

Research report

Benefits to Society:

Homeless Young People's
Experiences of the Social
Security System



centre
point

give homeless
young people
a future



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Centrepont, 2021

Executive Summary

The social security system is a vital lifeline for thousands of young people experiencing homelessness and disadvantage across the UK. It provides the resources needed to cover living and housing costs, and supports young people to find and sustain work, education and training needed to become financially independent.

However, this peer-led research project into the benefits system finds that in many areas, the system is falling short of providing the support and resources that young people need. Key findings from the research include:



- **Benefit rates for young people living independently are too low.** This research found evidence of serious hardship and of young people near-constantly struggling to meet essential living costs. This in turn **damages young people's health and wellbeing, impacts their ability to access employment, education and training, and can put them at risk of exploitation and abuse.**
- Many young people going through homelessness **struggle with the initial claims process**, and it can still be extremely **difficult for young people and staff to contact the Jobcentre Plus or DWP directly about a claim.**
- Young people interacting with the social security system need **better access to budgeting support and help with money management**, particularly **as standard monthly assessment periods leave young people struggling to make their money last.**
- **The five week wait** for a first Universal Credit payment creates major difficulties for young people, who do not have savings or support to fall back on. **Advance Payments mean young people start their claims in debt**, and have to survive on even smaller monthly payments.
- **Complicated benefits rules for people in supported accommodation can make accessing work even more difficult** and in some cases leave young people worse off after increasing their earnings or taking on more hours.
- **Benefit sanctions push vulnerable young people into even further hardship** and can lead them to fully disengage from support.
- Young people value the support and assistance available from the Jobcentre Plus, but this **needs to be tailored to those facing the greatest disadvantages**, such as homelessness and mental health challenges.
- Recent measures to support young people into jobs are greatly welcomed, but **need to be sustained in the long term and flexible enough to support the most disadvantaged young people.**
- **The stigma around social security and claiming benefits** can be damaging to young peoples' wellbeing and prevent them from accessing support they may be entitled to.

Recommendations

The Department for Work and Pensions (DWP) should:



Introduce a new Youth Independence Payment of £15.58 per week for young people living independently without family support. This would raise their overall Universal Credit entitlement to the rate that over 25s receive in recognition that they face the same living costs.

Annual net impact: -£251m



Conduct affordability assessments before applying benefit sanctions to ensure that they do not push vulnerable young people into severe hardship or put them at risk of homelessness, and contact a supporting organisation or key worker where a young person is known to be receiving support.

Annual net impact: +£1.8m



Remove the five week wait, or provide non-repayable benefits advances to vulnerable young people without access to financial support when they first make a claim.

Annual net impact: -£1.1m



Extend the Kickstart scheme for at least another twelve months, and ensure that Kickstart roles are accessible to disadvantaged young people, such as those living in supported accommodation.

Total net impact: +£605m



Proactively offer all under-25s making a claim for Universal Credit **budgeting support and advice**, either delivered by the DWP or through partnerships with local providers.



Build on successful pilots and initiatives to roll out training on housing and homelessness for Jobcentre Plus and DWP staff, including Youth Employability Coaches, and **utilise youth hubs** to provide a range of support services and advice, including on housing and homelessness.



Offer the choice of more regular payments when making an initial UC claim for claimants under 25 identified as vulnerable, rather than leaving claimants having to request this themselves and be subject to a discretionary assessment.



Support a national communications campaign to reduce stigma and tackle misconceptions about the social security system, and help drive a move from the language of 'welfare' in favour of a vision of social security as an essential public service.



Reinstate work allowances for under 25s living in supported accommodation to help this group to access work and ease the transition from benefits to paid employment.

Annual net impact: +£8.6m



Increase the applicable amount within housing benefit, so that residents in supported and temporary accommodation do not face steep cliff edges when moving into work, and are not disadvantaged compared to those not living in supported accommodation.

Annual net impact: +£2.2m

The costings and impacts included have been independently produced by Oxera Consulting in September – October 2021. Negative figures represent overall costs to Government and positive figures represent benefits.

For more information, please consult the full analysis report.

Introduction

This report, generously supported by Trust for London, looks at the experiences of homeless and disadvantaged young people in London and across the country who interact with the benefits system.

For thousands of young adults across the UK, financial support through the social security system provides a vital lifeline to help meet essential living and housing costs. In July 2021, almost a million young people aged between 16-25 directly claimed some kind of social security benefit to support their income.

In the wake of the global Covid-19 pandemic, the need for a strong social security system has become even more apparent. However, the pandemic has exposed major gaps in the system, especially those that exist for the most vulnerable young people.

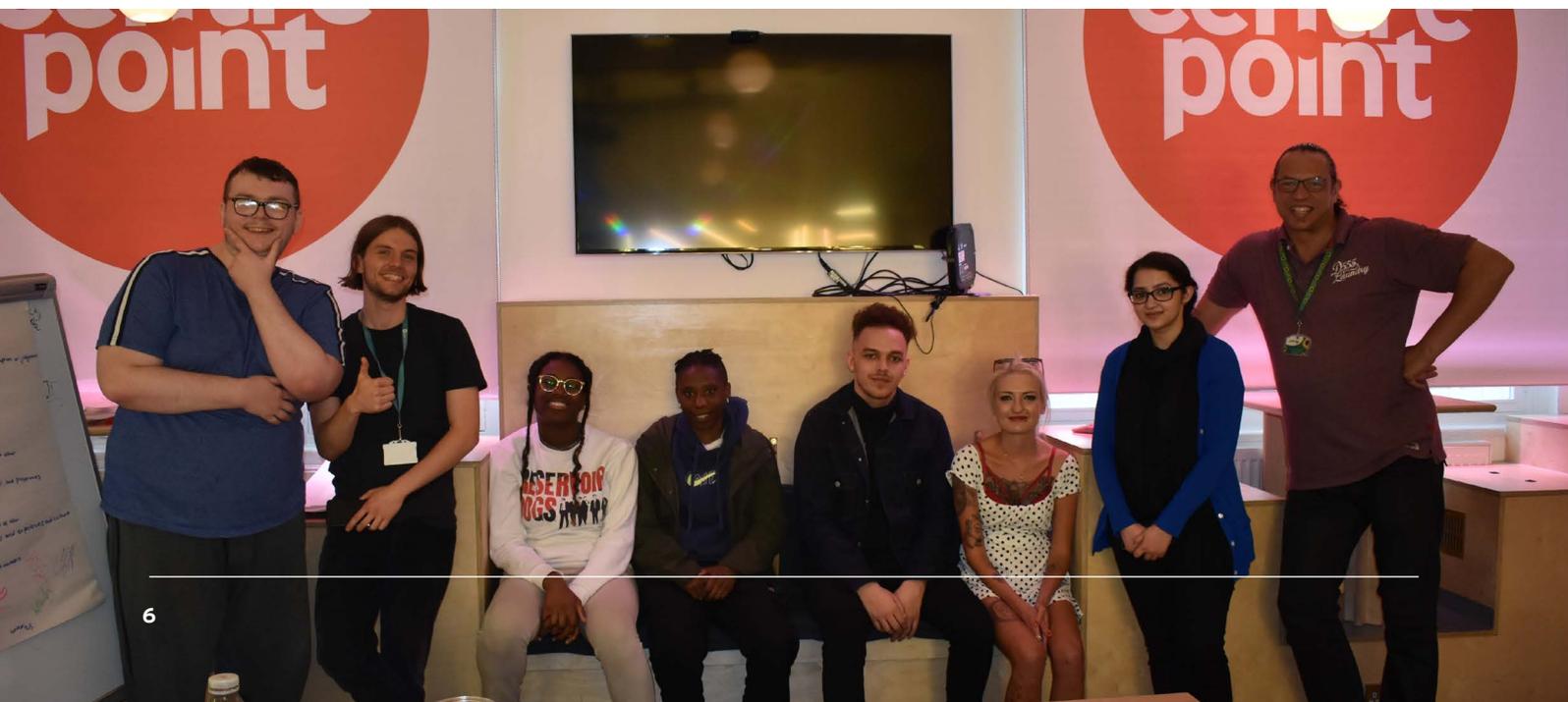
For those young people unable to rely on financial support from family, and who may face additional barriers to accessing paid employment, the social security system is even more essential. Without this money, these young people would be unable to buy food or pay rent, and would be left facing homelessness and severe hardship.

However, this research finds that for some of the most vulnerable young people in society, the benefits system is not providing the security and support that it should. A major challenge is overall levels of benefits: most young adults aged under 25 face significantly restricted entitlements compared to the general population, while successive welfare reforms have disproportionately affected the incomes of claimants in younger age groups.

Although some young claimants are able to lean on family and other networks of support, this research shows how lower entitlements can leave those young people facing the greatest challenges – such as homelessness – struggling to meet their basic material and social needs.

Rather than safeguarding against extreme poverty and acting as a springboard into work as intended, the social security system in some cases leaves young people struggling to make ends meet. This in turn can damage vulnerable young peoples' health, wellbeing and development; put them at risk of harm and exploitation; cause social exclusion and loneliness; and affect their ability to access and sustain employment, education and other opportunities.

This report explores the experiences of vulnerable young people who rely on the social security system. The focus is on those living in supported accommodation and claiming Universal Credit and Housing Benefit, although the experiences of young people claiming disability benefits and support through the legacy system are also investigated. This report also focuses on living costs and the experience of making and managing claims and is not a detailed look at the housing costs elements and general housing affordability, although these are again touched on.



The Peer Research Approach

As part of this project, Centrepoint's recruited and trained twelve young people across London and Yorkshire to help plan, design and conduct the research.

Peer research is an approach taken where people with lived experience of the issue being researched – such as homelessness – take an active role in planning and carrying out the research.¹

The peer researchers were a mix of current and former Centrepoint residents, aged between 21 and 28. Four young men and seven young women took part in the training, from a range of ethnic backgrounds.

Several were receiving Universal Credit, and one of the peer researchers was receiving legacy benefits. A number were studying full or part time, and several were working. One of the peer researchers was caring for her own child alongside studying full time at university. Two of the peer researchers, a young woman and young man, stopped participating in the project after moving into full-time work.

Each of the peer researchers brought their unique skills, experiences and perspectives to the project. All had faced their own challenges, from spending time sleeping rough to dealing with ongoing mental health struggles. A majority of the peer researchers had experience of the care system, and all had spent time living in supported accommodation and accessing homelessness services.

Although from different backgrounds, the peer researchers were united in wanting to use their voices and experiences to campaign for change and to support young people across the country who may be in similar situations to themselves.

Recruitment for the project began in late 2020. The project was promoted through Centrepoint's housing services, and young people could apply directly or through a key worker or member of Centrepoint staff.

Centrepoint's policy team developed and delivered a short course, 'Introduction to Social Research', accredited by a national awards body, and conducted over Zoom between January and April 2021. This course lasted 10 hours over 5 sessions. It explored the uses of social research, principles of conducting ethical research, and practical research methods, such as designing surveys and practising 1-1 interviews.

Centrepoint also commissioned the Sheila McKechnie foundation to deliver remote campaigns training for the peer researchers, and provided in-house media and communications training from Centrepoint's media team.

Thanks to the funding from Trust for London, one of the peer researchers was employed by Centrepoint as a part-time Peer Research Coordinator for 12 months. The remaining peer researchers were not paid for taking part, but did receive £100 vouchers on completion of the research training.

Throughout March to August 2021, the peer researchers were in the field, using a range of methods explored in the next section to collect data from other young people and key stakeholders. All of the peer researchers carried out at least one interview, mainly over Zoom and other video calling platforms, with a member of the policy and research team on hand to provide support.

The peer researchers met face to face for the first time in August 2021, at a two day workshop in central London to analyse the research findings and develop the recommendations to government.

Prior to the publication of this report, the peer researchers had already made a number of significant achievements, alongside their extensive fieldwork:

- ***Presenting to Centrepoint's Partnering Forum, a national forum of youth homelessness charities***
- ***Speaking at the All Party Parliamentary Group on Universal Credit***
- ***Taking part in a live public broadcast with Tortoise Media***
- ***Being featured and quoted in national, regional and local press***
- ***Being directly quoted in the House of Commons debate on the end of the Universal Credit uplift***
- ***Producing a podcast exploring the research and addressing misconceptions about young people***
- ***Producing videos and campaign materials around the research's key findings and recommendations***



Covid-19

This project was originally due to start in March 2020 and finish by the end of that year. However, the global Covid-19 pandemic meant that the project was considerably delayed, and recruitment did not begin until Winter 2020.

The pandemic threw up a number of challenges for the project, which was originally planned around face to face training and meetings with the peer researchers. The peer researchers themselves, like all young people, were impacted by the pandemic and subsequent lockdowns, from having their education disrupted to delays with moving into their own independent accommodation.

This also affected the research project, as access for visitors and non-essential frontline staff to Centrepoin's services was limited for much of the last

18 months. This made it more difficult to promote the research, recruit participants and conduct interviews and workshops face to face as envisaged at the start of the project.

However, moving to remote delivery of the project also created opportunities. Delivering the training and project meetings online meant that Centrepoin was able to expand the initial recruitment beyond young people in our London services, and include young people from across England.

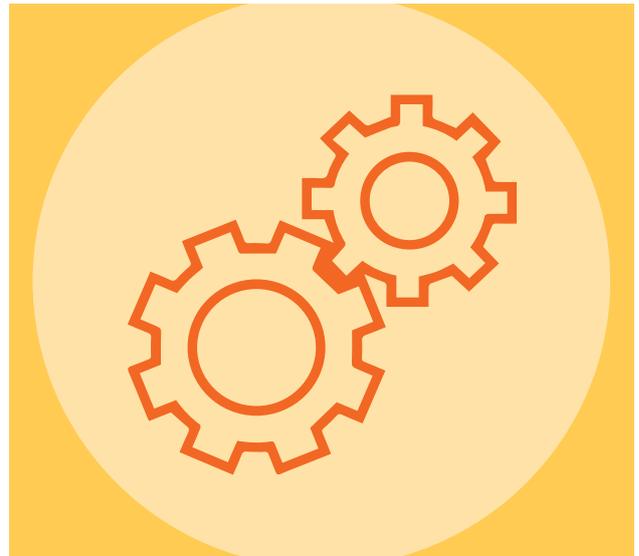
The pandemic also kicked off a national discussion about the social security system, and the support available to people facing hardship or loss of employment. This created an opportune moment to highlight and make the case for changes needed by homeless young people across the country.

