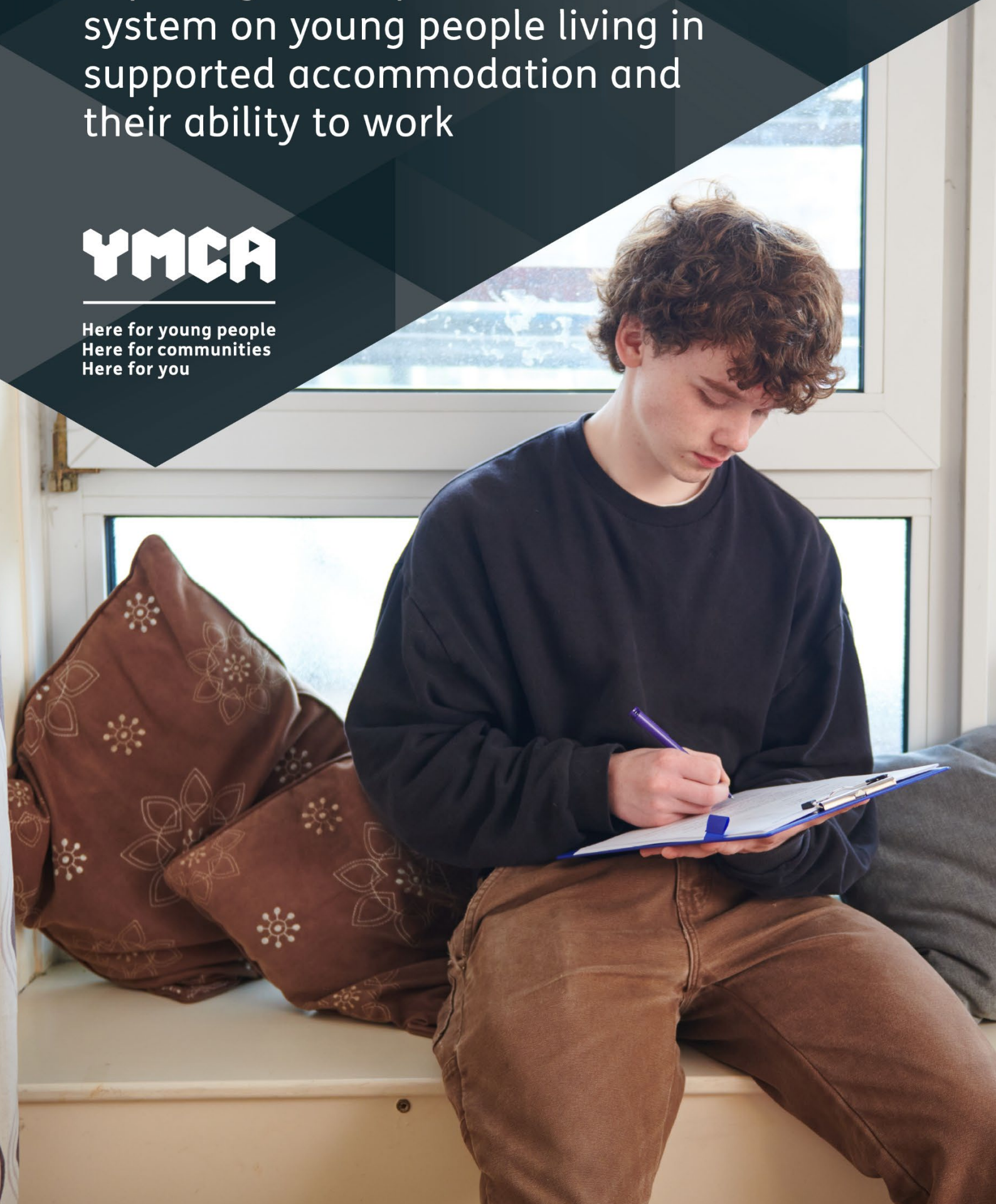


Breaking Barriers to Work

Exploring the impact of the benefits system on young people living in supported accommodation and their ability to work

YMCA

Here for young people
Here for communities
Here for you



Everyone should have a fair chance to discover who they are and what they can become.

About YMCA

YMCA believes in fairness and opportunity. There are essential building blocks for a full and rewarding life: a safe home; acceptance; guidance; friendship; physical and mental health; academic support; employment skills; and access to real opportunities. Many young people have never known these things; other people have lost one or more as they grew up, but we all need them. All of us. At YMCA, we provide these critical foundations for a fresh, strong start for young people and a better quality of life in the community.

YMCA is the largest charitable provider of supported housing to young people in England and Wales. We provide a safe and supportive home to more than 20,000 young people each year, equipping them with the skills and space they need to live independently.

YMCA provides benefits advice to 4,054 people and housing advice to 4,504 people each year. A number of local YMCAs run foodbanks, which support 4,491 people annually. Many will provide help with budgeting and navigating the benefits system as part of a wider package of support to help young people transition to living independently.

Acknowledgements

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Executive summary

YMCA supports 20,000 young people and adults every year through our supported accommodation around England and Wales. Many residents of YMCA accommodation want to get into work, as they see it as an essential part of getting ready to live independently. However, local YMCAs have consistently raised the range of challenges for young people living in supported accommodation who are looking to move into work: challenges which are created by the way that the benefits system works.

We undertook this research to find out about how young people living in YMCA supported accommodation have experienced the barriers to work created by the benefits system. We aimed to hear young people's experiences and opinions, to consider the causes of these barriers, and to propose practical recommendations which will resolve these problems.

Key findings

1. Supported accommodation residents are often financially penalised for undertaking paid work

Most supported accommodation is funded through Housing Benefit, and is exempt from the Local Housing Allowance cap. The exemption to the cap is due to the fact that it can be expensive to provide the intensive housing management which is required as part of supported housing, such as by hiring qualified workers to help residents with maintaining their property and getting access to benefits; signposting residents to support services; or ensuring the safety and security of residents. As a result of this funding model, **people living in supported accommodation are often financially penalised for moving into employment.**

If someone living in supported accommodation works enough hours that their Universal Credit is tapered down to nothing, their Housing Benefit is then also subject to tapering based on their earnings. When this happens to someone living in supported accommodation, they become liable for paying the rent for their supported accommodation themselves, which, due to the need to fund support through intensive housing management, can often be unaffordably high. This is particularly difficult for young people because of the entry level, low paid roles they often have to go into, and the inconsistency of their working hours. This discourages young people from going into work, as most or all of their earnings end up being spent on their rent, and they don't feel a financial benefit from working. **Being prevented from working (or working more than just a few hours per week) can delay or limit young people's aspirations to move on into independent living, all of which can worsen their mental health.**

Other administrative challenges with this system include:

- the need to regularly provide detailed evidence of residents' earnings to local authority Housing Benefit departments
- the fluctuation of earnings for the large number of young people on zero hours contracts
- and young people in supported accommodation struggling to access ID in order to set up bank accounts to receive Housing Benefit, sometimes leaving them in high levels of rent arrears.

2. Benefits are too low to live on, especially for under 25s

Many of the young people we support – particularly those under the age of 25 who receive a lower Universal Credit standard allowance – feel that benefits do not give them enough money to live on. Two-thirds (66%) of people living in supported housing who we spoke to expressed this, with **only 6% stating that Universal Credit definitely provided enough money to live on.**

The cost of living crisis has exacerbated this feeling. Young people felt that it was difficult to focus on getting into work when they were struggling to afford basic essentials such as food or heating. It can feel impossible for them to find the headspace to apply for jobs, or the money to pay for travel to interviews. **At that point, young people's main priority is not progressing into employment or developing their career, but basic survival.** Struggling to meet their basic needs also has a strong negative impact on people's physical and mental health, which can consequently make it more difficult for them to successfully move into employment.

Residents found the Government's cost of living payments helpful, but the lump-sum delivery of these payments proved problematic. They often spent the money in one go to pay off debts or for a much-needed one-off purchase, rather than spreading the money out to help them cope with food price inflation, for example. Residents and staff felt that the £20 weekly uplift to Universal Credit during the pandemic was a better mechanism to enable them to meet their needs.

Some young people who receive Personal Independence Payment (PIP) for long-term illness or disability told us that they primarily use this money to cover costs such as rent and food, rather than the disability-related costs which PIP is intended for. This is a result of the fact that many young people find the money they receive from Universal Credit is too low to live on. We also heard from staff that they have to give a lot of support to young people with applying for PIP as the application process is long and complex, and people often have to appeal decisions after being initially denied a PIP award.

3. Mental health is one of the biggest challenges for supported accommodation residents

Almost half (47%) of the young people we spoke to stated that they were not able to move into employment, or increase the small number of hours they were working, because of struggles with their mental health. When asked what would help them to get a job, or to increase the hours worked, the most common theme in respondents' answers was wanting more help with addressing their mental health issues.

Not having enough money to live on puts a significant strain on young people's mental health, which can then create another barrier to them moving into work. There is a cyclical relationship between mental health, working, and struggling to afford to live, each impacting the other in turn. The fear of Housing Benefit tapering had a negative effect on the mental health of those who felt able to work; and they also felt prevented from moving into work or working more hours because of the consequential financial constraints.

People living in supported accommodation must receive support from the benefits system that consistently enables them to meet their essential needs, as well as allowing them to work when they feel able to.

4. Benefit sanctions are not suitable for supported accommodation residents and do not have the desired outcome of encouraging people into work

Some of the young people we spoke to had experiences of having their benefits sanctioned. A benefits sanction is the complete withdrawal of Universal Credit payment for non-compliance with the terms of an individual's claimant commitments, such as failure to attend a meeting at the Jobcentre or to spend a certain number of hours per week searching for work. The most common reason for sanctions was missing appointments at the Jobcentre.

Many of the young people we spoke to felt that they had valid reasons for missing their appointment or needing to rearrange it; but despite communicating this to the Jobcentre or trying to rearrange the appointment, they still received a sanction. **The majority of people with experience of a sanction described being unable to afford food during that time, and the sanction negatively affecting both their physical and mental health in mutually reinforcing ways.** YMCA staff also raised that benefits sanctions can push young people into long-lasting, unmanageable levels of debt.

The Department for Work and Pensions offers hardship payments in the form of a loan for people who have had their benefits sanctioned and who do not have enough money to meet their basic needs. However, young people told us that this money is much lower than they need to afford their basic essentials.

On top of this, recipients are then expected to pay back the loan through reductions in their future benefits payments, which creates a cycle of debt that they cannot get on top of.

The young people who live in YMCA supported accommodation are usually there because they have support needs, such as pre-existing physical or mental health issues; because they have experienced homelessness, violence or domestic abuse; or because they have just left the care system. These young people can be incredibly vulnerable. Many of them do not have a safety net or support network of financially stable family or friends around them. Benefit sanctions are not suitable for this cohort, and do not have the desired outcome of encouraging residents into work. In fact, **putting young people in a situation where they cannot afford to feed themselves can damage their physical and mental health, and make it more difficult for them to move into work.**

5. Jobcentre staff need to build relationships of understanding and trust in order to help young people move into work

We asked young people about their experiences of engaging with Jobcentre staff, including whether they felt that staff understood their experiences and the challenges they might face. A number of young people had positive comments on the support they had received, but others had had negative experiences. These included feeling that Jobcentre staff did not communicate well with them, that the rules around attendance of appointments were strict and inflexible, and that work coaches were trying to push them into work even if they were unwell. **Young people stressed the importance of being able to see the same Jobcentre work coach or staff member consistently in order to build up a relationship of understanding and trust with them.**

Experiences also varied widely at different local YMCAs in terms of staff relationships with their local Jobcentre: staff at some local YMCAs expressed that their attempts to speak to Jobcentre staff and to offer help with engaging their residents have been ignored or refused, and that Jobcentre staff sometimes refuse to speak to them. YMCA staff are willing and able to work with Jobcentre staff to enable young people to engage with their work or training requirements, or other claimant conditions, and to prevent them from receiving benefit sanctions.

