

The withdrawal of support for housing costs under Universal Credit for young people : more pain for little gain?

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The withdrawal of support for housing costs under Universal Credit for young people: *more pain for little gain?*

Ian Cole, Ben Pattison and Kesia Reeve
October 2015

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Above all, we would like to thank the six young people who gave up their time for the interviews and for speaking with such candour and openness about their experiences while receiving support for their housing costs from Housing Benefit. Their experiences underlined how valuable this support can be in enabling them to lead independent and fulfilling lives.

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Executive summary

The 2015 Summer Budget confirmed that the Government was planning to remove the automatic entitlement to the housing costs element of Universal Credit (currently known as Housing Benefit) from some new 18 to 21 year old claimants from April 2017 onwards. There will be some exemptions, including vulnerable young people, those who may not be able to return to live with their parents and those who have been in work for six months prior to making a claim.

At present, it is difficult to assess the impact of this measure in a robust manner. Many details remain to be confirmed about how the policy will be applied and who will be exempt. There is also little recent evidence on why 18 to 21 year olds currently claim Housing Benefit, what their social, financial and family circumstances are, and why they are living independently of their parents. In order to provide an initial estimate of the impact of this measure, CRESR¹ was commissioned by Crisis to conduct a short research exercise on the likely scale and costs savings of this measure and to provide some insights into the role Housing Benefit currently plays in the lives of young people.

The research shows that only a minority of young people currently claiming Housing Benefit would have their entitlement withdrawn. Making some conservative assumptions about who will be exempt, we estimate that around one in eight claimants would be affected - equivalent to about 13,700 of those 18 to 21 year olds who were claiming Housing Benefit in early 2015. If we translate this into cost savings, we calculate that this would be in the region of £74 million over the three years that the exemption will be phased in. This represents about 13 per cent of the total amount spent on Housing Benefit for 18 to 21 year olds² and just 0.4 per

cent of the total annual spend on Housing Benefit in 2014/15.

So, if the policy is not really having much impact on the number of claimants, or on reducing benefits expenditure, why bother introducing it? The answer is that it is surely more about the message it sends to young people about their housing choices and lifestyles. The Budget Statement said that those young people who formerly received Housing Benefit would now face the same choices as those in work. But our interviews with young people receiving Housing Benefit suggests that they are not starting from the same place. They have not chosen to claim Housing Benefit as a kind of casual choice to live away from their parents independently - the decision was usually thrust upon them, often at short notice. In some of our cases, young people had been made homeless and were now in the process of rebuilding their lives. Others did not want to live outside their parental homes, but family circumstances dictated that they had to.

Of course, some of the young people facing problems may be classed as exempt from the measure. Vulnerability is a dynamic, not a fixed, state. It is affected by many factors, which make someone's life more or less difficult over time. Any system of exemptions is going to find it extremely difficult to keep pace with changes in circumstances: young people may have to move in and out of work or training; their relationships with their parents can fluctuate and be prone to sporadic crises or reconciliations; their emotional state and mental health may be fragile. Tracking all this over time will not only be difficult - it will also be very expensive to administer.

The withdrawal of the Housing Benefit

¹ Centre for Regional Economic and Social Research, Sheffield Hallam University
² As of February 2015

entitlement for some young people is likely to affect a fairly small proportion of claimants and save only a small amount of money, relative to the scale of the overall expenditure reductions the Government is seeking. More detailed research is needed on the circumstances of young people currently receiving Housing Benefit if policies are to be founded more on evidence than on received wisdom. But this initial exercise suggests that the withdrawal of Housing Benefit entitlement will not necessarily provide parity with those who do not receive it. Instead, many of those affected are likely to be made more vulnerable, less secure and less able to rebuild their relationship with their parents or to keep or find a job than they were before.

1. Introduction

The Summer Budget of July 2015 confirmed the introduction of a policy that had been trailed in speeches in different forms for several years, and was included in the Conservative Party manifesto of 2015 - the removal of the automatic entitlement to the housing costs element of Universal Credit (currently known as Housing Benefit) from some 18-21 year old new claimants from April 2017 onwards. The announcement confirmed that there would be some exemptions, including vulnerable young people, those who may not be able to return home to live with their parents, and those who have been in work for six months prior to making a claim. Nevertheless, the proposal caused considerable concern from a range of organisations working with young people.

The withdrawal of the entitlement, it has been argued, could increase youth homelessness, increase financial hardship for those who are on the margins of the labour market, and exacerbate tensions in the relationships some young people have with their wider family. Set against this, the Summer Budget stated that the measure would ensure that young people who formerly received Housing Benefit would now face the same choices as those young people who are in work and do not receive this kind of financial support. The Government has also argued that it was elected on a programme that included a clear mandate to reduce future expenditure on working age benefits, and this constituted one means of shaving some costs from the large Housing Benefit bill.

It is difficult to assess these claims and concerns in a robust manner. At the time of writing (September 2015), many details remain to be confirmed about how the policy will be applied, who will be affected and who will be exempt. There is also little direct recent evidence on why 18 to 21 year olds claim Housing Benefit, what their financial, social and family circumstances are, and

their motivations for seeking support to live independently of their parents. But the broad parameters of the policy are clear, and some general assessment of the potential impact is therefore possible, making various assumptions about what exemptions will be applied.

In order to generate some preliminary evidence about the current circumstances of 18 to 21 year olds claiming Housing Benefit, and to assess some of the potential consequences of withdrawing this entitlement, Crisis commissioned the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University to conduct a short research exercise to provide broad estimates of the scale of the impact and the likely cost savings from the measure, and to provide some insights into the role that Housing Benefit plays in the lives of young people who are currently receiving this support.

In this report, we briefly review recent measures that have been made to curtail Housing Benefit expenditure (Chapter 2), provide a working estimate of the number of claimants likely to be affected (Chapter 3) and the consequent cost savings this will bring (Chapter 4). In Chapter 5 we assess some of the personal experiences of young people currently receiving Housing Benefit, based on six in-depth interviews, and set this against some of the assumptions that lie behind the introduction of this measure. This leads on to the Conclusion (Chapter 6).

2. Cutting back on Housing Benefit - recent measures and current proposals

Expenditure on Housing Benefit by the UK Government in both the social and private rented sectors increased from £22.8 billion in 2009/10 (10.2 per cent of all spending on benefits, pensions and personal social services) to £26.4 billion in 2013/14 (10.5 per cent of total expenditure).³ This largely reflects an increase in the Housing Benefit caseload, especially in the private rented sector, and is part of a longer term shift in public expenditure on housing from investment ('production') subsidies to consumption subsidies.⁴

Since 2010, the cutbacks on social security expenditure have been targeted on working age benefits, while benefits for pensioners have been protected by the 'triple lock'.⁵ It therefore makes sense to view them as separate categories of welfare expenditure. The IFS Green Budget in February 2015⁶, for example, estimated that spending on pensioners was actually expected to be 6.2 per cent higher in real terms in 2015/16 than it was in 2010/11, while non-pensioner spending was expected to be 6.5 per cent lower. In terms of non-pensioner benefits expenditure, £19.2 billion was spent on Housing Benefit in 2014/15 (8.7 per cent of total social security expenditure and nearly a fifth of total non-pensioner expenditure) - more than any other working age benefit except tax credits (£29.9 billion).

It is therefore not surprising that successive attempts have been made to cut back on Housing Benefit expenditure for working age tenants, especially since the formation of the Coalition government in 2010. These initiatives have involved a combination of:

- Reducing Housing Benefit rates. In 2011 caps were placed on the rates of Local Housing Allowance (LHA) for different bedroom sizes in the Private Rented Sector (PRS), reducing Housing Benefit entitlements in high rent areas in central London. Non-dependant deductions to Housing Benefit were also increased in three stages from April 2011 to 2013, to reflect rent increases since 2001/2. In the social sector, the 'bedroom tax' introduced in 2013 reduced the Housing Benefit entitlement of households with one 'additional' bedroom by 14 per cent and by 25 per cent for those with two 'additional' bedrooms.
- Changes in the method for uprating Housing Benefit rates have also had an increasingly important cumulative impact. In the PRS, LHA rates were frozen for a year in 2012; from April 2013 rates were uprated for a year at the 30th percentile of market rents or the September 2012 Consumer Price Index (CPI) rate, whichever was the lower. In 2014 and 2015, Housing Benefit was uprated by the 30th percentile of market rents or one per cent, whichever is the lower (with some exceptions in areas where rental levels are changing more rapidly). In line with other working age benefits, Housing Benefit rates are to be frozen for four years from April 2016.
- Changes to the method calculating Housing Benefit rates. In measures taking effect in 2011 for new claimants and 2012 for existing claimants, Housing Benefit rates in the private rented sector have been based on the 30th percentile of

3 <http://visual.ons.gov.uk/welfare-spending/>

4 Hood, A. and Oakley, L. (2014) *The Social Security System: long-term trends and recent changes* IFS Briefing Note BN 156. Institute for Fiscal Studies.

5 Ensuring rates rise by whatever is highest out of wage increases, inflation or 2.5 per cent

6 Institute for Fiscal Studies Green Budget 2015 Chapter 9

market rents in the local area⁷ compared to the median market rent.

