



BRIEFING PAPER

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The housing cost element of Universal Credit and 18 to 21-year-olds

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Summary

David Cameron, then Prime Minister, set out several ideas for future benefit reforms during a speech [at Bluewater, Kent on 25 June 2012](#). One of the proposals included removing access to Housing Benefit for people aged 16 to 24. This was followed by references to the need to find an additional £10bn in savings from welfare expenditure in the Chancellor's speech to the 2012 Conservative Party Conference, during which he questioned whether young people who have never worked should have access to independent housing.

David Cameron returned to this theme during his [speech](#) to the 2013 Conservative Party Conference where he called for everyone under 25 to be "earning or learning." In an [interview](#) during the 2014 Conservative Party Conference, he pledged to remove entitlement to Housing Benefit for unemployed people aged 18 to 21.

As part of the Summer Budget 2015 George Osborne, then Chancellor, announced the removal of entitlement to the housing element of Universal Credit (currently Housing Benefit) from young people aged 18 to 21, with some exceptions, from April 2017. The stated rationale was to "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". The measure was initially forecast to save £40m a year by 2020/21. In response to a [PQ answered on 24 January 2017](#), the Minister said around 10,000 people would be affected, saving an estimated £95 million over the course of the Parliament. Savings estimates were subsequently revised: the Spring Budget 2017 forecast savings of £65m by the end of 2019/20.

[*The Universal Credit \(Housing Costs Element for claimants aged 18 to 21\) \(Amendment\) Regulations 2017*](#) (2017/252) were laid before Parliament on 3 March 2017 and came into force on 1 April 2017. The Regulations specified categories of young people who were **exempt** from the removal of the housing costs element of Universal Credit. These exemptions included: those who may not be able to return home to live with their parents; certain claimants who have been in work for 6 months prior to making a claim; and young people who are parents. Government guidance on the exemptions could be found in [Memo ADM 6/17](#).

A related Budget announcement set out plans to introduce a Youth Obligation for 18 to 21-year-olds on Universal Credit from April 2017. Young people were expected to participate in an "intensive regime of support from day 1 of their benefit claim, and after 6 months they will be expected to apply for an apprenticeship or traineeship, gain work-based skills, or go on a mandatory work placement".

Organisations such as Shelter, Crisis and Centrepoint welcomed the limitation of the impact to 18-21-year-olds, as opposed to the wider group of 16-24-year-olds but lobbied against the removal of what they described as an "essential safety net" that can offer a lifeline to young people faced with homelessness. Crisis said that the measure could undermine attempts to address homelessness through the *Homelessness Reduction Act 2017*. The Scottish Government opposed implementation of the Regulations in Scotland.

On 29 March 2018, the Government issued a [Written Statement](#) which announced that **the regulations would be amended "so that all 18-21 year olds will be entitled to claim support for housing costs in UC."** The Regulations (SI 2018/1129) were laid on 5 November 2018; **the relevant provisions come into force on 31 December 2018**.

1. Background

1.1 Entitlement to Housing Benefit: young people

There is no automatic entitlement to Housing Benefit. Whether or not someone can receive assistance with their rent payments through Housing Benefit is dependent on their personal circumstances, primarily their income and rent levels. In addition to assisting people who are unemployed, Housing Benefit is also payable to those in low paid work.

The personal allowances, which form part of the calculation of entitlement to Housing Benefit for all claimants, are set at lower levels for single people under 25 (not on main phase Employment and Support Allowance) and couples under 18 (not on main phase Employment and Support Allowance).

There are also restrictions on the amount of Housing Benefit someone under the age of 35 can claim in terms of the type of accommodation that Housing Benefit will cover. The Shared Accommodation Rate (SAR, previously known as the Shared Room Rate) was introduced in 1996 and originally limited the Housing Benefit that a single person under the age of 25 could receive to the average rent level charged for a room in a shared house. The SAR was introduced “to ensure that Housing Benefit does not encourage young people to leave the parental home unnecessarily or to take on higher priced accommodation at the taxpayers’ expense than they could afford from their own earnings.”¹

As part of the October 2010 Spending Review the Coalition Government announced that the SAR would be extended to cover single claimants up to age 35. This change was implemented with effect from 1 January 2012 by *The Housing Benefit (Amendment) Regulations 2011* (SI 2011/1736).

There are some exemptions from the SAR for certain categories of claimant:

- local Authority and housing association tenants. Social sector tenants normally have their rent met in full (less deductions for non-dependants and earnings) as rents are generally below market rates;
- tenants in certain supported accommodation. This covers tenants who are in accommodation where the landlord is a county council, voluntary organisation, housing association or registered charity and provides care, support or supervision. These cases are assessed under pre 1996 rules which recognise that their housing costs may be more expensive;
- claimants entitled to the severe disability premium - that is people who receive the middle or highest rate care component of Disability Living Allowance;
- claimants who have a non-dependant residing with them;

¹ Department of Social Security Press Notice, 96/09, 2 April 1996

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- claimants under the age of 22 who were formerly in social services care. This allows care leavers some leeway to become settled and move in to work or establish links whereby they could share accommodation with others. [this exemption does not apply to the extended age group]; and
- claimants entitled to an extra bedroom to allow for a non-resident carer to sleep over where overnight care is required.

Two additional exemptions were added which only apply to the extended age group:

...the Government has looked carefully at the arguments presented by a number of commentators, the Committee and other Government departments on the potential effect of these changes on specific groups and has decided to introduce two additional exemptions which will apply to the extended age group only. The first is for **a small but clearly defined group of ex-offenders who are subject to management by more than one agency under the Multi Agency Public Protection Arrangements (MAPPA) and who are most likely to pose a risk of serious harm to others if they share accommodation.** Offenders subject to MAPPA arrangements are in the main 25 years or over. In Scotland, MAPPA legislation is not yet fully in force in relation to violent and certain other offenders and so local authorities will be responsible for applying the exemption where it is considered that a claimant would present a risk of causing serious harm to the public. The Government is keen to avoid a situation that potentially risks putting members of the public in danger.