Methodology

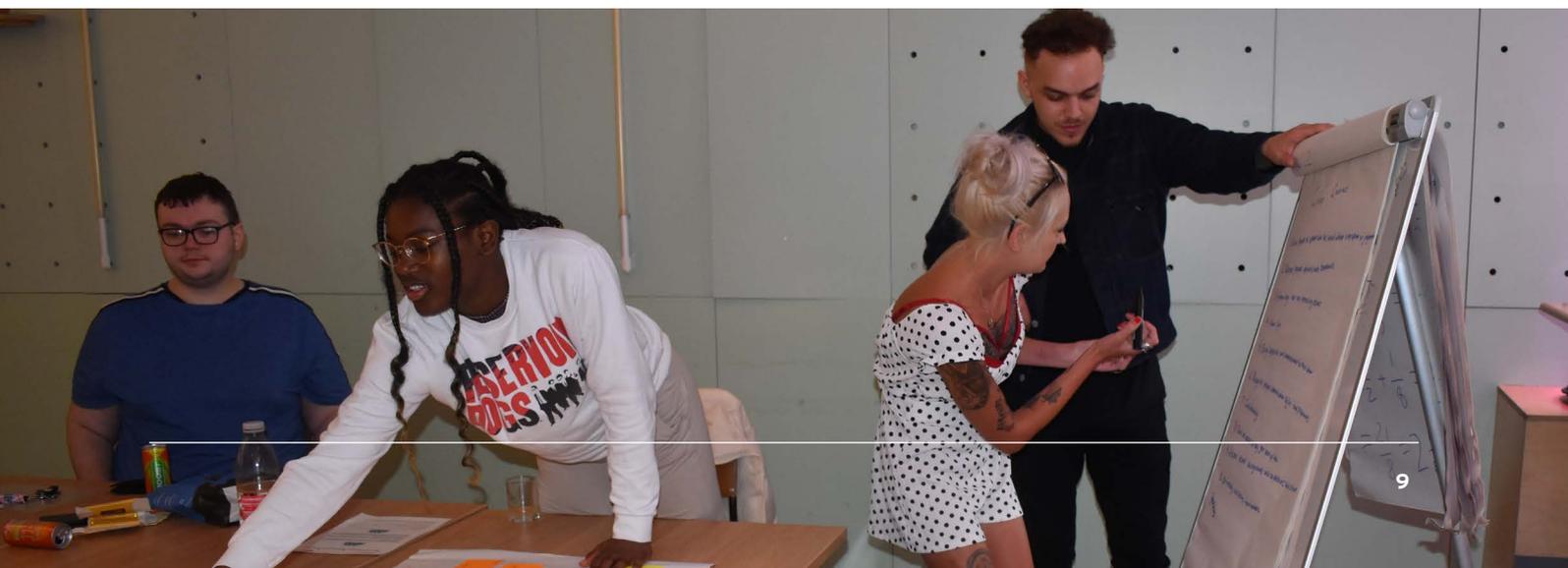
Through initial discussions and planning sessions with the peer researchers, Centrepoint established two core research questions to guide the project. These were:

- **To what extent does the social security system support homeless and disadvantaged young people to access employment, education and other opportunities?**
- **To what extent does the social security system support the health, wellbeing and development of homeless and disadvantaged young people?**

This research was carried out between March and September 2021 using the following methods:



- **A policy and literature review** looking at young people's entitlements to social security and recent policy changes. Additional analysis, comparing the entitlements of different young people over a 30 year period, was provided by Oxera Consulting between September and October 2021.
- **A national survey of 215 young people** being supported by homelessness organisations across England, conducted between March and June 2021. The questions were designed by the peer researchers. Participants were recruited through Centrepoint and Partnering Services. More detail on our survey can be found at the end of the report.
- **In-depth interviews conducted with ten young people** being supported by homelessness charities across England. Interview themes and questions were designed by the peer researchers. We spoke to seven young women and three young men between April and September 2021. Interviews were largely conducted over Zoom and Microsoft Teams, with a small number conducted face to face.
- **In-depth interviews with 14 key stakeholders** working to support vulnerable young people. These included support workers and homelessness charity staff, local authority and social services professionals, and specialist welfare advisors.
- **Two focus groups** with young people being supported by homelessness charities in London and in Bradford, totalling seven young people.
- **National polling questions**, kindly provided pro bono by Opinium as part of their national omnibus, conducted between the 5th and 8th October 2021.



Background

What do young people get through the benefits system?

Young people (aged 16-25) living independently are some of the most financially vulnerable groups in society. However, they face among the lowest entitlements to financial support through the social security system.

The Universal Credit standard allowance – the main benefit for people who are out of work or on a low income – for under 25s is over £15 less a week than that of over-25s, while most young people are only entitled to the lowest amount of financial support for their housing costs.

Wage rates and certain income-based benefit rates from April 2021

Age cohort/status	Apprentice*	16-17**	18-20	21-22	23-25	25-35	35+	
Minimum Wage (per hour)	£4.30	£4.62	£6.56	£8.36	£8.91			
Universal Credit Standard Allowance (per month)	N/A	£257.33				£324.84		
Universal Credit Housing Element (per week)	N/A	Shared Accommodation Rate of the Local Housing Allowance - median £76.50					One bed rate of the Local Housing Allowance - median £113.92	

*Apprenticeships are not age-specific and so benefit entitlements will depend on the age of the apprentice.

** Most under-18s are not entitled to Universal Credit, except in some limited circumstances

Taking just the Universal Credit Standard Allowance and Housing Element, three single people of different ages, renting privately and looking for work in Barnet, North West London receive vastly differing sums. They have no children or dependents, or health conditions which may affect their ability to work – the only difference is their age.



A 20 year old
 $£57.90 + £113.11$
= £171.01pw



A 25 year old
 $£74.96 + £113.11$
= £188.07pw



A 35 year old
 $£74.96 + £230.14$
= £305.10pw

**Even though their situation might be exactly the same,
 an under 25 receives just over half of what somebody over 35 would receive.**

Why do some young people need to use the social security system?

For those young people unable to rely on family and friends for financial support, benefits are essential to meet living and housing costs.

Young people also face additional challenges in accessing paid employment. While rates of youth unemployment have dropped considerably over the last decade, people in the 16-24 age group are more than three times as likely to be unemployed than the general working-age population. This is especially true in the wake of the Covid-19 pandemic, which is explored in more detail in the box below.

Key reasons for this include a lack of experience, qualifications and competition for entry level jobs. However, for young people experiencing homelessness and housing insecurity, these barriers can be even greater:

- **Chaotic personal lives – because of both the causes and consequences of homelessness**
- **Disrupted education - many leave school without basic qualifications**
- **Mental health problems**
- **Physical health problems**
- **The financial pressures of living independently**
- **Pending or prior criminal convictions**
- **A lack of any work experience, or lack of relevant work experience when at secondary school**
- **Low income and a lack of material resources**
- **Intergenerational poverty and unemployment**
- **Poor financial literacy and the view that they would be worse off in employment than on benefits²**

For those young people who are in work, earnings also tend to be lower, particularly for those aged under 21. This again reflects lower levels of qualifications and experience in this age group - and the fact that minimum wage rates are also set at lower rates for under 23s. Of the over 900,000 young people claiming Universal Credit in July 2021, 352,676 were in work, meaning their incomes were low enough for them to be eligible for social security support.

Young people also face wider challenges in accessing and sustaining accommodation they can afford, making support through the benefits system even more essential. This is due in part to low incomes for this age group, the high costs of renting across large parts of the country, and increasingly difficult access to social rented housing.³ Young people today are also more likely to move from the family home into private rented accommodation, where costs are higher, than previous age groups. A national survey conducted by Centrepoin in 2019 found that a quarter of respondents aged 18-29 said that their income did not cover their full housing costs when first moving out, compared to less than 5 per cent for those now in their 60s.⁴

While this means that young people may have greater need of support with housing costs, restricted benefit entitlements can make it extremely challenging to find anywhere affordable to live for young people living independently.



Why do young people get lower benefits?

There are several reasons given by the government for why young people receive less support through the benefits system when compared to older adults:⁵

- **Young people in work generally have lower earnings expectations, and this is reflected in the benefits system. It is also worth noting that young people also face lower minimum wages.**
- **The majority of under-25s are living with or supported by family networks, and normally do not have the same financial responsibilities as older adults.⁶**
- **Young people should not be 'encouraged' to leave the family home before they are able to support themselves financially.**
- **Young people receiving benefits should not be better off than young people supporting themselves through work and should be faced with the same choices.**

Whether or not these justifications may hold true for some groups of young people who do live with family, this leaves the most disadvantaged – who often have no choice but to live independently – with less money to get by on, even though they face the same costs as any other person. As this research found, lower entitlements cause hardship for young people, and both young claimants and stakeholders find the situation unfair and unjustified.

How many young people are receiving benefits?

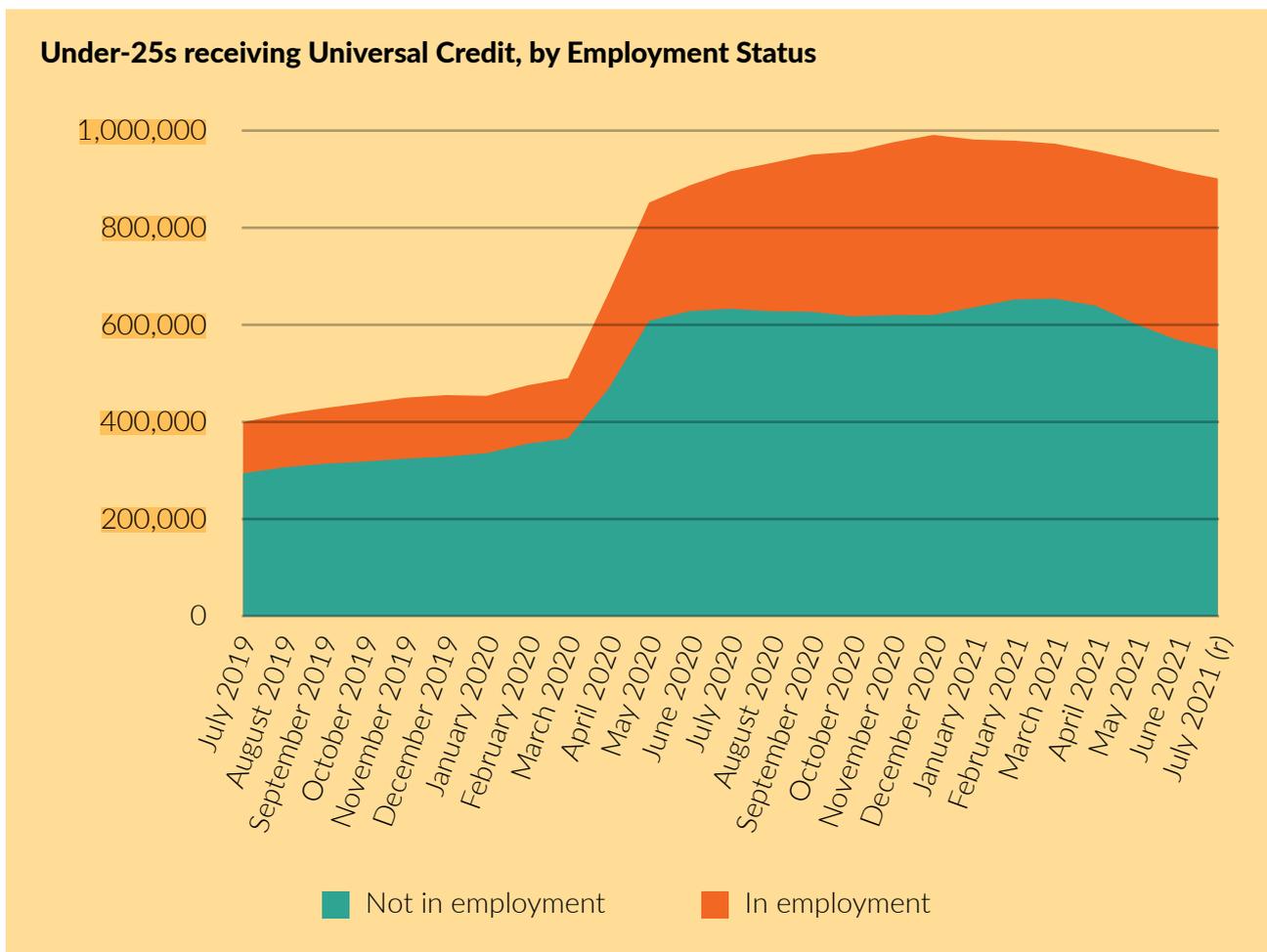


Table: Young people receiving Universal Credit, with in and out of work breakdown (Stat-Xplore)

Analysis undertaken by the Social Security Advisory Committee (SSAC) estimated in 2018 that up to 350,000 young people across the UK were living independently and accessing support from the benefits system.

In July 2021, over 900,000 16-24s were claiming Universal Credit, and of these 225,170 were receiving housing support to help cover the costs of rent. As well as this, 59,601 households aged under 25 were receiving housing benefit in May 2021, with 42,852 of these being single people with no dependents.

There are still a considerable number of young people receiving 'legacy' and contributions based benefits: as of February 2021, over 55,000 people aged under 25 were receiving Employment and Support Allowance (ESA) and just over 14,000 were receiving Jobseeker's Allowance (JSA).

In 2020, 11,220 18 year olds in England left the care system, and there were a further 31,260 care leavers aged between 19 and 21. Of these, over 15,000 were identified as not being in education, employment or training.⁷

While care leavers can be entitled to some ongoing financial assistance, this is a group of young people who often have little option but to use the social security system to support their incomes while they move into independence.

Many young people are also unable to live at home, due to family breakdown or being at risk of harm and abuse. Centrepoin's youth homelessness databank found

that in 2019/20, over 121,000 16-24s approached their local authority as they were homeless or at risk of homelessness. The main reason for young people presenting was due to parents, family or friends being unable or unwilling to accommodate them.⁸ Again, for many of these young people, who are unable to turn to family for help, the benefits system provides a critical lifeline without which they would have no income at all.

Government analysis published in 2018 on 18-21 year olds receiving the housing element of Universal Credit found that of 2,090 claimants, 96 per cent were either caring for a child, living as part of a couple, earning at least 16 hours national minimum wage, living with a disability or health condition, or for other reasons including not being able to live with their parents.⁹

While only a small sample of young people, the figures suggest that for 18-21s at least, the vast majority of those claiming housing support are not choosing a 'life on benefits' but are working, have caring responsibilities, or have legitimate reasons for not living in the family home.

Taken together, these figures show that there are hundreds of thousands of under-25s living independently and relying on support through the benefits system. For the vast majority, including care leavers, young people with childcare responsibilities and those facing violence and abuse at home, they have no choice but to live independently and have to make do on significantly lower entitlements.

How have changes to social security affected young people?