- Limiting or changing entitlement to Housing Benefit. An example of this is the measure to raise the age below which the Shared Accommodation Rate (SAR) applied to single Housing Benefit/LHA recipients in the PRS, introduced in 2012. In the first eleven months of this regime, the LHA award received by those single people who were living in self-contained one-bedroomed accommodation fell by an average of £13.06 a week.⁸

The proposals to reduce entitlement to Housing Benefit for some 18 to 21 year olds fall into the last of these categories. This idea has had a longer gestation period than some of the other measures discussed above. The Prime Minister mentioned removing access to Housing Benefit for people aged 16 to 24 years old in a speech on welfare reform in Kent on 25 June 2012. The Chancellor made implicit reference to this proposal at the Conservative Party Conference later in the year when he questioned whether it was acceptable that young people who have never worked should have access to independent housing.⁹ The proposal was, however, apparently blocked by the Liberal Democrats and was shelved for the rest of the Coalition Government's term of office.

At the 2014 Conservative Party Conference, the Prime Minister announced that the Conservatives would 'stop most young people from claiming housing benefit' and that most unemployed 18 to 21 year olds would lose their entitlement. The message was reinforced by the Chancellor of the Exchequer's comment that it was 'not acceptable for young people to go straight from school to benefits.' The theme was

carried through to the Conservative Party's 2015 election manifesto - 'It is also not fair that taxpayers should have to pay for 18-21 year-olds on Jobseeker's Allowance to claim Housing Benefit in order to leave home. So we will ensure that they no longer have an automatic entitlement to Housing Benefit.'¹⁰

This commitment was taken up in the Chancellor's Summer Budget statement in July.

To prevent young people slipping straight into a life on benefits, from April 2017 the Budget will also remove the automatic entitlement to housing support for new claims in Universal Credit from 18-21 year olds who are out of work. This will ensure young people in the benefits system face the same choices as young people who work and who may not be able to afford to leave home. There will be exemptions, including for vulnerable young people, those who may not be able to return home to live with their parents, and those who have been in work for 6 months prior to making a claim, who will continue to be able to receive housing support for up to 6 months while they look for work".¹¹

It is evident from the above comments that the plan to reduce entitlement for some 18 to 21 year olds is partly about reducing the number of young people claiming Housing Benefit and also a means of reinforcing a broader narrative about strengthening incentives to work, and preventing a life of welfare dependency. This is a scenario that implies where some young people decide to live off the state rather than live independently or remain within the parental home. It assumes that young people seek support from Housing Benefit in order to enable them to leave home; that they exercise considerable choice about where

⁷ Termed the Broad Rental Market Area

⁸ Brewer, M., Emmerson, C., Hood A., and Joyce, R. (2014) *Econometric Analysis of the Impacts of LHA reforms on Existing Claimants* DWP Research Report 871 London: Department for Work and Pensions

⁹ Wilson, W. (2015) *Housing Benefit: withdrawing entitlement from 18-21 year olds*, House of Commons Library Briefing Paper Number 06473, <http://researchbriefings.files.parliament.uk/documents/SN06473/SN06473.pdf>

¹⁰ Conservative Manifesto (2015) *Strong Leadership, A Clear Economic Plan, a Brighter More Secure Future* p. 20

¹¹ HM Treasury (2015) *Summer Budget 2015*, p.41 www.gov.uk/government/uploads/system/uploads/attachment_data/file/443232/50325_Summer_Budget_15_Web_Accessible.pdf

they wish to live; that receiving support towards their housing costs reduces their desire to find employment; and that the consequences of removing their entitlement to Housing Benefit will cause them to remain with their parents, get a job and break an otherwise seamless transition from state-supported education to state-supported indolence. We assess how far these assumptions are borne out in the daily experiences of a small number of young people who are currently claiming Housing Benefit later in this report.

It is always important to distinguish between the symbolic importance of different welfare reform measures, the number of people affected and the overall financial impact of the changes. These three aspects are not necessarily closely aligned. To take one example, the introduction of the bedroom tax by the previous government occasioned far more debate and opposition than the various changes to Housing Benefit in the PRS. Yet the annual savings from the bedroom tax were estimated at around £330 million¹² compared to an estimated £1,645 million per year savings for the changes in the PRS.¹³ The withdrawal of the housing costs entitlement of Universal Credit has been expressed more in terms of the symbolic messages it sends and in reducing the number of young people claiming Housing Benefit than as a way of making major cost savings, though some reductions in expenditure will inevitably be made as a result of the measure.

In the remainder of the report we follow through these three aspects of the withdrawal of Housing Benefit entitlement for claimants aged between 18 and 21: the policy rationale, the extent of coverage and the expenditure consequences of reform. In the next chapter we estimate in very broad terms how many people are likely to be affected by the

measure. In Chapter 4, we then calculate the cost savings set against the overall target for the government seeking to reduce the 'benefits bill'. In Chapter 5 we consider how far the lives of a few young people who are currently receiving Housing Benefit reflect some of the policy assumptions that have underpinned the case for withdrawing the entitlement, and outline their recent histories and current circumstances. This leads on to the Conclusion.

¹² Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: Joseph Rowntree Foundation.

¹³ Beatty, C. and Fothergill, S. (2013) *Hitting the Poorest Places Hardest: the local and regional impact of welfare reform*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

3. How many young people will be affected by the withdrawal of Housing Benefit?

3.1 Age of claimants

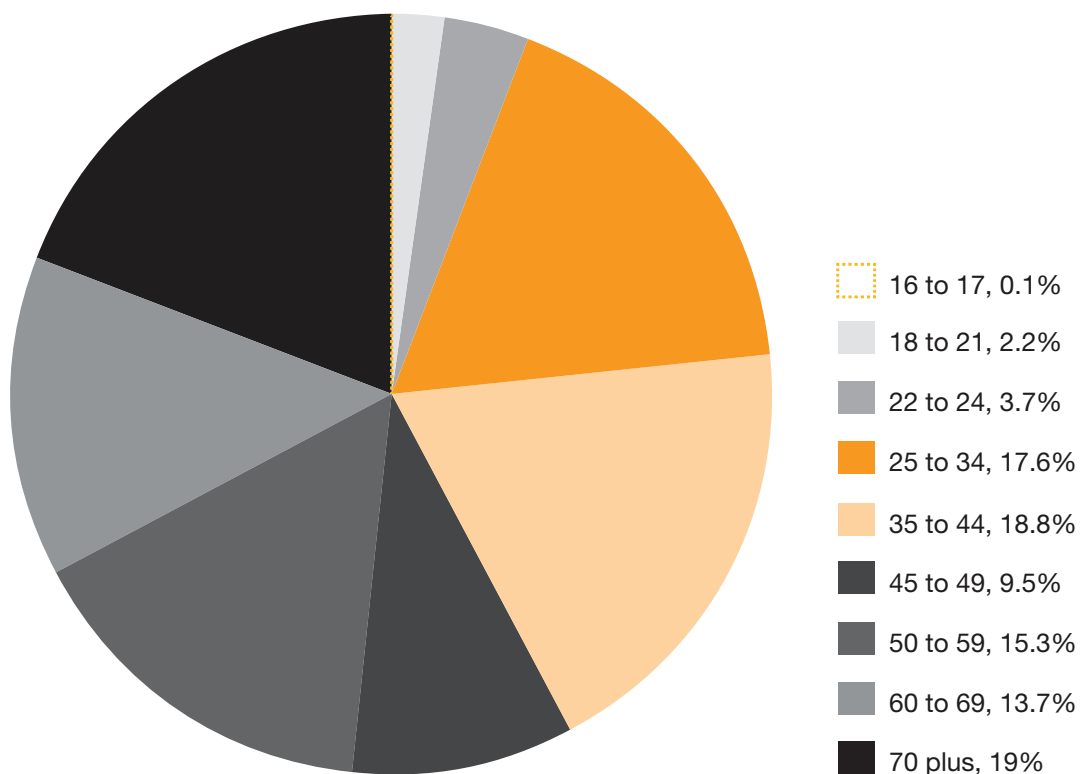
Living independently and relying on Housing Benefit to do so is not common amongst young people. Only a very small proportion of all young people aged between 16 and 21 years old claim Housing Benefit - around two per cent.¹⁴ The withdrawal of the entitlement of Housing Benefit will be applied to the 18 to 21 year old age cohort only.

Young people also comprise a relatively small proportion of all those claiming Housing Benefit. Figure 3.1 below outlines the profile of all Housing Benefit claimants as at February 2015. It shows that only two per

cent of Housing Benefit claimants were aged between 18 to 21 years old: 108,000 out of a total of 4.9 million claimants. Those in the age range 16 to 24 years old accounted for six per cent of Housing Benefit claimants. By contrast, older people (aged 65 or over) accounted for 26 per cent of claimants.

Figure 3.2 highlights the age profile of all young Housing Benefit claimants aged between 16 and 24 years old as at February 2015. The number of claimants increases for each successive age band but remains relatively small. Claimants aged between 18 and 21 years old represent 36.8 per cent of all young Housing Benefit claimants.

Figure 3.1: Age of Housing Benefit claimants¹⁵



¹⁴ Housing Benefit claims are measured as households so an exact figure is not available. In mid 2013 there were 4.69 million 16 to 21 year olds in Great Britain according to ONS population estimates.

¹⁵ Data from: DWP STAT XPLORE database for February 2015, Great Britain

3.2 Changing trends in the age profile of Housing Benefit claimants

The total number of Housing Benefit claimants increased by just one per cent between January 2011 and February 2015. However, this conceals differences between age groups. As Figure 3.3 below indicates, the number of 18 to 21 year olds claiming Housing Benefit declined by 32 per cent between January 2011 and February 2015. This represented a decrease of 51,000 claimants. In January 2011, 18 to 21 year olds accounted for 3.3 per cent of all claimants but by February 2015 this had declined to 2.2 per cent of all claimants. In contrast, the number of 50 to 59 year olds increased by seventeen per cent, representing an increase of 109,000 claimants.