The second exemption is for people who have spent three months or more in a homeless hostel, or more than one hostel, specialising in rehabilitating and resettling this group within the community. To benefit from this exemption claimants would need to have been offered and to have accepted support services to enable them to be rehabilitated or resettled in the community. The three month qualifying condition is designed to target the exemption at people receiving a sustained programme of rehabilitation rather than people who have sporadic, short term stays. This exemption addresses the concerns raised by a number of commentators about the impact of these changes on rough sleepers, and in particular the silting up of hostel accommodation. The Government accepts that without this it will be difficult to secure suitable move-on accommodation for this group to help them in to a more settled way of life, which could undermine the Government's ambition to end rough sleeping. This exemption has been targeted at people aged 25 and over who are at greater risk of rough sleeping.²

More detailed information on the SAR can be found Library Briefing Paper 05889, [Housing Benefit: Shared Accommodation Rate](#).

Information on how the tax-benefit system treats claimants between the ages of 18-24 can be found in Library Briefing Paper [03793](#) (this paper was written in 2014 so the benefit rates mentioned are out of date).

² [SSAC Report on SI 2011/1736 and Government response](#), July 2011

1.2 Policy announcements

David Cameron's speech June 2012

In a speech [on welfare given at Bluewater, Kent on 25 June 2012](#), the then Prime Minister put forward a number of ideas for future benefit reforms, including the removal of Housing Benefit entitlement for people aged 16-24.

Subsequently, when speaking to Andrew Marr prior to the 2012 Conservative Party Conference, he confirmed that savings in the welfare bill would need to be found in 2015-16 "which starts before the next General Election." He said:

We have to find those spending reductions and if we want to avoid cuts in things like hospitals and schools and the services we all rely on, we have to look at things like the welfare budget, where we are still spending £80 billion on working age welfare.³

Conservative Party Conference 2012

George Osborne's speech to the Conservative Party Conference on 9 October 2012 confirmed the need to find an additional £10bn in savings from the welfare bill and indicated that young people might be a possible target:

And if we want to go on doing that, and limit the cuts to departments, then we will have to find greater savings in the welfare bill.

£10 billion of welfare savings by the first full year of the next Parliament.

Iain Duncan Smith and I are committed to finding these savings while delivering the most radical reform of our welfare system for generations with a Universal Credit so work always pays.

Because it's not just about the money - it comes back to fairness and enterprise.

For how can we justify the incomes of those out of work rising faster than the incomes of those in work?

How can we justify giving flats to young people who have never worked, when working people twice their age are still living with their parents because they can't afford their first home?⁴

However, in response to Parliamentary Question on the impact of withdrawing Housing Benefit from people under 25 on levels of homelessness and poverty, the then Minister, Steve Webb, said:

Current Government policy does not include withdrawing housing support from people aged under 25.⁵

DWP officials reportedly told *Inside Housing* magazine that they were "looking at changing the criteria around Housing Benefit, with a

³ *Inside Housing*, "[PM warns of further welfare cuts before election](#)," 8 October 2012

⁴ NewStatesman, '[George Osborne's speech to the Conservative conference: full text](#)', 8 October 2012

⁵ HC Deb 17 October 2012 cc343-4W

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reduction in eligibility for under-25s one of a number of options being considered” but that “any changes would affect future claimants only and we would still ensure that vulnerable people remain protected.”⁶

Conservative Party Conference 2013

David Cameron’s speech to the 2013 Conservative Party Conference contained the following references to restricting Housing Benefit for under 25s:

Today it is still possible to leave school, sign on, find a flat, start claiming housing benefit and opt for a life on benefits.

It's time for bold action here.

We should ask, **as we write our next manifesto**,⁷ if that option should really exist at all.

Instead we should give young people a clear, positive choice:

Go to school. Go to college. Do an apprenticeship. Get a job.

But just choose the dole? We've got to offer them something better than that.

And let no one paint ideas like this as callous.

Think about it: with your children, would you dream of just leaving them to their own devices, not getting a job, not training, nothing?

No - you'd nag and push and guide and do anything to get them on their way and so must we.

So this is what we want to see: everyone under 25 - earning or learning.⁸

Conservative Party Conference 2014

The policy was again discussed during the 2014 Conservative Party Conference. In an interview with Andrew Marr, David Cameron pledged that young people aged 18 to 21 would no longer be entitled to Housing Benefit or Jobseeker’s Allowance:

At heart I want us effectively to abolish youth unemployment. I want us to end the idea that aged 18 you leave school, go and leave home, claim unemployment benefit and claim housing benefit. We should not be offering that choice to young people. We should be saying to people you should be earning or learning.⁹

On 17 February 2015 the then Prime Minister repeated a commitment to require 18-21-year olds who have been out of work, training or education for six months to carry out community work of 30 hours per week alongside their job search (10 hours per week) in order to remain eligible for benefits.¹⁰

⁶ *Inside Housing*, “[Housing Benefit limit only for future claimants](#)”, 19 October 2012

⁷ Emphasis added.

⁸ *Telegraph*, “[David Cameron’s speech – in full](#)”, 2 October 2013

⁹ BBC, “[Tories would tighten benefit cap to fund apprenticeships](#)”, 28 September 2014

¹⁰ BBC News, “[Unemployed should do community work](#)”, 17 February 2015 [accessed 17 February 2015]

Summer Budget 2015

The Chancellor, George Osborne, announced the removal of entitlement to the housing element of Universal Credit (currently Housing Benefit) from young people aged 18-21, with some exceptions, from April 2017:

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

The accompanying [Policy Costings](#) document said that parents would also be exempt from the measure.¹² The withdrawal was, at that time, forecast to produce savings of £40m a year¹³ by 2020/21.¹⁴

The Budget contained a related announcement:

To help young people move into and get on in work, **the Budget will introduce a new Youth Obligation for 18 to 21 year olds on Universal Credit**. From April 2017, young people will participate in an intensive regime of support from day 1 of their benefit claim, and after 6 months they will be expected to apply for an apprenticeship or traineeship, gain work-based skills, or go on a mandatory work placement to give them the skills they need to move into sustainable employment.¹⁵

Savings at Spring Budget 2017

The 2017 Spring Budget included updated savings forecasts. The table below summarises savings forecasts made between 2015 and 2017.¹⁶

Estimated savings, published by HM Treasury at successive Budgets						
<i>£ millions</i>						
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Summer Budget 2015	0	25	35	35	40	-
Budget 2016	0	25	35	40	40	-
Spring Budget 2017	0	5	25	35	35	40

Note "-" indicates savings not estimated for 2021-22
Sources HM Treasury "red books", tables 1.1 and 1.2, Summer Budget 2015, Budget 2016 and Spring Budget 2017

Written Statement 29 March 2018

Almost a year after the date on which the Regulations came into force, the Government announced an intention to introduce amendments "so

¹¹ [HC 264](#), July 2015, para 1.159

¹² [Summer Budget 2015: Policy Costings](#), July 2015, p52

¹³ Clarified on 11 January 2019

¹⁴ Ibid.

