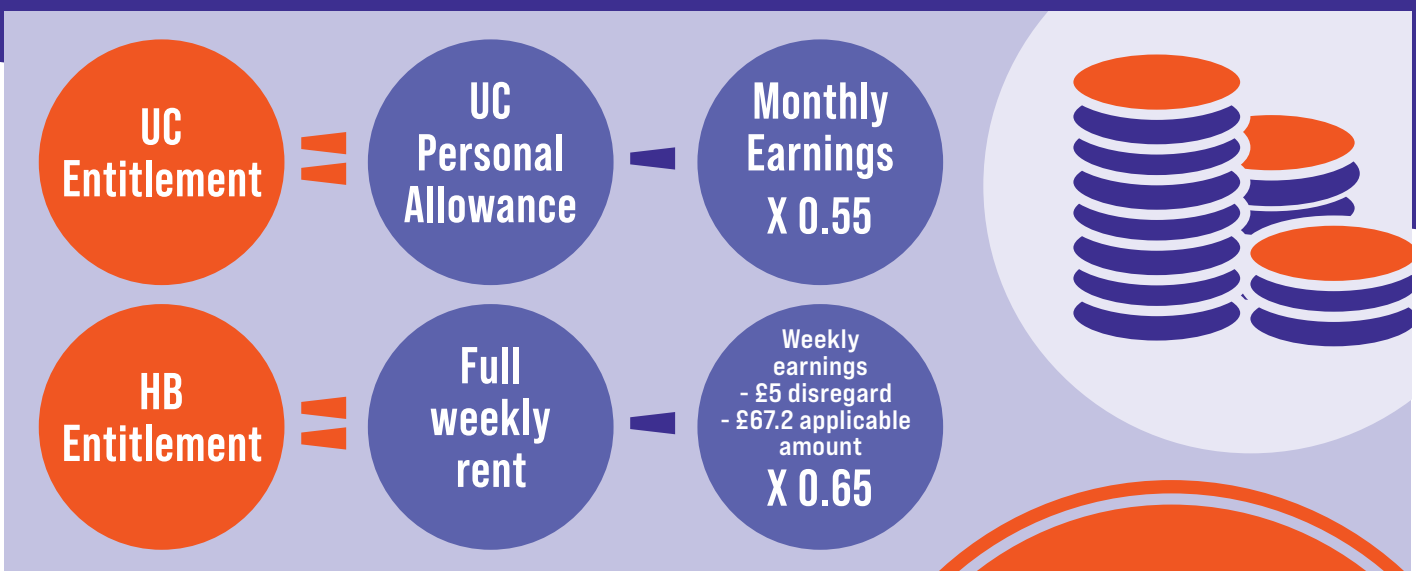


Briefing: Making Work Pay in supported accommodation

In supported housing, accommodation is provided alongside support, supervision or care to help people live as independently as possible in the community. Residents of supported housing include, for example, older people, people with disabilities, people fleeing domestic abuse, people with experience of the criminal justice system, people recovering from alcohol or drug addiction.

For young people living in supported accommodation, such as care leavers and those who have experienced homelessness, access to employment can be a critical step in their journey to independence. However, the current benefit rules disincentivise young people from working more hours and becoming financially independent.

This happens because young people living in supported accommodation receive benefits through Universal Credit (UC) and Housing Benefit (HB) rules, while only UC rules, which include a housing element, are applied to their peers in the private rented sector. The rates at which UC and HB are withdrawn from young people in work is different, as shown below.



When a young person starts working, a 55% taper rate is applied to their UC entitlement.

Until the UC is tapered to £0, HB covers their rent in supported accommodation in full. However, when UC is tapered to £0, a similar process starts for HB, but using HB rules.

When a young person earns more than £132.78 per week – roughly equivalent to 13 hours of work at the minimum wage for a 21-22 year old (17 hours for an 18-20 year old or 24 hours for a 16-17 year old) - their Universal Credit will be tapered to nil and they will face a financial disincentive in working additional hours.