Recommendations

- 1. Residents of supported accommodation should receive a Universal Credit work allowance, which would allow them to earn more before their income from benefits is tapered.** This would incentivise more residents into work, and would better enable them to start paying off any debts and to save money, facilitating their eventual move into independent accommodation.

The amount of work allowance received by people whose housing costs are being paid by the Local Authority (through Housing Benefit) must also be increased from the current level of £379 per month, as this level is insufficient to protect them from facing a financial penalty for working.

- 2. The Government should provide ringfenced funding to local authorities to pay for the intensive housing management costs of supported accommodation provision in their local area.** If residents then become liable for their rent because their Universal Credit tapers down to nothing, they should be paying rent set at an affordable level.
- 3. The Government should introduce an Essentials Guarantee for benefits.** This means establishing an independent process to determine the cost of basic essentials such as food, utilities and essential household goods, and then introducing legislation to set out that the standard allowance of Universal Credit must always meet this level.
- 4. Young people under the age of 25 who are living independently without family support should receive an additional Universal Credit payment,** to bring their standard allowance up to match the over 25s rate.
- 5. The DWP should simplify the PIP application process, and reform the assessment process** so that more applicants are correctly awarded PIP without having to appeal.
- 6. The DWP should relax the sanctions regime for residents of supported accommodation.** Benefit sanctions are not suitable for this cohort, and do not have the desired outcome of encouraging people into work. Instead, **the DWP should instruct all Jobcentre staff to engage with supported accommodation staff when a support accommodation resident is failing to meet their claimant commitments.** This could include speaking to the support staff over the phone to understand a resident's situation, and their current physical or mental health status; or requesting support staff attend an in-person Jobcentre appointment with the resident to review conditionality and how to enable them to meet their conditions.
- 7. The DWP should trial having Jobcentre staff located on more supported accommodation sites part time,** in order to better enable young people to attend appointments and to develop a relationship of trust with Jobcentre staff.

Introduction

YMCA accommodation provides people with a safe place to stay, but it can also mean they have access to support workers, therapy or counselling for their mental health, referrals to drug and alcohol services, help with applying for benefits, and support to progress into education, training or work. Our services address the wide variety of challenges that young people might be facing and the difficult or traumatic experiences they may have had, and help them get ready to live independently.

One element of this work is helping young people move into employment when they're ready to work. Working can be a real positive force in young people's lives, building up their confidence and social skills, as well as the experience and skills they gain relating to the work itself. Work can give young people a sense of meaning and purpose, helping them to get out into the world and to feel like they're contributing to society.

The future generation of workers is also vitally important for our economy. Although the current youth unemployment rate (16-to-24-year-olds unemployed but seeking work) at 10.9% is low compared to levels seen over the past two decades,¹ economic inactivity in young people increased during the Covid-19 pandemic. Economic inactivity is when people are not employed and are not actively seeking employment, and tackling this has swiftly risen up the Government's agenda.² Many economically inactive young people are in full-time education, but some are not seeking employment because they are not well enough to work, or because of caring responsibilities. According to the Office for National Statistics' (ONS) Labour Force survey, 2.59 million young people aged 16 to 24 were economically inactive between February and April 2023. This represents 37.9% of those aged 16 to 24, in comparison to 37.1% of this age group being economically inactive pre-pandemic.³

Many residents of YMCA accommodation want to work, as they see it as an essential part of getting ready to live independently. However, local YMCAs have consistently raised the range of challenges for young people living in supported accommodation who are looking to move into work – challenges which are created by the way that the benefits system works. We undertook this research to find out about the experiences of young people in YMCA supported accommodation who are on benefits and trying to move into employment. We hope to make practical recommendations about necessary changes to the benefits system, which will enable more young people to achieve their aspiration of moving into work and, at the same time, support the Government's agenda of tackling economic inactivity.

¹ House of Commons Library, [Youth unemployment statistics](#), June 2023

² Department for Work and Pensions, ['DWP Secretary of State outlines plans to boost labour market'](#), 13 October 2022

³ Office for National Statistics, ['A06 SA: Educational status and labour market status for people aged from 16 to 24 \(seasonally adjusted\)'](#), 13 June 2023

Methodology

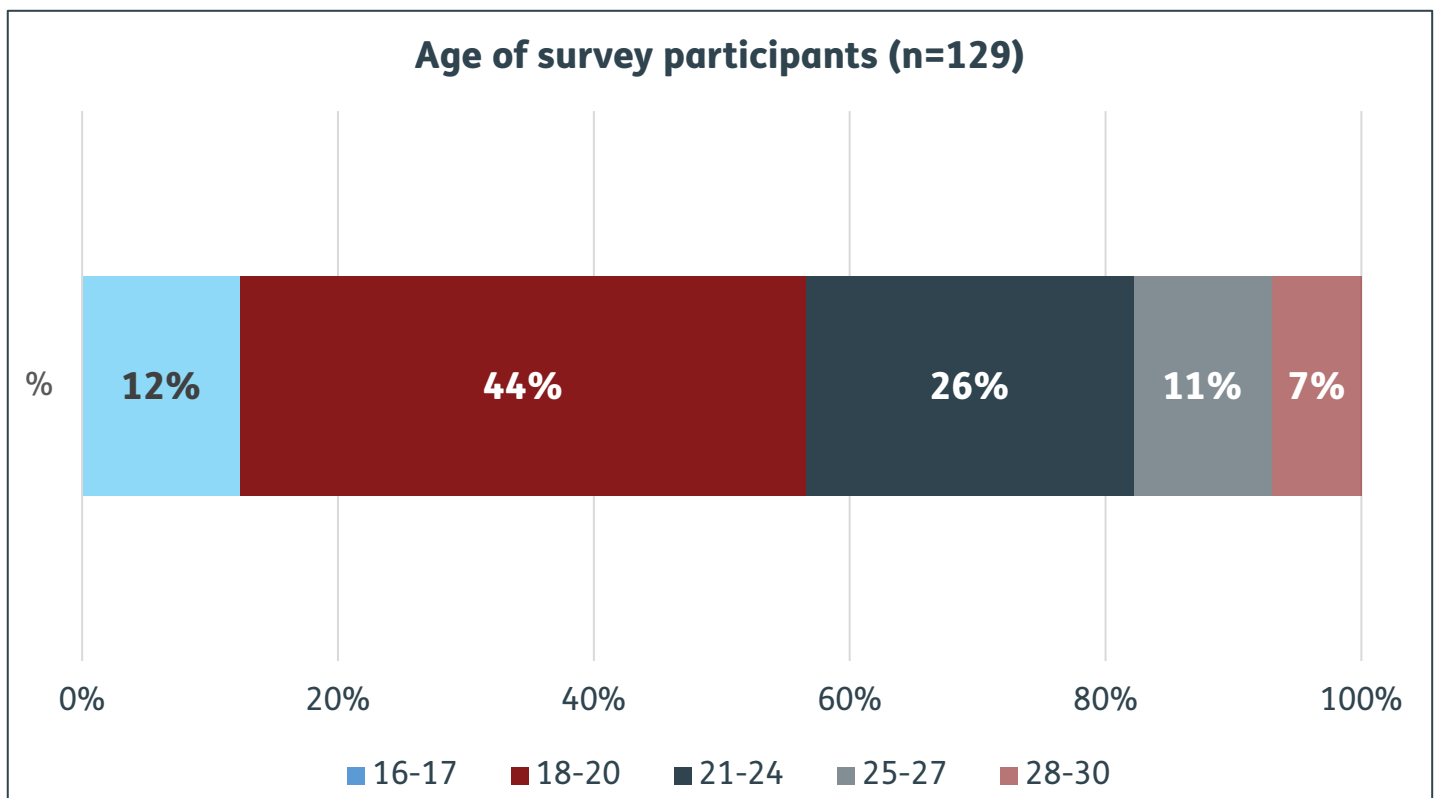
To assess what barriers the benefits system might create for young people living in supported accommodation and trying to move into employment, we conducted focus groups and a survey of young people living in YMCA supported accommodation.

A total of six semi-structured focus groups were carried out with 37 young people. Of those who took part, 22 were male, 13 were female, one person was gender fluid, and one preferred not to say. All participants lived in YMCA supported housing, located in Basingstoke, Cardiff, Grimsby, Hastings, Leicester, and London.

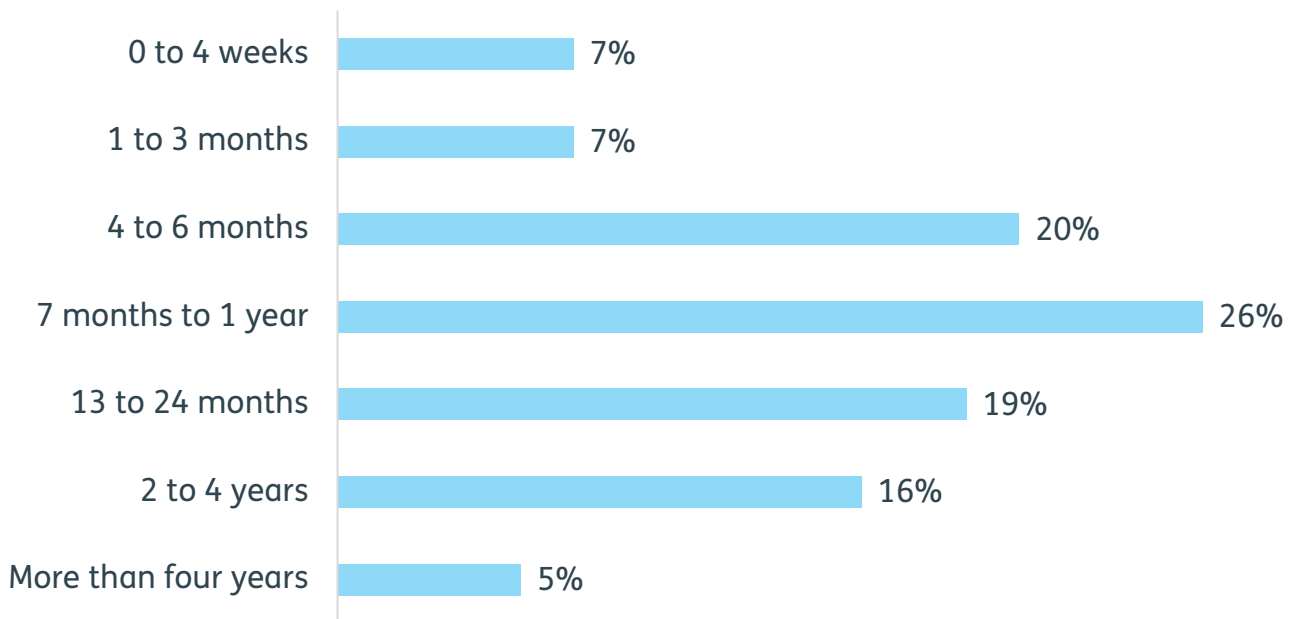
Through the focus groups, we asked young people about:

- Their experiences of work and what prevents them from working
- How they feel about work, and whether they would like to work
- Their experiences of living on benefits, and of the cost of living crisis
- Their experiences of benefit sanctions
- Their experiences of engaging with the Jobcentre.

We also surveyed 129 young people living in supported accommodation across 16 different local YMCAs around England. 82% of survey respondents were between the ages of 16 and 25, with 18% aged 25-30.



Length of time living in supported housing of survey participants (n=129)



Through the survey, we asked young people details about whether they were working or not; what might be stopping them from working or working more hours; what would help them move into work; and what their experiences were of living on benefits.

Additionally, 16 members of staff from YMCAs around England and Wales were interviewed. These staff members worked in housing support management roles. This helped us to understand if the experiences of those in the focus groups were representative of other young people they supported.

Note: all names used for residents and YMCA staff in this report are pseudonyms.