¹⁵ [HC 264](#), July 2015, para 1.158

¹⁶ [Summer Budget 2015](#), table 2.1; [Budget 2016](#), table 2.2; [Spring Budget 2017](#), table 2.2

that all 18-21-year olds will be entitled to claim support for housing costs in UC.”¹⁷ See section 4 of this paper for more information.

2. The Regulations

[*The Universal Credit \(Housing Costs Element for claimants aged 18 to 21\) \(Amendment\) Regulations 2017*](#) (2017/252) were laid before Parliament on 3 March 2017 and came into force on 1 April 2017.

As the Summer Budget 2015 announced, the Regulations removed entitlement to the housing element of Universal Credit from certain young people aged 18-21 by amending the *Universal Credit Regulations 2013*. The provisions only apply to **new claims** after 1 April 2017 by claimants (referred to as ‘renters’ within the Regulations) who are at least 18 and under the age of 22 who are subject to all work-related requirements, and who are single or a member of a couple claiming as a single person.

Exemptions

The following claimants **can** receive the housing costs element of UC (assuming other eligibility requirements are fulfilled):

- Claimants responsible for a child or a qualifying young person.
- Claimants placed in temporary accommodation under Part 7 of the *Housing Act 1996* (local authorities’ duties to homeless people).
- Claimants unable to live with their parents because they have no parents, or neither parent lives in Great Britain.
- Where the Secretary of State believes it is inappropriate for the claimant to live with either parent, including (but not limited to) circumstances where there would be a serious risk to the claimant’s physical or mental health, or the claimant would suffer significant harm by living with them.
- The claimant has experienced actual or threatened domestic violence from their partner or former partner or by a family member.
- Claimants whose “[expected number of hours per week](#)”¹⁸ is less than 35 where the claimant has caring responsibilities for a child under the age of 13, or where the claimant has a physical or mental impairment.
- Claimants who fall within regulation 99(3) or (4) of the *Universal Credit Regulations 2013*, including prisoners; those temporarily absent from Great Britain for convalescence; those whose partner or child has died within the last six months; and those who are unfit for work in some circumstances.
- Certain claimants who are excepted from the shared accommodation requirements under the *Universal Credit Regulations 2013*, specifically:
 - a. care leavers;

¹⁷ [Welfare Reform: Written statement – HCWS611, 29 March 2018](#)

¹⁸ See [Deposited Paper 2016-0778](#) for an explanation of expected hours.

- b. those receiving the care component of Disability Living Allowance at the middle or higher rate;
- c. those receiving the daily living component of Personal Independence Payment;
- d. those subject to “active multi-agency management pursuant to arrangements established by a responsible authority under the *Criminal Justice Act 2003* in England and Wales and the *Management of Offenders (Scotland) Act 2005* in Scotland; and
- e. In Scotland, those who are considered by the Secretary of State to represent a serious risk to the public at large.

A further exemption applies where the claimant’s earned income in an assessment period is equal to or exceeds a prescribed amount. The prescribed amount is the monthly amount a person would earn while working 16 hours per week at the National Minimum Wage rate for 18 to 20-year olds or, where the claimant is employed as an apprentice, the rate for an apprentice.

Claimants are exempt from the restriction for 6 months where they have been earning for the 6 months prior to the claim and their income was equal to or exceeded the prescribed amount (see the previous paragraph for the definition of the prescribed amount).

In addition, the restriction on entitlement only applies to awards of Universal Credit (UC) in an area where the [UC digital service is operating](#).

Claimants are exempt from the restriction where they are entitled to an award of the housing costs element or an award of Housing Benefit under section 130 of the *Social Security Contributions and Benefits Act 1992*, immediately before the first day on which the 2017 Regulations would apply.

A further exemption was added by *the Universal Credit (Miscellaneous Amendments, Saving and Transitional Provision) Regulations 2018* – this exemption came into force on 11 April 2108:

Currently claimants aged 18-21 years are not generally entitled to the housing element of Universal Credit. This instrument amends paragraph 4B(1)(b) of Schedule 4 to the Universal Credit Regulations to add claimants who receive the Armed Forces Independence Payment (which is included in the definition of Attendance Allowance in regulation 2 of the Universal Credit Regulations) to the list of exemptions for vulnerable groups, so that such claimants can be awarded the housing element.¹⁹

The Government published detailed guidance on the exemptions in [Memo ADM 6/17](#), there is also guidance on [Housing Costs for 18-21 year olds](#) on the GOV.UK website.

The guidance provides the following information on the evidence required to implement an exemption:

¹⁹ [Explanatory note to SI 2018/65](#)

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The DM [Decision Maker] should accept the evidence from the person or their representative unless there is stronger evidence to the contrary or the evidence is self-contradictory. The supporting evidence may also come from the local housing authority or an appropriate third party organisation working in the local area.²⁰

²⁰ [Memo ADM 6/17](#), para 23

3. Potential impact and comment

3.1 Caseload statistics

Data is not available for the number of people receiving support for housing via Universal Credit by age. We cannot identify all existing claimants from caseload data who might have been exempt from the withdrawal of support. Therefore, we cannot estimate how many 18-21-year olds might be affected by the Government's change using published caseload data.

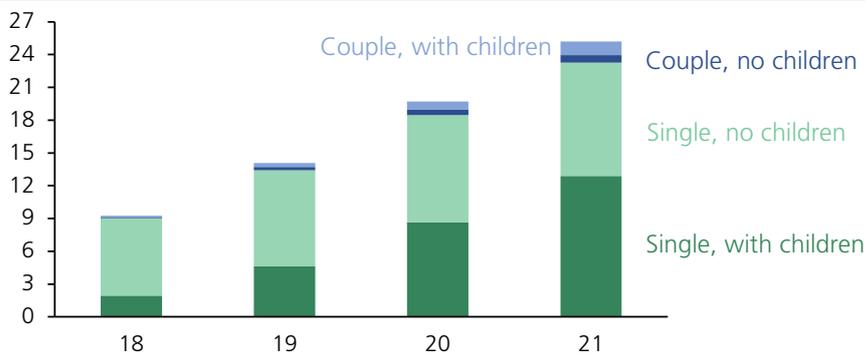
However, available caseload data does provide background information on how many 18-21-year olds receive support for housing and why.