While different levels of benefits based on age had featured at various points in the development of the social security system, the general principle of younger people being entitled to lower awards was established through the Social Security Act 1988. This moved away from differentiating between claimants as being 'householders' and 'non-householders', and toward distinctions based on age. This was justified on the grounds that most under 25s were living as part of a parent or carers' household and that the change would allow for more targeted support towards pensioners and people with disabilities.¹⁰

By reducing entitlements for most young claimants, and removing entitlements for some young people entirely, this reform is said to have 'accelerated' rates of youth homelessness in the UK in the late 1980s and into the 1990s, particularly among 16 and 17 year olds.¹¹

Over the last several decades, a range of policy decisions have specifically affected young peoples' entitlements to social security payments in the UK. These included:

- **The withdrawal of Income Support from most 16 and 17 year olds, also through the Social Security Act 1988;**
- **The introduction of Jobseeker's Allowance in 1996, with a 21 per cent lower rate for claimants aged between 18-24;**
- **The introduction of the Shared Room Rent (later the Shared Accommodation Rate) in 1996, which capped single claimants aged up to 25 entitlements to Housing Benefit at the cost of renting a room in a shared house. This was extended to under 35s in 2012.**

How have young people's benefit entitlements changed over time?

Young people have been subject to welfare reforms affecting all working-age claimants, such as the benefits freeze and rollout of Universal Credit, as well as reforms specifically targeted such as the introduction of youth rates in Jobseeker's Allowance and the Shared Accommodation Rate.

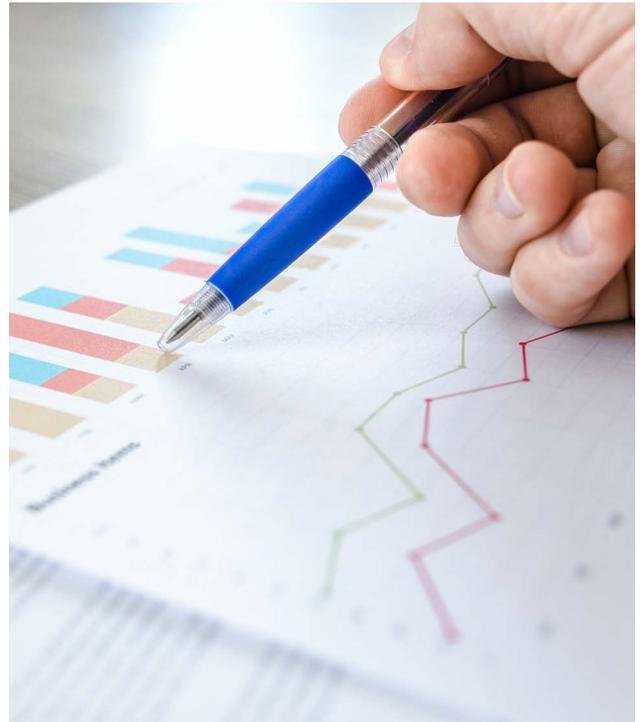
As a result, this means that many young people today struggle to access the financial support they need through the social security system and receive less than young people of previous generations would have received at the same age.

As part of the research, Centrepont worked with Oxera Consulting who provided pro bono analysis exploring how the value of social security entitlements for young people (aged under 25) have changed over the last few decades.

This analysis finds that reforms to the benefits system have left young people across the country who need to access the social security system significantly worse off in the face of rising living and especially housing costs.

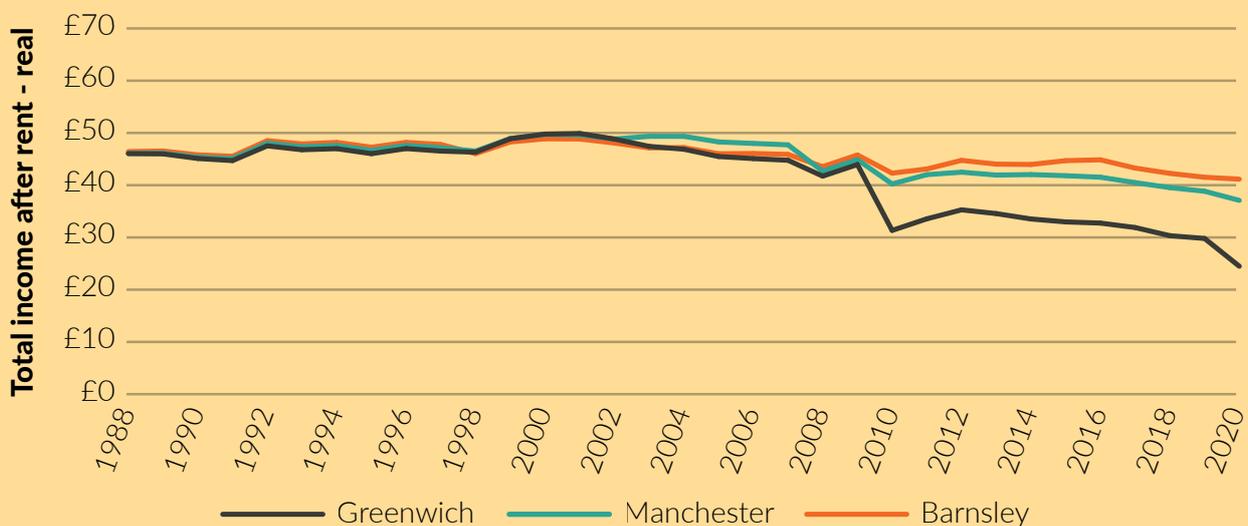
This analysis focuses on example households in Greenwich (London), Manchester (Greater Manchester) and Barnsley (South Yorkshire). These are all areas in which Centrepont supports young people, and represent areas with different levels of housing affordability.

For a young person who is not working and renting in the private sector in each of these areas, the analysis shows that young peoples weekly incomes after rent have, in real terms, fallen in the last three decades.

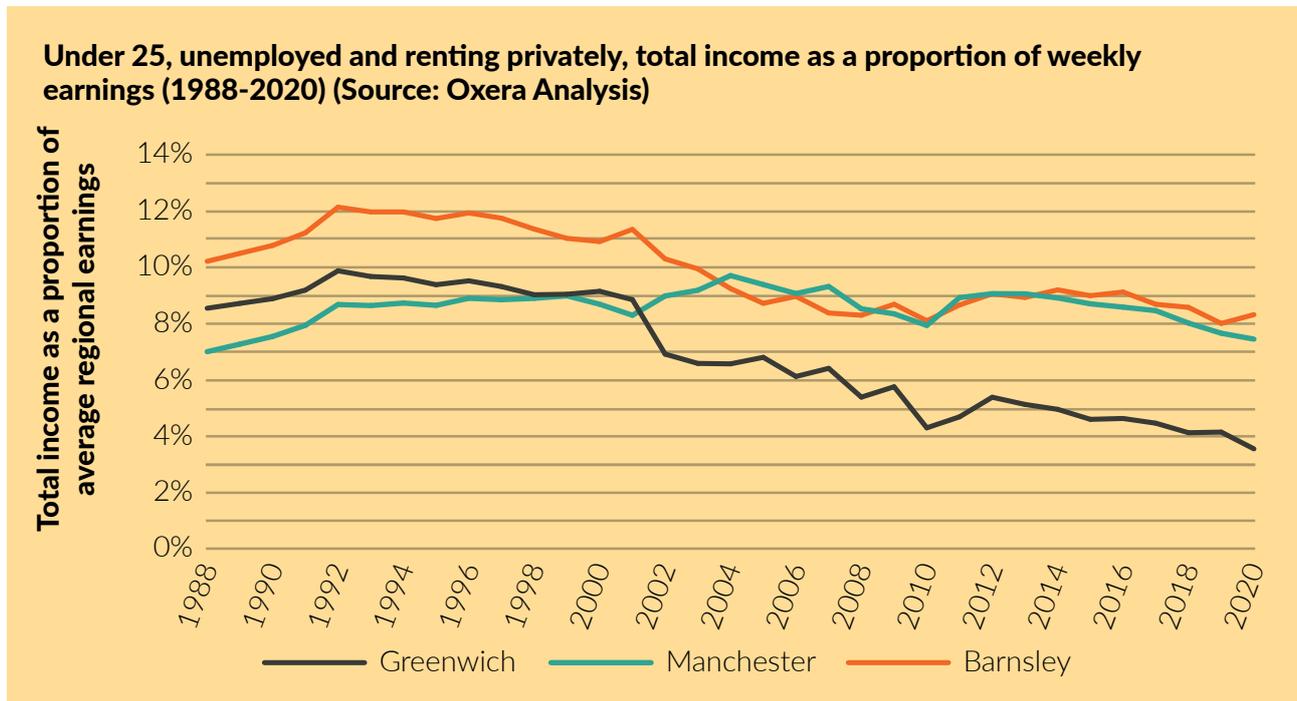


This is especially pronounced for young people in this situation in Greenwich, London, where weekly real income after rent has almost halved between 1988 and 2020. A key driver for this drop is the reduction in value of the Shared Accommodation Rate and the freezing of working-age benefits over several years – leading to increasing numbers of renters having to make up housing shortfalls using other sources of income, such as their Universal Credit standard allowance.

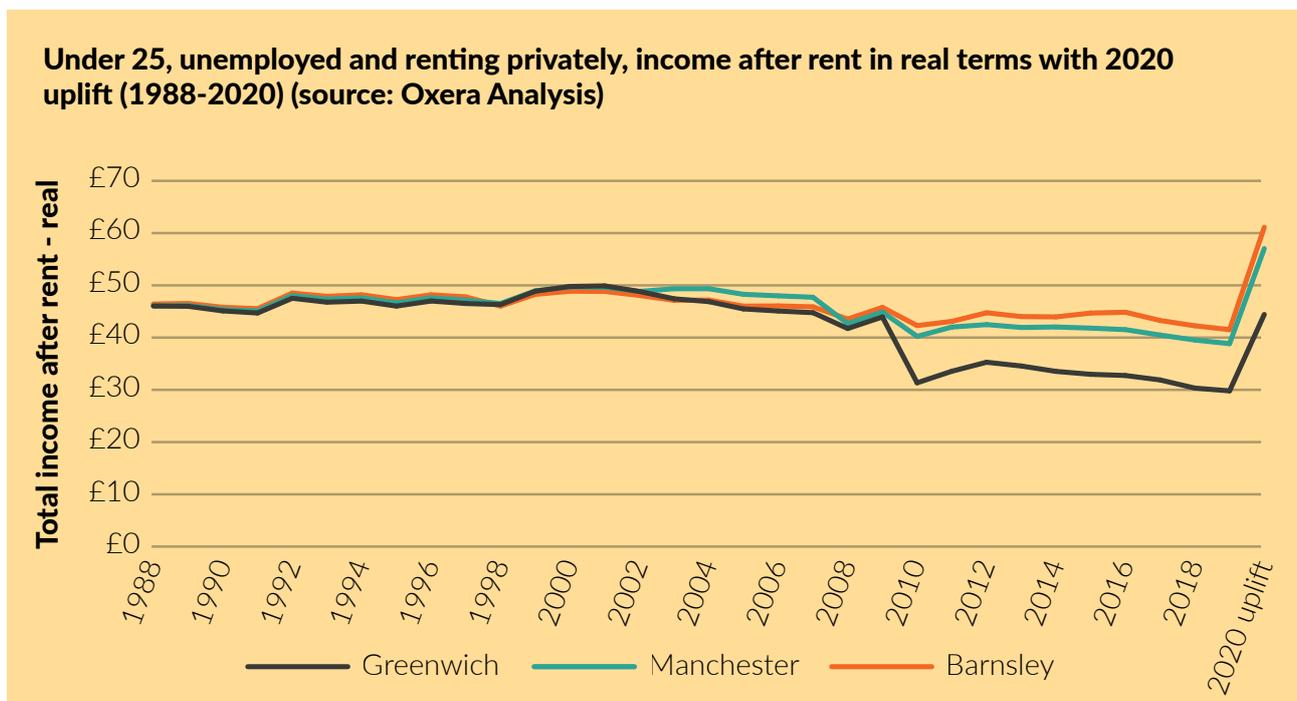
Under 25, unemployed and renting privately, weekly income after rent in real terms (1988-2020) (Source: Oxera Analysis)



When considering the value of young peoples' benefit entitlements compared to regional earnings the analysis again shows a steady decline in their relative value, except for in Manchester where earnings growth has been slower. This decline is similarly most pronounced in Greenwich, where the value of what a single unemployed under 25 renting privately can expect through the benefits system has halved from 8 per cent to 4 per cent of average weekly household earnings.



The temporary £20 uplift to the Universal Credit standard allowance and Working Tax Credit provided a vital lifeline to young people across the country. However, in London, where the real value of financial support for young people renting privately has declined so drastically, even with the uplift, the real value of entitlements for someone unemployed and in the private rented sector was only restored to where it would have been before 2008:



As this analysis shows, the value of key benefits for young people have seen a decline across the country - leaving young people today facing historically low rates of financial support.

Following the 2008 financial crisis, significant cuts and reforms were made to public services and expenditure in Britain, with the benefits system identified as a key area for reform. The Conservative-led Coalition Government elected in 2010 set out to make wide-ranging changes to the UK's social security system, with the stated aims of making the system 'fairer and more affordable', reduce 'poverty, worklessness and welfare dependency' and reduce levels of fraud and error.

Over the next decade, more than £30 billion would be taken out of the social security system. As well as the measures outlined above, decisions were taken to reduce the real value of working-age social security benefits for all working-age claimants. These included – but were not limited to – the decision to use the Consumer Price Index rather than the Retail Price Index to uprate benefit levels; to cap working-age benefits increases at 1 per cent between 2012 to 2015 and freeze them between 2016 and 2020; to reduce housing benefit payments in the private rented sector to cover the bottom thirty per cent of market rents in a local area rather than the bottom half; and to introduce a benefit cap which limited overall social security payments to a household.

The last decade also saw an expansion in welfare conditionality and sanctioning, with increasingly stringent measures introduced and conditionality expanded to cover wider groups of claimants. Again, these measures have disproportionately affected young people accessing social security: 41 per cent of all Universal Credit sanctions decisions made between May 2016 and January 2021 were against claimants under 25.¹²



Universal Credit

Since 2012, the majority of working-age benefits in the UK have been gradually replaced by Universal Credit, a single monthly payment to support living and housing costs for those who are unemployed, unable to work, or working on a low income. The new benefits system was introduced with key three aims: to make the benefits system fairer and more affordable, to reduce poverty, and reduce levels of fraud and error.

Universal Credit is paid in arrears, and most claimants have a five week wait for their first payment when making a claim. If new claimants are facing financial hardship they can apply for an advance, which is then deducted from their future payments.