Chapter One: Housing Benefit and employment

Supported accommodation is a vital resource which enables people to build their skills and readiness for life and work, as well as supporting their overall health and wellbeing. Recent research by the National Housing Federation found that supported housing residents are likely to have complex support needs, and that in addition to ensuring that a resident's essential needs are met, "good quality supported housing is shown to aid its residents in building healthy relationships, higher esteem and independence, and in developing a greater sense of agency over their lives".⁴

However, due to the way that supported accommodation is funded for people receiving benefits, young people living in supported accommodation are often financially penalised for moving into employment. While the majority of rent funding has moved to the housing element of Universal Credit (UC), supported accommodation is still funded through Housing Benefit, and therefore is exempt from the Local Housing Allowance cap. This is because it can be expensive to provide the intensive housing management which is required as part of supported housing, such as by hiring qualified workers to help residents with maintaining their property and getting access to benefits; signposting residents to support services; or ensuring the safety and security of residents.

Housing Benefit is paid directly to the accommodation provider and is not counted as part of people's earnings, which means receiving Housing Benefit does not affect the amount of UC that someone might receive. When people receiving UC start to undertake paid work, their UC is tapered at a rate of 55 pence per £1 earned. If someone living in supported accommodation works enough hours that their UC is tapered down to nothing, their Housing Benefit is then also subject to tapering based on their earnings. Housing Benefit is tapered at a higher rate, 65 pence for every £1 earned, and so even people earning very little can find that their Housing Benefit is significantly reduced. Depending on what hourly wage they are earning, young people under 25 may be worse affected by this issue, as they receive a lower level of Universal Credit standard allowance which may taper down to zero more quickly.⁵

When this happens to someone living in supported accommodation, they then become liable for paying the rent for their supported accommodation, which is often quite high (due to the cost of funding the intensive housing management).

⁴ National Housing Federation, '[The value of supported housing to homelessness prevention, health and wellbeing](#)', 8 March 2023

⁵ For further examples, see Centrepoin, '[How do earnings affect a young person living in supported accommodation's Universal Credit award?](#)', 2022

This frequently leads to people spending the vast majority of their earnings on their rent, and having insufficient money left over for daily essentials such as food and transport costs.

Young people we spoke to as part of our research for this report stated:

“I work full time ... I get left with no money, to live in the YMCA, so what is the point in working?” [Casey, Basingstoke]

“If I go over my twelve hour limit ... it’s then affecting my benefits, which essentially I could work an extra ten hours to lose, I don’t know, like £200 off my benefits but not even get any more in my wage.” [James, Basingstoke]

“I’ve been considering getting a job, right, but I have to go through so many hoops in terms of, like, benefits and rent and all that, and it’s pretty much not going to be worth it for me to get a job. So I just can’t work.” [Claire, Basingstoke]

YMCA staff members added: *“A lot of people do see some of our residents that do get a job and it’s only part time, they’re also students, but their income is coming in and it’s not a lot. So that reduces their Universal Credit, it also has an impact on their council tax, but it also has an impact on the rent. Now we do rent relief here to try and help them, but the wages that they bring in against their age leaves them financially strained, and they cannot afford to pay to live. So a lot of people say, ‘Well there’s no point in getting a job, because that will go up, that will go up, that will go up, and I can’t afford to live.’”* [Helen, Grimsby]

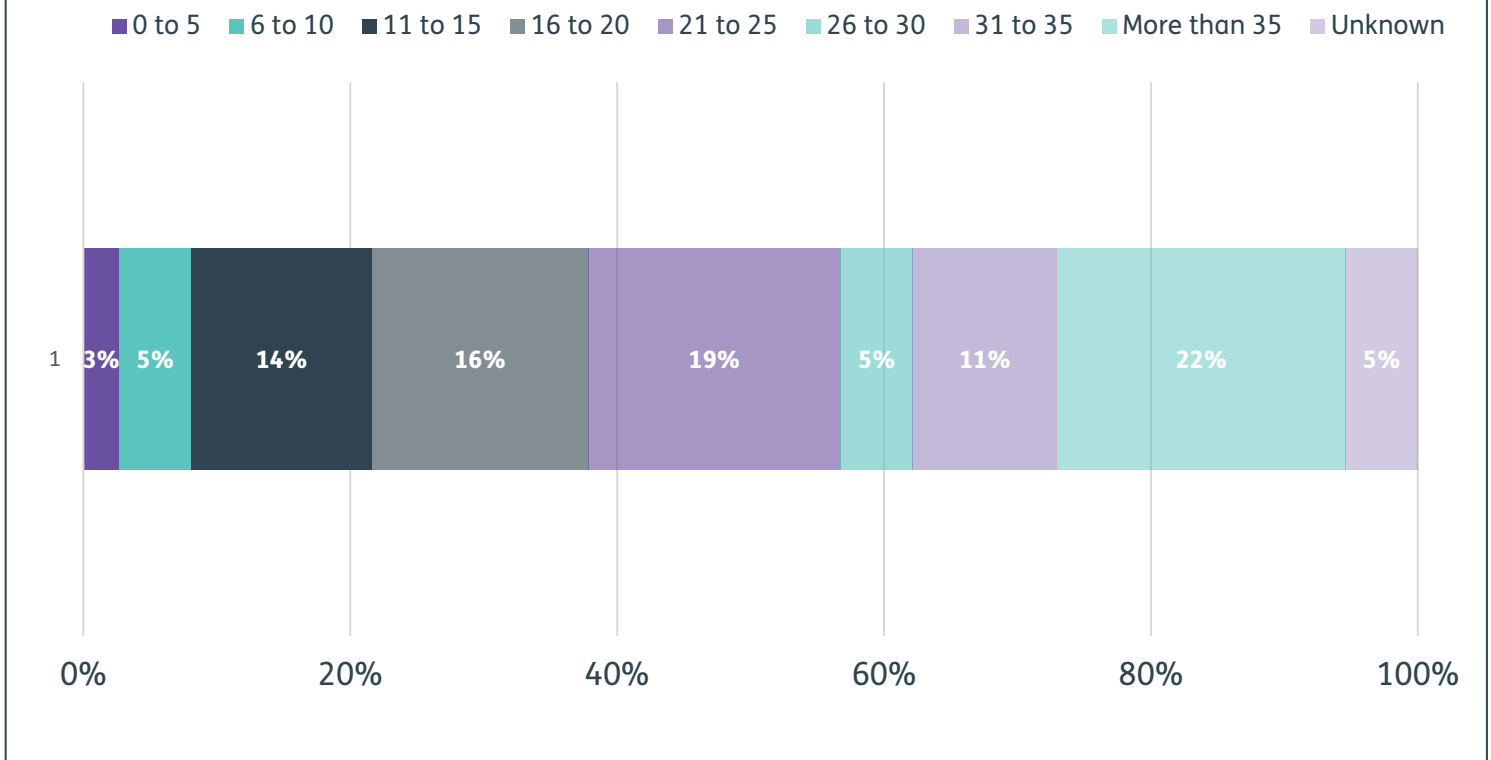
“There’s a level of the amount of hours you do, for how much you earn, where it would be the same... it’s basically wasted effort. 10 to 15 hours a week, so the amount from wages plus UC will be the same after rent as it is working 25 hours a week. ... it’s not incentivised.” [Elliott, Hastings]

This echoes research from Loughborough University and youth homelessness charity St Basil’s on the impact of low income and the social security system on opportunities to move into work. This research found that the fear of not being able to cover their supported housing rent upon starting work either deterred young people from moving into employment entirely, or made them feel like they had to move into housing with lower rent to be able to work full-time – sacrificing the much-needed support element at this precarious point in their lives.⁶

Amongst respondents to our survey, the majority were not in work (71%), with just three-in-ten in employment (29%). Of the latter, 22% were working under 16 hours per week, 16% were working 16-20 hours, 19% were working 21-25 hours, and 38% more than 25 hours.

⁶ Loughborough University - Centre for Research in Social Policy, [Living or surviving? Benefits, barriers, and opportunities for young people transitioning out of homelessness. 13 February 2023](#)

Amount of hours worked for those in employment (n=37)



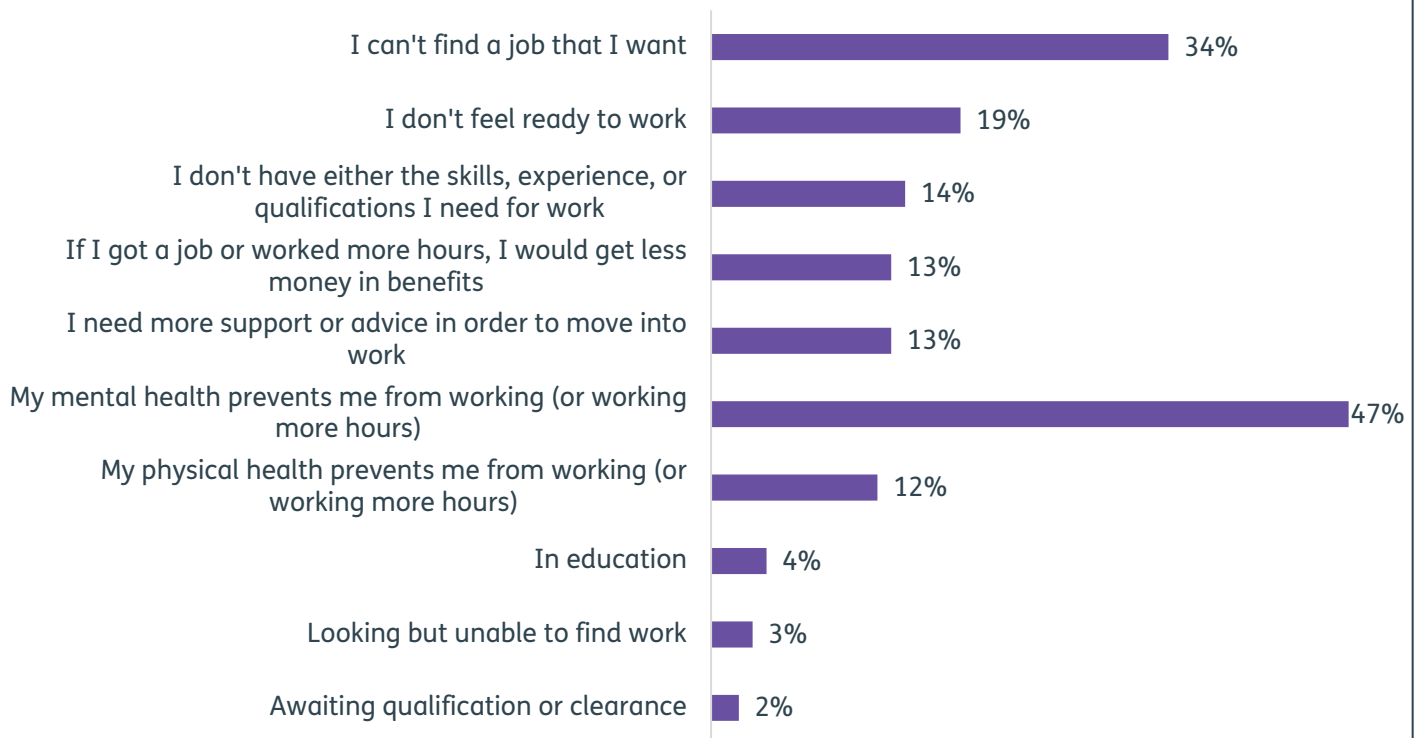
In terms of types of work, 51% were on permanent contracts, and 30% were on zero hours contracts. The most common sectors which residents were working in were hospitality, followed by retail and manufacturing.

When asked the main reason for either not being in paid work or working under 16 hours per week, **47% of respondents stated that their mental health prevented them from** doing so. This was the most common reason given.

