Welfare Reform and Work Bill – briefing on support for housing costs for 18-21 year olds

New Clause 10: Changes to age of eligible claimants of housing benefit

(1) The Social Security Contributions and Benefits Act 1992 is amended as follows.

(2) After section 130(1) insert—

“(1A) The Secretary of State shall not make provision about eligibility for housing benefit in respect of the age of a claimant except by primary legislation.”

Member’s explanatory statement: This New Clause aims to ensure that any changes to the age of eligible claimants for housing benefit must be made by primary legislation rather than regulation. The Government intends to withdraw entitlement to housing benefit from 18-21 year olds and it is understood this change would be enacted by regulation.
New clause 12: Entitlement to housing costs element of Universal Credit for 18-21 year olds

(1) Entitlement to the housing cost element of Universal Credit shall not be restricted for those 18 to 21 year olds who fall into the following categories:

a. those who have previously been in work;
b. a person who lives independently;
c. those with a disability or mental health problem receiving Employment Support Allowance or Income Support,
d. those with dependent children
e. pregnant women
f. Those who are owed a rehousing duty under:
   i. section 193 of the Housing Act 1996
   ii. section 9 of the Homelessness etc. (Scotland) Act 2003
   iii. section 73 of the Housing (Wales) Act 2014
g. those who are homeless or at risk of homelessness who are being assisted by local authority housing teams.
h. those who are living in statutory or voluntary sector homelessness accommodation.
i. those who have formerly been homeless and have been supported by voluntary or statutory agencies into accommodation.
j. those who have formerly been homeless between the ages of 16 and 21;
k. a person without family or whom social services have found that a home environment is not suitable for them to live in;
l. care leavers; and
m. those leaving custody.

(2) Within three months of section [Entitlement to housing costs element of universal credit for 18-21 year olds] of this Act coming into force, the Secretary of State must, by regulation, provide definitions of—

a. “a person who lives independently”,
b. “risk of homelessness”, and
c. “a person without family”.

Member’s explanatory statement: To ensure that 18-21 year olds who meet one of the listed conditions are entitled to receive the housing cost elements of universal credit.

Explanation

The first new clause aims to ensure that any changes to the age of eligible claimants for housing benefit must be made by primary legislation rather than regulation. The second new clause would exempt 18 to 21 year olds who fall into the above categories from the removal of the housing costs element of Universal Credit. It is intended as a probing amendment to confirm the government’s intentions for exempt groups.
Briefing

In the Summer Budget, the Chancellor announced that under Universal Credit there will be no automatic entitlement to support for housing costs for 18 to 21 year olds. The Government have been clear that vulnerable groups will be exempt, but have not yet confirmed how this would work in practice.

If the above groups are not exempt we are concerned we could see a further rise in youth homelessness, as well as damaging the prospects of the young people affected finding employment.

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

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

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

The projected savings for this measure are small in relation to the overall savings from the welfare bill. The Treasury has estimated that this measure will save the public purse £25 million in the first year, rising to £40 million a year by 2020/21.

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

A recent economic analysis of the impact of restricting housing support for 18-21s showed that the headline savings are likely to be virtually wiped out by knock on costs due to increased homelessness, and estimated that even with exemptions to protect the most vulnerable, the net saving would be a maximum of £3.3 million.

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1 CHAIN data
2 Heriot Watt University and the University of York/ Crisis (2013), The Homelessness Monitor
3 Summer Budget 2015
4 DCLG (2012) Evidence review of the costs of homelessness
5 University of York/ Crisis (2015), At what cost? An estimation of the financial costs of single homelessness in the UK
6 Heriot Watt University (Centrepoint 2015) Lifeline not lifestyle: an economic analysis of the impacts of cutting housing benefit for young people
We believe the following groups of young people should be protected. Crucially, the system must be flexible enough to cover more difficult or complex cases.

a) **Those who have previously been in work; and/or**

b) **already live independently**

We understand that the Government want to address the issue of young people with no work receiving support for their housing costs, without first contributing to their community. We welcome the Government’s commitment outlined in the budget to protect those who have been in work for 6 months. Young people who have been working and renting independently prior to losing a job— and those who have left home to look for work— may need Universal Credit support for housing costs as a short-term safety net while between jobs. Seven in ten young people currently in receipt of JSA have been receiving this support for less than six months. Withholding support could easily transform a short period of job hunting into the threat or reality of homelessness. This could lead, in turn, to longer term unemployment, which would ultimately undermine the potential for young people to contribute to the economy.