For many people receiving Universal Credit, this is the norm: 60 per cent of all UC claimants are receiving less than the standard rate as they are paying back some kind of benefit debt or advance.¹³

The benefit is mostly managed online, with claimants primarily interacting with their work coach and reporting through an online journal. In most cases, households are paid a monthly sum which includes housing costs where applicable. Alternative Payment Arrangements exist for claimants identified as vulnerable, where the benefit can be paid more regularly or housing costs paid directly to a landlord. Since 2018, Universal Credit claimants in Scotland, where some elements of social security legislation are devolved, have the choice following their first payment of more regular payments or to have payments made to a landlord.¹⁴



The rollout of Universal Credit is set to be complete by 2024 following several delays and resets to the new system, and a majority of working-age people receiving social security are now on Universal Credit. However, rather than making the system more simple as envisaged, Universal Credit has come under criticism and has been linked to increases in poverty and food bank use, increasing mental distress and poor mental health among claimants, and certain features have been linked to rent arrears and homelessness.^{15 16}

Research into youth homelessness by Homeless Link in 2020 found that accessing and navigating Universal Credit is a key challenge for young people facing homelessness. A critical issue was young people's inability to budget on lower UC rates, with many falling behind on rent and having to make difficult choices.¹⁷ Previous research by the organisation similarly found challenges with the benefits system, with more than nine

in ten youth homelessness charities surveyed reporting that delayed UC payments were having an impact on young peoples' ability to access and sustain accommodation.¹⁸ Similarly, the youth homelessness charity Depaul has raised concerns about the impact of Universal Credit on homeless young people, highlighting the five week wait as a particular challenge pushing young people into hardship and debt.¹⁹

The move to Universal Credit has created at least one benefit for younger claimants. Previously, most under-25s were ineligible for Working Tax Credit (an in-work benefit for people on low incomes) but with the move to in-work support through Universal Credit this is no longer the case. Instead, most young UC claimants earning through employment lose 63p of their UC for every pound they earn. However, as claimants under 25 generally have lower UC awards, their benefits are tapered off sooner by the same earnings.

In its Summer Budget of 2015, the Conservative government withdrew automatic entitlements to housing support for young people aged between 18-21 who were not in work, arguing that the change would 'ensure that young people in the benefits system face the same choices as young people who work' and 'prevent young people slipping straight into a life on benefits'. The policy made clear, however, that those young people who could not expect to live at home, such as those experiencing abuse, would be exempted.

In practice, the vast majority of young people needing financial support were exempted from the policy as they fit into specific categories identified as being vulnerable or unable to live with family or other carers. However, charities such as Centrepoin raised concerns that the confusion around entitlements could lead to young people not accessing support they were entitled to, and landlords not letting to younger claimants. The Government reversed the policy entirely in 2018, to remove 'any unintended barriers to young people accessing housing on the basis of their age alone.' This change in policy was greatly welcomed across the homelessness sector, and gave young people the certainty that they would still be able to access support for housing costs if needed.

Another positive move was the decision to expand exemptions to the Shared Accommodation Rate, which limits the amount of housing support most young people can claim. While those aged over 25 who had spent 3 months in a qualifying homeless hostel were exempted from this lower rate, this exemption did not apply to those aged under 25. Following campaigning by Centrepoin and others across the sector, this exemption was eventually expanded to under-25s who had spent 3 months in homeless accommodation and care leavers aged up to 25 in Spring 2021.

Taken together however, welfare reforms over the last decade and beyond have left young claimants today both worse off compared to other age groups, and worse off compared to young people of previous generations.²⁰ The impact of recent reforms have hit poorer young people harder, and risk increasing intra-generational inequality, limiting social mobility and entrenching disadvantage.²¹ At the same time, wider austerity measures have also reduced support services available to vulnerable young people, while changes to higher education funding mean that increasing numbers of young people are in debt before moving into full time work.

Impacts of welfare reforms on young people

The cumulative impacts of welfare reforms have affected all working age claimants. However, young people living independently have been especially affected - as they do not have access to financial support from outside the social security system and so are more exposed to changes to the benefits system.²² Younger people also have lower savings on average, and have historically had a significant share of their income come through social security.²³



While the number of households headed by under 25s living in relative poverty has decreased in recent years, more than one in five (22 per cent) of households in this age group remain in relative poverty, meaning their income is less than 60 per cent of the median income across the UK.²⁴

The Joseph Rowntree Foundation's most recent annual study into deprivation across the UK found that young people under the age of 25 were significantly over-represented in the destitute population. This means that they lacked two or more of six essential items (including shelter, food and toiletries), or their incomes are too low to be able to afford these items themselves. While households headed by an under-25 represent less than 5 per cent of households across the UK, more than 20 per cent of destitute households are in this age group.²⁵

The SSAC's analysis of young peoples' experiences of living independently and claiming benefits found evidence of difficulties budgeting and young people struggling to afford day to day goods. Of a survey of 62 young claimants, a fifth said that they had to go without basic needs, such as food or heating, because they could not afford it.²⁶

How do benefits relate to real living costs?

Before the £20 uplift to Universal Credit and Tax Credits, and the restoration of LHA rates to the thirtieth percentile, benefit levels had moved further and further away from the costs of living and renting. Working age benefit levels were frozen for four years between 2016 and 2020, and capped at 1 per cent between 2012 and 2015 – while inflation averaged at 2.7 per cent a year between 2012 and 2020.²⁷

One measure of the amount of money needed to cover real living costs is the Minimum Income Standard (MIS), such as that developed by the Joseph Rowntree Foundation. This method uses public polling and analysis to determine a collectively agreed set of essential goods, needed to get by. A minimum income standard takes into account not just the costs of food, clothes and shelter, but the goods needed to 'have the opportunities and choices necessary to participate in society'.²⁸

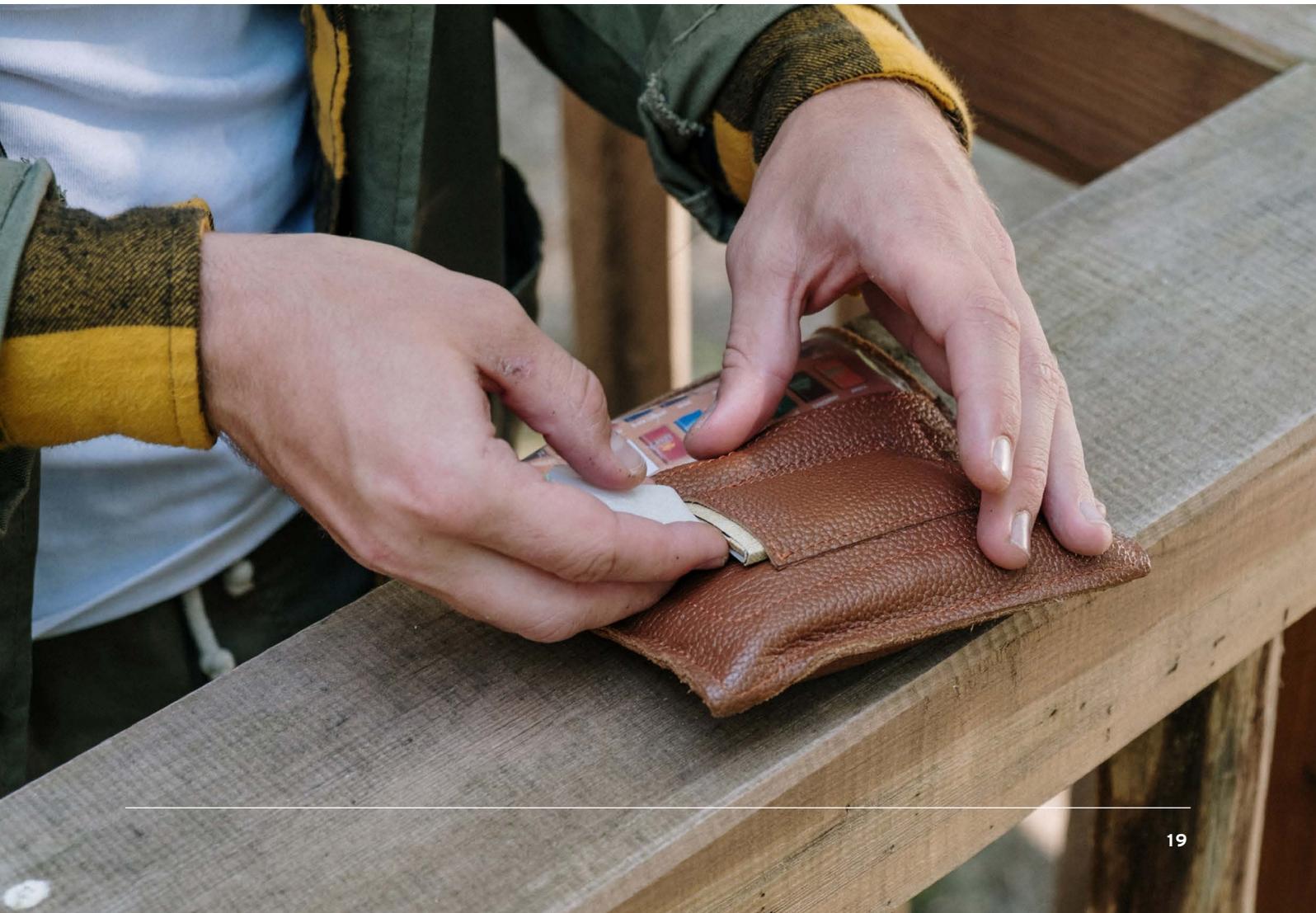
To adequately meet the costs of living in 2021, a single adult in the UK is identified as needing £212.64 a week after housing costs – far above what most people are entitled to through the benefits system.

This is even more true for young people. If the uplift had been retained, a single young person's standard allowance would only be 37 per cent of the minimum income standard. With the uplift removed, this drops to just 28 per cent.

For inner and outer London, where costs of living are higher, the minimum income standard is identified as being £276 and £253 respectively for a single working-age adult. Here the gap between young people's entitlements and the MIS is even starker. Without the uplift, the value of entitlements only covers 23 per cent in outer London and 22 per cent in inner London.²⁹

As part of this research, Centrepoin worked with Opinium to ask the public what they thought was the minimum amount of money a single person needs each month, after housing costs had been taken into account, to cover essentials such as food, utilities and transport.³⁰

The average amount given was £740 a month, or around £171 per week – far above what most young people are able to access through the social security system. Again, this was even more stark for those in London, who said that £1,169 per month, or around £270 per week was the minimum needed to cover essential costs.



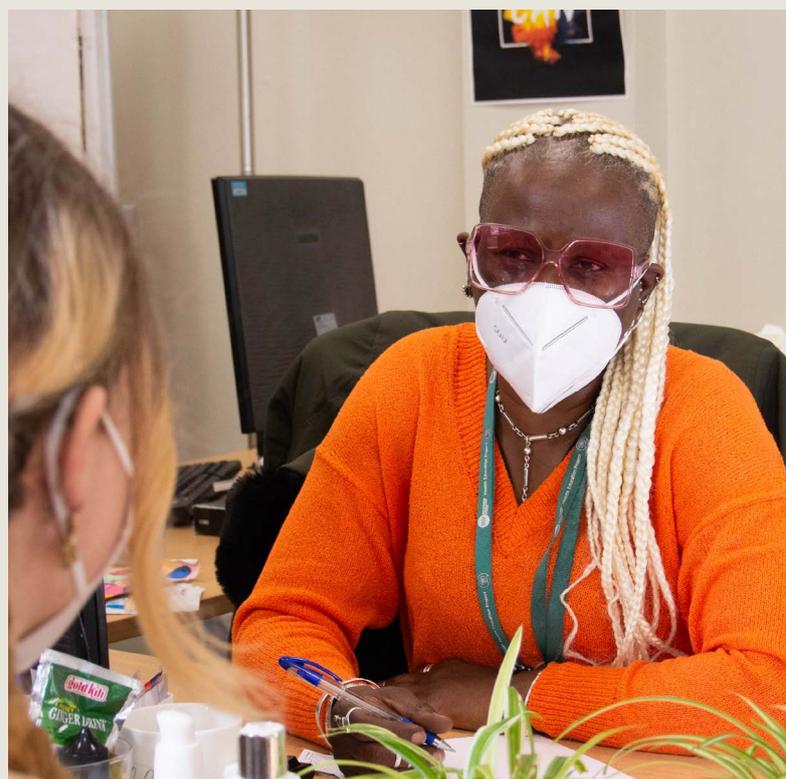
Covid-19

In March 2020 the UK entered into restrictions and closed down large parts of the economy in response to the global Covid-19 pandemic. Unemployment rose across all age groups, however, young people have been disproportionately affected.

Before the pandemic, youth unemployment rates remained consistently higher than the national average, with an estimated 782,000 young people not in employment, education or training between January and March 2020.³¹ On the eve of the coronavirus outbreak, young people aged below 25 were more likely than other age groups to be employed in the hospitality and non-food retail industries – industries which have been hardest hit by COVID-19.³² The number of unemployed who were previously employed in the accommodation and food services sector increased by 78,000 to 176,000 in November 2020-January 2021 – up from 98,000 in the same quarter the year before.³³ The closing down of these sectors has increased the challenges that already exist for young people when taking their first step into employment, and risks stunting career development and pay progression for those already in the workforce.

The Resolution Foundation found that as early as May 2020, one third of 18-24 year olds had been furloughed or lost their job compared to less than 15 per cent of people aged 35-44 years old.³⁴ The unemployment rate (the proportion of the economically active population who are unemployed) for 16-24 year olds hit its peak in July 2020-September 2020 at 14.8 per cent,³⁵ up from 11.9 per cent at the same time in the previous year. This has exacerbated pre-existing intergenerational inequalities, wherein during the decade prior to the pandemic, young people had experienced slower pay growth and higher rates of working in low-income jobs.³⁶ Moreover, COVID-19 is likely to have a greater impact on young people than previous recessions, as the sectors that have been worse affected by the pandemic are those which largely employ young people.³⁷

Unsurprisingly, due to the staggering increase in youth unemployment, the number of 16-24 claiming benefits has also risen sharply. Despite restrictions having lifted and businesses opening up, the claimant count for young people in July 2021 was still extremely high at 408,585 – this is nearly double the amount seen pre-pandemic.³⁸ Every region across the UK saw increases on claimant count throughout the pandemic; however, London saw the steepest rise, with the claimant count trebling in size in March 2021 compared to pre-pandemic. In July 2021, the figures stood at 66, 095³⁹ for London alone.



Unemployment, limited incomes and lockdown restrictions have contributed to worsening mental health conditions for people across the UK, but even more so for many homeless young people, who have often faced severe trauma, the pandemic has created an unmanageable strain on their emotional wellbeing. Over half (54.1 per cent) of young people at Centrepoin were reported to have a mental health need pre-COVID, and since the first lockdown last March, we've seen a 40 per cent increase in demand for Centrepoin's mental health services.⁴⁰ Unfortunately, need is outstripping supply which has meant that, despite the best efforts of the team, wait times have increased – in some cases from two weeks to an average wait of 3 months.⁴¹ It is welcomed news that the Government is investing £79 million to boost mental health support for children and young people;⁴² however, it is essential that these services are tailored to the needs of homeless young people and work flexibly to engage those that are hardest to reach.

Social security measures

The DWP's immediate response to the pandemic was initially commended; almost a million Universal Credit (UC) applications were made in the fortnight following the first lockdown – 10 times the normal rate.⁴³ This unprecedented surge in claims was met with an efficient re-deployment of staff within DWP and across Government ensuring that 93 per cent of claims were paid on time.⁴⁴ This demonstrates how a benefit system is most effective when it is adaptable and responsive to the needs of society.