The withdrawal of Housing Benefit entitlement will be applied to 18 to 21 year olds, and not to the very small number of 16 and 17 year old claimants. Figure 3.4 below shows that the decline in claimant numbers between 2011 and 2105 was relatively uniform across each age in the 18 to 21 year old age band.

Figure 3.2: Housing Benefit claimants aged 16 to 24 years¹⁶

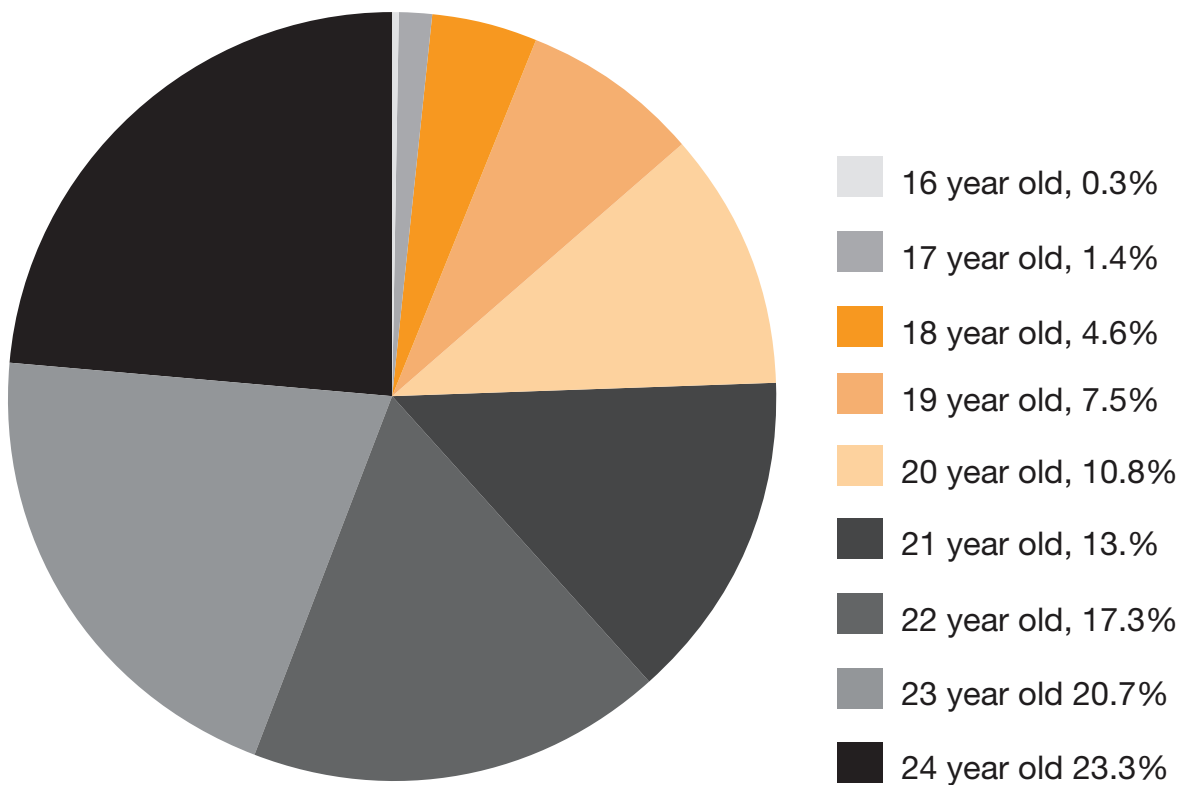


Figure 3.3 : Number of Housing Benefit claimants, January 2011 to February 2015¹⁷

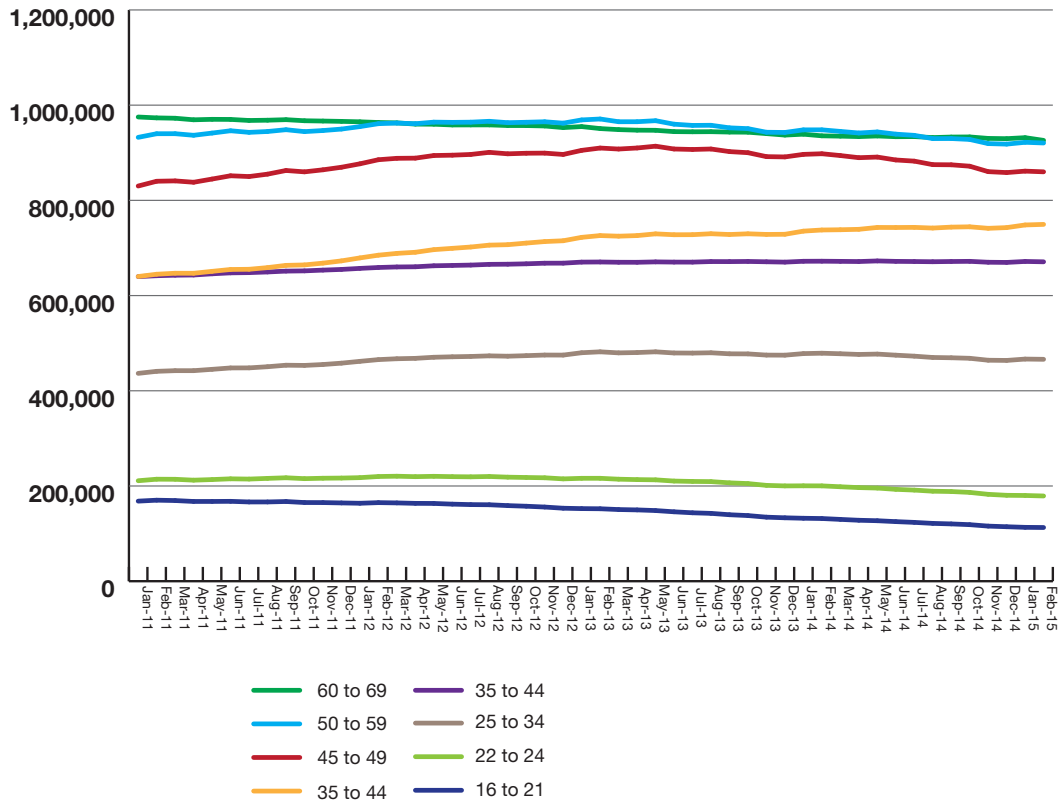
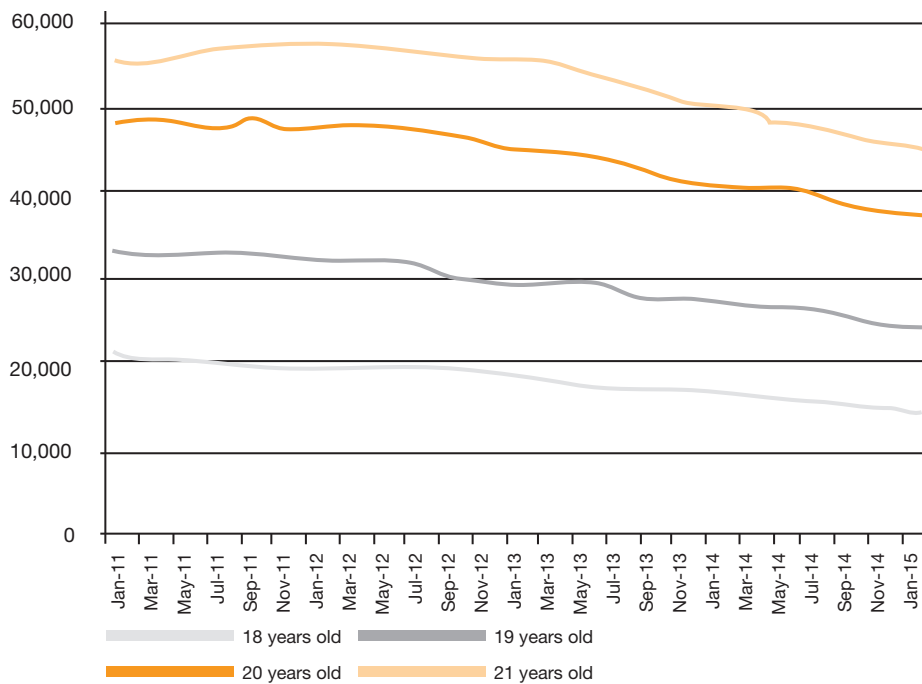


Figure 3.4: Number of Housing Benefit claimants, 18 to 21 years, January 2011 to February 2015¹⁸



¹⁷ Data from: DWP STAT XPLORE database for Great Britain

¹⁸ Data from: DWP STAT XPLORE database for Great Britain

3.3 Employment, geographical and tenure characteristics of young claimants

Figure 3.6 shows that the majority of young (18 to 21 year old) Housing Benefit claimants (79 per cent) were in receipt of passported benefits such as Income Support (IS), Jobseekers Allowance (JSA, Income-Based) or Employment Support Allowance (ESA, Income Based) as at February 2015.¹⁹ In total, 14 per cent of claimants were in employment and not on passported benefits. Between January 2011 and February 2015 the absolute number of 18 to 21 year old claimants on passported benefits declined by 42,000. However, the proportion of claimants in employment and not on passported benefits remained relatively stable.