When asked what would help them to get a job or increase the hours worked, help with addressing their mental health issues was the most frequently-cited answer (18% of respondents gave a free text answer that was coded as within this theme):

- *“I think if my mental health was better then I'd be able to look for a job that suits me”*
- *“Waiting for mental health support”*
- *“Learning coping mechanisms to help with my mental health”*
- *“Working on my mental health and receiving the correct support from services”*

Reasons for not working or working fewer than 16 hours per week (n=97)



Additionally, **15% of respondents mentioned in their free text response either the cost of their rent in supported accommodation, or wanting a change to the benefits system so that they do not become liable for paying high levels of rent in their supported accommodation if they work too many hours.**

Other responses related to issues such as help with CVs or job applications, gaining the skills and qualifications they need such as level 2 Maths and English, and better availability of job opportunities for those with little or no work experience (18% of free text responses combined).

The effect of 'worklessness' on young people

Being trapped in unemployment can negatively affect young people's mental health and their sense of self-worth. When asked how it made them feel to be unable to move into work or to increase their hours, young people in Basingstoke told us they felt:

"Annoyed."

"Stuck."

"Like I'm sixteen again."

The majority of young people we spoke to expressed a strong desire to move into work. Getting a job is often a key part of young people's aspirations to live independently, to feel successful and to fulfil their potential.

When asked what they felt they would get out of working if the financial disincentive wasn't there, young people in Basingstoke responded *"I'd actually feel accomplished"*, and that their mental health would improve *"Because you're expected to do something to be a part of society."* Young people at other YMCAs agreed:

"I feel like as a young person as well, like, as soon as you start working it makes you mature a little bit more in your mindset. Because it's like, okay, cool, I'm the one going out and earning my own money, I'm not sitting on my backside waiting for the government to give me my money. So it's like, I'm going out, and you feel proud about yourself too. ... whenever you get paid, it's like, I've worked for that."
[Charlotte, London]

"You know when your work pay cheque comes through, it's like, yeah, me slaving over that desk, it's worth it." [Layla, Leicester]

YMCA staff agreed that for residents who are able to work, this is a key factor in supporting their health and progression: *"Having a job is a big part of your self-esteem; being unemployed is depressing and you've got too much time on your hands, too much time to get up to stuff that's not good for you. A lot of people think getting a job is a step forward, they think it's the only way out of supported accommodation and into independent living. It's bad for their mental health and physical health to be prevented from working."* [Tanya, Derbyshire]

Ongoing needs for support

There is often a perception that if people living in supported accommodation are ready to move into work, then they must no longer need the support provided within that accommodation, and so they should move out into non-supported housing. However, many people who move into part-time or full-time employment while living in supported accommodation do still need to receive some support from the accommodation provider's support workers.

The changes to residents' everyday lives alongside the new expectations of the workplace can put a strain on their physical health and mental wellbeing. If someone has been out of work for a long time, does not have much experience of work in the first place, or is just starting to stabilise their mental health and balance this with moving into work, they may not be ready to live independently without any support. As such, it is not a solution for people to simply move out of supported accommodation once they have started working.

Some YMCA residents commented on the valuable material and emotional support they have received while living in supported accommodation, which has enabled them to stabilise themselves and prepare for employment and independent living:

“Here, I’m actually okay, only because there’s a canteen with affordable food, where the price hasn’t really changed.” [Gareth, Cardiff]

“The staff here do the jobs that people’s parents are lacking. It’s harsh to say, but it’s true. [YMCA staff member] has carried me for six months I’ve been in here, so moving from [another city] to here, I wouldn’t have got half the stuff done that she’s helped me to do. ... It’s not appreciated what they actually do, the staff here. It’s like a family, it actually is.” [Casey, Basingstoke]

One staff member noted that when their YMCA had previously not offered any follow-up support for residents who had moved into work, many of these residents quickly dropped out of work and back into unemployment. When the YMCA started checking in with and supporting them after they had got into work, a much larger proportion of residents were able to keep their jobs. When asked whether they had ever got into a job and then had to leave it because they could not cope with it, young people in Grimsby responded:

- *“Oh yeah, many times.”*
- *“Every job I go to.”*

Case study – Moving on after gaining work

YMCA East Surrey

YMCA East Surrey runs its own affordable move-on accommodation for residents who are ready to move out of their supported accommodation, with 13 move-on beds and around 22 annual users. Residents in move-on accommodation receive five hours per week of support, versus the main supported accommodation hub which offers 24 hour support.

If residents move into employment, they can move into one of YMCA East Surrey’s affordable move-on rooms, where the rent is capped at £150 per week. If they earn enough then residents will pay all of this rent themselves, but if they are working part time or on lower wages then Housing Benefit will still cover some of this cost. Almost every resident of the move-on accommodation is in employment or education.

Due to an overall lack of affordable move-on accommodation in England, there are times when there are no free beds in YMCA East Surrey’s move-on accommodation, which means there can be some residents who are unable to move out of the main hub and so cannot afford to move into work.

There have been residents who have stopped working because of being unable to cover their rent in their supported accommodation, and there being no available move-on accommodation. To try to solve this, YMCA East Surrey is looking to purchase more accommodation for move-on, with help from Homes England.

Administrative challenges with the benefits systems

For young people, getting into work can be challenging in itself. However, getting a job can trigger complications in eligibility for welfare support and changes to the funding they receive – often in ways that can't be avoided. This is particularly the case for the significant proportion of young people who end up on zero hours contracts, where hours and pay can be very unpredictable. Young people who have experienced homelessness or left care can often face particular challenges, such as in getting access to identification (ID) in order to apply for benefits. The associated delays can lead to an accrual of debt running into thousands of pounds, which can be almost impossible for them to repay.

Evidence of earnings

YMCA staff explained that when residents do move into employment, Housing Benefit departments require a significant amount of evidence of their employment, hours and pay, which is difficult for YMCA staff and residents to keep up with.

“The move into employment isn't made helpful by the amount of evidence we have to supply, copies of contracts, pay slips. Housing Benefit gets suspended at the drop of a hat if slight details change, we need P45s and so on. I have a team of three people which is a full-time job chasing this information down. It's a huge amount of work to get young people into employment and keep them there.”

[Charlie, North Staffordshire]

Staff also raised the issue that it can present a real risk to their funding when residents move into work. Housing Benefit departments are quick to try to claim back money that has been paid out to the supported accommodation provider if they determine later on that it was paid incorrectly. In these situations, the resident is financially liable for paying this money back. It is often the case that accommodation providers will use limited spare capital to try to cover this cost in order to prevent young people from falling further into debt. However, many providers are unable to meet the costs in full.

“Any failed HB claims, sometimes six or seven months down the road, anything that's found invalid or they refuse to honour, they claw the money back from us. We've had cases where it's run into thousands of pounds being clawed back, because they think the young person wasn't actually entitled to HB. This is for various reasons like young people who are non-UK nationals, it can take a long time for them to make a decision about their status.” [Charlie, North Staffordshire]

“We had a case of someone being found not to be eligible for Housing Benefit due to the Home Office being so slow to process whether or not they had recourse to public funds or were eligible to settled status, so the local authority then tried to claw back £9,000 for Housing Benefit paid out to us.”[Tanya, Derbyshire]

Zero hours contracts

Many young people who are first moving into work end up working on zero hours contracts. This means that they have no guaranteed working hours in a given week, and are unable to predict how much money they might earn every month. This creates a further challenge in having to provide weekly evidence to the local authority of their changing earnings.

“It is really hard, because with rent here as well, you can’t guarantee your hours or your earnings here, so I can’t exactly turn around and say ‘I’m going to get £340 this week, I’m going to get £270 next week.’ Because I could have £340 one week, and then the week after I could get £60. The week after I could get another £200. So it’s stressful throughout the whole month, but at the same time on that, until you’re contracted you’re not even treated the same as other people in there.”[Max, Grimsby]

YMCA staff added that the way Universal Credit is calculated for people who work different hours every month can sometimes leave them with very little money to live on:

“We have a big issues with zero hour contracts, they don’t know how much they’re going to be working so they can’t provide the information needed, they don’t get anywhere. The HB department treats you as if you’re trying to rip them off. ... Most young people on zero hours give up working, because they can’t keep up with it. That demoralises them and makes them not want to find another job, and just live on benefits.”[Laura, Tees Valley]

Access to identification

Young people often move into supported accommodation without ID or a bank account. The amount of time it takes for ID to be secured and a bank account opened varies hugely, and only upon having these can the application for Universal Credit and Housing Benefit be kickstarted. This time delay can have huge financial consequences for young people. Although it may be weeks between moving into supported accommodation and being able to apply for welfare support, some local authorities will only backpay Housing Benefit for 28 days prior to receiving the application. So for any time a young person was unable to apply for Housing Benefit beyond this timeframe, the resident is wholly responsible for the rent.

Most young people move into supported accommodation with no savings or income, and so they can fall immediately into debt which they have limited ability to pay off. Rent arrears or other forms of debt can prevent young people from moving out of supported accommodation when they are ready to.

A staff member explained: *“We have had residents come through that haven’t yet had a bank account set up ... Because the residents haven’t been able to collect Universal Credit and apply for Housing Benefit, within the time frame of the council only backdating 28 days, these large debts [for rent] have been placed on the residents themselves. So unfortunately these residents come in in a very sorry situation, with no ID, no bank account, and they need housing, and then they get footed with about £1,000 to £2,000 bill, until they finally have everything in place.”* [Elliot, Hastings]

“I’ve got £2,000 of rent arrears above my head, even though I work full time.” [Casey, Basingstoke]

Recommendations

All of the factors described in this chapter mean that young people may be disproportionately affected by being prevented from moving into work while living in supported accommodation. This impacts on their ability to gain confidence and social skills from working, and in turn vital work experience to develop their careers, and gradually progress into better-paid roles. The Government must ensure that our benefits system does not close down young people’s aspirations or keep them in unemployment and reliant on benefits, when instead they could be supported to succeed.

Young people told us in our focus groups that they felt their income from benefits should be protected when they start working, in order to help them stay in work and still be able to cover their costs:

“I think you should still get housing benefits if you’re new to working. And they should have it so they, let’s say the housing benefit still pay for your housing up to a point, like, instead of just taking it all away entirely. Because then you’ve got to find a job, or, or two jobs, which will encompass the same amount of money. Which is a big jump, it’s from no money to, like, £1,000 odd pounds. That can be the reason that people will be deterred from going to work.” [S, Hastings]

People who have responsibility for a child or limited capability for work already receive a monthly work allowance within Universal Credit. The allowance is £379 for those who are getting housing costs as part of their Universal Credit award, or having their housing costs covered by the Local Authority through Housing Benefit because they are living in temporary accommodation. The allowance is £631 per month for those who do not receive housing support through Universal Credit.

YMCA recommends that:

- 1. Residents of supported accommodation should receive a Universal Credit work allowance, which would allow them to earn more before their income from benefits is tapered.** This would incentivise more residents into work, and would better enable them to start paying off any debts and to save money, facilitating their eventual move into independent accommodation. The amount of work allowance received by people whose housing costs are being paid by the Local Authority (through Housing Benefit) must also be increased from the current level of £379 per month, as this level is insufficient to protect them from facing a financial penalty for working.

Longer-term changes to the supported accommodation funding system

Many of our supported accommodation staff expressed a desire for the overall system of funding supported accommodation in England and Wales to change to a model which is more sustainable and puts less of a financial burden on residents. Staff felt that local authorities should provide ringfenced funding for the intensive housing management costs associated with supported accommodation, and if residents become liable to pay some of their rent by moving into paid employment, their rent should be set at an affordable level.

This model is already being trialled in some areas, as described in the case study on YMCA East Surrey. Other organisations are developing similar projects, such as West Midlands youth homelessness charity St Basils, which has developed a 'rent simplification' scheme. This supports young people who are living in supported accommodation and working by enabling them to pay lower rents for their supported accommodation. However, charities need access to increased funding to enable them to maintain and scale up these projects.