In March 2020, the Universal Credit (UC) and Working Tax Credit entitlement was increased by £20 a week; this was a temporary measure to help claimants during the pandemic. In March 2021, this was extended for a further six months, up until October 2021. For claimants receiving the under-25s rate, this increase represented an increase of over a third in their standard allowance.

Despite this uplift, food insecurity has increased significantly during the pandemic. The number of young people needing to access Centrepoin's emergency food support rose dramatically. As of the beginning of March 2021, the total number of emergency food actions in 2020/21 had reached 553, which is a 276 per cent increase from the previous year.⁴⁵

Unfortunately, despite lobbying from Centrepoin and other organisations across the sector, the Government ended the temporary uplift in October, removing the additional £20 a week for millions of people across the UK. This means that young people on Universal Credit will receive £20 less per week than they have been for the last 18 months. For many young people, this means losing more than a quarter of their current income, and will likely contribute to further food insecurity.

Jobs measures

The Government put in place some significant programmes and has taken steps to reduce youth unemployment during the pandemic. As part of the Plan for Jobs, the Government announced the following:

- ***an additional £111 million for traineeships in England to fund high quality work placements and training for 16-24 year olds;***
- ***a new payment of £2000 to employers in England for each new apprentice they hire aged under 25;***
- ***£101 million for high value Level 2 and 3 courses available to all 18-19 year olds when there are no employment opportunities available to them;***
- ***increase of intensive support offered by DWP in Great Britain to young jobseekers;***
- ***increase in the number of work coaches;***
- ***110 Youth Hubs in every Jobcentre Plus district which offer new specialist employment support and advice;***
- ***increase of funding for the Flexible Support Fund;***
- ***a job finding service for those who have been unemployed for less than three months, and;***
- ***£17 million funding for sector-based work academies in order to provide vocational training and guaranteed interviews.***⁴⁶

Lastly, one of the most applauded initiatives was the Kickstart scheme; the Government has created a £2 billion fund for 16 to 24 year olds deemed to be at risk of long term unemployment. The funding available covers six months of employment for 25 hours a week at the National Minimum Wage. Furthermore, the Government will provide a grant of £1500 per job to cover setup costs and employability support. Private, public and not-for-profit employers can join the scheme. The following are amongst those that have already created job posts: TalkTalk, M&S, TSB and Network Rail. To date, the scheme has led to the creation of more than 120,000 jobs - although by May 2021, only 16,500 young people had been placed in jobs through the scheme.⁴⁷ This is likely due to the lockdowns and lack of economic activity; however, lengthy applications and delays in DWP approving a job created additional challenges.⁴⁸

Overall, the initiative has been praised by employers and experts as an excellent opportunity for allowing young people to enter the workforce, whilst building the skills and confidence needed for their career journey. It is for that reason that, along with a wide range of other organisations, we believe the programme needs to be extended further to ensure there is adequate time to achieve a significant impact. As of 22nd Sept 2021, only 76,900 of the 250,000 jobs which the government set aside 2 billion worth of funding for have been taken up. We welcome the Chancellor's decision to extend the scheme for four months; however, this needs to be extended further to ensure there is adequate time to ensure the maximum number of young people are able to benefit.⁴⁹

Whilst the impact of the pandemic is yet to play out in full, it is evident that young people are most at risk of experiencing scarring (negative long term effects that unemployment has on future labour).⁵⁰ Due to the pandemic, many young people are leaving education and entering the labour market at a time when the economy is weak. Leaving education during a time of poor economic conditions has been found to have a direct impact on employment and pay for at least five years after leaving education.⁵¹ Many young people choose to live with their parents immediately after leaving education as it can potentially help to buffer any negative financial impacts; however, for homeless young people, this is not an option and places them at a further disadvantage when entering the labour market. Furthermore, research on scarring has shown that effects are more pronounced for lower-educated young people compared to their highly educated peers.⁵² This is likely to be particularly applicable to the recent pandemic which predominantly impacted low-wage jobs.⁵³ Without significant Government policy intervention, we are likely to not only see an increase in inter-generational inequality, but also increased labour market inequalities within the younger generation also.

Is it fair that young people receive lower benefits?

As identified above, the reason that young people receive reduced financial support through the social security system when compared to older adults is based on the assumption that the majority will be able to access financial support from family, and that they do not have the same financial responsibilities.

This research found that for young people without this support, these lower rates simply do not cover the real costs of living, and are seen as unfair and unjustified by stakeholders and young people themselves.

Polling data also suggests this view is shared by a majority of the public: national survey questions undertaken by Opinium for Centrepunkt found that 53 per cent of national respondents think that lower benefit rates for

young people are unfair, and that fewer than one in five (17 per cent) think that these lower rates are fair.

Recent polling by the Fabian Society also suggests that the public are increasingly in favour of strengthening social security for young people, and again that a majority of people think young people should receive the same amount as older working-age adults.⁵⁴

Similarly, Opinium's polling for Centrepunkt found support for raising entitlements for disadvantaged young people, with almost eight in 10 (79 per cent of) respondents thinking that care leavers and young people experiencing homelessness should receive the same (47 per cent) or more (32 per cent) financial support than working age adults aged over 25.

Homeless young people's experiences of the social security system

Levels of income

For young people going through homelessness or a mental health crisis, the social security system is supposed to provide the income they need to cover essential living costs and avoid outright poverty. For some, this financial support is designed as a temporary cushion to avoid hardship while looking for work, while for those with a long term health condition or caring responsibilities, a strong safety net can help ensure a decent quality of life.

However, our research found that for the most disadvantaged young people, the amount of money received through the benefits system is simply not enough to cover the real costs of living.



Fewer than one in five (19 per cent) think they get enough money through the benefits system to get by

For many of the young people Centrepunkt spoke to in this research, reduced benefit rates made money management extremely challenging and put them in near constant financial hardship.



"...£57.90 a week, which I believe living in London is not enough for a young person... it was very difficult to manage money. And, you know, to be able to provide for yourself, buying food, buying clothes, and toiletries, and household products, you know, they're not cheap."

Sasha, London

"How is anyone supposed to live on £250 a month?"

Survey respondent, Female, South East England

For both young people and key stakeholders, the fact that under-25s received a lower amount of money through the benefits system was seen as unfair and unjustified. For young people living independently, and without support from family, it was clear how these lower rates made covering essentials more difficult:

“...it’s not fair as I have the same responsibilities and same financial things I have to pay for, the same as people that are a lot older than me. I still have bills to pay, I still have things I have to pay for... if my age was exempt from those things that I have to pay for, then it would make sense, but I am not exempt from those costs so then it shouldn’t really be a difference.”

Chantelle, London

“I don’t think it’s justified... rent is still the same, it’s not like because you are under 25, the rents 200 pound, if you’re over 25 the rent is 325, it’s not like that, our living costs are the same, food’s the same, our electricity/ gas is all the same, I don’t know whether like, as a society we are setting people up to fail.”

Charlie, Yorkshire

Impact of the Universal Credit uplift

Between March 2020 and October 2021, the Universal Credit Standard Allowance and Working Tax Credits were increased by £20 a week, in order to ‘strengthen the safety net’ in the face of the Covid-19 pandemic.

For under-25s receiving the full Universal Credit standard allowance, this represented more than a 33 per cent increase in their disposable income. However, this uplift was withdrawn at the beginning of October 2021.

Prior to the removal, Centrepoint asked young people on Universal Credit (n=153) about the impact this would have on them: we found that young people were worried that this removal would make it more difficult to buy food and essentials, about being pushed into debt, and how this would impact on their ability to access and sustain work, education and training opportunities:

! **Seven in 10 (69 per cent of)** young people said that it would be more difficult to buy food and household essentials if the cut goes ahead.

! **More than a third (38 per cent)** of young people said they would have to borrow money or ask for a loan because of this cut going ahead.

! **Six in 10 (59 per cent)** of young people said that it would be harder to pay rent and essential bills if the cut goes ahead.

! **Almost a third (29 per cent)** of young people said that the cut will make it harder to access work, education or training.

“...they have had that extra bit of money to be able to buy more healthy food, to be able to put a little bit aside, to be able to buy a new clothing item or just to be able to do something, one of the young people went to the pictures for the first time in 12 months recently when everything started to open up, and that’s what 16 and 17 year olds should be doing, they shouldn’t be worrying about where their next meal is coming from.”

Service Manager, Yorkshire



Although the £20 uplift to Universal Credit from March 2020 had been a huge boost to young peoples' incomes, several stakeholders also highlighted the rise in food costs and difficulties accessing essential items during the pandemic.

"...the cost of living, especially in the past few years, the cost of a food shop has gone up massively and the benefit system payments are not really reflecting that"

Sara, Yorkshire

As well as making it difficult to cover food and other essentials, young people spoke about how low benefit rates could also lead to them falling into rent arrears or debts.

! **65 per cent** report having fallen behind on rent or essential bills due to a lack of money while receiving benefits

While the importance of good money management was stressed both by support workers and young people themselves, it was clear that having no breathing room within personal budgets could leave a young person one unforeseen expense away from hardship and debt.

"I've met a young person that's been sanctioned and all they received is £80 a month, which is ridiculous ...that young person weren't able to top up their electricity or hot water so we had to give them money. We found out that young person was showering in the swimming pools, in the gyms, and that's no way to live."

Local Authority Welfare Advisor, London

Young people highlighted the challenges this created in the short term, such as facing eviction and further homelessness, as well as the longer-term impacts on access to housing and financial services:

"I was always behind on rent, and I had to constantly apply for discretionary housing payment to support me to keep up with my rent and service charge so that I didn't fall behind... I would have been at risk of becoming even more homeless because I wouldn't even have a hostel to have a roof over my head."

Samira, London

Borrowing money to get by was a common experience for many of the young people we spoke to in this research. While some young people could borrow from family and friends, other young people spoke about having to take out loans and high-interest forms of credit. All forms of borrowing however left young people facing reduced incomes over the longer term due to debt repayments, and damage to their future if debts were not sustainable or affordable.

! **72 per cent** have had to borrow money from family or friends

! **40 per cent** have had to take out a loan or go into an overdraft

Stakeholders also highlighted that a lack of financial awareness and experience in managing money also raised challenges for young people when it came to buying goods and services.

"I get some young people that have a £70 monthly mobile phone contract and they're on Universal Credit"

Money Advice Worker, London

The initial wait for a first benefit payment, which is explored in more detail in the next section, was identified as a key driver of debt for young people:

"I did get into 2 thousand pounds worth of debt... Waiting, I was waiting for ages... and all the accommodation was going up and up and up."

Josie, London

Again, access to budgeting support and assistance with money management was seen as vital – both as a way of helping young people manage low incomes and to identify and avoid unsustainable debt.

Young people however highlighted that the lack of budgeting support when making a claim could lead to them struggling to manage their monthly payments.

“the payment was 250 odd and I remember I blew all the money because nobody had taught me how to budget, what to spend it on, you need to pay this this this, nobody sat me down and said you need to pay service charge, this is how much you will need for food, this is how much it will cost you”

Charlie, Yorkshire

“Help us budget or pay us weekly! We cannot afford it”

Young man, London

When Universal Credit was first introduced, budgeting support was held up as a key element to support claimants who might struggle with the move to monthly payments. However, many of the young people Centrepont spoke to felt they had not been offered this support, and found managing a monthly budget extremely difficult, especially where they were faced with additional deductions. Organisations like Centrepont can offer budgeting advice and one to one assistance – such as through Moneywise as described below – , but this risks leaving those not being supported by a charity or housing provider not able to access this support.



Recommendation: The DWP should introduce a new Youth Independence Payment of £15.58 per week for young people living independently without family support. This would raise their overall Universal Credit entitlement to the rate that over 25s receive in recognition that they face the same living costs.



Recommendation: The DWP should proactively offer all under-25s making a claim for Universal Credit budgeting support and advice, either delivered by the DWP or through partnerships with local providers.

In focus: Centrepont MoneyWise

Moneywise is an in-house budgeting and money management service provided by Centrepont, to support young people in our accommodation services to develop their financial resilience and improve budgeting skills.

Moneywise is an umbrella term for a range of interventions, which include:

- **Structured components which focus on improving young peoples’ financial capability, such as short courses and AQAs**
- **Referral to one-on-one money and debt advice from Centrepont’s dedicated Moneywise workers**
- **Support and advice for key workers and staff working with young people**
- **Support to access financial products, services and ID, such as opening a bank account or applying for a Citizen Card**
- **Mentors, workshops and events to help young people practise and embed their financial capability skills**

An independent evaluation of Centrepont Moneywise in 2018 found that the service was effective in improving the money management skills and changing attitudes towards money for those taking part. Young people also reported being better able to access financial services and products, and those accessing the service were less likely to have personal debts than young people not using the service.⁵⁵

Services like Moneywise provide critical support and can help young people build their skills and confidence in managing money, accessing financial services and avoiding and reducing debts.

Impact on health and wellbeing

Mental health

Previous Centrepoint research found that mental health issues were reported in over half (54.1 per cent) of homeless young people.⁵⁶ The most frequently diagnosed mental health conditions were severe depression (20.2 per cent) and anxiety (19.9 per cent). This is even more pronounced when we consider young people that have slept rough with 68.4 per cent reporting mental health issues.

Unfortunately, the national mental health system is under-resourced and under significant pressure, resulting in long wait times to be assessed and referred for support. For some of the most chaotic young people who have suffered significant trauma, once these initial hurdles in terms of diagnosis have been overcome, actually engaging with the treatment creates an additional challenge. Despite needing further encouragement and support to engage, often these young people are discharged from mental health services due to missed appointments.

Financial hardship is often inextricably linked to mental health problems⁵⁷ and can be the source of shame, guilt, emotional strain, depression, despair and anxiety.⁵⁸

79 per cent of respondents said that they feel stressed or worried about money while receiving benefits

75 per cent reported that a lack of money negatively affected their mental health while receiving benefits

“it’s very difficult for young people so when they tend to fall behind it is very difficult for them and the wellbeing of the young person really goes down. You can see, most times you see it in the way they look, they are always trying to hide away from you”

Centrepoint Service Manager, London

Loneliness and isolation

Another theme that came up as part of Centrepoint’s research was the impact low benefit rates had on the ability for young people to connect with friends and family. Social interaction is a fundamental human need and perceived loneliness and isolation is often associated with poor mental health.⁵⁹

Only 13 per cent of survey respondents stated that benefit levels are enough to see family and friends when they want

Only 10 per cent said that benefit levels are enough to have a decent quality of life

74 per cent had missed out on seeing friends or attending social occasions due to lack of money – half of whom said this happened often or all the time

“I don’t think people take into consideration doing things that make people happy, just going to work, making sure your bills are paid for, and then going home, you should be living as well, doing things with your friends and family”

Centrepoint young person

“I’m literally earning basically nothing, I’m literally earning enough to pay my service charge and to literally put some little food bits in the house and stuff like that, so I’m actually not earning enough to actually go and do things in my personal life”

Tara, South East England

Substance use

Alongside mental health concerns, many homeless young people experience substance use issues. Unhealthy coping mechanisms, such as drinking or taking drugs, are often used to escape financial troubles. Previous Centrepont research found that drug needs were reported in 26.6 per cent of young people and alcohol needs in 9.3 per cent.⁶⁰ Unfortunately, those that have a dual diagnosis – a term used to describe co-existing mental health and substance use problems - are often excluded from certain services as they do not meet the criteria for mental health support. Nonetheless, it is evident that mental health and substance use are often interrelated and should be looked at in combination.