Figure 3.6²⁰ below indicates that over half of claimants between 18 and 21 years old (55 per cent) on passported benefits were receiving IS at February 2015.²¹ Around one in five of these young claimants (22 per cent) were in receipt of income based JSA and a similar proportion (22 per cent) were in receipt of income based ESA. Between January 2011 and February 2015, the number of young claimants in receipt of IS declined by around 27,000, representing a reduction of over a third (37 per cent). There was also a decline in the number of claimants between 18 and 21 years old in receipt of JSA (25,000), representing an even sharper reduction of 56 per cent. In contrast, the number of young claimants in receipt of ESA almost doubled from 10,000 in January 2011 to 19,000 in February 2015. This means that the main ‘target group’ for the withdrawal of Housing Benefit - young people in receipt of JSA - has been declining quite rapidly in recent years,

in both numerical and proportionate terms. This has been partly counterbalanced by a small increase in numbers on ESA in the Assessment Phase or in the Work Related Activity Group in this period.

3.4 Potential exemptions from the withdrawal of Housing Benefit for 18 to 21 year olds

The 2015 Summer Budget announcement of proposed changes to Housing Benefit stated that it would remove the automatic entitlement to housing support for new claims in Universal Credit from 18-21 year olds who are out of work from April 2017. It continued: ‘

*There will be exemptions, including for vulnerable young people, those who may not be able to return home to live with their parents, and those who have been in work for 6 months prior to making a claim, who will continue to be able to receive housing support for up to 6 months while they look for work.*²²

In this section we make a provisional assessment of the potential number of households who will be affected by this proposal, after allowing for various exemptions. There has not yet been a detailed statement by the Government about all the exemptions that will be applied, so some of these numbers are based on assumptions and estimates rather than confirmed policy at this stage.

In February 2015 there were 108,000 Housing Benefit claimants aged 18 to 21 years.²³ In this caseload of Housing Benefit claimants:

¹⁹ Not all of these claimants would have been unemployed as some of these passported benefits are available for people who are in-work.

²⁰ NOTE: Claimants may be in receipt of more than one benefit.

²¹ Of these young Housing Benefit claimants receiving IS the majority (71 per cent in Feb 15) were lone parents.

²² Data from: DWP STAT XPLORE database

²³ HM Treasury (2015) Summer Budget 2015, p.41 www.gov.uk/government/uploads/system/uploads/attachment_data/file/443232/50325_Summer_Budget_15_Web_Accessible.pdf

²⁴ Data from: DWP STAT XPLORE database for Great Britain, January 2011 to February 2015

²⁵ Data from: DWP STAT XPLORE database for February 2015, Great Britain. Figures in this section are all derived from this source unless stated otherwise.

Figure 3.5: Employment status of Housing Benefit claimants, 18 to 21 years²⁴

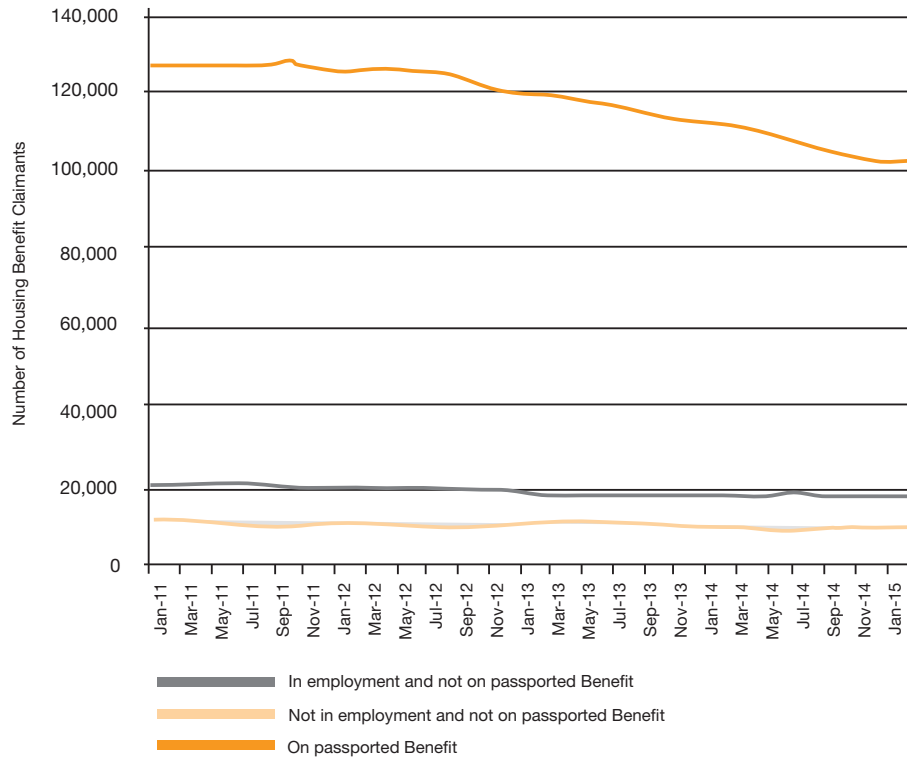
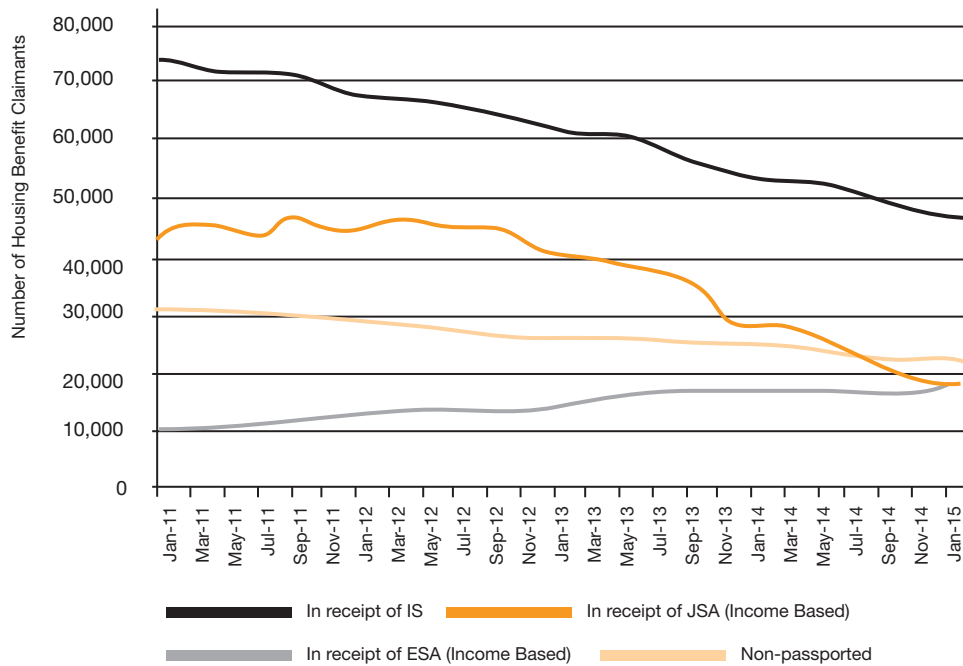


Figure 3.6: Benefit status of young Housing Benefit claimants, 18 to 21 years, January 2011 to February 2015, Great Britain²⁵



- 15,600 of 18 to 21 year old claimants were in work and not in receipt of a passported benefit. It is almost certain that these households will be exempt from the proposed Housing Benefit withdrawal. This leaves 92,100 households who might be affected by the proposals.
- Of the remaining claimants, a further 42,200 had one or more child dependants. It is highly unlikely that these claimants will be included in the proposals to withdraw entitlement.
- The remaining 49,900 households in the February 2015 caseload have no child dependents and do not fall within the group of 'in-work and not in receipt of a passported benefit'.

From the announcements that have been made so far, the most likely scenario is that the restrictions on Housing Benefit entitlement would apply only to those claimants who are also in receipt of JSA (16,900). Other claimants who might be considered to be unemployed (or in limited employment) and are in receipt of ESA in the Support Group, or on Income Support and a lone parent, are therefore not likely to be included in the restrictions. While no firm statement has yet been made, it is likely that those in the Work Related Activity Group (WRAG) of ESA will also be exempt. It is not clear whether those in the Assessment Group of ESA will be exempt. These two ESA groups together amount to 9,700 claimants.²⁶

Therefore, on the basis of February 2015 figures, the most likely target group for the measure would be the 16,900 households

aged 18 to 21 years and with no child dependants who were claiming JSA. This suggests that, on the basis of the current Housing Benefit caseload, a maximum of 16 per cent of 18 to 21 year olds in receipt of Housing Benefit would be affected by the proposal before any other confirmed or potential exemptions are applied.

