

Shelter Scotland briefing on removal of automatic entitlement to help with housing costs under Universal Credit for 18-21 year olds

Shelter Scotland helps over half a million people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign to make sure that, one day, no one will have to turn to us for help. Shelter Scotland has serious concerns about the removal of help with housing costs under Universal Credit for 18-21 year olds and believe the policy is ill-conceived and far from achieving any positive economic or social benefits, will have a detrimental impact on some of the most vulnerable in society, exactly those young people the welfare system should aim to protect.

Key Points

- Under legislation effective from the 1st April 2017, 18-21 year olds in the United Kingdom will no longer have automatic entitlement to housing costs under Universal Credit. This change is **only applicable** to new claimants of Universal Credit aged between 18 and 21 years old and who are living in Universal Credit full service areas. There are currently five such areas in Scotland. **This policy change does not apply to young people currently claiming housing benefit.**
- Initial estimates from Centrepoin suggest that between 900-1000 young people in Scotland would be negatively impacted by this cut.
- Some young people will be [exempt from the measure](#) but these exemptions do not go far enough and for those affected, the impacts could be catastrophic.
- Shelter Scotland welcomes the Scottish Government's plan to [mitigate the cut through Scottish Welfare Fund](#), however this is on an interim basis and a sustainable solution must be found.
- The Cabinet Secretary for Communities, Social Security and Equalities announced the intention to halt the implementation of Universal Credit due to the detrimental impact it was having on households, however this has been rejected by the Department for Work and Pensions.

Background

- The removal of automatic entitlement to help with housing costs for 18-21 year olds was a [manifesto commitment](#) of the Conservative Government. Justification for the policy is so that young people do not “slip straight into a life on benefits without first contributing to their community”.
- Draft regulations for this legislation were only laid one month before the intended implementation date, giving extremely little time for organisations and local authorities to prepare and model potential impacts.
- This measure has close links to the DWP’s [consultation on funding for supported housing](#), the findings of which have not yet been released.
- Temporary accommodation will be treated differently and young people in temporary accommodation will have access to help with housing costs, although this may be limited to the Shared Room Rate of LHA.

Use of Scottish Welfare Fund

- Ministers have agreed that the Scottish Welfare Fund will be used to mitigate the impact of this policy, for an interim period of six months while efforts continue to find a more sustainable solution. This will be done under Community Care Grant provisions.
- When a person aged 18-21 makes a new claim for Universal Credit in a full service area, they should be directed to their local authority to apply for the Scottish Welfare Fund if they do not meet any of the exemptions. The normal Community Care Grant process will be followed.
- Local authorities will be expected to make an award equal to what would have been received through Universal Credit for housing costs before the policy was implemented, however they will have the power to make a greater award if they assess that the lower award would not be sufficient to sustain the tenancy.
- The local authority has the power to determine the amount, frequency and duration of the award.

- It is most likely that this award will be paid directly to the landlord, unless there are compelling reasons for it to be paid to the tenant (e.g. where the young person is living in the private rented sector and has a landlord who does not accept benefits and paying direct to the landlord may risk the tenancy).
- The Scottish Government will then reimburse the local authority pound for pound.
- The Scottish Government estimates that there will be around 768 young people who will not meet exemptions and will have to apply to the Scottish Welfare Fund.
- COSLA is currently developing guidance for local authorities.

Implications

- We anticipate an increase in homelessness due to not receiving adequate help with housing costs among this age bracket, which is reflected in [research by Centrepoin](#).
- Homeless young people will receive help with temporary housing costs, however will lose this help when moving from temporary accommodation into permanent accommodation. This may cause a bottleneck of young people getting stuck in temporary accommodation and unable to move out due to the cost.
- More young people will be unable to sustainably afford an independent permanent tenancy which they have a right to. This has the potential to undermine Scottish homelessness legislation.
- Housing benefit removal will make it more difficult for RSLs to fulfil their statutory duties of providing permanent accommodation because they will not be receiving enough housing benefits to cover costs. This may mean young people are discriminated against when allocating houses.
- There is potentially increased pressure on social work services and those charitable organisations who work with young people.
- This policy has the potential to disproportionately impact on LGBT young people forced to leave home.

Potential catch 22 situation

- In order to make a claim for Universal Credit housing costs, the client must have a tenancy agreement, however in order to access a tenancy, the person must provide evidence that they will be able to access help with housing costs if they are not working.
- Further, in order to check whether they fall into one of the exempt groups, the individual will have to try to make a claim for Universal Credit housing costs, which will be undermined by not having a tenancy agreement.

Useful resources

- Commons Library briefing paper - [Housing cost element of Universal Credit: withdrawing entitlement from 18-21 year olds](#)
- Inside Housing - [Scottish Government to cover the loss of housing benefit for 18 to 21-year-olds](#)
- Crisis (2015): [The withdrawal of support for housing costs under Universal Credit for young people: more pain for little gain?](#)
- 24Housing - [Scotland extends welfare fund to help 18 to 21-year-olds with housing costs](#)

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