Food insecurity

Another significant health concern for homeless young people is food insecurity due to financial hardship. The Food Standards Agency report that food insecurity is far higher in some demographic groups, most notably young people.⁶¹ With rising food prices, linked to inflation and Brexit, young people on a low-income are struggling to budget food costs or maintain a healthy diet. We were told by some young people that they prioritise rent payments and other housing costs over food due to fear of losing their accommodation - instead they would choose to go hungry.

! **66 per cent** of respondents report going to bed hungry due to lack of money. **32 per cent** said that this happens all the time

Issues with the benefit system are cited by The Trussell Trust as one of the main drivers of food bank use.⁶²

“I had to wait long, like 6-7 weeks to get money coming through, so I used to get a lot of food parcels in the hostels, or having to go to the food banks in (town) just to get food parcels.”

Charlie, Yorkshire

Despite the £20-per-week uplift to Universal Credit introduced in April 2020, Centrepont’s health team has witnessed a significant increase in young people needing to access emergency food support since its introduction. The number of emergency food actions carried out by Centrepont’s health team across the UK for the 2019/20 financial year totalled 147. During 2020/21, demand shot up and, as of the beginning of March 2021, the total number of emergency food actions had reached 553 - a

276 per cent increase. Young people who have accessed Centrepont’s emergency food support have stated that they would like to eat more healthily, but they cannot afford to, even with the £20 uplift to Universal Credit.

“one of the ways we see the young people are struggling is when they are dependent so much on the donated food or when they automatically become dependent on food vouchers”

Centrepont Service Manager, London

“I have had to spend money that I have making sure bills and stuff are paid, where it leaves me without a food shop or like basic toiletries”

Tara, South East England

“About 80 per cent of the young people I work with struggle with benefits, and definitely with COVID and lockdowns happened, it has got worse, there’s now a reliance on foodbanks and other organisations to bridge that gap”

Local Authority Practitioner, London

As well as the physical impacts of food insecurity – which included fatigue and difficulties concentrating, in turn affecting work and education – young people also spoke about the impacts on their wellbeing and self-esteem from using food banks and accessing emergency food support:

“I used to feel really ashamed and embarrassed and I still do now, and its just a really big pride thing and I just don’t like asking for food parcels, sometimes it has to be done but I still have those feelings of embarrassment”

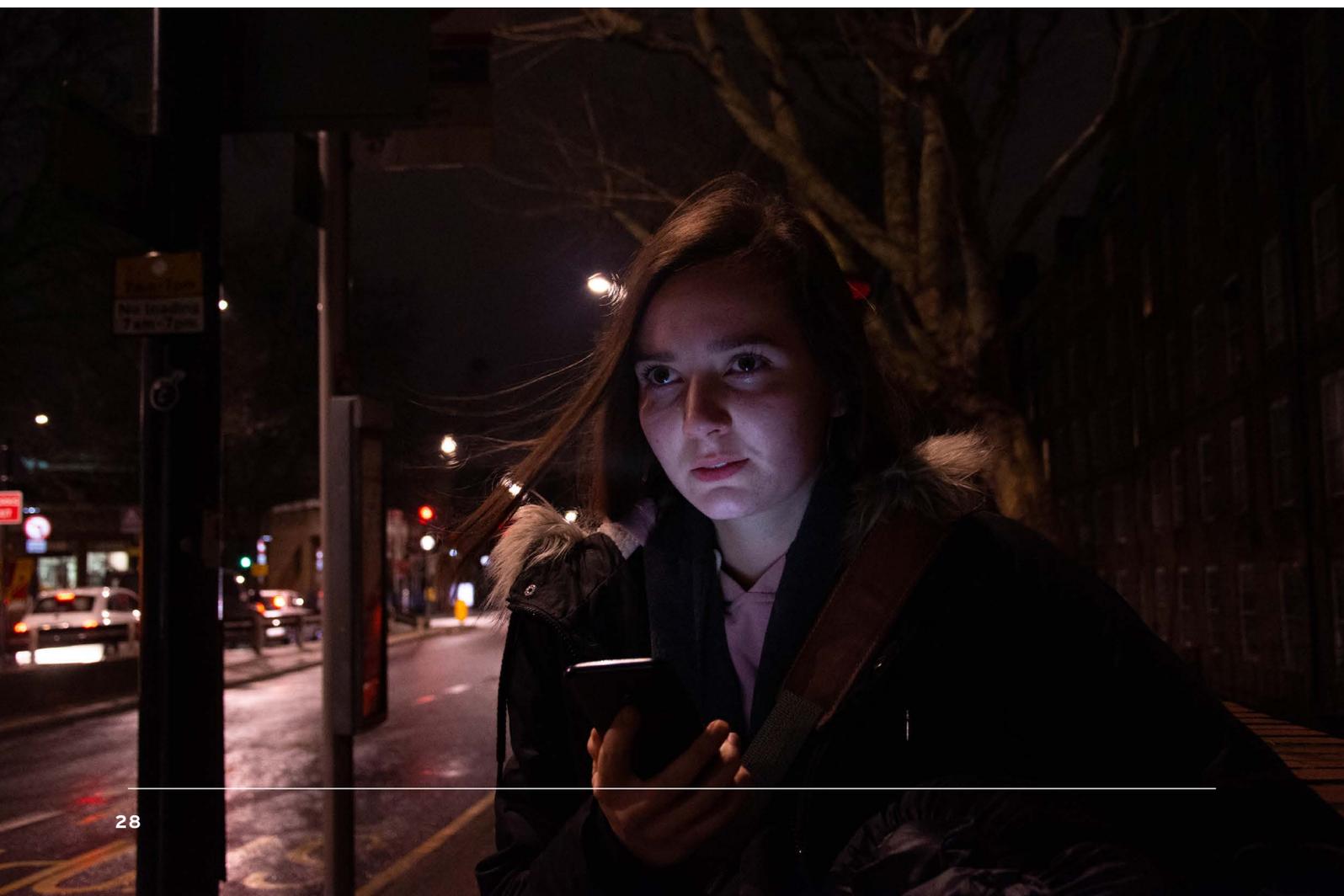
Charlie, Yorkshire

Long term impacts of low benefit rates

As addressed in the previous sections, low benefit rates can contribute to poor mental health, substance use, isolation and food insecurity. These factors can then negatively impact a young person's ability to access education or employment opportunities and prolong their dependence on benefits. As a consequence, young people are then further disadvantaged as they miss out on opportunities to build their CV, achieve qualifications and gain work experience.

! **38 per cent of survey respondents** stated that their benefit levels are too low to help them find work, education or training

The number of young people aged 16-24 unemployed for more than a year increased by 64 per cent (38,000) during the pandemic (from May-Jul 2020).⁶³ The impacts of long-term unemployment can be extremely damaging to a young person's health, wellbeing and development, and can continue to affect work and earnings opportunities throughout their life.⁶⁴



Risk, crime and exploitation

Centrepoin't's research looking into youth violence found that not having access to a stable source of income was cited as a key reason why somebody might become involved in criminal activity,⁶⁵ with 21 per cent of survey respondents feeling pressured to commit a crime while homeless. Centrepoin't found that 12 per cent of homeless young people committed a crime in order to be arrested and taken into custody for the night.⁶⁶

“No money for me meant crime”

Survey respondent, London

One Service Manager witnessed young people living in his service struggling to buy food and essentials due to low benefit rates, which led these young people to become the target of negative influences and exploitation.

Gang affiliation is often associated with wealth and status and is a pull for young people that are living on the margins of society and facing high levels of poverty and structural challenges of accessing education and employment.⁶⁷

County lines has garnered an increasing amount of attention in recent years due to the exploitation of children and young people and the level of violence that is often interlinked with this type of crime. County lines is a form of criminal exploitation in which children and young people are groomed and manipulated into drug dealing; the 'lines' refer to a specific telephone number of a young person who is delivering the drugs, often to towns all across the country.

“it forces young people to think about things in the grey market, so like cash in hand work, putting yourself in risky behaviours, you know, offending in order to survive. In the benefits rate, I understand it's at a low level to not create dependence but in a system like what we work within, like when with care leavers, it's difficult to get a job and it's difficult to bridge that gap and some of them are already at a disadvantage”

Local Authority Practitioner, London

Homeless young people can often become caught up in various scams, fraud and money laundering schemes, which can put them into further debt and risk of exploitation. One young person reported engaging in sex work as a means to get by financially, which in turn massively damaged her mental health.

! **34 per cent of survey respondents** reported doing something they weren't comfortable with or could put them at risk due to low benefit rates – more than a quarter have done this more than once

Women experiencing homelessness have increased risk and exposure to gender-based violence, exploitation and intimate partner abuse. One survey, carried out by the youth homeless charity DePaul, found that almost one in five (19 per cent) young women had suffered sexual assault while in an insecure sleeping arrangement.⁶⁸ Low benefit rates could create an additional barrier for women wanting to escape from these unsafe living arrangements.

Homeless young people may also fall victim of forced labour and modern slavery in exchange for somewhere to stay. One young person explained how he took on cash in hand work to prevent his benefits from being reduced. This type of work creates an environment of vulnerability to exploitation in terms of low pay, unsafe working conditions and lack of breaks.

“If I didn't figure out other ways to make a bit of money here and there I wouldn't have survived”

Chantelle, London

In focus: Care Leavers

Often having experienced abuse or neglect, care leavers are generally in financially precarious positions as they are unable to rely on parental support; therefore, it is absolutely necessary that as their corporate parent, the Government provides a safety net to prevent devastating consequences.

Although the ending of the £20 uplift impacts all vulnerable young people, local authorities across England have expressed particular concern for care leavers as they often face additional challenges to their peers as they transition into adult life.⁶⁹

Fewer than one in three (31 per cent) of survey respondents who had been or were being supported by social services (n=55) thought that the money they received through the benefits system was enough to get by on.

More than eight in ten (81 per cent) said that their mental health had been impacted negatively due to low benefit rates

A third (33 per cent) had had to use a food bank or food parcel while receiving benefits

Throughout the pandemic, many local authorities have supported care leavers by topping up their income with food parcels and vouchers. This was an essential lifeline to young people who were struggling with food insecurity or needing to self-isolate due to COVID-19.

“you’re a care leaver, you’re estranged from your parents, it’s not like you can call up your parents and say can I have £20 and ask them to make you some dinner, you are standing on your own two feet, so I think it’s incredibly difficult”

Local Authority Practitioner, London

The DWP has established a number of safeguarding measures for care leavers due to the recognition that they may need further support to make and manage their Universal Credit claim. These measures include: enabling a care leaver to make an advanced claim up to 28 days before their 18th birthday; appointing a care leaver single point of contact in every Jobcentre who can provide support to care leavers and colleagues if required; providing employment opportunities to care leavers, through participating in the Civil Service care leaver internship scheme; and offering care leavers up to the age of 22 the chance to catch up on education they may have missed when they were younger, under the ‘Second Chance Learning’ initiative. The most recent measure has been particularly impactful for care leavers and their progression into living independently; through exempting care leavers and those under 25 who have spent at least three months in a homeless hostel from the shared accommodation rate, more vulnerable young people can be prevented from the risk of homelessness and instead are able to find safe and stable accommodation.⁷⁰

‘Before my 18th birthday, they (social services) helped do it with me, then they were paying for me. Because after you make your claim it takes six weeks, but you’re already 18 by then and you need financial help.’

Layla, London

Whilst these measures have the potential to support a care leaver to successfully transition into adulthood and independent life, we often hear of the barriers to accessing these additional forms of support. For example, key workers and service managers have had trouble identifying who the care leaver single point of contact is and getting in contact with them to assist with issues that arise as part of the young person’s claim. Key workers often have to advocate on the young person’s behalf to ensure that the appropriate support is provided. One local practitioner told us that they often face challenges when making a claim a month in advance ahead of a care leaver’s 18th birthday as the UC system does not recognise them as a care leaver. This same practitioner has also witnessed work coaches speaking to a young person in a rude way; the tone changed when the personal advisor made themselves known to the work coach. However, it should be noted that many local authorities have established strong partnerships that have enabled positive outcomes for the care leavers in their borough, ensuring that vulnerable young people are not pushed further into destitution.

“I also think there needs to be a little bit more thought and feeling about what the young person’s vulnerability is. If you aren’t used to having large amounts of money, you have gone from being in foster care for example having pocket money given to you each week to expected to live on a lump sum, it makes it difficult and there isn’t a plan in place to support young people how to budget. They just assume that they will be able to do those things, and that’s where there is a disconnect”

Local Authority Practitioner, London

It is imperative that care leavers are supported by a system that understands the complexity of their needs to enable them to maintain the stability and security needed in their lives as they make a challenging transition into independence.

“I understand that there has to be a system, but if you have gone as far as identifying the most vulnerable, so for example you have a young person’s advisor, you need to take into consideration some of the issues that group has and I don’t think they do...”

Local Authority Practitioner, London

Making a claim for Universal Credit

For some young people, the initial claims process for Universal Credit was relatively straightforward, particularly where a young person was being supported by a key worker or professional to help with the claim. Where a new claimant had access to the required information, the documents they needed and access to the internet, the initial process was seen as easy to manage.

“...when I first applied, I was only 18, turning 19, so I didn’t have a clue, did not have a clue how to fill what in, who to phone, but it’s a bit more straight forward than I originally thought.”

Jodi, Yorkshire

However, some stakeholders highlighted how the initial process still raised challenges for many young people. These could arise from a lack of ID, including National Insurance and essential documents, particularly if young people had faced a crisis such as family breakdown or had been sofa surfing and sleeping rough.

“If somebody’s got a language barrier and universal credit tells them to do something and they don’t understand, they will have to start again and will have to wait even longer for their first payment.”

Local Authority Benefits Advisor, London

One organisation supporting homeless young people in the South East spoke about difficulties using the identity verification system if a young person did not have access to ID. Instead, they advised young people to contact the Jobcentre Plus directly and have their identity confirmed at their initial meeting.



One key worker flagged that contacting young people through their online journal, and not via email or phone could lead to information not being shared:

“I had another case of a young person, who apparently they needed some documents from her and she had not provided, but she didn’t even know they needed documents. All they needed was her bank account details but they didn’t even inform the young person. No one contacted her and they said it was on the journal or it was on their to do list, and the young person they didn’t even see it so now she has to wait another 5 weeks before she gets her claim.”