There are likely to be several types of household within this group who receive an exemption. The Summer Budget announcement²⁷ suggested that exemptions would include:

- Vulnerable young people
- Those who have been in work for 6 months prior to making a claim
- Those who may not be able to return home to live with their parents

It is not possible to provide a direct measure of the number of claimants in each of these categories, and many 'vulnerable' claimants would not be affected anyway, because of the application of other exemptions (for example, being in receipt of ESA). Only a very broad estimate of the proportion of claimants who might be considered to be vulnerable can be made. Leishman and Young estimated that 23.9 per cent of 18 to 21 year olds accommodated through Supporting People were either leaving care/prison, at risk of violence from family or partner or had support needs due to drug and alcohol problems.²⁸ Care leavers will be exempt from the withdrawal of Housing Benefit, but it is not yet clear what other types of vulnerability might lead to an exemption from the proposed Housing Benefit changes. One might also assume that a smaller proportion

²⁶ Estimated from the current stock of ESA claimants aged 18 to 24 years old

²⁷ HM Treasury (2015) *Summer Budget 2015*, p.41 www.gov.uk/government/uploads/system/uploads/attachment_data/file/443232/50325_Summer_Budget_15_Web_Accessible.pdf

²⁸ Table 2 in Leishman, C. and Young, G. (2015) *Lifeline not Lifestyle: An economic analysis of the impacts of cutting Housing Benefit for young people*, Edinburgh: Heriot Watt.

of JSA Housing Benefit claimants will be classified as vulnerable than those who claim ESA. If we assume, extremely cautiously, that the proportion of young Housing Benefit claimants (18 to 21 years, no dependent children, receiving JSA) who would be classed as 'vulnerable' at 10 per cent, it would reduce the stock of those facing the withdrawal of Housing Benefit from 16,900 to 15,200.

It is not possible to make an estimate from available figures on the proportion of young Housing Benefit claimants on JSA who will have worked for six months prior to claiming Housing Benefit. It is also not clear at present what the minimum number of hours per week needs to be spent in employment to fall into this category. For instance it is known that there is considerable 'churn' among JSA claimants in this age group, moving in and out of work and training. An indication of this is that in February 2015, less than a quarter (24.5 per cent) of JSA claimants aged 16 to 24 years had been in receipt of the benefit for six months or longer.²⁹ It suggests that the majority of young people had been claiming JSA for less than six months (assuming the figures are broadly comparable for 18 to 21 year olds as for the bigger age group).

Finally, there is no agreed estimate of the number of young people who would not be able to return to the parental home for other legitimate reasons (e.g. lack of space, death in the family, divorce or remarriage). Nor is it clear what process will be required to provide evidence that they cannot return home. This exemption category will further reduce the number of affected households. As we will show in Chapter 5, five of the six young people we interviewed said it would be very difficult to return home to live with their parents, for a variety of reasons.

This suggests that the actual figure of current Housing Benefit claimants that would be affected by the withdrawal of their entitlement if they were new Universal Credit claimants in April 2017 is likely to be considerably below 15,200. We do not have any evidence on how many Housing Benefit claimants not already covered by the other exemptions would be covered by the 'six months prior employment' or the 'inability to return to the parental home' categories. If we make a very cautious assumption that this would apply to just 10 per cent of those who would be affected by the withdrawal, this would bring the number down to around 13,700 - or around one in eight of all 18-21 year old Housing Benefit claimants (108,000) as at February 2015.

The Budget announcement suggested that these measures would be introduced for new claimants for housing support on Universal Credit from April 2017. As the policy relates to new claimants (rather than those existing claimants transferred from Housing Benefit), the numbers affected by the proposals and potential impacts will be reduced even further. In February 2015, the on-flow of new Housing Benefit claimants represented about 2.5 per cent of the total stock.³⁰ It will take less than three years (up to 2020) for the proposals to have their full impact in terms of the relatively modest number of people affected.

²⁹ Author's calculations based on data from NOMIS for Great Britain in February 2015 (claimant count by age and duration).

³⁰ Authors calculations using STATXPLORE and experimental Housing Benefit Flow data from DWP (www.gov.uk/government/statistics/experimental-housing-benefit-and-council-tax-benefit-flows-data-november-2008-to-present).

4. How much will be saved by withdrawing Housing Benefit from some 18 to 21 year olds?

4.1 Introduction

In its Green Budget of 2015, the Institute for Fiscal Studies (IFS) assessed the impact of removing Housing Benefit from all claimants aged 21 and under and estimated that it would reduce annual Housing Benefit expenditure by around £700 million, or about half of that if those households with children were exempt. It is estimated that if Housing Benefit were removed just from those who were 21 and under and claiming JSA, this would affect only a quarter of claimants who were not employed (and less than 20 per cent of the group as a whole). It would, however, affect some couples with children and lone parents with older children and affect around 24,000 families and reduce spending by £120 million a year.

The IFS analysis, referring to the broader group of under 25 year olds, not just the 18 to 21 category, concludes:

In summary, total spending on housing benefit and jobseeker's allowance for those aged under 25 is less than £2.5 billion a year, or around 1% of the total social security budget. This means that even dramatic changes, such as the removal of entitlements for sections of this group, would deliver only a small reduction in spending.³¹

We follow this analysis through, using more recent figures on the characteristics of Housing Benefit claimants, in the next section of this chapter.

4.2 Weekly awards and estimated costs

Figure 4.1 below shows that in February 2015 the majority of young Housing Benefit claimants (63 per cent) were receiving a maximum of £100 per week. A small minority of young claimants (7 per cent) were receiving more than £200 per week. The award amounts for young claimants were broadly in line with those for all other Housing Benefit claimants. It is estimated that the total cost of providing Housing Benefit to 18 to 21 year olds was £571 million per annum.³² This is a reduction of around a quarter from the estimated total cost as at January 2011 (£767 million). The estimated annual costs for the provision of Housing Benefit to young claimants who were also in receipt of passported benefits was £265 million for IS claimants, £102 million for JSA claimants and £106 million for ESA claimants.³³

Trends in weekly awards between January 2011 and February 2015 are outlined in Figure 4.2. They show that the sharpest decline in claimant numbers was found in the lower award bands, particularly between £50 and £75. The number of claimants in receipt of higher weekly awards remained relatively stable.

4.3 Estimated savings from withdrawal of Housing Benefit for 18 to 21 year olds

The weekly awards for this group (18 to 21 years, no dependent children, receiving JSA) were analysed to assess the expenditure related to their claims.

- Expenditure on this group was estimated

³¹ Institute for Fiscal Studies Green Budget 2015 Ch 9 p 16

³² Based on award costs from February 2015. Estimate is based on households rather than individuals. Missing values were assumed to be at median award cost. This was used to calculate total annual cost.

³³ Note: these figures cannot be summed as there is overlap between the claimant groups.

Figure 4.1: Weekly Housing Benefit award cost, 18 to 21 year olds³⁴

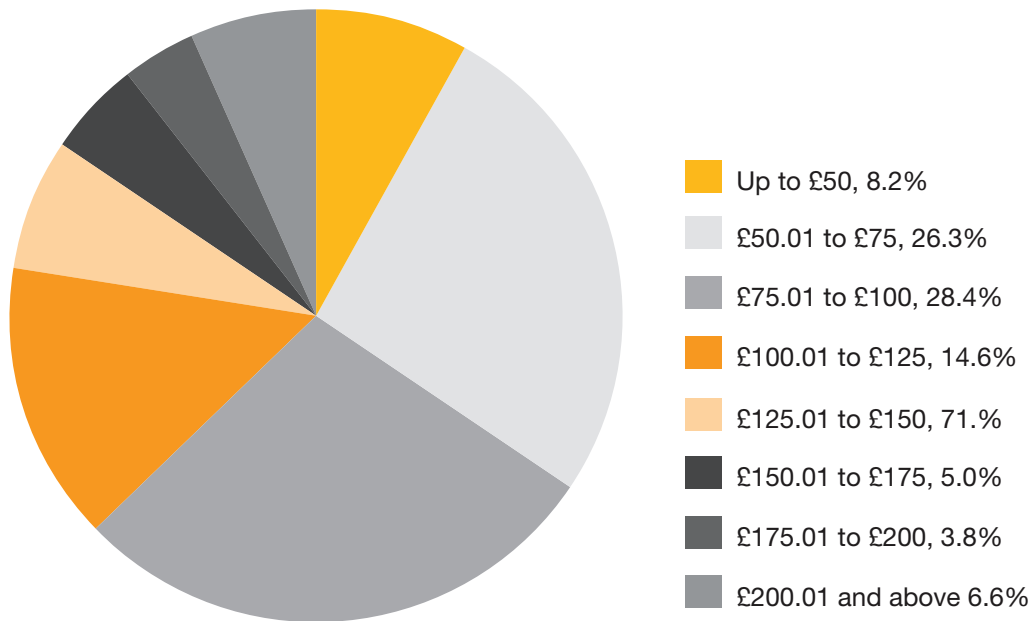
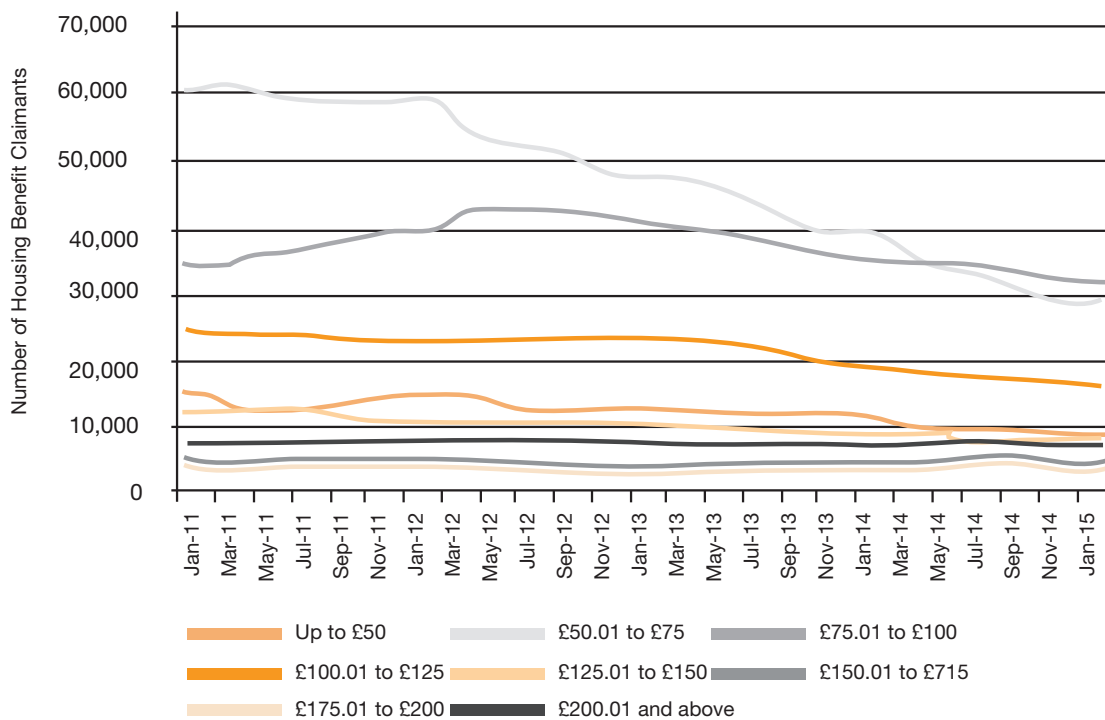