As of February 2018, there were around 113,100 people aged 18-21 on Universal Credit, of whom around 73,800 (65%) were not in employment.²¹

The chart below shows the number of Housing Benefit claimants at November 2017 by age and household type. There were 68,200 claimants aged between 18 and 21; of these, 36,100 (53%) were single adults with no child dependants and 28,100 (41%) were lone parents.

Housing Benefit claimants aged 18-21, November 2017

Great Britain



Note Data does not include Universal Credit claimants

Source DWP Stat Xplore, Housing Benefit caseload data

Around 86% of 18-21 years olds in receipt of Housing Benefit as of November 2017 were not in employment (among these, the majority were in receipt of a "passported" benefit such as Jobseeker's Allowance, Employment Support Allowance or Income Support).

Around 46,300 (68%) were in the social rented sector and around 21,900 (32%) were in the private rented sector.²²

3.2 Estimated impact in numbers

The DWP assessed that around 10,000 people between the ages of 18 and 21 would be affected by the restriction on entitlement to the housing costs element of UC:

²¹ DWP Stat Xplore; People on Universal Credit dataset

²² DWP Stat Xplore; Housing Benefit dataset

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John Healey: To ask the Secretary of State for Work and Pensions, how many claimants he estimates will be affected by the removal of the housing costs element of universal credit from 18 to 21-year-olds in each local authority area; what the estimated savings will be of that removal in each of those areas; and if he will place in the Library the working and modelling on which those estimates are based.

Caroline Nokes: The Department expects that around 10,000 people would be affected, saving an estimated £95 million over the course of the current Parliament. The Department does not hold a breakdown for each local authority area.²³

The Minister, Caroline Nokes, confirmed that the policy was expected to affect 5,000 claimants in the first year of implementation and 10,000 a year 'in steady state' when addressing the House on 7 March 2017.²⁴ Savings estimates were also revised downwards: see the table on page 8 for a summary of forecasts.

When asked about the potential impact on the living standards of affected claimants, the Government responded:

This policy will ensure young people in the benefit system face the same choices as young people who are in work but may not be able to afford to leave home.

By encouraging young people to stay in the family home, this policy will improve work incentives and, under the Youth Obligation, more young adults will move into work, improving their living standards.²⁵

On 11 January 2018, the DWP published ad hoc statistics which show that of new claims for the housing element of UC in April, May and June 2017 "less than 6% of 18-21 year olds who applied for support for housing costs were refused it."²⁶

The explanatory notes to the Regulations advise that an impact assessment was not produced "as this instrument has no impact on business or civil society organisations." An Equality Impact Assessment (EIA) on the policy was made available to the Social Security Advisory Committee but was not published at that time. The Minister, Caroline Nokes, told the House that there was no duty on Government to share the EIA on 7 March 2017.²⁷

Subsequently the EIA was placed in the Library as a [deposited paper](#).²⁸

Consideration by the Social Security Advisory Committee

The Social Security Advisory Committee (SSAC) considered the draft Regulations during a meeting on [9 November 2016](#). The meeting was attended by Departmental officials: Geoff Scammell, Deputy Head of

²³ [Written Question – 60655, 24 January 2017](#)

²⁴ [HC Deb 7 March 2017 c686](#)

²⁵ [Written Question – 908070, 9 January 2017](#)

²⁶ DWP, [Removal of automatic entitlement to housing costs for 18 to 21 year olds in Universal Credit](#), 11 January 2018

²⁷ [HC Deb 7 March 2017 c679](#)

²⁸ [DEP2017-0308](#)

Housing Strategy; David Slovak Universal, Credit Housing Policy; and Andrew Stocks, Housing Analysis.

The Committee asked how the DWP had estimated an impact on 10,000 people by 2020/21. The minutes record the following response:

Administration data held by the Department was used to look at the number of 18-21 year-olds on Housing Benefit and out of work, alongside numbers that would be exempted where the Department held information that would exempt claimants.²⁹

Mr Scammell explained how the Department had approached the development of exemptions to the policy:

...the Department's first consideration had been to ensure that any young person who had barriers to work was exempt from the new rule. That had been achieved primarily by prescribing that anyone not falling within the all work-related requirements conditionality group would be exempt, although the proposals included other exemptions. The second consideration had been to ensure that those aged 18-21, and potentially affected by the new rule, also had a parental home in which they could reasonably live. That meant that any young person aged 18-21 seeking to claim UC with an element for rent should be presented with a choice – either live with their parents or move into work. If either of those options was not a reasonable choice for the individual, the intention was that they would not be affected by the policy. The view of the Department was that, after applying those two tests, the majority of 18-21 year-olds who might otherwise be affected by this change would actually be exempt.

The Department had consulted over 30 different representative bodies, stakeholders and charities representing young people, housing, central and local government and other aspects of social policy relevant to this change. In fact, the consultation had begun at a very early stage so that the Department could go to Ministers with proposals which had already been developed in discussion with key stakeholders. The approach adopted prescribed exemptions based on existing categories defined in the legislation and operating in the Universal Credit system, such as couples, certain claimants with a physical or mental disability and carers (namely those in receipt of Carer's Allowance, those caring for more than 35 hours per week, and those whose caring responsibilities prevent them from working 35 hours per week). Those who would be exempt from the shared accommodation rate within Housing Benefit (eg care leavers, claimants managed under a Multi-Agency Public Protection Arrangement (MAPPA)) were similarly exempted from the new rule. Since the categories listed for exemption from the shared accommodation rate represented a proxy for vulnerability, anyone falling within one of those categories would necessarily be considered to face a barrier to getting into work already. Anyone who had worked and earned over a prescribed amount for six months would also be exempt for a six month period, as would anyone without a parental home.³⁰

²⁹ [SSAC Minutes](#), 9 November 2016, para 3.6(h)

³⁰ *Ibid.*, para 3.4

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The minutes of the meeting record that Treasury Ministers had initially seen the policy as “fairly major savings measure” but as exemptions had been fleshed out “projected savings reduced significantly”.³¹