Service Manager, London

The initial wait

One feature of Universal Credit identified as causing significant challenges for homeless young people was the initial wait for a first benefit payment.

Universal Credit is paid in a monthly cycle, with the first month's payment paid in arrears, plus up to a further seven days for a payment to be processed.⁷¹ This means that for most people making a claim for Universal Credit, there is an initial five week wait for their first payment - unless they request an advance payment.

Waiting times for a first payment within Universal Credit have reduced significantly since the beginning of the system's rollout, and over 90 per cent of claims are now paid within five weeks. However, many of the stakeholders supporting young people flagged that more complex claims often ran on longer than this, in some cases leaving vulnerable young people up to months without any benefit payments.

Evidence collated by the Work and Pensions Select Committee in 2020 showed the impacts of the initial wait for Universal Credit on claimants, in compounding financial hardship and food and energy insecurity, increasing debts and rent arrears, and increasing levels of mental distress among claimants.⁷²

Similarly, many of the young people in this research spoke about the difficulties they had faced as a result of the initial wait for a first payment. From building up rent arrears and running into debt, to increasing levels of stress damaging their mental health, it is clear that the initial wait is a source of stress and hardship for vulnerable young people, at a time when they need support the most.

'The waiting period after I submitted my application (about 5 weeks) was very stressful and I just ate cereal and went further into an overdraft and I couldn't pay for transport to medical appointments and felt really scared and ashamed asking for help.'

Survey respondent, London

One option for young people unable to get by during the initial waiting period is to apply for an advance payment. This payment, which can be up to a full month's Universal Credit award, can be paid within 72 hours of a new claim. The advance however is deducted from future payments, up to a maximum repayment period of 24 months, meaning a claimant receives lower awards until the advance is 'paid back'.



Of the 215 young people surveyed as part of this research, **almost half (48 per cent)** report having had to take out an advance or loan from the Jobcentre Plus in order to get by.

"me personally, I had to take out an advancement before I received mine, like that put me in quote-unquote debt which I had to pay out over a 12month period"

Jacob, Yorkshire

While this advance provides young people with essential income in the short term, the longer term impacts of taking advances were highlighted by both staff and young people, who saw the advances as pushing people into unavoidable debt.

"...you're automatically already starting by borrowing money or debt before you have even begun... you start off in rent arrears, you start off borrowing for money from whoever and then you have to pay it all back when it comes back to you"

Local Authority Personal Advisor, London

The recent extension of the repayment period to two years was widely welcomed, but it was stressed that any deductions to already low benefit entitlements in future put young people in prolonged hardship and made managing money even more difficult.

Several key workers interviewed reported that some young people would not apply for an advance due to the reductions they would face, instead deciding to 'hold out' until their first payment, even though this meant having no formal income for weeks.

In some areas, care leavers can access support from their local authority in order to bridge the gap between applying for Universal Credit and receiving a payment, although one social worker noted the impact this had on already stretched social services budgets, and that this simply moved the cost from one area of government to another. Key workers also highlighted the importance of in-house financial support and referral to local charities, who could provide one-off support in emergency situations. However, these again were dependent on organisations' budgets, they could not be guaranteed for all young people, and involved considerable time in making and submitting applications.

“there are a lot of things out there, but the problem with a lot of grants is they're like you can't use these grants for living expenses. So brilliant, I can buy a printer but I can't buy food.”

Claire, London

“if someone is having to wait 5 weeks, how are they meant to survive? And the mitigating factor is for you to take an advance loan but the advance payment is a loan so you have to pay it back and the money itself is not good enough”

Service Manager, London

In Focus: Young Parents

One group of young people identified by the peer researchers as needing resources and support through the social security system were young parents living independently. These are young people who have to manage housing and day to day expenses themselves, as well as caring for other dependents.

This research found that similarly, many young parents struggled to manage with the amount of money they received through the benefits system – again in part due to receiving a lower standard allowance even though they received additional support for caring for a child.

“The benefits in which I receive as a single expecting mother are harsh I have so much to pay off and buy to make my baby comfortable and I can't afford any of it I barely get enough to eat and pay rent let alone my council tax and the rest of it”

Survey respondent, North West England

Another challenge identified for young parents was conditionality, and being expected to fulfil job seeking requirements while providing care for their child. While several of the young parents the peer researchers spoke to appreciated the 'light touch' they received from the Jobcentre Plus, one highlighted difficulties managing a Universal Credit claim alongside supporting themselves and their child.

Managing payments

An issue which arose for many young people claiming Universal Credit was managing with monthly payments. Most UC claims are paid in monthly arrears, with the goal of giving those receiving it the experience of being paid monthly to ease the transition to paid employment. For many young people however, these payment cycles meant that they soon ran out of money – especially when deductions and essential bills and charges were taken into account.

“Getting paid monthly does not help me as I struggle budgeting”

Survey respondent, North-West England

While claimants are able to apply for an 'Alternate Payment Arrangement', which can include having their Universal Credit award paid more regularly, key workers flagged how this relied on young people having to request this themselves, and even those with clear needs and vulnerabilities were not always guaranteed to have this put in place.



Recommendation: Offer the choice of more regular payments when making an initial UC claim for claimants under 25 identified as vulnerable, rather than leaving claimants having to request this themselves and be subject to a discretionary assessment

Conditionality and sanctions

! More than one in four (26 per cent) of young people surveyed reported having been sanctioned at least once.

This compares to less than one in 50 Universal Credit claimants who were subject to a sanction in March 2020.⁷³ Younger claimants are the most likely to receive an adverse sanction decision, while there is a significant body of evidence highlighting the disproportionate number of sanctions given to people experiencing homelessness, both under Universal Credit and the legacy system.

Previous Centrepoin analysis found that sanctions were often given due to reasons that were beyond a young person's control – such as due to missing letters after moving into different accommodation – and in some cases led to a young person completely disengaging with support from the Jobcentre.⁷⁴

“You're at the mercy of the job centre, or food bank or you have to borrow money off family and friends or do nefarious things to get money. And the sanctions I've seen are for being like 5 minutes late for an appointment. Like we said, there's sometimes when you go into a job centre and they've got a security guard and you have to walk through the security system so you might arrive on time. But something else might have kicked off in the office and you might not be able to get in and that's your fault, not theirs. Sometimes your advisor will see you but they say I have to put it down and that sanctions you. And I think sanctions are very disproportionate, I have never been able to challenge a sanction and have it overturned and I think there should be an appeals process for that”

Local Authority Practitioner, London

The often unstable nature of young peoples' lives could also make it difficult to meet conditions and keep appointments, leading to young people being sanctioned. Stakeholders also highlighted how some young people had been sanctioned as their initial claimant commitment did not reflect their situation, and young people had signed up to job searching conditions they were not able to complete.

“...they were never able to do it in the first place but they just agreed as they thought they wouldn't get their money if they didn't agree, so they agreed to do it and then failed to do it because they weren't able to.”

Benefits Advisor, London

Although young people subject to a sanction are able to apply for a hardship payment if they are not able to pay for basic needs, it was highlighted that the hardship rate was unliveable. Where young people had to pay service charges in order to avoid arrears, this payment was not even enough to cover this. This in turn could put young people at risk of debt and even eviction if support was not in place.

“...[sanctions] do not encourage people to find work. It can cause mental health problems as well as additional stress, fear and could put the individual into debt. [The] Jobcentre should speak to the individual and see whether they have any additional needs that may affect work, surroundings, availability etc.”

Survey respondent, East Midlands

! Only one in ten (10 per cent) of young people thought sanctions were helpful in encouraging young people to find work

While the severity of sanctioning a young person's income was seen as unfair and disproportionate, a number of young people did make clear that they thought some degree of conditionality within the social security system was justified. This was based on a sense of fairness, and that the social security system should reflect and encourage responsibility to help young people move into work:

“If there's a genuine reason why a person can't (make appointment) then yes, it is unfair, but if it's just, you know, plain laziness or lack of care on the claimants side, then no. Because there are people that, you know, need the money to obviously live.”

Sasha, London

“I think if you have a job and you don't turn up, you're not going to get paid... if you have an appointment with your job coach and you don't turn up then you shouldn't be able to consistently get away with that. But it shouldn't go below a certain amount”

Claire, London.



Recommendation: Conduct affordability assessments before applying benefit sanctions to ensure that they do not push vulnerable young people into severe hardship or put them at risk of homelessness, and contact a supporting organisation or key worker where a young person is known to be receiving support.

Access to Employment, Education and Training

As well as providing financial resources for those who are looking for work or unable to work, the social security system plays a vital role in supporting people to find and sustain jobs, training and education opportunities.

For the most disadvantaged young people, support from the job centre is key to help find suitable employment and help equip them with the skills and confidence to look for and enter work.

All of the young people we spoke to in this research were motivated and keen to access opportunities for career and personal development, in spite of the challenges they were facing elsewhere in their lives. Even those who did not feel they were work-ready or in a position to look for jobs currently recognised the support available and knew they could go to the Jobcentre for help.

For some young people, the employment support they received as part of their benefits claim was seen as helpful:

“When I went to the job centre, I was able to find a career, like something I wanted to do. And I went to this job workshop, I went for 4 weeks, it really helped me get into something”

John, London

However, other young people felt that the employment advice and support was not suitable and did not take into account their own goals and aspirations. Some young people said they felt the Jobcentre took a ‘one-size fits all’ approach, and were more focused on getting young people off benefits than helping them find sustainable employment.

“Some of the intentions of the courses are very good to equip you, to skill you, some of them de-skill you. I’ve had a young person who all that hard work that they did at uni was for nothing”

Local Authority Practitioner, London



Only a quarter (26 per cent) of young people thought that the support they received from the Jobcentre took into account their own goals and aspirations.

“I think that if the Job Centre provided more job options rather than just retail or cleaning for instance then young people would find jobs easier.”

Survey respondent, South East England

“I haven't really had any contact with a job coach but when I did they suggested a construction course and I can't do that because I have a metabolic bone condition and I am at increased risk of serious injury if I was to fall.”

Survey respondent, London

Other young people highlighted a need for help accessing what they saw as fundamental skills and qualifications, such as basic English and Maths, and help with building confidence and key employability skills before moving into work. For these young people, a focus on what they saw as simply getting into the first job available was not helpful or sustainable in the long term.

“I have language problem and I find it difficult to understand them (jobcentre staff). I try hard to understand them but they don't try hard to enough to understand me and it's not fair”

Focus group participant, London

This reflects previous Centrepoin research exploring disadvantaged young peoples' experiences of the Youth Obligation Support Programme, a DWP youth employability programme aimed at providing intensive support to 18-21 year olds claiming Universal Credit to access employment, work-related training or an apprenticeship.

The research found that for the most disadvantaged young people, such as those experiencing homelessness or struggling with their mental health, the programme did not provide the support needed and led to only limited positive work and training outcomes. After a year, just under a quarter of young people on the programme had moved into work, and 35 per cent had dropped out of the benefits system entirely, becoming 'hidden NEET (not in employment, education or training)'. Young people on the project were also more likely to be sanctioned, and referrals to specialist support from external organisations were limited.⁷⁵

In response to the Covid-19 pandemic and concerns about rising youth unemployment, the government has invested significantly in jobs schemes and employment support for young people, including Kickstart, Youth Employability Coaches and Youth Hubs.

These initiatives have been greatly welcomed by the sector and represent a real commitment to supporting young people to access work and build up experience.

However, Centrepoint staff highlighted the need for flexibility and wraparound support for those young people facing the most severe challenges, and raised concerns about young people being liable to sanctions if a Kickstart role did not work out. For young people in supported accommodation, the minimum hours required for a Kickstart role could also mean that the financial benefits were only minimal.

It is critical that the DWP learns from this and previous programmes and ensures that training and employability support is tailored to young people facing the greatest challenges.

In focus: Earning while in supported housing

For young people living in supported housing, complicated benefits rules can mean that earning over a minimal amount each week can massively reduce their entitlements to housing support. In some cases, taking on more hours or increasing earnings above a certain point can actually make young people financially worse off.

Unsurprisingly, we found that this acts as a major disincentive for young people looking to access work and progress through employment while in supported accommodation:

! **Almost half the young people in our survey (48 per cent)** reported that they felt they had had to turn down a job or more hours due to the impact this would have on their benefits.

Similarly, Depaul UK found that 17 out of 21 young people living in supported housing said being able to continue to pay their rent was their biggest concern about moving into work.⁷⁶

While most housing costs are now covered under Universal Credit, costs for those living in supported accommodation such as hostels and foyers, and in temporary accommodation, are still met through housing benefit.



Once a young person in supported accommodation starts working their UC is tapered off at a rate of 63p in every pound. Once they earn enough to come off UC (by tapering their award to nil) their claim is then closed and they lose their 'passport' to a full HB award and have to start contributing to their housing costs.

Once their UC award is closed, their income is reassessed under HB rules, where there is a less generous 65 per cent taper, applied at a much lower point in the earning scale. This leaves young people in supported accommodation at a disadvantage and with a lesser incentive to increase their hours of employment.

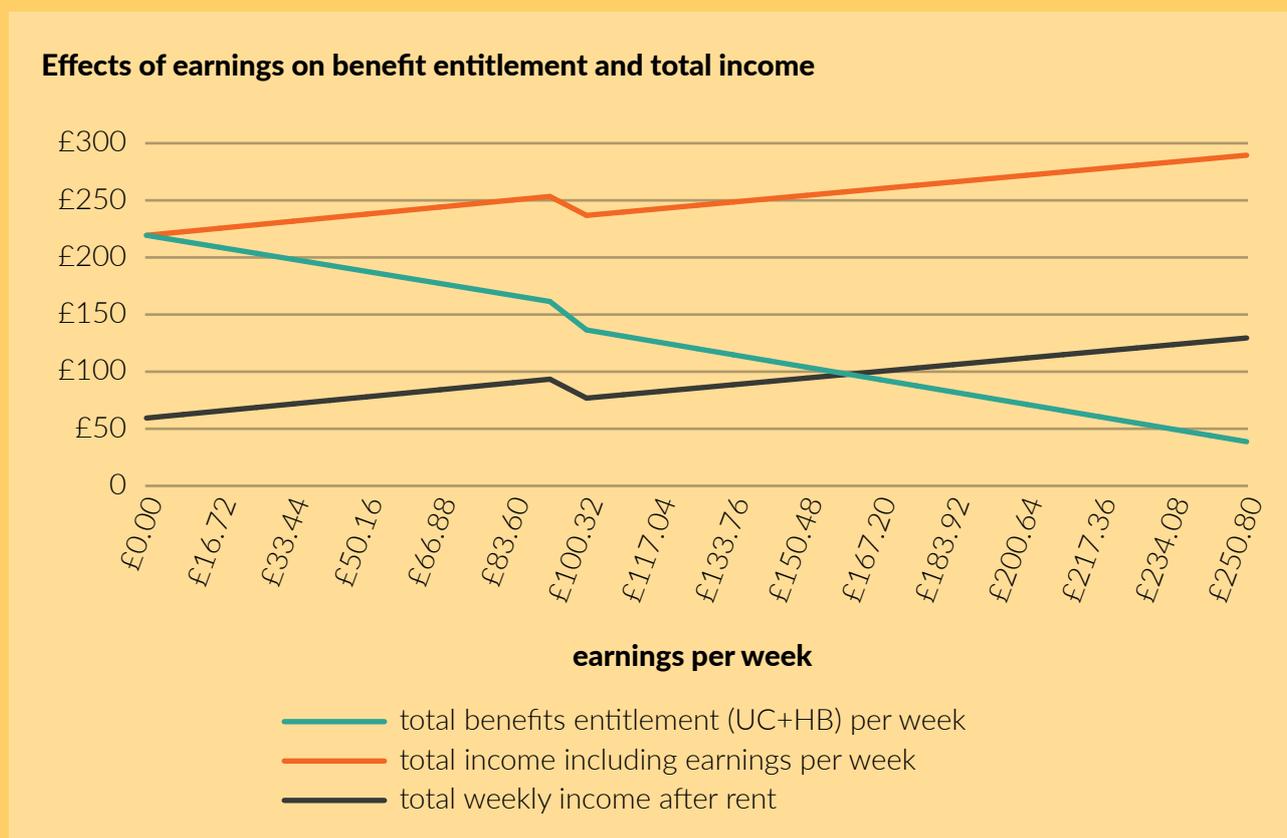
'If I start work, I don't want it to complicate my situation. Therefore I just avoid it. I just stick to education.'