Figure 4.2: Trend in weekly award costs for Housing Benefit claimants, 18 to 21 years³⁵



³⁴ Data from: DWP STAT XPLORE database for Great Britain. Excludes missing values which account for around 1% of claimants.

³⁵ Data from: DWP STAT XPLORE database for Great Britain

to be £91.1 million per annum based on weekly awards as at February 2015. This provides an estimate of the maximum likely saving if the measures were applied to all of the existing caseload.

- If we include as a working assumption that 10 per cent of this group might be considered to be vulnerable (see Section 3.4), the estimated expenditure falls to £82 million per annum based on weekly awards as at February 2015.
- If we then allow for those young people who will be exempt because they have worked for six months prior to claiming, as well as those not otherwise covered by the vulnerability exemption who may not be able to return to the parental home (see Section 3.4), but if we follow the same cautious estimate as we did in Chapter 3 we think it is reasonable to assume that this could bring down total cost savings, *over the three years in which new claimants will be assessed under this regime*, to the region of £74 million a year, though clearly this is a very broad estimate.

If we use the estimated total savings figure (based on the stock of young Housing Benefit claimants who would not be exempt) of £74 million, this is not too far from the HM Treasury estimate of £95 million savings in the Budget book over the three year period (£25 million in 2017/18, £35 million in 2018/19 and £35 million in 2019/20). The expenditure saving from this measure over three years therefore represents just 0.4 per cent of the total annual spend on Housing Benefit for working age claimants in 2014/15 and about 13 per cent of the total amount spent on Housing Benefit for 18 to 21 year olds as at February 2015.

The inference to be drawn from this analysis seems clear. The purpose of the withdrawal

of entitlement for the housing costs element of Universal Credit from April 2017 is primarily about changing what are assumed to be the lifestyles and the choices open to a minority of 18 to 21 year olds claiming Housing Benefit. It is not about making any substantial savings on future benefit expenditure.

That will need to be achieved through other measures. This raises questions about how and why young people currently come to claim Housing Benefit in the first place - what it means to them, what choices they make about jobs, home and family as a result and the potential consequences of withdrawing their entitlement. These questions can only be answered through a comprehensive study of family histories, education and employment experiences and their housing pathways. That is well beyond the scope of this modest study. However, we have managed to explore the experiences of a small number of young people currently receiving Housing Benefit, in order to provide some preliminary insights into the potential impact of the proposed measure on their lives. Their accounts are discussed in the following chapter.

5. The value of Housing Benefit for young people: personal experiences

5.1 Introduction

The proposal to remove automatic entitlement to Housing Benefit (or, by April 2017 the housing costs element of Universal Credit) from some unemployed 18-21 year olds is premised on the assumption that young people can remain in the familial home if they have insufficient income to cover housing costs to live independently, and that it is reasonable to expect them to do so. And there is evidence that many young people are choosing to do just that. Reduced LHA entitlement and changed economic and housing market conditions - high house prices, restrictive mortgage lending, an expensive and competitive private rented market and scarce social housing - are prompting changes in young people's housing careers, including extended transitions between the parental home (s) and independent living.³⁶ Young people are leaving home later, returning several times before achieving independence, and relying more on parents financially to move into and sustain independent living.³⁷

However, there is also evidence of increasing polarisation between young people from well-resourced families, for whom extended dependency is easier to manage, and the more difficult transitions of those from families lacking in economic and/or social capital,³⁸ as well as growing youth homelessness.³⁹ According to recent estimates produced by the University of Cambridge, 83,000 young people aged

16-24 were temporarily accommodated by the local authority or homelessness service in 2013/14 in the UK, with 35,000 accommodated at any one time. Significant numbers were also estimated to be sofa surfing and rough sleeping.⁴⁰ Research tracing the housing pathways of homeless people has found that a significant proportion of homeless people first become homeless before the age of 20, and are made homeless directly from the parental home.⁴¹

We know from extensive research evidence on youth homelessness that many of these young people have not left home by choice, and do not have loving families to return to. Family breakdown, including escape from negative home environments, is consistently found to be the most common factor associated with youth homelessness.⁴²

A detailed look at the lives and experiences of six 18-21 year olds claiming Housing Benefit (see Section 5.3) illustrates this point, emphasising the crucial role Housing Benefit plays in the lives of young people who do not have the luxury of a well-managed 'extended transition' to independence. As Paul, one of the young people interviewed, put it:

I really do think that this... idea of being independent when you're financially secure and only then is not reality; it's very exclusive to people in the situations I've experienced, it's something that does not

36 McKee, K (2012) Young people, homeownership and future welfare *Housing Studies*. 27, 6, p. 853-862

37 Heath, S and Calvert, E. (2013) "Gifts, Loans and Intergenerational Support for Young Adults." *Sociology* 47, no. 6 (2013) : 1120-1135

38 Elsley, S., Backett-Milburn, K., and Jamieson, L. (2007). *Review of Research on Vulnerable Young People and their Transitions to Independent Living*. Edinburgh: Scottish Executive Social Research.

39 Leishman, C. and Young, G. (2015) *Lifeline not lifestyle: an economic analysis of the impacts of cutting housing benefit for young people*. London: Centrepoint; and www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/homelessness-problems-for-under-25s-up-57-per-cent-as-recession-takes-its-toll/

40 Clarke, A., Burgess, G., Morris, S., and Udagawa, C. (2015) *Estimating the Scale of Youth Homelessness in the UK*. London: Centrepoint.

41 Reeve, K and Batty, E. (2011) *The Hidden truth about Homelessness: experiences of single homelessness in England*. London: Crisis; Mackie, P. and Thomas, I. (2014) *Nations Apart? Experiences of single homeless people across Great Britain*. London: Crisis

42 Leishman, C. and Young, G. (2015) *Lifeline not lifestyle: an economic analysis of the impacts of cutting housing benefit for young people*. London: Centrepoint; Clarke, A., Burgess, G., Morris, S., and Udagawa, C. (2015) *Estimating the Scale of Youth Homelessness in the UK*. London: Centrepoint; Scottish Parliament Equal Opportunities Committee (2012) *Having and Keeping a Home: steps to preventing homelessness among young people*. Edinburgh: Scottish Parliament; Homeless Link (2014) *Young and Homeless 2014*. London: Homeless Link; Mackie, P. and Thomas, I. (2014) *Nations Apart? Experiences of single homeless people across Great Britain*. London: Crisis.

take into account mental health, it doesn't reflect reality.

It is important to point out that some of these young people may be exempt from the withdrawal of Housing Benefit on the grounds of 'vulnerability'. It would not be possible to assess this until the list of exemptions is confirmed. But their experiences are intended to be indicative of the circumstances and difficulties facing people claiming Housing Benefit in this age group, and of the distance that can arise between some of the assumptions behind welfare benefit policies and the lived realities of those who may be affected by them.

5.2 The role of Housing Benefit in the lives of young people

Details of the circumstances of Tom, Janey, Andy, Paul, Ryan and Zoe, and their reasons for claiming Housing Benefit are shown in 5.3 below.⁴³ In this section we have distilled some of their experiences and set them against some of the assumptions that appear to lie behind the decision to remove Housing Benefit. Their stories illustrate the following important considerations in any policy decision to restrict Housing Benefit to this age group.

Young people living independently have not all 'chosen' to leave home

Three of the six young people whose case studies are presented below had experienced a serious breakdown in their relationship with their family. This, and this alone, had prompted them to leave the family home to live independently. Janey and Ryan were thrown out of the family home and had no option but to leave, while Tom described running away from home at the age of 14 when his relationship with his parents broke down completely. 'Choice' was not

something Paul and Andy felt they had either - both left home to escape abuse from their parents. Only Zoe made an active choice to leave home, albeit prompted by an increasingly strained relationship with her mother. However, Zoe was not reliant on Housing Benefit when she first lived independently but was working and able to support herself.