The Committee considered the burden on decision makers of deciding whether it would be inappropriate for a claimant to live with their parents or not. The Committee asked what assistance would be available to decision makers. The minutes record the following response:

Whether or not a young person could live with their parents was a difficult policy area, not helped by the fact that in most cases the claimant’s account of a relationship had to be taken at face value unless their account was inherently improbable. It was not the kind of issue where verification could reasonably be sought. Determining whether it was appropriate or inappropriate for a renter to live with their parents was something which would be set out in guidance. As an example, the kinds of situation that were likely to feature in that guidance were, in the case of a prison leaver, where the parental home was on an estate where gangs operated and where the claimant had reason to feel that there was a realistic threat of violence.³²

The Committee decided not to take the proposals on formal reference and said it was “impressed” by the thoroughness of the DWP’s consultation exercise with stakeholders. The minutes list the bodies the DWP consulted with.³³ However, the Committee was moved to write to the Minister, Lord Freud, concerning two issues of particular concern, namely; health issues experienced by 18 to 21-year olds and the expectations placed on work coaches:

Health issues

While the Department adopted a commendable approach in its consultation with stakeholders, we took the view that it had been less assiduous as far as health issues are concerned. The Committee concluded that the input of experts dealing in health issues affecting 18-21 year olds, and particularly mental health issues, could identify some issues that might have been overlooked to date. We would encourage the Department to rectify that by undertaking a short targeted consultation of appropriate stakeholders in the health sector.³⁴

Lord Freud responded:

I am only too happy to support your suggestion of conducting a short targeted consultation of appropriate stakeholders in the health sector, who will provide expert input on health issues affecting 18-21 year-olds, particularly mental health issues. My private office has already been in contact with officials leading this work to make clear that I very much support this proposal.³⁵

Work coaches

Our second concern is the ever-expanding expectations being made of work coaches. We have voiced this concern on more

³¹ Ibid., para 3.5

³² Ibid., para 3.6(c)

³³ Ibid., paras 3.6(r) and 3.8

³⁴ [SSAC Letter to Lord Freud](#), 16 November 2016

³⁵ [Lord Freud’s response to the SSAC](#), 1 December 2016

than one occasion before as it seems that, with almost every new set of draft regulations, we are being advised that new and revised guidance will be made available to work coaches.

Because the role of the work coach is key to so much of the successful operation of Universal Credit, the Committee feels it is important to look closely at the expectations on individual staff members – in terms of capacity and capability - to take on more information to do their job effectively. We are supportive of the work coach model, but it would be a great pity if the pressures placed on staff in undertaking this important and valuable role were too demanding for them to be able to provide the right quality and consistency of tailored support and challenge to claimants.³⁶

Lord Freud responded:

Turning to your second concern – the increasing expectations placed on Work Coaches. You are right to be mindful of the pressures placed on Work Coaches. I would suggest this is an issue that requires a corporate response from the Department and I have therefore asked officials to consider this in the round.³⁷

Homelessness

The Regulations were implemented at a time when homelessness, including street homelessness, has been increasing.

The estimated number of rough sleepers in England has increased each year since 2010. The autumn 2010 total was 1,768 while the autumn 2017 total was more than twice as high at 4,751. The number of rough sleepers increased by 30% between 2014 and 2015³⁸; 16% between 2015 and 2016³⁹; and 15% between 2016 and 2017.⁴⁰

Demographic information about rough sleepers was published for the first time in 2016, and again in 2017. The majority of rough sleepers (83%) were recorded as male, while 14% were female. 81% were aged over 25, while 8% were aged 25 or under.

London experiences the highest rate of street homelessness. The Combined Homelessness and Information Network (CHAIN) database contains information about rough sleepers in London who have been contacted by outreach teams or who have accessed accommodation for rough sleepers in London. CHAIN is used by people working with rough sleepers in London and it is maintained by St Mungo's.

The 2016/17 financial year report shows that a total of 8,108 rough sleepers were contacted by outreach workers or building-based teams in London during 2016/17, a similar number to the year before (8,096). The number of rough sleepers recorded has risen by 104% since 2010/11.⁴¹ The CHAIN data for 2016/17 recorded that 9% of rough sleepers were aged 25 or under.⁴²

³⁶ [SSAC Letter to Lord Freud](#), 16 November 2016

³⁷ [Lord Freud's response to the SSAC](#), 1 December 2016

³⁸ This represented the biggest year-on-year increase since 2011.

³⁹ DCLG, [Rough Sleeping statistics: autumn 2016 – England](#), 25 January 2017

⁴⁰ Ministry of Housing, Communities and Local Government (MHCLG), [Rough sleeping in England: autumn 2017](#), 16 February 2018

⁴¹ Mayor of London (2017). [CHAIN Greater London full report, 2016-17](#)

⁴² Ibid., p25

Organisations working with homeless people expressed their concerns in the wake of the Chancellor's 2012 speech, and again in response to David Cameron's 2014 pledge to remove Housing Benefit for young people aged 18 to 21; for example:

The Chartered Institute of Housing:

We also have concerns about the proposals to cut housing benefit for 18 to 21-year-olds and lower the benefit cap. Cutting housing benefit for under 21s fails to take into account the reality of many young people's lives, and it could also mean that young people would be unwilling to take risks such as moving for work because there would be no safety net for them.⁴³

Centrepoint:

Many young people being supported by Centrepoint need support because their families are no longer able to support them. Others have fled domestic abuse.

These young people are able to move towards living an independent life thanks to the lifeline housing benefit gives them.

For Centrepoint young people, claiming housing benefit is a short-term solution to a situation they find themselves in - providing them with a safety net from which they can get their lives back on track. We fear that this cut could lead to an increase in youth homelessness with some young people, unable to live at home, being forced into rough sleeping.⁴⁴

Shelter

Young adults who don't meet the exemption criteria will seemingly no longer be able to get any help with the rent. If they don't have anywhere else safe and secure to stay, they will face homelessness.

[...]