Chantelle, London

Under the 63 per cent Universal Credit taper, a young person will be able to earn £94.26 per week before losing their full standard allowance and their housing element is affected.⁷⁷

For those on UC in supported housing, when they start earning above the £94.26 tipping point, their UC claim is closed and their award is recalculated under HB rules. Under the HB rules the higher 65 per cent taper is applied on any income above £64.20 rather than £94.26. This leads to a cliff edge (see chart below) where their benefit is withdrawn at a faster rate than someone claiming UC for both their living and housing costs.

In practice, this means that a **young person in supported accommodation working 11 hours per week would actually be £16.57 worse off if they started working an extra hour per week, and only £17.46 better off a week than if they were not working at all.**



As well as acting as a barrier, one young person found the transition into full time employment particularly difficult as they had not been accustomed to working this many hours whilst living in supported accommodation.

"...I got quite panicky towards the end of the month as I was trying to get a gist of how much I have earned which is quite difficult when you're on a zero-hour contract to guess how much you were going to bring in at the end of the month and then you've got 1000 pounds worth of bills that are meant to come out at the same time. It's like alarm bells start ringing, it is like panic mode. You're not used to paying a big lump sum of money."

Jodi, Yorkshire

Support from Jobcentre Plus

When it came to overall satisfaction with support from the Jobcentre Plus, respondents to our survey were fairly evenly split between having a positive or negative opinion of the support on offer, or saying they didn't know.

Several young people reported having a positive and constructive relationship with their work coach, who they felt understood their situation and could tailor support and advice around a young person's needs. Stakeholders similarly highlighted the importance of good working relationships and quick communication with Jobcentre staff, particularly where they were aware of the support that organisations like Centrepoin could provide.

Recent work and pilots conducted by the Department for Work and Pensions – such as partnership working with Crisis in Edinburgh and Newcastle are welcome steps and should be built upon by the DWP across the country. Similarly, developments in the training and information available to work coaches and front line staff should help with understanding of homelessness and related issues, and assist staff in signposting vulnerable young people to specialist advice and support.

However, several young people receiving Universal Credit highlighted difficulties getting in touch with a work coach when they needed to. While the online journal was seen as easy to access, this did not mean it was always easy to speak to a real person:

“They actually don't respond in your journal. I have actually had to take time out my day to sit on the phone for half an hour before somebody actually answers to basically reiterate what it says in my journal. They always say to me you just need to write that in your journal and send it, like no I'm calling because you don't respond”

Sara, Yorkshire

Similarly, many stakeholders working with young people raised their own experiences in making contact with someone at DWP, with several again emphasizing difficulties and long waits in getting through to someone to speak about a young person's claim.

On the whole, significantly more young people (45 per cent) in our survey agreed that they were treated with fairness and respect by staff at the Jobcentre than those who disagreed (23 per cent). Although only a relatively small sample, the fact that only a minority of this vulnerable group of respondents are unhappy with the support from the jobcentre is positive. Similarly, more young people (60 per cent) agreed than disagreed (40 per cent) that they felt their work coach understood their needs and personal situation.

However, a significant number of young people expressed unhappiness with the support and service available. Some young people highlighted how they thought the specific challenges they faced – such as homelessness – were not picked up on and the job seeking requirements they were subject to were not appropriate to their situation. One survey respondent from London said they had experienced racism at the Jobcentre Plus.

“Giving (young people) more teenage friendly ideas and be more teenage friendly as even though you are an adult in a way, some people find it hard being treated like an adult as they get thrown in to adulthood too quickly”

Survey respondent, young man, London

The expansion in the number of specialist youth employability coaches is greatly welcomed and will help to ensure that young people have the support and attention they need as the country recovers from the pandemic. However, it is critical that these coaches have the training and resources needed to help the most disadvantaged young people, and are able to work closely with third sector and local partners to connect them with the most appropriate and effective support.



Recommendation: Extend the Kickstart scheme for at least another twelve months, and ensure that Kickstart roles are accessible to disadvantaged young people, such as those living in supported accommodation.



Recommendation: Build on successful pilots and initiatives to roll out training on housing and homelessness for Jobcentre Plus and DWP staff, including Youth Employability Coaches, and utilise youth hubs to provide a range of support services and advice, including on housing and homelessness.

Perceptions and stigma

Many of the young people we spoke to as part of this research highlighted how stigma and negative perceptions of the benefits system impacted them. For some, this had an effect on their wellbeing and self-esteem:

“when I first went onto the benefit system with UC, I didn’t like the idea of it, I didn’t like the idea of falling that low, that was a low point in time for me”.

Ryan, Yorkshire

Young people spoke about what they saw as negative public stereotypes of those ‘on benefits’ and how these failed to take into account what they were going through. This was also coupled with what some saw as perceptions and prejudice about young people, as being irresponsible and not willing to work:

“...this whole stigma around all young people being clueless and oblivious and not having a sense of responsibility is a little bit harsh”

Vicky, East Midlands

Research by the charity Turn2Us in 2012 highlighted the pervasiveness of stigma and misconceptions about the social security system. Their evidence showed the public significantly overestimate the scale of benefit fraud and that there had been an increase over time in many people receiving benefits being seen as ‘undeserving’.⁷⁸ Concerningly, an update to the research undertaken during the pandemic found that the proportion of people seeing people receiving benefits as undeserving had increased, with one in four people saying they thought claimants should be ashamed.⁷⁹

One young person in London spoke about how the stigma of benefits had almost put them off claiming, even though they were in a desperate situation:

“it’s kind of scary claiming benefits because I’m not like trying to get any money that I’m not entitled to. I just want to know my entitlements and get the right money if I can”

Chantelle, London

All of the young people Centrepunt spoke to in this research appreciated the support and resources they could access through the social security system, and were aware that without it they would have no income at all:

“I am a young independent woman who does her best to get by. Without having the support from the system I would be lost.”

Survey respondent, North West England

Far from taking the support for granted, young people were grateful and appreciative of this support. One young person highlighted the wider costs of the benefits system to the government, saying this was something for young people to consider:

“(There are some) countries where they don’t even give you a penny you know, so we do need to be thankful... I do appreciate them (the government) trying help us even if the amount is small... If you think of how many people live in the UK, paying us £340 or £300 is not enough. But then from their perspective millions living in this country people getting £300 every month and is a huge loss for them too.”

Focus group participant, London

Throughout the project, the peer researchers highlighted the role of stigma and the impact this had on young people who have no choice but to access the social security system. Key to this was the language used, and the way the benefits system was viewed and spoken about:

“we need to see the welfare system as a public service, like the NHS, like the fire service, like the police... that it is there for the most vulnerable in society when they need it”

Peer Researcher

It is critical that vulnerable young people are able to access financial support when they need it, and are not put off or made to feel ashamed for doing so.



Recommendation: The DWP should support a national communications campaign to reduce stigma and tackle misconceptions about the social security system, and help drive a move from the language of ‘welfare’ in favour of a vision of social security as an essential public service.

Conclusion

Young people facing homelessness are among the most disadvantaged and financially vulnerable in society. They do not have access to money from family members or carers, and face significant challenges in accessing paid employment, especially at the level needed to sustain their own living and housing costs. For these young people, the benefits system is even more essential; to help them get back on their feet after a time of crisis, and provide the support and resources needed to get by. All of the young people spoken to in this research were aware of this, and conscious of the fact that without the social security system they would have no income at all.

However, as this research shows, for many of these young people the benefits system has too many gaps and is not providing the security and support that they need. The value of social security benefits for young people has been eroded over decades, to the point where too many are struggling to meet essential costs, while a lack of flexibility in the way certain benefits are managed can leave young people struggling to budget and struggling to keep up with rules and conditions. The temporary £20 increase to Universal Credit and Working Tax Credits was a lifeline to thousands of young people across the country, many of whom have been pushed further into poverty and insecurity since its withdrawal.

By giving a much needed increase to social security for young people, the government could help provide the most vulnerable with the support and resources they need, and end the unfair discrimination which means young people receive less, on no basis other than their age.

For young people going through homelessness, complex rules can make it difficult to access work and other opportunities when they are living in supported and temporary accommodation. By fixing these, the government would give this small but extremely disadvantaged group a fair chance to get into work and help them into independence.

The Covid-19 pandemic has highlighted just how essential a strong and supportive welfare system is, at a time when young people have been hardest hit by the economic and labour market impacts of the crisis. As our economy and society recovers from the effects of the last 18 months, it is critical that this opportunity is used to rebuild the social security system and ensure it is a fair and effective safety net for young people in need.



Appendix: Who took our survey?

Between April and July 2021, Centrepoin ran a survey of young people being supported by homelessness charities across England, to explore their experiences of the benefits system. The survey questions were co-designed by the peer researchers and Centrepoin's policy team over Zoom.

215 responses

Age: Average (median) age: 20 years old. 12 per cent of respondents were over 25, and 11 per cent were aged under 18

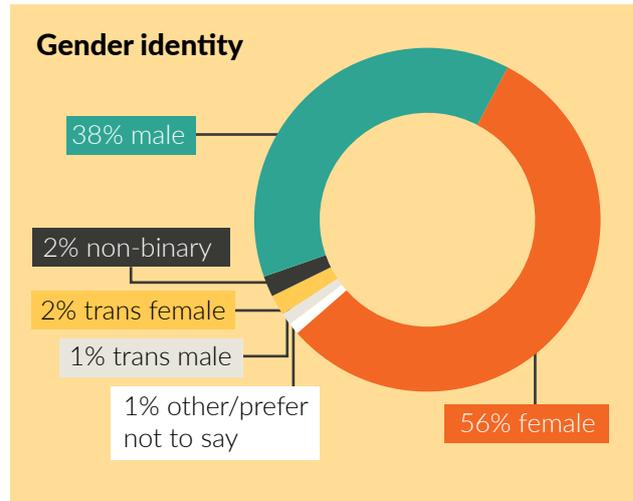
Gender identity: 56 per cent female, 38 per cent male, 2 per cent non-binary, 2 per cent trans female, 1 per cent trans male, 1 per cent other/prefer not to say.

Ethnic identity: 54 per cent White British, 18 per cent Black/Black British, 13 per cent mixed ethnicity, 7 per cent Asian/Asian British, 7 per cent other, 2 per cent prefer not to say.

Area: 37 per cent London, 19 per cent Yorkshire & Humber, 12 per cent North West England, 7 per cent East Midlands, 7 per cent South East England, 4 per cent West Midlands, 2 per cent South West England, 1 per cent North East England, 2 per cent other, 7 per cent prefer not to say/blank.

Housing situation: 50 per cent living in supported accommodation, 22 per cent living in semi-independent accommodation, 14 per cent renting from a social landlord, 8 per cent renting privately, 1 per cent living with family, 1 per cent in care, 1 per cent other/prefer not to say.

25 per cent report having experience of social services support



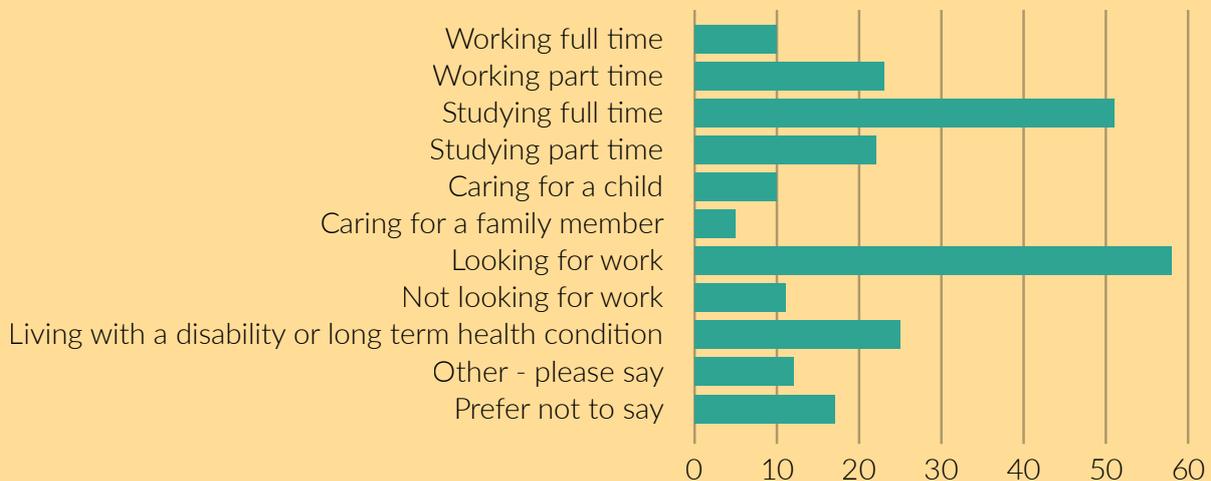
Who took our survey?

- 10 per cent reported having a **physical health condition**
- 34 per cent reported a **mental health condition**
- 6 per cent reported **both** a mental and physical health condition
- 18 per cent reported having a **learning difficulty or disability**

What benefits are young people getting?

- **71 per cent** receiving **Universal Credit**
- **52 per cent** receiving **Housing Benefit**
- **10 per cent** receiving **Personal Independence Payment**
- **5 per cent** receiving **Employment and Support Allowance**
- **3 per cent** receiving **Jobseeker's Allowance**
- **1 per cent** receiving **Disability Living Allowance**

Respondents' employment situation



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