- 2. The Government should provide ringfenced funding to local authorities to pay for the intensive housing management costs of supported accommodation provision in their local area.** If residents then become liable for their rent because their Universal Credit tapers down to nothing, they should be paying rent set at an affordable level.

Chapter Two: Levels of benefits

YMCA believes that the benefits system should protect people from poverty and destitution by providing for their essential needs, supporting people through hard times or changing life circumstances, and empowering them to succeed.

YMCA understands that the Government's intention behind the current levels of working-age benefits is that you should always be able to earn more money from working than you might receive in benefits, in order to incentivise people to move into work. However, many of the young people we support (particularly those under the age of 25) feel that benefits do not give them enough money to live on. This has a strong negative impact on their physical and mental health, which can consequently make it more difficult for people to successfully move into employment.

Some of the young people we spoke to as part of this research felt that it was difficult to focus on getting into work, including applying for jobs and attending interviews, when they were struggling to afford basic essentials such as food or heating. **At this point, young people's main priority is not progressing into employment or developing their career, but basic survival.** This finding is echoed in research from the Joseph Rowntree Foundation on people living in poverty, which showed that decisions made while experiencing stressful circumstances are often made at the expense of future goals.⁷

Describing his experiences of life in supported accommodation and relying on benefits, a YMCA resident said: *"We're not even living, we're surviving at this point."* [Alex, Grimsby].

Young people are particularly affected by low benefit levels, as those under 25 receive a lower rate of the Standard Allowance: from 2023/24 single claimants over 25 will receive £368.74 per month, while single claimants under 25 will receive £292.11 per month.⁸ A YMCA staff member commented: *"I think the level of benefits for under 25s is appalling ... I don't understand why the benefits are set at this rate, especially during the cost of living crisis"*. [Elaine, Milton Keynes]

This is especially difficult for those who are doing some paid work, as the National Minimum Wage is also lower for young people under the age of 23: from April 2023 the rate is £10.42 for those over the age of 23; £10.18 for 21 and 22 year olds; and £7.49 for 18 to 20 year olds.⁹ At the same time, the increases in food and energy prices are not being matched by the increase to Universal Credit: many basic food

⁷ Joseph Rowntree Foundation, [How poverty affects people's decision-making processes. 1 February 2017](#)

⁸ UK Government, [Universal Credit](#), accessed 3 July 2023

⁹ UK Government, [National Minimum Wage and National Living Wage rates](#), accessed 28 June 2023

staples increased between 15% to 30% in the 12 months to May 2023,¹⁰ well above the CPI inflation rate of 8.7% over the same timeframe.¹¹

Most young people in supported accommodation are living financially independently, and so have the same costs as over 25s; despite this, government policy dictates that they receive 20% less in welfare support.

Meeting the basic essentials

YMCA believes that working-age benefits in the UK should cover the basic essentials people need in order to live and to maintain their physical and mental health and wellbeing. This includes food, housing, heating, weather-appropriate clothing, toiletries, medicine, transport for essential journeys, and access to the internet. Current working-age benefit levels do not consistently cover these essentials, particularly for young people under the age of 25.

“£250 isn’t enough to get through for a month.” [Sam, Grimsby]

“I mean, there is a way, if you only had food to buy, you can, there is a way just to live on that, for food. I mean, that’s what I’ve done. But there’s no travel expenses and stuff like that. ... I don’t know, it depends on how much you want to eat, as well. And that’s kind of a scary conversation you have to have with yourself, how much, you know, do you eat. Either to be full, or to just get through the day with enough energy.” [Richard, Hastings]

“I get [my Universal Credit] every two weeks, I get £122 every two weeks, but once my rent’s paid, done a food shop, my phone bill’s paid and I’ve bought cleaning products, you have nothing. Like, literally, nothing.” [Emily, Leicester]

“Definitely don’t have enough money once I’ve paid [bills] anything to do anything. ... Can’t afford really any hobbies.” [Gareth, Cardiff]

2021 research from Centrepont, ‘Benefits to Society’, agreed that benefit rates for young people living independently are too low. This report found that young people on benefits were experiencing serious hardship, and almost constantly struggling to meet their costs of their essential needs. The research found that young people being unable to meet their basic needs also damages their health and wellbeing, and negatively impacts their ability to access employment.¹²

85% of respondents to our survey were in receipt of Universal Credit at the time of responding. For the 11% not in receipt of UC, this is likely because they have only recently moved into supported accommodation and haven’t yet had their claim

¹⁰ Office for National Statistics, [Shopping prices comparison tool](#), 3 May 2023

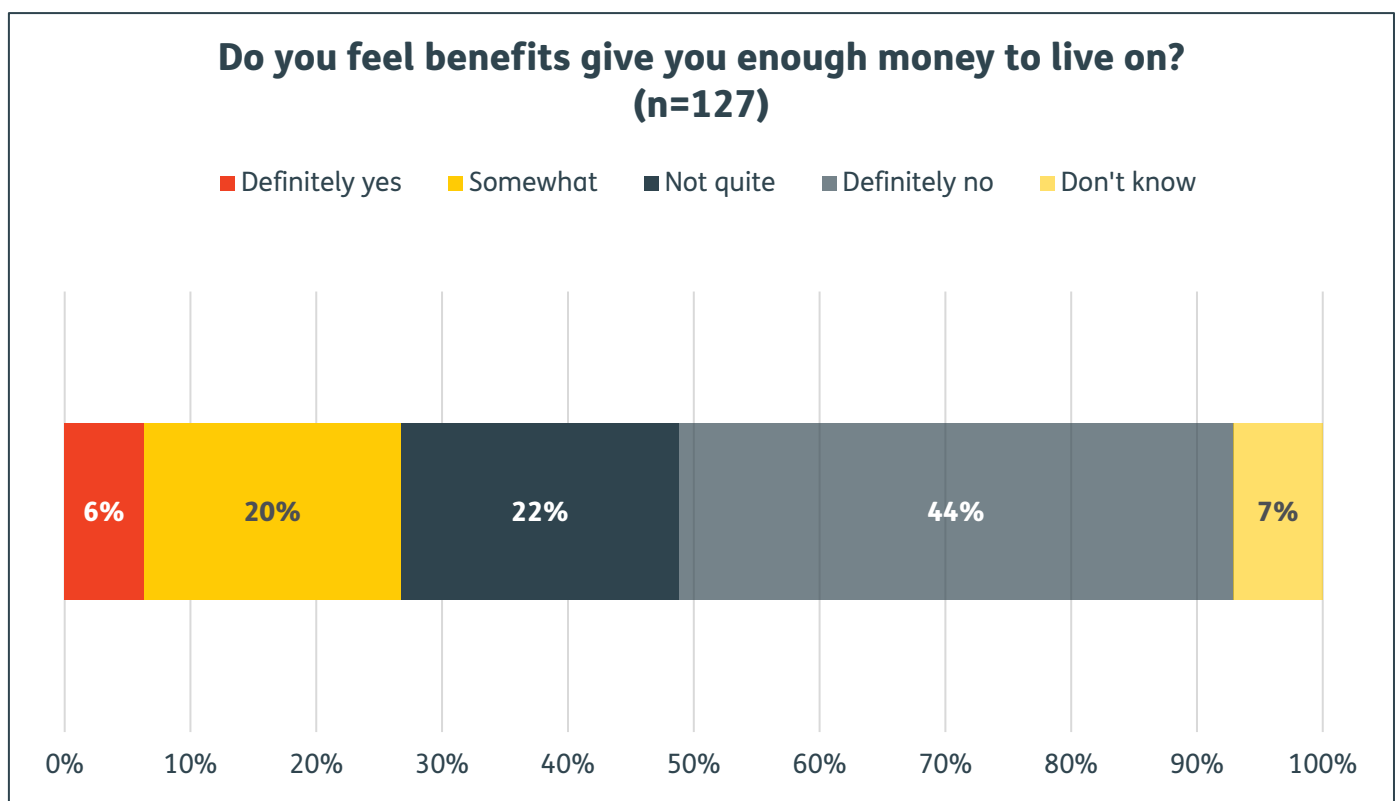
¹¹ ONS, [Consumer price inflation, UK](#), 21 June 2023

¹² Centrepont, [Benefits to Society: Homeless young people’s experiences of the social security system, 27 October 2021](#)

awarded; or that they are working enough hours for their UC to have been tapered down to zero. 4% of respondents did not answer the question.

On top of this, 21% of respondents also received Personal Independence Payments (PIP), a variable payment for people with physical or mental health conditions or impairments which cause difficulty doing everyday tasks.

All respondents were asked if they felt that benefits give them enough money to live on. Two-thirds of respondents said they either definitely did not (44%) or not quite (22%). Only 6% said they definitely felt benefits gave them enough money to live on.



Amongst those that received PIP, 65% of respondents said that benefits somewhat or definitely gave them enough money to live on – compared to only 16% of the respondents who did not receive PIP. Young people in our focus groups who receive PIP told us that they use the money to meet their essential needs, such as paying for food and their bills, rather than for specific needs relating to their condition or impairment.

Universal Credit pandemic uplift

The £20 weekly uplift to Universal Credit introduced during the pandemic enabled many of the young people we support to better meet their essential needs by increasing benefits to an adequate level.

This meant that young people were able to prioritise looking after themselves, their physical and mental health and wellbeing. This in turn meant they were better enabled to search for and move into work, and maintain employment.

The removal of the uplift subsequently made affording basic essentials much more difficult for our residents. One local YMCA staff member described the consequences: *“The removal of the £20 UC uplift had a huge effect. It was like all hell broke loose, people couldn’t afford anything anymore.”*
[Sarah, YMCA Derbyshire]

Some YMCA housing staff felt that the £20 uplift to Universal Credit was a more effective way of supporting young people’s wellbeing and meeting their essential needs in comparison to the recent Cost of Living Payments. Staff observed that the cost of living payments were either used in bulk to pay off debts, or were spent very quickly rather than being saved and spread out across a number of months as intended; whereas the additional £20 each week meant that young people were consistently better able to meet their needs from month to month.

Personal Independence Payments

Personal Independence Payment (PIP) is a benefit to help disabled people with the extra living costs they may face as a result of their condition or impairment. People are eligible for PIP if they have both a long-term physical or mental health condition or impairment, and have difficulty doing some everyday tasks or getting around because of their condition or impairment.

21% of respondents to our survey received PIP. A further 7% had applied and were waiting for a response, and 5% had applied and been rejected. Two-thirds (67%) had never applied for PIP.

As referenced earlier on in this chapter, some young people who receive PIP have told us that the money is very helpful in allowing them to live, but that they primarily use it to cover costs such as rent and food, rather than the disability--related costs which PIP is intended for. This is a result of the fact that many young people find that the money they receive from Universal Credit is too low to live on.

For those eligible to receive PIP to help them with meeting their support needs, it can be a battle to access it: staff at a number of different local YMCAs described having to support young people with applying for PIP, as the application process is long and complex, and people often have to appeal decisions after being initially denied a PIP award. Department for Work and Pensions (DWP) statistics show that during the period April 2013 to June 2022, 68% of the PIP decisions heard at tribunal were overturned in favour of the claimant, i.e. people have been awarded PIP by the tribunal where the DWP had previously denied them.¹³ The Department

¹³ Department for Work and Pensions, Personal Independence Payment: Official statistics to October 2022, 20 March 2023.

later released figures on PIP decisions overturned at tribunal, with 59% of appeal clearances in 2021 and until March 2022 done so based on substantially the same facts as provided in the initial decision.¹⁴

Disabled young people need to be able to access PIP through a simpler and fairer process, so that they can access funding that helps them to live with their condition or impairment, and thus better enables them to live independently or potentially to move into work.

Mental health impact

Not having enough money to live on puts a significant strain on young people's mental health, which can then create another barrier to them moving into work.