Shelter opposes removing housing benefit from under 21s, because every young adult deserves somewhere safe and decent to live.⁴⁵

The savings associated with the prevention of homelessness have been stressed by commentators. Centrepoint's research, [Preventing Youth Homelessness – What Works?](#) (2016) found that tackling the cost of homelessness for 18-24-year olds not in education, employment or training (NEETs), cost the state an additional £12,200 per individual per year.⁴⁶ *Inside Housing* reported the youth homelessness sector as predicting the change would result in 9,000 young people being put at risk of homelessness. There were concerns that if youth homelessness increased that this could "wipe out" almost all of the forecast savings.⁴⁷

⁴³ The Chartered Institute of Housing: '[CIH comment on Conservative proposal to freeze working age benefits](#)', 29 September 2014

⁴⁴ Centrepoint, 'Housing Benefit is not a choice but a lifeline for homeless young people', 14 October 2014

⁴⁵ Shelter, Blog: '[The illusion of home](#)', 30 September 2014

⁴⁶ Centrepoint, [Preventing Youth Homelessness – What Works?](#) 2016

⁴⁷ *Inside Housing*, "Under -21 housing benefit cut could place 9,000 at risk of homelessness," 6 March 2017

Commenting on the Regulations, Centrepont reportedly said that the exemptions are “not exhaustive enough and would make it difficult for under 21s to find a landlord.”⁴⁸ In particular, the requirement on 18-21-year olds to prove that it is inappropriate for them to live with a parent was described as an “extremely difficult burden.”⁴⁹ Questions were raised about the timing of decisions over whether it is inappropriate for young people to live with their parents. There was concern that the claimant may only find out whether they will receive the housing costs element after having signed a tenancy agreement and submitted a claim. The YMCA said:

This policy creates a ‘catch 22’ situation for the very people it intends to protect. In its current state, landlords will be unwilling to give a tenancy to this age group because they cannot provide proof they will be able access housing support while, at the same, young people will be unable to claim housing support until they have a tenancy.

Given the fundamental flaw at the heart of this policy, YMCA is calling on the Government to abandon plans to introduce the new arrangements, at least until this problem can be addressed.⁵⁰

The SSAC questioned DWP officials on the decision-making process and claimants who might struggle to explain their personal circumstances:

In implementing the policy was there a potential shortcoming in so far as the Decision Maker would be relying upon a complex set of information given in written form by a work coach who had spoken to a, possibly, vulnerable young person lacking an ability to express themselves well?

The point made was acknowledged, although that was often the case with decision making already. Most of the exemptions were based upon objective, factual tests. The area of discretion came where these tests were not satisfied, for example, in determining whether it was inappropriate for the claimant to live in the parental home. It should also be stressed that the policy was underpinned by a Youth Obligation commitment so that the individual would be seen by a work coach as soon as the UC claim had been made. The issue of housing would, where necessary, be discussed at that point.⁵¹

John Healey tabled an Urgent Question on the impact of the Regulations to which the Minister responded on 7 March 2017. During the debate, Clive Betts, Chair of the Communities and Local Government Select Committee, probed whether individuals whose parents refuse to accommodate them would be automatically exempt. Caroline Nokes responded:

Absolutely. That is a point. A very important exemption is included, so where that is inappropriate—where a parent cannot or will not accommodate their child—such people will be exempt from the policy.⁵²

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ [YMCA responds to housing benefit changes for young people](#), 3 March 2017

⁵¹ [SSAC Minutes](#), 9 November 2016, para 3.6(v)

⁵² [HC Deb 7 March 2017 c680](#)

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The issue of who would make the decision regarding exemptions was also raised. The Minister said:

Absolutely: it is a question of young people informing a work coach, somebody in the local authority or a trusted medical professional of their inability to live at home because their relationship with their parent has broken down, and in those cases they will receive the exemption.⁵³

The sector worked closely with the Department for Communities and Local Government (now the Ministry of Housing, Communities and Local Government) over Bob Blackman's *Homelessness Reduction Act 2017*. This Act places, with effect from 3 April 2017, new duties on local authorities in England to prevent and relieve homelessness for all eligible homeless applicants. Local authorities and organisations working with young homeless people stressed the importance of retaining entitlement to the housing costs element as a means of preventing and relieving youth homelessness.⁵⁴ The Communities and Local Government Select Committee's inquiry into homelessness, which reported in August 2016 said:

The impact of the welfare reforms of recent years have increased pressure on levels of homelessness.⁵⁵

Responding to the publication of the Regulations, Jon Sparkes CEO of Crisis, commented:

The Government has made positive steps towards preventing homelessness in recent months, including pledging its full support for the Homelessness Reduction Bill. But these new benefits rules risk undermining the potential of the bill to tackle homelessness for young people.

We're committed to working with the Government to deliver on its homelessness prevention agenda, but today's announcement runs entirely counter to those aims and could have disastrous consequences. For many young people, the support they receive through the benefits system to pay their rent is the safety net that stops them from becoming homeless. Even at this eleventh hour, we urge the Government not to continue with this destructive policy.⁵⁶

One of the key ways in which local authorities may seek to prevent or relieve homelessness under the *Homelessness Reduction Act 2017* is to assist applicants to find or retain private rented housing. The Residential Landlords Association (RLA) conducted a survey of 1,000 of its members which found that 76% "fear that this measure will leave under 21s unable to pay their rent, making landlords less willing to let property to those in this age group."⁵⁷ During the debate on 7 March 2017, John Healey quoted the National Landlords Association as saying "Never mind the nuances, all landlords will hear is that 18-21 year olds are no

⁵³ [HC Deb 7 March 2017 c682](#)

⁵⁴ See Library Papers: [Homelessness Reduction Bill 2016-17](#) (7736); [Homelessness Reduction Bill 2016-17: Report and Committee Stages](#) (7854)

⁵⁵ [HC 40, Homelessness](#), August 2016, para 36

⁵⁶ Crisis, [18-21-year olds at greater risk of homelessness as Government announces benefit cuts](#), 6 March 2017

⁵⁷ RLA, [Landlords unlikely to let to under 21s following benefit cut](#), 6 March 2017

longer entitled to housing benefit...they just won't consider them as a tenant."⁵⁸

The SSAC probed DWP officials on the potential impact of the policy on homelessness:

In consulting local authority organisations was the Department satisfied that the proposals would not put an additional strain upon them because of their responsibility to house any homeless person?