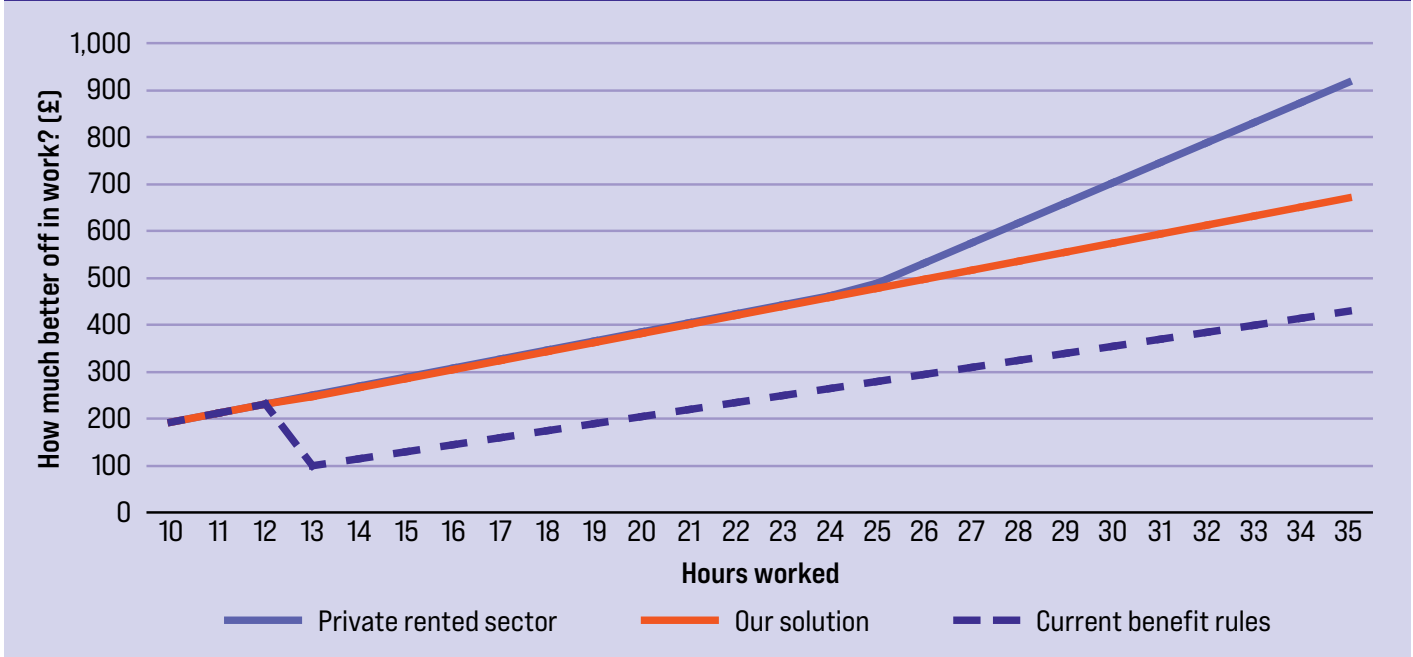
Our recommendations for the government:

- ✓ **1. Reduce the taper rate from 65% to 55% to bring it in line with Universal Credit.**
- ✓ **2. Increase the applicable amount to £531.11 a month**

**CENTRE
POINT**

**ENDING YOUTH
HOMELESSNESS**

Impact of Increasing Hours: Supported Accommodation



Overall, we estimated that these policy recommendations would have a net positive impact for the Treasury, by saving £4 million a year. This is the result of the increased tax revenues and decrease in benefit payments generated by young people working more hours.

Chloe's* experience with the Housing Benefit taper rate:

Chloe* was 21 when she came to Centrepont. Whilst living in our supported accommodation, she was able to take the first steps into a career she enjoyed, working in property. She loved her job – but as she didn't have any prior knowledge about how Universal Credit or Housing Benefit operate, she was completely taken aback by the impacts of working on her benefits. She noted that the more she worked and the more she earned, the more she had to pay towards her rent: *"(it) made me wonder if my hard work was even worth anything."* She also felt frustrated by the long delays in getting responses from Housing Benefit staff to urgent queries.

Chloe loved her job so much that she would have been willing to work 45 hours a week had it not been for the impact on her benefits. She wants the Housing Benefit taper rate to be lower, to help young people like her to stay in work.

"I would like to emphasise the mental health aspect of this. Most of us are already under so much pressure due to family issues, struggling with identity, and homelessness that the prospect of working or starting work is a big step and a challenge. Then, we are slapped in the face with a 50%+ deduction from our hard work. I am sure anyone can understand how discouraging and frustrating that can be... This also prevents us from pursuing real passions that fulfil us..."

*Name has been changed



"it made me wonder if my hard work was even worth anything."

Centrepont Head Office, Central House,
25 Camperdown Street, London E1 8DZ
Tel 0800 23 23 20
Fax 0845 466 3500

www.centrepont.org.uk

Charity Number 292411
© Centrepont 2023