"Sitting there, looking at the money go down, down, down, down, down, down, down – it gets you depressed, it really gets you depressed. Because it's like, what can I do to actually, like, make it last even longer? But while I'm here, it's not like I can get up and go and work, because of the fact that I'm gonna have even less money at the end of the month than I do now. So it's like, it pretty much makes you feel stuck." [Charlotte, London]

"Definitely my mental health. I stress a lot, and when I don't- if I don't have a little bit of money there in case anything goes wrong, it plays on my mind constantly." [Gareth, Cardiff]

This is echoed by our 2022 research into young people's experiences of the cost of living crisis.¹⁵ One staff member summarised:

"People are struggling to like, buy food and that, but can't go out and do the things they enjoy as well, so like that's depressing them as well, cause they're putting all their money on food, electricity, budgeting their life, that they can't like... people aren't going to the cinemas or going to the pub or doing different things ... they're just putting all their money into just surviving basically." [A, support worker, West Bromwich]

As noted in the previous chapter, 47% of young people who responded to our survey stated that they could not move into employment or increase their hours currently because of their struggles with their mental health. Research from Youth Employment UK for the APPG for Youth Employment found that mental ill health is a major barrier preventing young people from entering the labour market, and particularly from getting good quality work.¹⁶

¹⁴ UK Parliament, [Written questions, answers and statements – Personal Independence Payment: Tribunals](#), 21 July 2022

¹⁵ YMCA, ['Inside the cost of living crisis'](#), October 2022

¹⁶ APPG for Youth Employment, [The impact of mental ill-health on young people accessing the labour market and quality work](#), 24 January 2023

This problem is potentially becoming more widespread – research from YoungMinds found that 83% of young people with mental health needs agreed that the coronavirus pandemic had made their mental health worse.¹⁷

The combined impact of the pandemic with the cost of living crisis and widespread financial insecurity is leaving many young people struggling too much with their mental health to be able to look for and move into work.

Case study – Improving mental health and readiness for work

YMCA Exeter

YMCA Exeter runs the Lighthouse Training Programme, which gives training and work experience to residents through working in the YMCA’s Lighthouse café or garden. This is particularly beneficial for the large number of residents who struggle with their mental health, as it helps them to improve their ability to manage their mental health, but also to develop skills and confidence through volunteer work in order to eventually move into employment.

One young person who was helped through the programme is YMCA resident Jade. Jade had struggled with both mental and physical health challenges in her life, and was unable to enter into any meaningful work because of this. When she became a YMCA resident, Jade started the Lighthouse Training programme in the Café branch. As part of this she undertook over 50 hours of work-based activity, including completing the Lighthouse workbook with its learning journal and skills diagnostic activities, and practising a wide range of employability skills in a variety of contexts.

This developed Jade’s confidence and skills, as well as improving her mental and physical health, so that she was able to take up a volunteer position at a British Heart Foundation shop. Jade said: *“I used to just be stuck in my room, with my depressing thoughts, but now every day I look forward to going to volunteer.”*

¹⁷ YoungMinds, [Coronavirus: Impact on young people with mental health needs](#) - Survey 2: Summer 2020, 6 July 2020

Recommendations

If benefits levels were increased so that they provided people with enough money to cover their basic essentials, it would still be the case that the benefits system could encourage people into work through conditionality or more positive methods of engagement. Benefits for under-25s are low to the point of pushing people into destitution, damaging their physical and mental health, with the intention of encouraging people into work. In fact, as we have described, in some cases the opposite is happening – people are being prevented from working *because* benefits are so low.

The Universal Credit system was set up to allow people to receive extra amounts at certain times for reasons such as a health condition or disability which limits capability for work, or caring for children or another relative. It should then be possible for an additional payment to be set up for people under the age of 25 who are living without family support.

As we have stated, YMCA believes that the benefits system should protect people from poverty and destitution by providing for their essential needs. The benefits system must be reformed so that it meets this purpose.

3. The Government should introduce an Essentials Guarantee for benefits.

This means establishing an independent process to determine the cost of basic essentials such as food, utilities and essential household goods, and then introducing legislation to set out that the standard allowance of Universal Credit must always meet this level.

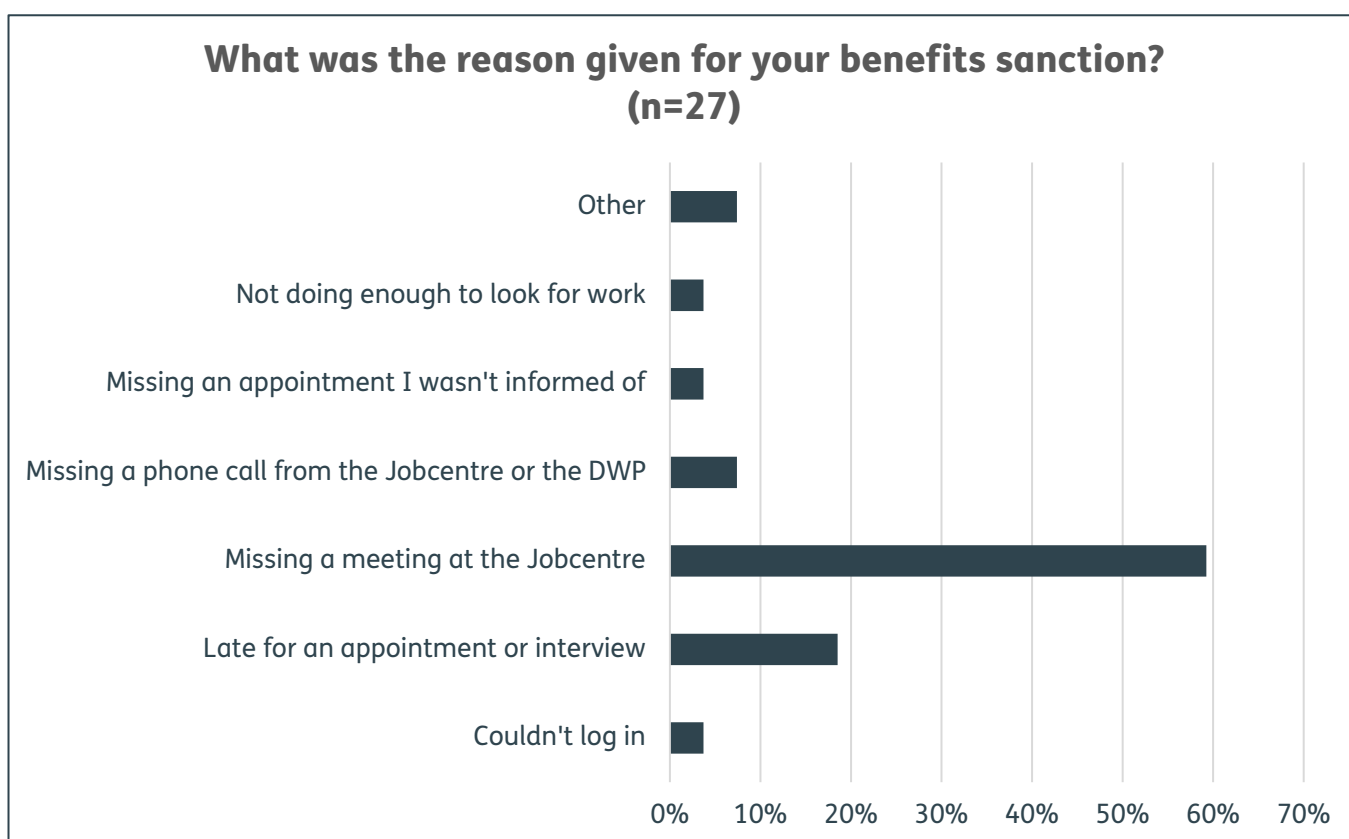
4. Young people under the age of 25 who are living independently without family support should receive an additional Universal Credit payment, to bring their standard allowance up to match the over-25s rate.

5. The DWP should simplify the PIP application process, and reform the assessment process so that more applicants are correctly awarded PIP without having to appeal.

Chapter Three: Benefit sanctions

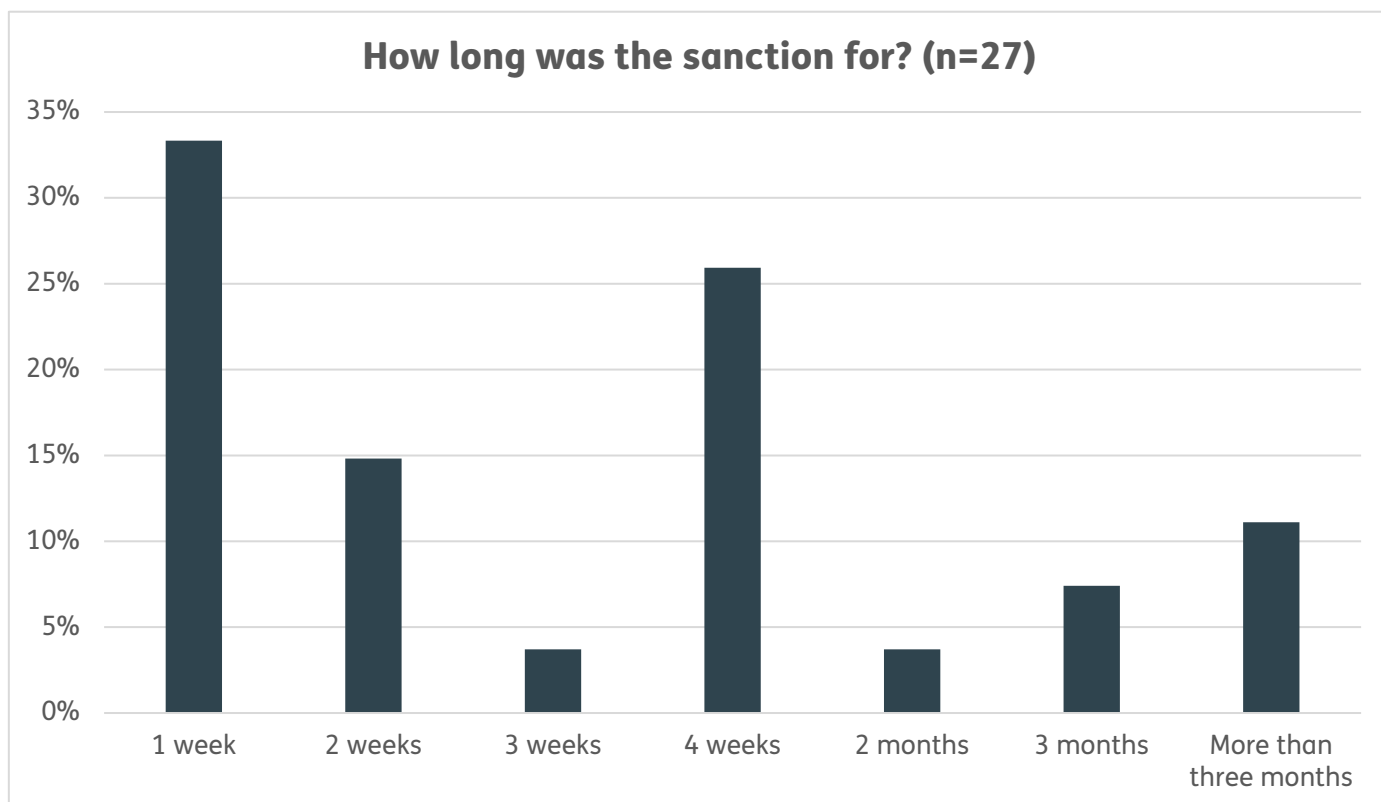
A benefit sanction is the complete withdrawal of Universal Credit payment for non-compliance with the terms of an individual's claimant commitments.¹⁸ This can include failure to attend meetings with Jobcentre staff; to spend a certain number of hours a week searching for work; to attend training; or to accept a job if offered one. The length of the sanction is determined by the level of the infringement. For the lowest level (not attending a work-related interview) this can be a matter of days, to up to three months for an individual's first high-level non-compliance, such as refusing a job offer, or quitting or reducing hours at a job. The duration of sanctions is extended if a person has a second infringement in a year-long period, with full Universal Credit payment withdrawn for double, triple or quadruple the length of time, depending on the level of sanction.