In England the duty to house a single homeless person only applied where they fall within a priority group. Anyone in a priority group for these purposes would inevitably be someone with barriers to work and therefore exempt from the new rule as a matter of course. It was acknowledged that this was not the same for the other administrations where there was no concept of 'priority group'. Given that homelessness was usually caused by some kind of vulnerability it was almost certain that these people would be exempt. In particular, the Department would expect LAs to ascertain whether a young adult could return to the parental home before they accepted a responsibility for them so they would be exempt on that ground. Nonetheless, given the Department's approach in having a very extensive set of exemptions and ensuring, as far as possible, that everyone affected could either take a job or go to their parental home, it was fully expected that the local authority could similarly expect the person to return home.⁵⁹

Behavioural change

During the debate on 7 March 2017 the Minister said: "we expect there to be behavioural change and that young people will, where they can, stay living with parents."⁶⁰

YMCA England published [Uncertain Futures](#) in August 2015 which considered the impact of removing housing costs entitlement from 18-21-year olds. The report welcomed efforts to reduce youth unemployment but concluded:

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

By removing automatic entitlement to Housing Benefit for 18 to 21 year olds the Government could be in danger of inadvertently taking away support from the young people who need it most, and in doing so, exposing many more vulnerable young people to the risk of becoming homeless and therefore damaging their prospects of finding work in the future.

Action is needed to address youth unemployment, but without protections thousands of vulnerable young people will face uncertain futures, not knowing if they will have anywhere they can call home and leaving them less able to find work.⁶¹

⁵⁸ [HC Deb 7 March 2017 c678](#)

⁵⁹ [SSAC Minutes](#), 9 November 2016, para 3.6(s)

⁶⁰ [HC Deb 7 March 2017 c682](#)

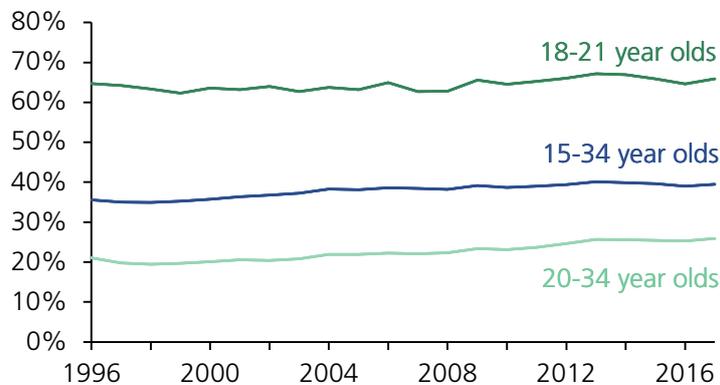
⁶¹ YMCA England, [Uncertain Futures](#), August 2015

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The report sought to “challenge some of the assumptions underpinning the argument that many young people are choosing a life on benefits and draw out the types of young people that may be adversely affected by these reforms.” It argued more young people are already living with their parents, that fewer young people are claiming benefits each year and that young people are claiming benefits for shorter periods of time.

The chart below shows the proportion of young people living with their parents in the UK, 1996 to 2017. Data is from the ONS’ [Young Adults Living with their Parents](#) estimates. Around 65% of 18 to 21 year olds lived with their parents in 1996. This fell to 62% in 1999, was 65% in 2006, peaked at 67% in 2014 and 2015 and was around 66% in 2017.

Estimated young adults living at home, UK

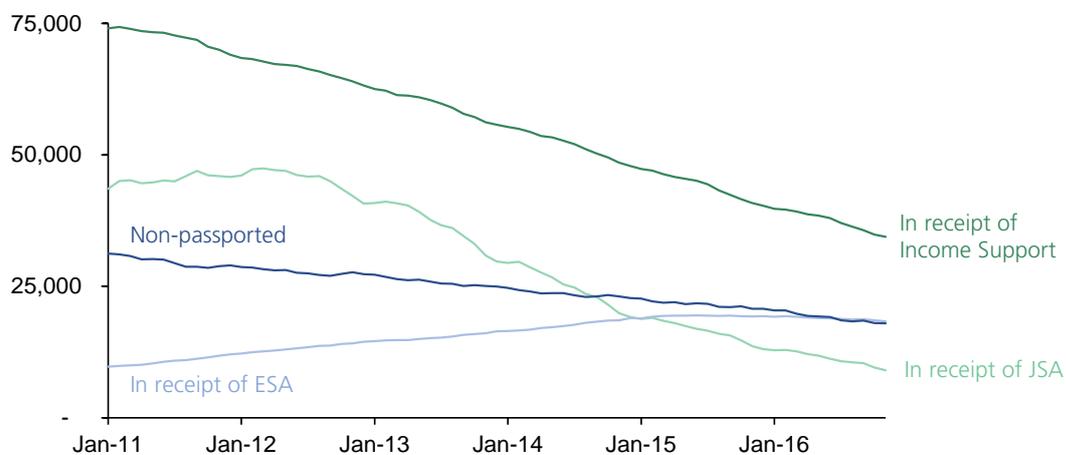


Source ONS Young adults living with their parents

The number of households claiming Housing Benefit in which the eldest adult is aged between 18 and 21 has halved since January 2011, from around 158,950 claimants in January 2011 to 79,860 claimants in November 2016. Data is from DWP [Stat Xplore](#).

Housing Benefit claimants aged 18-21, by passported benefit status

Great Britain



Notes Data does not include Universal Credit claimants. "Non passported" indicates Housing Benefit claimants who are not in receipt of any of Employment Support Allowance (ESA), Jobseeker's Allowance (JSA), Income Support or Pension Credit.

Source DWP Stat Xplore; Housing Benefit caseload data

Secondary Legislation Scrutiny Committee

The House of Lords Secondary Legislation Scrutiny Committee considered the Regulations and reported their findings in the [28th Report of 2016-17](#)⁶². The Committee “deplored” the absence of guidance on how the Regulations would work in practice.