When asked to consider whether they could have remained at home, or could return home if necessary, the prospect of doing so elicited some very strong reactions:

Probably would have ended my life, probably would have taken overdoses...I would have been pushed to the end of my life if I had been forced to stay in that sort of zone (Andy)

Either I'd have killed myself or my father; it would have been one of those two options (Paul)

Ten to one I'd be in prison or dead. Seriously, I would be cos I'd have either murdered my mum or killed myself because of my mum, one or other (Zoe)

Mostly, these young people did not want to live independently at such a young age but their family circumstances dictated that they had to. Remaining at home with a loving family was the ideal - and in other circumstances this is the choice they would have all made - but it was not a reality. Janey, for example, explained that she would like to return home but her parents will not allow it and Zoe said: 'If I could live with my mum I'd stay with my mum for the rest of my life.' but explained that their relationship had become so strained when they lived together that she did not consider this a viable option. In any case, by the time Zoe became unemployed and reliant on Housing Benefit, her mother

⁴³ These young people were accessed through services working with young people and through a housing association. The only criteria applied were that they were under the age of 21 and claiming Housing Benefit.

had moved into a much smaller property (see below).

Young people living independently are not all using Housing Benefit as a means to leave home. Rather, Housing Benefit provides a crucial safety net at a time of crisis

When these six young people were asked why they left home, none had left to move into rented accommodation supported by Housing Benefit, and eligibility for Housing Benefit played no part in their motivation for leaving. Tom, Janey, Ryan, Andy and Paul's transitions to independence were neither planned nor managed, and all became homeless from the family home. They did not 'leave home' because they wanted to live independently. They left because they had to. Having left home abruptly, Housing Benefit then provided a safety net for those who were able to access homelessness accommodation, to help them through their housing crisis, and then an opportunity to escape homelessness. The claim made in the Conservative Party Manifesto that young unemployed people are claiming Housing Benefit in order to leave home does not resonate at all with these cases.

Young people living independently do not always have the option of returning to the family home

None of the six young people interviewed had the option of returning home. In a couple of cases parental circumstances had changed so that, even where relationships had improved, parents were no longer able to accommodate the young person. Tom's father, for example, had formed a new relationship, expanding his household from one to four, while Tom's mother had also remarried and acquired a second family. Neither had room to accommodate Tom. When Zoe lost her job and her home, her mother no longer had space to accommodate her, having moved into a one-bed flat. Zoe's father had passed away. Ryan and Janey's parents remained unwilling to accommodate them and Paul and Andy

certainly could not return to the parents who had abused them. As Paul explained: *"[friends] expected me to want to go home yet I'd found, after what I'd been through, sleeping in internet cafés and tube stations to be preferable"*. The impact on others within the family home, particularly younger siblings, was also a consideration. As Ryan explained: *"I can't do that [return home] to my brother anyway, cos he's put up with it his whole life, having to watch us scream at each other"*

Removing Housing Benefit entitlement from 18-21 years olds is likely to result in rough sleeping or hidden homelessness for some, unless workable exemptions are put in place

When asked to consider what might have happened had they not been eligible for Housing Benefit all six of the young people interviewed were unequivocal: they would be homeless, staying with friends or sleeping rough:

Unquestionable. I'd have been on the streets (Paul)

I'd either be on a couch or on one of my mate's floors or even on the streets (Tom)

If Housing Benefit were stopped all I'd have the option to do is living in a campervan or a tent cos I won't be able to afford rent (Andy)

If they stopped my Housing Benefit I'd be homeless again...I'd get kicked out of my flat, probably on the streets somewhere (Janey)

I wouldn't have been able to live in any of the places I lived [hostels] cos they only take you with Housing Benefit...I'd be living on the streets. There's nowhere else for me to go. I didn't have any family I could stay with (Ryan)

I'd be on the streets, cos I wouldn't be able to pay for my rent (Zoe)

Many unemployed young people living independently have not ‘slipped into a life on benefits’⁴⁴ but, like those living with parents, are seeking or undertaking education, work and employment

Despite the difficulties Tom, Andy, Zoe, Janey, Paul and Ryan encountered - homelessness, family breakdown, mental health issues - all pursued education and training opportunities, albeit intermittently, and sought (and sometimes secured) work. They attended college and school courses, sat exams, and applied for jobs. Long periods would sometimes elapse between employment, training or education, and courses were not always completed or jobs sustained, especially during episodes of homelessness. However, none of these six young people wanted or intended to spend more time on benefits than was necessary. Ryan’s comments illustrate this well:

‘It’s hard to be our age and live on your own... we don’t want to be relying on benefits, that’s not what you want at 21, you want to be working, being able to support yourself... I’m just trying to get my grades up more so I can apply for all these jobs... I’ve applied for years and I’ve got nowhere cos grades aren’t good enough, not enough qualifications, not successful this time. So coming to college is the only thing I can do right now before I can get a job and after that you can support yourself (Ryan).

Young people’s circumstances can change frequently, potentially moving them into and out of Housing Benefit eligibility

The housing, benefit, employment and educational circumstances of the six young people interviewed changed rapidly. They moved in and out of employment, training and education, sometimes full time, sometimes part time; they moved between JSA, IS and ESA, depending on their circumstances and

current state of their health; relationships with parents and parental circumstances fluctuated and changed, as did their health (especially their mental health). Tom and Zoe both worked at times, but rarely for long enough that they would subsequently qualify for Housing Benefit under the proposed new rules. Assuming some exemptions are put in place, as discussed in Chapters 3 and 4, most of these six young people would have moved in and out of Housing Benefit eligibility a number of times over a short period. It will be extremely difficult to track these changes over time, especially as some young people will have quite volatile family, employment and financial circumstances.

Housing Benefit can allow young people to find a sense of security and stability from which they are more able to work, study, and rebuild familial relationships.

Housing Benefit allowed each of the six young people interviewed to access (temporary and permanent) accommodation rather than face homelessness or rooflessness. Once they were in more stable accommodation and away from abusive or disruptive home lives, studying, training or working became more possible. In other words, eligibility for Housing Benefit provided the security for these young people to embark on Education, Training or Employment (ETE). Andy, for example, felt able to actively pursue employment opportunities once he moved into interim supported accommodation and after a few months successfully applied for an apprenticeship and ceased his JSA claim (but remains entitled to full Housing Benefit). When Janey and Zoe secured their own tenancies they immediately enrolled on college courses. Ryan and Tom both described the difference stable accommodation can make to education and employment:

44 HM Treasury (2015) *Summer Budget 2015*, www.gov.uk/government/uploads/system/uploads/attachment_data/file/443232/50325_Sumer_Budget_15_Web_Accessible.pdf

Without that stability you've got nothing else to think about but your living situation, that's the only thing that's on your mind, education doesn't come into it, the rest of your life doesn't come into it, the only thing you can think of is where am I going to put my head tonight, where am I going to put my head tomorrow, where am I going to be next week? ...If you know your housing is sorted and you've got a roof to go home to you can just get on with your day, you can focus on your course and your exams (Ryan)

I were working at X warehouse but that were night shift so I were finishing there at 6 in the morning and then nobody was up who I knew [to go and stay with] but now if I did that I could just come back to my house and sleep (Tom)

The importance of security and stability more generally for young people who have experienced disruptive or traumatic home lives cannot be understated. Paul and Ryan articulated this well:

It's [Housing Benefit] been imperative, I could not have done any of this without Housing Benefit. I've needed my flat to grow, to ultimately recover from a lot of stuff, to continue to live in the world, to have aspirations (Paul)

My own place, it's all I've ever wanted since I left home was to finally be able to stop moving, to know that I don't have to move again for quite a while and I can finally call somewhere home. I haven't called anywhere home since I was 15, cos nowhere has been home (Ryan)

Paul's comment above demonstrates how aspirations can develop once young people are settled in their own accommodation. This was also very evident in Tom's comments on securing his own tenancy:

Now I've got this [property] I can get a

job and save up and find a nice girl and get a big house with lots of rooms so my children don't have to stay on the streets... now I'm in here I can get my head sorted and I reckon I'll do it pretty fast (Tom).

By living independently several of these young people had also started to rebuild relationships with their parents, sometimes receiving invaluable emotional and practical support from them. This was true for Tom, Janey and Zoe.

Clearly these are the experiences of just six young people and they cannot be taken as representative of the wider group of Housing Benefit claimants who would be affected. And some of these people may have been covered by one or more of the proposed exemptions to the withdrawal of Housing Benefit entitlement. But these experiences nevertheless highlight some of the potential impacts of no longer being eligible for Housing Benefit including: loss of tenancy through rent arrears; street homelessness as a consequence of not having the 'safety net' of the parental home to return to; disruption to education, employment or training, and to aspirations and future plans as a result; loss of the stability associated with having a 'roof over your head'; deterioration of mental health and even contemplation of suicide.

5.4 Individual profiles of the respondents

Tom

Tom lived with his mother until the age of 11 when their relationship became so fraught he was sent to live with his father. Tom's father found it difficult to cope with his son's challenging behaviour and for the next 18 months Tom was moved back and forth between his parents until, at the age of 14, his relationship with his parents broke down completely and he ran away from home to stay with an older friend. At the age of 16, keen to return home and rebuild

a relationship with his father (he remained estranged from his mother) Tom asked if he could move back home. By this time, however, Tom's father had a new partner, a stepchild and a baby and there was no longer room for Tom. He was able to stay for short periods, sleeping on the sofa but could not return home permanently. Tom spent the next two years staying with his father, his elderly grandma, friends, and occasionally sleeping rough until, at the age of 19, he was successful in his bid for a council property. His rent is covered by Housing Benefit. During the two years he stayed temporarily with friends and family Tom mostly claimed JSA. He occasionally worked and studied but found employment, education and training difficult to sustain while homeless. For example, he explained that:

I were working at X warehouse but that were night shift so I were finishing there at 6 in the morning and then nobody was up who I knew [to go and stay with] but now if I did that I could just come back to my house and sleep.