Amongst the residents of YMCA accommodation we spoke to in focus groups, a notable minority had experiences of having their benefits sanctioned. The most common reason was missing appointments at the Jobcentre. In addition, 21% of respondents to our survey had had their benefits sanctioned at some point (27 respondents). Of those who had experienced having their benefits sanctioned, 59% stated that the reason was 'Missing a meeting at the Jobcentre', which was the most common response.



¹⁸ Department for Work and Pensions, '[Department for Work and Pensions policy on benefit sanctions](#)', 12 December 2022

Those receiving the sanctions felt that they had valid reasons for missing their appointment or needing to rearrange it; however, despite communicating this to the jobcentre or trying to rearrange the appointment, they still received a sanction. Most survey respondents had been sanctioned for one week (33%), but 26% had been sanctioned for one month, and 22% had been sanctioned for longer than a month.



“There was the time that I missed an appointment because I had to flee abuse, and then they sanctioned me on my money without asking me why I didn’t show up. Then I had to have like three meetings before they would give me the money, and I was like, dealing with so much shit.” [Elliot, Basingstoke]

“They sanctioned me for 45 days on the first one, then 45, then 47. They took all of my money in February, in March they took half of it, and I don’t know what they’re going to do with this one, so. I missed the appointment because my mum was having breathing issues and stuff, problems with her chest, I put that on the journal and they didn’t really listen at all.” [Luke, Basingstoke]

“I remember I had a Jobcentre appointment, it was just after my mum died, it was just a week after my mum had died and I had a Jobcentre appointment. I explained to them why I couldn’t attend the Jobcentre, because I was down in Northampton putting my mum to rest. They sanctioned me.” [Alex, Grimsby]

A staff member confirmed: *“That has happened more than once to our residents. I’ve physically seen them put on the journal, ‘I can’t attend this appointment, can we please rearrange the appointment’, and they’ve been sanctioned because they didn’t turn up. I’ve seen the proof, where they’ve said it’s an inappropriate date.”*
[Helen, Grimsby]

For some residents of YMCA supported accommodation, their support needs are not always taken into account. For example, speaking English as a second language can sometimes lead to misunderstandings of benefit conditionality:

“We support refugees so there are issues with language barriers, they don’t understand what is required from them so they miss appointments, and get sanctioned.” [Tara, Birmingham]

There is also a challenge in meeting conditionality requirements for young people who live in areas where there are fewer jobs available to apply for:

“They’re forced to do 35 hours a week of job search. Within this area, there aren’t enough jobs, it’s the same jobs that they’re looking for. So if they do 33 hours and not 35 because there actually aren’t that many jobs, they sanction them.”
[Helen, Grimsby]

The effects of sanctions

We asked young people how receiving a sanction affected them. The majority described being unable to afford food:

“Since I’ve been sanctioned since November, I don’t eat much any more, because again I can’t afford to, so I just go to foodbanks.” [Alex, Grimsby]

“Not just that, you can’t afford to feed yourself, you’re sitting there losing weight, then you’re not looking after yourself and that affects your mental health as well.”
[Darren, Grimsby]

“I didn’t really eat properly when I was there [in a previous hostel while sanctioned], to be fair. Yeah, I wasn’t living properly when I was there.” [Gareth, Cardiff]

Some YMCA staff members described residents who feel shame around having to rely on a food bank, whether having to do so because of a sanction or simply because their benefits are too low to live on:

“We have young people who are too embarrassed to go to the food bank, so they just won’t eat. Some young people come to us and say they haven’t eaten for a few days.” [Elaine, Milton Keynes]

Some local YMCAs are able to run community pantries, operate their own food banks, or offer subsidised meals, all of which mean that their residents are less likely to go without food if they are struggling to live on benefits or have been sanctioned.

However, this is not the case in all areas of England and Wales or in all supported accommodation providers, so many people are still being left in significant food insecurity. This is also an example of charities having to step in to meet people's basic needs when they have been pushed into destitution as a result of government policy.

Young people stressed that sanctions negatively affect both their physical and mental health in mutually reinforcing ways:

"It makes it all worse. Your mental health is deteriorating because you're constantly fighting in your head a battle of, 'Well if I'm getting sanctioned then I'm only getting this amount of money this month, but it's not enough that I need to pay my rent and this and that', so you're constantly putting yourself in stress even a month beforehand anyway. ... Eventually your mental health starts to deteriorate, and so does your physical health, because you're not eating properly, you're not getting the right food, you're not buying the right stuff for yourself. Eventually it all goes into one and then you just get into this pit of depression, and then you get a sanction on top of that and it makes it worse." [Alex, Grimsby]

When asked in our survey about the impact of having benefits sanctioned, **67% of those on the receiving end cited not having enough money for food or to pay their rent.** Furthermore, 17% of respondents said it had a negative effect on their mental health. Comments included:

- *"Being in rent arrears and unable to buy basic needs such as food and toiletries"*
- *"Not having the money to buy food, get to hospital appointments, get to job centre, not able to buy electric to cook, buy cleaning products to clean - shower - clothes, not being able to pay rent. And making my mental health a lot worse"*
- *"Unable to pay my rent, unable to buy myself food and toiletries. Mental health decreasing."*
- *"Not being able to eat or pay rent which jeopardised my accommodation"*
- *"My mental health dropped really bad"*

YMCA staff pointed out that benefits sanctions can also push young people into long-lasting, unmanageable levels of debt:

"When they get sanctioned it's a nightmare, because their housing benefit gets stopped, and then that puts them in debt. When they get sanctioned they have to go to a meeting ... three meetings to get money again, and then the housing benefit doesn't pay because you're not getting any UC, so then you're left with personal debt. So it's like that pattern thing. When we call up, too, to say they can't make the appointment due to mental health, it's like, they don't listen, and they still sanction them." [Teresa, Basingstoke]

Another staff member raised the fact that sanctions can make it more difficult for YMCA residents to get access to medical treatment:

“I have a resident and he can’t afford to get to the hospital for what he needs. So that delays things as well. So if these guys came up and they were like, ‘Oh, you’re sanctioned, but you’ve got an appointment at this hospital and we can’t do it any closer’, they can’t get there. They don’t drive, they’ve got no means of paying for transport.” [Helen, Grimsby]

One staff member mentioned that in their experience, some young people who have been sanctioned and are desperate for money to live on will turn to crime in order to make money to support themselves.

Hardship payments

The DWP offers hardship payments in the form of a loan for people who have had their benefits sanctioned and who do not have enough money to meet their basic needs. However, young people told us that the money given through these is much lower than they need to afford their basic essentials.

“I’ve been having to ring up to apply for hardship [payments], and to go to food banks at the same time soon. When I apply for a hardship [payment] I get like £120 sometimes, if that, if I’m lucky.” [Alex, Grimsby]

“The second time [I was sanctioned], I was here, I had to get a hardship payment. And even that, you only get like £60 I think, and I basically had to borrow and whatever off friends and owe them until I got paid, like, my money started coming through. So as soon as it started coming through again I basically had no money anyway, because I owed it all out.” [Charlotte, London]

Hardship payments are not a guaranteed way to mitigate the impact of sanctions. Sometimes people are denied a hardship payment because of DWP eligibility criteria, despite being destitute; in other situations the payment comes too late, after the sanction has already ended.

“Every time I’ve applied for [the hardship payment], they’ve either denied me or come back too late with a response, and it’s gone down in my emails, and I haven’t seen it. I found one back in January which was for September when I was really struggling. I was so annoyed. It was a code and like a bar code thing I was meant to take to a garage or a post office, where they would have given me cash. And I was just, that was heartbreaking for me, because that was when I was like, homeless on the streets and that, and literally couldn’t afford food, I was begging and stuff. And then I find out, now in January. It’s not like I didn’t search on my phone.”
[Gareth, Cardiff]

As a loan, hardship payments can sometimes prolong financial strains: recipients are then expected to pay the money back through reductions in their future benefits

payments. Once again, this means they are not receiving enough money to meet their essential needs even when their payments are restored.

“I have to keep applying for hardship, but even then they won’t give me a load of hardship [payments] because I need to owe them off that. So then I’m fucked, because I constantly owe them money, but then I need to pay my rent, and I don’t even have enough for food.” [Alex, Grimsby]

“The thing with Universal Credit, they’re putting a lot more of us in debt rather than helping us. We’re all in a bad situation and they think they’re helping us by giving us these loans, but in the long run we’re going to have to pay off more debts and it’s going to be harder to earn more money, because we’re trying to pay off these debts as quick as we can.” [Darren, Grimsby]

As we have explored in the previous chapter, putting young people in a situation where they cannot afford to feed themselves can damage their physical and mental health, and make it more difficult for them to move into work. In this situation their main priority becomes getting access to the basic essentials they need in order to survive, rather than secondary issues such as searching for work or trying to find the money to afford to travel to interviews. Research published in the journal of Social Policy & Administration in 2019 similarly concluded that welfare conditionality is mostly ineffective in moving people into paid work if they have mental ill health, and that conditionality can trigger or worsen negative health outcomes which move people further away from work. The research concluded that conditionality is not appropriate for people with mental health issues.¹⁹

The DWP’s own research²⁰ into the effects of benefit sanctions on claimants’ transitions into employment and their earnings found that:

- “Sanctions have a small negative impact on the rate at which claimants exit ‘UC Intensive’²¹ into a state where they are earning, either on or off UC”
- “Upon exiting ‘UC Intensive’, sanctioned claimants earn on average £34 per month less than non-sanctioned claimants over a 6-month period”
- And most importantly for the young people that YMCA supports, **“sanctioned claimants under the age of 26 fare worse than average, earning £43 per month less than non-sanctioned claimants in the same age group”**.

¹⁹ Peter Dwyer, Lisa Scullion, Katy Jones, Jenny McNeill, Alasdair B. R. Stewart, Social Policy Administration journal (2019), [‘Work, welfare, and wellbeing: The impacts of welfare conditionality on people with mental health impairments in the UK’](#).

²⁰ Department for Work and Pensions, [The impact of benefit sanctions on employment outcomes](#), 6 April 2023

²¹ Universal Credit claimants are placed in the ‘intensive work search group’ if they are able to work, and are either not working or are earning very low amounts. This requires them to meet frequently with Jobcentre work coaches and to take intensive action to secure work or more work.

Despite this, DWP states that these findings do not address the “deterrent effect” of sanctions, as the threat of receiving them encourages claimants to comply with the work search conditionality to guarantee payments.

The Department’s research states that the sanction rate was 3% from August 2018 to April 2019, suggesting that the proportion of claimants subject to the impacts of sanctions was “relatively low”. However, this translates to tens of thousands of people receiving a sanction every month.²² Sanctions are not sufficiently successful in incentivising compliance, given such a large number of people are receiving them every month. The DWP report also does not take into account recent sanctions increases amongst Universal Credit recipients searching for work, which Institute of Public Policy Research analysis found to have reached more than 8% as at October 2022.²³ This higher rate of sanctions is very concerning, considering the evidence we have gathered on the negative effects of benefit sanctions on people’s physical and mental health.

Encouraging engagement with benefit conditionality

Some YMCA staff members felt that it was important for there to be some consequence for the small number of people who do not to engage with the Jobcentre, whether by refusing to attend appointments or not complying with their work search requirements. These repercussions can be an important part of supported accommodation residents learning how to organise themselves to attend important appointments, to make and stick to budgets, and to prioritise fulfilling their responsibilities. Some staff also felt that some system of consequences could be important as a way of signalling when someone is struggling to engage with the Jobcentre or their claimant conditions.