Several aspects of the Regulations were drawn to the attention of the House “on the ground that they give rise to issues of public policy likely to be of interest to the House” – there was reference to a submission by [Shelter](#) which referred to the provisions as creating a ‘Catch 22’ situation for those affected. To make a claim for UC a young person has to establish that they have a tenancy and a liability to pay rent. However, before a landlord is likely to grant a tenancy they will want to know that the prospective tenant is eligible for housing support. The [DWP response](#) to Shelter’s points states:

There is no hard evidence that landlords will not let to claimants in this age group as a result of this policy – this is speculation. However, we are preparing guidance that we believe will satisfy the concerns of Shelter and other stakeholders. We are working with a range of stakeholders as we develop guidance for our staff to ensure that their concerns are fully reflected in the available advice. We are also working with the Department for Communities and Local Government to make sure landlords are properly informed about the changes so they can continue to rent to those who are exempted with confidence.⁶³

Shelter also questioned whether young people would want to disclose personal details of abuse in order establish eligibility. The DWP said:

A key provision is that a young adult unable to safely return to their parental home will remain eligible for support. This provision is similar to one that applies with respect to 16 and 17 year olds who are estranged from their parents, so DWP staff are familiar with the issues and the sensitivities involved. In addition, a statement from an appropriate third party (such as a social worker or a homelessness charity) will be sufficient to access this exemption.

The guidance that will be used to determine exemptions is not yet public – this is normal for a digital project where information is deployed as and when it is needed. This measure is coming in gradually, in Universal Credit full service areas only, so we will test, learn and refine the guidance as the first claimants go through this process.⁶⁴

The Committee noted that as the Regulations were due to come into force on 1 April 2017 “some haste will be needed to put that guidance in place by that date to ensure all claimants are treated appropriately and consistently.”⁶⁵

The Committee called for guidance and publicity to be “particularly user-friendly and particularly sensitive in how it deals with those who may claim an exemption” given the youth and inexperience of those

⁶² [HL Paper 131 of Session 2016-17](#), 16 March 2017

⁶³ [DWP response to questions from Shelter](#), 2017

⁶⁴ Ibid.

⁶⁵ [HL Paper 131 of Session 2016-17](#), 16 March 2017

affected.⁶⁶ The Committee wrote to the Minister and said the response would be published “at the earliest opportunity.”⁶⁷

Scotland

The Scottish Government has power under section 29 of the *Scotland Act 2016* to make regulations in relation to the housing costs element of UC for claimants who rent their homes.

The Scottish Government opposed the measure to restrict eligibility for the housing costs element based on age, and sought reassurance that the measure would not be imposed in Scotland:

Urgent reassurance is required that the UK Government will not impose changes to housing benefit for 18-21 year olds in Scotland while discussions continue between governments, Communities, Social Security and Equalities Secretary Angela Constance has said.

The Department of Work and Pensions is pressing ahead with plans to remove entitlement for this vital benefit for young people, something the Scottish Government has constantly opposed.

In a letter to the Secretary of State for Work and Pensions Damian Green, Ms Constance expressed her anger at the UK Government’s short timescale for change despite assurances that options for Scotland would be considered further. The current timetable makes it impossible for alternative arrangements to be put in place.

The issue was specifically raised at the Joint Ministerial Working Group on Welfare on Monday 20th February but UK Government Ministers were unable to provide an answer on when the regulations will be laid, only to confirm just two days later they would be laid on 2 March.⁶⁸

The [full text of the letter](#) sent by Angel Constance to Damian Green is accessible online.⁶⁹

On 26 March 2017, the Scottish Government announced that it would extend the Scottish Welfare Fund to assist claimants affected by the measure:

The Scottish Welfare Fund will now be extended on an interim basis to ensure those young people who will be excluded from financial support by the UK Government will still be able to receive assistance with housing costs.⁷⁰

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ [Anger at housing benefit regulations](#), 25 February 2017

⁶⁹ Ibid.

⁷⁰ Scottish Government, “[UK housing benefit changes ‘shameful’](#)”, 26 March 2017

4. Reinstating entitlement

4.1 Written Statement 29 March 2018

The Written Statement is reproduced in full below:

This Government is committed to providing young people with the support they need to get started with their working lives. We do this through providing financial support when it is needed, and support to either ‘earn or learn’ – delivered through the simplified Universal Credit (UC) benefits system. In line with this aim, **I am today announcing that the Government will amend regulations so that all 18-21 year olds will be entitled to claim support for housing costs in UC.**

Currently, 18-21 year olds who make a new claim to UC in UC Full Service areas need to meet certain requirements in order to receive housing support. **The change I am announcing today means that young people on benefits will be assured that if they secure a tenancy, they will have support towards their housing costs in the normal way.**

Young people in return will have a Youth Obligation – an intensive package of labour market support for 18-21 year-olds looking to get into work. We are committed to providing targeted support for young people so that everyone, no matter what their start in life, is given the very best chance of getting into work.

This decision ensures that there are no unintended barriers to young people accessing housing on the basis of their age alone and getting into work, and is in line with the Government’s launch of the Homelessness Reduction Act and our commitment to eradicating rough sleeping by 2027.⁷¹

A DWP press release, also issued on 29 March, said:

The Youth Obligation is available in areas offering Universal Credit full service. It means 18 to 21-year-olds receive intensive work-focussed support from day one of their claim. If they are still unemployed and claiming Universal Credit after 6 months they are referred to work-related training or guaranteed work experience to give them the skills to gain an apprenticeship, move into education or work.⁷²

[The Universal Credit and Jobseeker’s Allowance \(Miscellaneous Amendments\) Regulations 2018](#) were laid before Parliament on 5 November 2018 – **the relevant provisions will come into force on 31 December 2018:**

Regulation 3(2) and (6)(a) to (c) reverse the changes made by the Universal Credit Regulations (Housing Costs Element for claimants aged 18 to 21) (Amendment) Regulations 2017 (S.I. 2017/252) by removing the paragraphs in Schedule 4 to the UC Regulations which excluded certain claimants aged between 18 and 21 years of age from receiving the housing element of Universal Credit. The Universal Credit Regulations (Housing Costs Element for claimants aged 18 to 21) (Amendment) Regulations 2017 are revoked by regulation 4.⁷³

⁷¹ [Welfare Reform: Written statement – HCWS611, 29 March 2018](#)

⁷² DWP Press Release, [Housing support for young people](#), 29 March 2018

⁷³ [Explanatory Note to SI 2018/1129](#)

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The Shadow Secretary for Housing, Rt Hon John Healey, asked about the cost of preparing for the “now aborted” removal of Housing Benefit entitlement from 18-21-year olds. The Minister, Kit Malthouse responded:

The preparation costs associated with the removal of the automatic eligibility of 18 to 21-year olds to claim universal credit for housing costs are estimated to be £3 million.⁷⁴

⁷⁴ [Written question – 135739, 2 May 2018](#)

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