c) **Those with a disability or mental health problem receiving the equivalent of Employment Support Allowance (ESA) or Income Support**

The Conservative Manifesto stated that 18-21 year-olds on JSA would no longer have an automatic entitlement to housing support. We would therefore expect that 18-21 year olds on the equivalent of Employment Support Allowance (ESA) or Income Support will continue to be allowed to claim support for their housing costs. Of the 18-21s currently claiming housing benefit, 19,214 are in receipt of ESA. They will already have gone through a Work Capability Assessment to determine that they need, or want, extra support to enter employment. It therefore seems appropriate that they continue to receive support for housing costs while this support is helping them to obtain work.

We would also contend that those who are in receipt of both elements of DLA and PIP be exempt. When a disabled person is found fit for work under the Work Capability Assessment (WCA) they will often still require adequate back to work support which can help them to overcome their disability related barriers to work. However, we know that disabled people are actually far less likely to get the support they need to overcome such barriers. To illustrate the work programme, has only supported 15% of its disabled participants back into work. We also know that disabled people are more than twice as likely as non-disabled people to be lacking but wanting work, at all qualification levels. Research commissioned by Leonard Cheshire shows that the employment rate for disabled people aged 16-24 is 19 percentage points lower than of their non-disabled peers.

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7 ONS (2015) *Headline Claimant Count by age and duration*

8 DWP tabulation tool – statistics up to March 2015

9 [https://www.google.com/fusiontables/DataSource?docid=1ad4jAxzM8nxh-iTbqX1J2aB7d1YqgCr#rows:id=1](https://www.google.com/fusiontables/DataSource?docid=1ad4jAxzM8nxh-iTbqX1J2aB7d1YqgCr#rows:id=1) accessed 02/09/15

10 Work conducted for Leonard Cheshire Disability by the Centre for Economic and Social Inclusion, 2015
d) Those with dependent children; and

e) Pregnant women

Households with a pregnant woman or dependent children are recognised as being vulnerable to the effects of homelessness: they are classified as being in priority need for statutory rehousing under homelessness legislation. Children who fall through the homelessness safety net qualify for support (including housing) under the Children Act 1989. Therefore, in order for local authorities to fulfil their statutory duties, it would be appropriate for 18-21s who are pregnant or have dependent children to remain entitled to support for housing costs. For young adults who have their own children, bringing them up in the parental home may not be in the best interests of the child, particularly where this leads to inter-generational conflict or overcrowding. This is a very small group – there are 2,104 HB claimants with dependent children in receipt of JSA – who it would be straightforward to exempt.

f) Those who are owed a rehousing duty under:

a. section 193 of the Housing Act 1996
b. section 9 of the Homelessness etc. (Scotland) Act 2003
c. section 73 of the Housing (Wales) Act 2014

By definition, people who are already homeless have nowhere else to live and should be exempted from these proposals or they will be at serious risk of street homelessness. Young people who approach their local authority and meet the statutory definition of ‘unintentionally homeless’ (in Scotland) and in ‘priority need’ (in England and Wales) should automatically qualify for support. Local authorities have a statutory duty to house those who meet this threshold, which they will be unable to meet if young people owed the duty cannot claim the housing costs element of Universal Credit.

g) Those who are homeless or at risk of homelessness being supported by local authority housing teams

In England, the threshold for ‘priority need’ is high, however, and most single people will not meet it. However, they are owed a general duty\(^\text{11}\) of advice and information about homelessness, and the prevention of homelessness. Across England, Scotland and Wales many homeless people are supported by local authority Housing Options Teams to prevent or alleviate homelessness. In England, Statutory Homelessness Guidance\(^\text{12}\) advises Housing Options Teams to use family mediation services to prevent homelessness when family or friends are no longer able to or willing accommodate. It is therefore vital that those who fall short of the statutory homelessness threshold as well those young people at risk of becoming homeless are protected.

h) Those who are living in statutory or voluntary sector homelessness accommodation.