“In some respects sanctioning can be seen as a safeguarding of that young person. Sometimes a young person hasn’t gone for an appointment for several months, if they don’t respond to the sanction then the DWP potentially does a welfare check when they do come in.” [Elaine, Milton Keynes]

“It’s relevant for young people coming out of care who’ve never had financial responsibility for themselves, they need to understand how to manage money and their responsibility to attend appointments or look for work.” [Lily, Peterborough]

However, YMCA staff agreed that these consequences should not include pushing young people into destitution. Staff felt that it would be better for Jobcentre staff to build up relationships of understanding and trust with young people and with

²² Department for Work and Pensions, [Benefit sanctions statistics to October 2022](#) (experimental), 14 February 2023

²³Institute of Public Policy Research, [The sanctions surge: shining a light on the Universal Credit sanctions regime. 22 March 2023](#)

YMCA staff, so that they are best able to support young people to move into education, training or employment.

“We think there is also a personal responsibility angle, helping them to understand that they have to attend appointments, etc. We think that the people who are best placed to do this are the support worker or provider of supported accommodation who’s working with that young person day in, day out, rather than Jobcentre staff who don’t know their full story or background.”[Charlie, North Staffordshire]

“Consequences for not engaging with the Jobcentre is a good thing, part of our role is about teaching people responsibility and independence and making good choices, but sanctions can have too much of a negative impact on people’s housing, their ability to cover their basic essentials and look after themselves.”[Jake, Somerset]

Recommendations

It is clear from our research that benefit sanctions frequently push young people into severe financial hardship, with damaging effects on their physical and mental health. This is counterintuitive to the DWP’s goal of encouraging and facilitating people on Universal Credit to move into work. The Work and Pensions Select Committee’s 2018 report on benefit sanctions similarly concluded that when applied to people for whom they are not suitable (such as disabled people or those with health conditions), sanctions can have significant negative effects on people’s wellbeing and financial situation, and can be counterproductive to the objective of motivating people to take steps into work.²⁴

As we stated in the second chapter of this report, YMCA supports the Essentials Guarantee concept, which proposes that benefits should always meet people’s essential needs. **Benefits should not fall below this level, including due to sanctions or repayments.**

- 6. The DWP should relax the sanctions regime for residents of supported accommodation.** Benefit sanctions are not suitable for this cohort, and do not have the desired outcome of encouraging people into work. Instead, **the DWP should instruct all Jobcentre staff to engage with supported accommodation staff when a support accommodation resident is failing to meet their claimant commitments.** This could include speaking to the support staff over the phone to understand a resident’s situation, and their current physical or mental health status; or requesting support staff attend an in-person Jobcentre appointment with the resident to review conditionality and how to enable them to meet their conditions.

²⁴ UK Parliament - Work and Pensions Select Committee, [Benefit sanctions, 6 November 2018](#)

Chapter Four: Experiences of working with Jobcentre staff

Engaging with the Jobcentre is a fundamental part of benefits conditionality and the benefits system in England and Wales. This enables people to get access to benefits and to receive help with moving back into employment, including through access to education and training. Jobcentres can also signpost people to careers advice, housing support, foodbanks, and a range of other local services.

Young people's experiences

During our focus groups with young people, we asked them about their experiences of engaging with Jobcentre staff, including whether they felt that staff understood their experiences and the challenges they might face. A number of young people had positive comments to make:

"I love my Jobcentre worker."[Annie, Basingstoke]

"The person I used to see before wasn't the best, but the lady I do see now, she's, she's very good. She tries her best."[Aaron, London]

"I didn't have that bad an experience with the Jobcentre here, it's better than [other city]. I moved here and the first month I was here I was living with my partner, the guy at the Jobcentre was like, 'We'll get you a bike so that you can get to work', which he did follow through on, he gave me a bike. I think it's dependent on who you get to be honest."[Casey, Basingstoke]

However, some young people had negative experiences when trying to engage with and receive support from the Jobcentre. These included feeling that Jobcentre staff did not communicate well with them, that the rules around attendance of appointments were strict and inflexible, and that work coaches were trying to push them into work even if they were unwell.

"They're only bothered about the commitments, they don't care about your mental health. ... They don't even answer the journal. The amount of times I've asked a bunch of questions, and it's been important questions, I've just gotten ignored, no response. The next time I go to a meeting, say if I missed something, they say 'Why did you miss it?', I say 'I put it in my journal'. They go, 'no you didn't', and I say 'yes I did', and I show them it. Then they say 'Oh, well we didn't see it!'"[Sam, Grimsby]

"What I don't understand is they ask you to be there at a specific time, so you're there ten minutes early for the appointment, yet they keep you waiting for an hour. But if I'm a minute late then you sanction me, but it's alright to keep me sat there waiting for an hour just to have a 15-minute appointment. That drives me absolutely mad."[Molly, Basingstoke]

“Every time I went to the Jobcentre, they pushed me, looking for a job and stuff, and I have to go there every, every two weeks. So then, yeah. I actually have a fit note from the doctor, but then after assessment, they don’t accept it. Yeah, they don’t accept it. They said that I’m not ill enough, I’ll be able to work.” [Tia, London]

Variations in support

Many young people felt that the support and understanding they received varied depending on which work coach they were able to meet with, rather than it being the case that every member of staff was understanding of the kinds of experiences and challenges that people living in supported accommodation might face.

“I went there for my first appointment, bearing in mind I’d just moved out of my mum’s, I’m going through a lot right now, I’m not talking to anyone, and I was shaking a lot. Because I weren’t eating, I was dehydrated, I was rough. And she went, she kept asking me if I was on drugs. Because they ask you these questions, ‘Are you taking any drugs?’ ‘No.’ She’s repeating herself. ... That’s the stigma they give you, like, drugs? No. We’ve all got mental health, we’re struggling. Do you think we want to be sitting in the Jobcentre asking for benefits? Like, a lot’s going through our heads, like. Just because we’re young don’t mean we can’t suffer.”

[Layla, Leicester]

“I told them everything about what happened, about mental health-wise and why I can’t get back into work at this moment in time. I said to them, ‘Are there any courses I can do right now, anything at all in general?’ So then they put me on a Restart course. I said to them, ‘I understand why you’re trying to get me back into work, but I said to you at this moment in time I’m not mentally capable to do this stuff.’ That time when I first applied to the Jobcentre, I’d just lost both my parents, just came out of a seven and a half year relationship, I was at rock bottom. I was homeless, sofa surfing for six months, and then I found this place, the YMCA. I explained everything to the Jobcentre and they said, ‘Oh well we’ve all been through hardships and struggles.’” [Alex, Grimsby]

YMCA staff members agreed that some Jobcentre staff seemed not to understand the mental health needs of YMCA residents, and how to support them:

“A lot of them haven’t had training in mental health, so if we get somebody there that’s a bit anxious, can get a bit uptight, but it’s within their character, not because they’re being mean, they shut them down straight away. ‘I’m not dealing with you, you’re not coming in with that attitude, I’m not helping you’.” [Helen, Grimsby]

Young people stressed the importance of being able to see the same Jobcentre work coach or staff member consistently, in order to build up a relationship of understanding and trust with them:

“I went on to Universal Credit when I was 18 and then I came off it when I was 19. But my first sort of worker, I had her all the time. And then she was, like, the whole,

it was just very more beneficial, because I managed to build up a relationship with her, so I ended up trusting her. ... She was immensely helpful. But now that I've got a different worker, and like, every time it is a different person. ... It's damaging a lot of people's work and trying to get back into employment." [Richard, Hastings]

"I don't even want to go to the Jobcentre, because I always have someone different, they don't take the time to get to know the person that they're, like, seeing and trying to help and whatever." [Charlotte, London]

YMCA staff experiences

Experiences also varied widely at different local YMCAs around England and Wales in terms of YMCA staff members' relationships with their local Jobcentre and DWP staff. Some local YMCAs have developed positive, close working relationships with Jobcentre staff, and Jobcentre staff will call YMCA support workers to flag an issue such as a young person who may have missed an appointment or failed to comply with some of their claimant conditions. These examples of staff sharing information and working together has successfully prevented young people from receiving benefit sanctions.

"There are certain workers in our local Jobcentre who we know will have a good understanding of the YMCA's residents and take a flexible and dynamic approach. For example, not sanctioning them because they're 10 minutes late but seeing it as a success that they've attended. Working with the resident rather than against them, taking a more positive way of working rather than a deficit model, looking at what they are achieving rather than what they're not doing, and taking a trauma-informed approach." [Jake, Somerset]

Case study – Partnership working for better outcomes

YMCA North Staffordshire

YMCA North Staffordshire has around 238 annual residents in its supported accommodation. Following long-term work to develop a relationship with their local Jobcentre, YMCA North Staffordshire has now had Jobcentre work coaches co-located on its campus for the last few years.

This means that residents of its supported accommodation are able to have their Jobcentre appointments with those work coaches rather than travelling to another location – often a barrier if cash-strapped young people cannot afford travel fares to get there, or if their mental health makes it difficult for them to leave the building.

This is part of the DWP's Youth Hubs programme, where Jobcentre staff are co-located on partner organisations' premises to enable them to better reach young people who are facing barriers to employment. This setup has made it easier for young people to engage, and has enabled them to build up relationships of understanding and trust with their work coach. Since YMCA North Staffordshire has had Jobcentre work coaches on site, no residents have received a benefit sanction.

This has also enabled better collaboration and partnership working between Jobcentre staff and YMCA staff, leading to all-round better outcomes: appointment attendance rates have improved and more young people are successfully moving into employment.

However, staff at some local YMCAs expressed that their attempts to speak to Jobcentre staff and to offer help with engaging their residents have been ignored or refused, and that Jobcentre staff sometimes refuse to speak to them. Some YMCAs also felt that they have needed to train their staff to feel confident in challenging decisions made by the Jobcentre.

“Sometimes they won't even speak to us if we haven't got the young person there with us on the phone. If they're not there at that moment of time then they'll be sanctioned. If they get sanctioned then it's really difficult to keep up their motivation to do what they need to do to get un-sanctioned. The more sanctions they get, the more demotivated they get, the more likely they are to get another sanction.”[Laura, Tees Valley]

“The opinion I get is that they feel like a lot of young people just want to sit and claim benefits. I don't think they realise that they're not having a lifestyle, they're not booking concerts every weekend or going to festivals and holidays every year. It's not funding a lifestyle, it's funding survival.”[Rachel, Grimsby]

“I've heard horror stories from young people about what their work coach has said to them. Work coaches need to get out of government buildings and into the community more.”[Elaine, Milton Keynes]

Recommendations

YMCA believes that Jobcentre staff should apply special consideration to people who live in supported accommodation, recognising their additional support needs and the challenges they face, including challenges which can make it more difficult for them to engage with this essential service. YMCA staff are willing and able to work with Jobcentre staff to encourage young people to engage with their work or training requirements, or other claimant conditions, and to prevent them from receiving benefit sanctions.

- 7. The DWP should trial having Jobcentre staff located on more supported accommodation sites part-time,** in order to better enable young people to attend appointments and to develop a relationship of trust with Jobcentre staff.

Conclusion

Every young person living in supported accommodation has enormous potential. While many of them have had traumatic experiences, and a large proportion are contending with physical or mental health challenges, these factors do not define their lives. Young people deserve to be supported to have good health and wellbeing, healthy and positive relationships, the skills and experience they need to get into employment, and a stable place to call home. Most of all, they deserve to have the opportunity to decide what their aspirations are, and to be supported to fulfil those aspirations.

In this report we have identified a set of barriers created by the benefits system itself, which make it more difficult for young people in supported accommodation to move into employment. Many of these problems have been the case for years – we cannot wait any longer to fix them, while thousands of young people are finding themselves stuck on benefits or unable to move on into independence. We need this future generation of workers to be empowered to succeed, for the benefit of themselves and our economy. Our benefits system must be reformed so that it helps young people, and people of any age, to work, to afford the basic essentials, and to live a good life.

YMCA ENGLAND & WALES

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Here for young people
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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.

FAMILY & YOUTH WORK

HEALTH & WELLBEING

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SUPPORT & ADVICE