Tom's new home is on the same estate as his father and grandparents, from whom he receives some support, and he is gradually rebuilding his relationship with his mother who has since moved and formed a new family. Neither parent is able or willing to accommodate Tom but, now settled in his new home, he is feeling optimistic about the future:

Now I've got this [flat] I can get myself proper sorted. I can get a job and save up and find a nice girl and get a big house with lots of rooms so my kids don't have to stay on the streets.

Andy

Andy, who has Asperger's syndrome, left home at the age of 16 ('as soon as I were legally allowed to go') to escape abuse from his parents. He wishes to have no further relationship or contact with them because

of his suffering in their care. Initially, he was able to stay with a school friend, sharing his bunk bed for eight months and contributing to the household from Income Support and a college bursary. Andy was able to continue with his education during this time but it was a temporary arrangement only and eventually he had to move on. After spending some time sofa surfing and a brief spell sleeping rough, Andy accessed a hostel, claiming Housing Benefit to cover most of the rent, and from there was helped into interim supported accommodation where his Housing Benefit claim continued. Andy was claiming JSA by this time and, once in more stable accommodation was able to actively seek work. Using Universal Job Match he started applying for jobs and seeking training opportunities. After a few months Andy secured an apprenticeship. His apprentice wage is low so he is still entitled to full Housing Benefit but he no longer claims JSA.

Janey

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

Ryan

Ryan was in care as a young child, before being adopted at the age of 4. His relationship with his adoptive parents was always strained

and they told him to leave as soon as he turned 16, just as he was sitting his GCSEs - *'the decision was made for me that it would be better if I left...it messed my GCSEs up a lot'*. Ryan has spent the past four years living in a series of hostels, B&Bs and temporary flats, claiming Housing Benefit to cover the housing costs. During this time he embarked on training courses a number of times, including a year at catering college and a travel and tourism course but has sometimes found it difficult to sustain while being homeless. He persists, however, explaining that:

I've done this year at college and I'm doing another year. I'm just trying to get my grades up more so I can apply for all these jobs. I've done all the applying you can think of and I've got nowhere cos grades aren't good enough, not enough qualifications. So coming to college is the only thing I can do before I can get a job and after that you can support yourself.

Ryan is applying for a social housing tenancy and in the meantime has been asked by a friend to lodge with him informally. Ryan cannot claim Housing Benefit under this arrangement so his claim has ceased. Ryan's parents are only willing to see him at special occasions (family birthdays and such like) but he has a good relationship with his grandparents and younger brother.

Zoe

Zoe had a very difficult childhood, spending some time in care when her mother, a single parent, was unable to cope, and suffering long term abuse from older men in the community and within her extended family. To escape the abuse, just before Zoe was 16, she moved to a different town to live with her father but wasn't particularly happy there and so after a couple of years moved back to her mother's house. Zoe enrolled in a part time college course and secured a job. Zoe and her mother are close but have an argumentative relationship that was severely strained at this time. When Zoe's sister-in-law suggested she

lodge with her this seemed a perfect solution and one that Zoe could afford on her income. Once she moved out, her relationship with her mother improved significantly and things were going well. However, after less than a year a series of events conspired against Zoe: her sister-in-law decided she no longer wanted a lodger and asked Zoe to leave; Zoe was made redundant; and her mental health deteriorated. Zoe had suffered mental ill health (including several suicide attempts) since she started being abused. Her father had recently passed away and her mother had moved into a small one bedroom flat so Zoe moved into a hostel for the homeless. She had occasional temporary employment covering absences at her old workplace but otherwise claimed JSA and Housing Benefit. She was 19 years old. Following further deterioration of her mental health and another suicide attempt, Zoe was moved onto ESA. After about a year living in temporary accommodation, Zoe was allocated a housing association flat where she remains in receipt of ESA and Housing Benefit. She now attends college part time and spends some time with her mum every weekend.

Paul

Paul's parents divorced when he was young and he spent his childhood 'being passed around' between them. He suffered various forms of abuse in each household - *'my mum at the time suffered from severe mental health issues and was alcoholic so there was a lot of stuff that happened that was violent and aggressive'* while at his father's house he suffered *'cumulative psychological abuse from many angles'*. He was regularly thrown out by each parent. He ran away from home at the age of 15 to escape this abuse but, recognising the importance of securing some qualifications he returned to his father's house and sat his GCSEs before being thrown out again. In any case, by this point Paul did not feel able to live with either parent, explaining that *'it was that horrific'*. Professionals agreed, and he was referred to a youth housing project by his Connexions

worker. He describes moving into the housing project as *'bliss'* compared to his experience of living with his parents. The youth housing project works with young people to develop independent living skills, providing them with temporary supported housing before moving them on to a shared house, and then helping them secure their own tenancy. Paul had his own (social housing) tenancy within a year of joining the project, at the age of 17, and has been living there for four years. During this time he joined the 6th form and passed several A levels and took the first year of an engineering course before deciding this was not the career for him. He has also completed a media studies course at a local college. His rent has been covered by Housing Benefit during his time in education but he has also had several temporary jobs, during which time he ceased claiming. He has recently secured an apprenticeship in digital marketing and, although the wage is low (he remains entitled to Housing Benefit), he hopes it will lead to employment.

6. Conclusion

We stated in Chapter 2 that it is important to distinguish between the symbolic importance of welfare reform measures, the number of people affected and the overall financial impact of any changes.

Clearly, any assessment at this stage has to be provisional and indicative rather than conclusive. The exemptions to be applied to the policy are still under discussion. Some factors (the number of care leavers and young people classed as vulnerable for other reasons) are also not known. Nor has it been possible in the constraints of this modest project to estimate how many 18 to 21 year olds will have been working for six months prior to making a claim for Housing Benefit/ Universal Credit. This means that only an approximate estimate can be provided. As stated in Chapter 2, David Cameron claimed in 2014 that ‘most’ unemployed 18 to 21 year olds would lose their entitlement. Nevertheless, it is now clear that only a minority of those young people aged 18 to 21 coming forward to claim the housing costs element of Universal Credit from April 2017 will be affected.

Working from a baseline of Housing Benefit claimants of 18 to 21 year olds as at February 2015 we estimate that the number of claimants who would be affected by the withdrawal of the entitlement if they were new Universal Credit claimants in April 2017 would be below 15,000, and, making cautious assumptions about the extent of exemptions, we estimated that around 13,700 would be affected- or about one in eight of all 18-21 year old Housing Benefit claimants (108,000) as at February 2015. Working from estimates of the ‘on-flow’ of new claimants on to the Housing Benefit caseload, this suggests that it would take nearly three years (up to 2020) for the proposals to have their full impact in terms of the numbers affected.

If we translate the reduction in the Housing Benefit caseload into cost savings and make conservative assumptions about exemptions for vulnerability, this produces a savings figure in the region of £74 million. This is slightly lower than the initial Treasury estimate in the 2015 Summer Budget of £95 million in the three years from 2017/18 to 2019/20. The estimated expenditure saving from this measure therefore represents just 0.4 per cent of the total annual spend on Housing Benefit for working age claimants in 2014/15 and about 13 per cent of the total amount spent on Housing Benefit for 18 to 21 year olds as at February 2015.

In terms of the symbolic messages that underpin the policy, the interviews with six young people have indicated forcefully that they were living independently and receiving Housing Benefit as a way of making the best of circumstances that have often been thrust upon them, generally at very short notice. These young people were not living independently due to a quixotic decision or simply as a cost-free (and subsidised) ‘lifestyle choice’. In some cases they had been made homeless and were now in the process of rebuilding their lives, and support from Housing Benefit had been integral to this process. Their experiences put a rather different complexion on the possible consequences of withdrawing future entitlement to Housing Benefit for some young people in the 18 to 21 year old age band. It also challenges some of the assumptions that have been made about why young people ‘choose’ to live independently. Several of the young people we interviewed did not want to live outside the parental home, but family circumstances dictated that they had to. And for Tom, Janey and Zoe, living independently had actually enabled them to begin rebuilding relationships with their parents, and to start receiving emotional and practical support from them.

The nature of exemptions that will be eventually applied to this measure have yet to be confirmed but, given the complex and fluid nature of the lives of the six young people included in our research, the application of any system of exemptions is likely to find it extremely difficult to keep abreast of changes in circumstances: as claimants move in and out of work and training, as relationships with parents and other family members either improve or become more fraught, and as a person's mental or physical health fluctuates over time. Vulnerability is a dynamic, not a fixed, state. It is affected by many factors which make someone's life more or less difficult over time. For some young people, keeping account of constant changes in their circumstances, and seeking verification of new arrangements, will be both administratively complex and expensive to sustain.

The proposed withdrawal of Housing Benefit (or what will be the housing costs element of Universal Credit, by 2017) will only have a limited effect in numerical and expenditure terms on those young people aged 18 to 21 years who are claiming it. More extensive research is needed to see how far the experiences of the six young people interviewed in this report have a wider resonance. But this preliminary research study suggests that, while the scope for applying the measure may be limited, the impact on the lives of those who will be affected is likely to be profound - and will have effects which are directly contrary to the stated intentions of introducing the policy in the first place.

About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives. We measure our success and can demonstrate tangible results and value for money.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

We have ambitious plans for the future and are committed to help more people in more places across the UK. We know we won't end homelessness overnight or on our own. But we take a lead, collaborate with others and together make change happen.

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