Nearly half of people using voluntary sector homelessness accommodation projects are aged under 25.\(^\text{13}\) Such accommodation projects would be unable to support young people who were not entitled to support for their housing costs. In the short-term, most supported

\(^{11}\) Housing Act 1996, Section 179 (Duty of local housing authority to provide advisory services)


\(^{13}\) Homeless Link (2015), Support for single homeless people in England Annual Review 2015
accommodation will continue to be funded through Housing Benefit and not Universal Credit, leaving their residents unaffected by these proposals. We wish to see a firm commitment from the Government that young people living in homelessness accommodation projects will be protected in the long term, regardless of the future funding arrangements for such projects.

i) *Those who have formerly been homeless and have been supported by voluntary or statutory agencies into more settled accommodation.*

Homeless hostels are not right for everyone who has experienced homelessness. Others may struggle to find a bed space, since numbers of beds are declining.\(^{14}\) Those being supported by homelessness organisations to find and sustain alternative forms of accommodation should therefore be protected. This includes private rented sector access schemes and supported lodgings. Withdrawing support from young people using such schemes would undermine the Government’s own efforts, including significant investment, to tackle single homelessness.

j) *Those who have formerly been homeless between the ages of 16 and 21*

People who first become homeless when young are particularly vulnerable to repeat homelessness.\(^{15}\) To mitigate the risk of people becoming homeless again following a period of stability, it’s important that young homeless people who qualify for the housing costs element of Universal Credit can continue to do so following a change in circumstances, up until the age of 21. Young people ready to move on from a homeless hostel must be able to access financial support to maintain a private tenancy, or move-on will be impossible. The chance to move on in this way will, in turn, enable other young homeless people to access hostel places.

k) *A person without family or whom social services have found that a home environment is not suitable for them to live in;*

The Government has been clear that those who cannot live at home will be protected. We welcome this commitment, since relationship breakdown is a leading cause of homeless young people no longer being accommodated by parents.\(^{16}\) A broad exemption to protect young people at risk of homelessness due to family breakdown will prevent young people having to become homeless before they can access support. This protection must apply to those without living parents, or without parents in the UK, and to those for whom it would be damaging to remain in, or return to, the family home.

Some young adults need to leave home because the family home is unsuitable or puts them at risk of harm. This may be because of overcrowding, for instance if the family has downsized due to the Social Sector Size Criteria. Overcrowding is a form of hidden homelessness, with implications for family cohesion and wellbeing. In some cases of severe overcrowding, councils may offer to rehouse adult children independently, rather than move the entire family.\(^{17}\) If young people in overcrowded homes can no longer access housing support, this will not be possible.

\(^{14}\) As above

\(^{15}\) Crisis (2014) *Nations apart? Experiences of single homeless people across Great Britain*

\(^{16}\) Homeless Link (2014), *Young and Homeless 2014*

\(^{17}\) Greater London Authority (2010) *Overcrowding in social housing: A London action plan*, (paragraph 3.3.2)
For some young people, the neighbourhood may be unsuitable, for instance due to risk of involvement with gangs or other anti-social and unlawful activity. A 2011 Cross-Government report on Ending Gang and Youth Violence committed to ‘roll out schemes to re-house former gang members wanting to exit the gang lifestyle’ and cited joint police and council projects that find safe accommodation for people at high risk from gang violence.\textsuperscript{18} This work will be significantly undermined if young people in such circumstances cannot access support for their housing costs.

\textit{i) Care leavers}

In August, a DWP spokesperson suggested care leavers will be exempt.\textsuperscript{19} We welcome this commitment to protect some of the most vulnerable young people as they transition to independent living. However, existing protections only apply to those leaving care after their 16\textsuperscript{th} birthday. Those who left care when younger, have been a child in need or have had a child protection plan (or Child’s Plan under Getting It Right For Every Child in Scotland) will often have faced similar issues and should be protected.

\textit{m) Those leaving custody}

Young people leaving custody are at particular risk of homelessness due to their higher levels of needs, vulnerabilities and chaotic lives. Thirteen per cent of young homeless people are offenders and 22 per cent have an offending history.\textsuperscript{20} Accommodation is critical for effective resettlement.\textsuperscript{21} A return to the family or neighbourhood may expose them or their families to risk of harm and the negative social networks they are trying to leave behind. An exemption for young people at the point of release will provide stability and support to help them adjust at this critical time when the risk of reoffending is greatest.

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\textsuperscript{18} Home Office (2011), \textit{Ending Gang and Youth Violence: A Cross-Government Report including further evidence and good practice case studies} \\
\textsuperscript{19} Patrick Butler, The Guardian (2015), \textit{Benefit cut ‘could make thousands of vulnerable young people homeless’} \\
\textsuperscript{20} Homeless Link (2014), \textit{Young and Homeless 2014} \\
\textsuperscript{21} Nacro (2015), \textit{Effective resettlement of young people: lessons from Beyond Youth Custody}
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