

Cambridge Centre
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The role of housing and housing providers in tackling poverty experienced by young people in the UK

Overview

Michael Oxley, Anna Clarke, Michael Jones
and Chihiro Udagawa



UNIVERSITY OF
CAMBRIDGE

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Aims and Objectives

This project was funded by the *Economic and Social Research Council* and the *Public Policy Institute for Wales* as part of their programme of research on what works in tackling poverty. The full outputs from the project can be downloaded [from our website](#)¹. The research was conducted from 2014 to 2016 and sought to deepen understanding of the interaction between housing circumstances, poverty and the transition to work and independent living by young people in the UK. The role of housing in preventing or alleviating poverty amongst young people was influenced by a variety of local social and economic contexts and the focus was specifically on the role of stable housing conditions in improving life chances and preventing or alleviating poverty.

It aimed to identify measures that work in tackling poverty amongst young people (16-24 year olds) who do not live in the parental home, with a focus on housing services and the role that housing providers can play. It sought to investigate the feasibility of implementing such measures in each part of the UK. It thus first set out to identify housing-related initiatives that have a role in preventing or alleviating poverty amongst young people. These are actions taken primarily by social housing providers and other non-profit organisations in the UK. By reviewing international evidence, it also sought information from other countries about schemes that can prevent or alleviate poverty through positive impacts on individual well-being.

The research sought to appraise the evidence base for the impact of housing-related initiatives on the individual well-being of young people, including education, skills, employability and the capacity for independent living. The research aimed to identify new and emerging ideas and innovative solutions not yet widely implemented. Opportunities and constraints to getting more housing providers in all parts of the UK to adopt the best ideas were explored.

Methods

The research used three strands of evidence:

1. a desk-based review of housing interventions tackling poverty amongst young people in the UK and abroad, supported by information from housing providers in Europe;
2. quantitative analyses of housing and youth poverty in the UK, drawing on secondary datasets;

¹ For further details of the project, and other outputs, see www.cchpr.landecon.cam.ac.uk/Projects/Start-Year/2014/role-housing-housing-providers-tackling-poverty-experienced-young-people-UK

3. new evidence from ten case studies of housing providers who are undertaking interesting or innovative new work addressing youth poverty in different parts of the UK.

Papers on each of these three strands of evidence are provided [on the project website](#).

Employment, housing market and policy context within the UK for young people

In order to provide some UK-wide context to inform the examination of the appropriateness of transferring housing-related poverty initiatives from one part of the UK to another, summary information on unemployment, rents and policy variations is provided below.

Unemployment

Table 1 sets out unemployment data, which is measured by a count of claimants aged 16-24 years across English regions and UK countries. The count is a 12-month average for 2015. The denominator of the unemployment rate is the estimated population in the age cohort for mid-2015. The data shows that:

1. The North West had the largest youth unemployment measured in absolute numbers (26,907 claimants), followed by London (20,309) and Yorkshire and The Humber (19,711).
2. The South West had the least youth unemployment measured by absolute numbers (9,192), followed by Northern Ireland (10,950) and the East of England (11,012).
3. Northern Ireland had the greatest proportion of unemployed young people (5.02%). The North East showed the second highest (3.76%). The North West and Wales had the third highest equally (3.24%).
4. The South East had the lowest rate (1.31%), followed by the South West (1.53%) and the East of England (1.75%).

Table 1. Youth unemployment by country/region: 2015

Country/region	Claimant Count	%
North East	11,874	3.76
North West	26,907	3.24
Yorkshire and The Humber	19,711	3.00
East Midlands	11,817	2.14
West Midlands	18,515	2.73
East of England	11,012	1.75

London	20,309	2.14
South East	12,748	1.31
South West	9,192	1.53
Scotland	18,170	2.95
Northern Ireland	10,950	5.02
Wales	11,857	3.24

Note: From April 2015, the Claimant Count includes all Universal Credit claimants who are required to seek work and be available for work, as well as all JSA claimants.

Source: Authors' calculation drawing on the Claimant Count Statistics and the Midyear Population Estimate by Office for National Statistics

Market Rents

Table 2 sets out the average monthly rent in the private rented sector by property size across the English regions and the UK countries in 2015/16 or 2015. It shows that:

- for one-bedroom dwellings, the North East had the lowest average rent (£407). Wales had the second lowest (£425) and Northern Ireland had the third (£433).
- London had the highest average (£1,329), followed by the South East (£674) and the East of England (£593).

Table 2. Average market rent (£s per month): 2015/16 or 2015

Country/region	Room	Studio	1-b	2-b
North East	318	353	407	471
North West	344	384	454	540
Yorkshire and The Humber	330	373	434	518
East Midlands	349	362	435	536
West Midlands	349	414	484	584
East of England	403	501	593	733
London	607	1,020	1,329	1,685
South East	425	535	674	868
South West	386	457	545	677
Scotland	327.54	n.a.	48087	610.52
Northern Ireland	n.a.	n.a.	433	510
Wales	324	388	425	502

n.a = data not available

Note: The observation periods slightly varied across the country: from April 2015 to 31 March 2016 for the English regions; a year ending in September 2015 for Scotland; from 1 January to 31 December 2015 for Wales; second half of 2015 for Northern Ireland.

Source: Valuation Office Agency (the English regions), Scottish Government, Rent Officers Wales and Northern Ireland Housing Executive

Social sector rents are lower than those in the market sector but have risen in recent years to nearer market levels and show similar geographical variations.

Welfare policy and housing

Since the financial crash of 2008, the UK government has embarked on a programme of welfare reforms aiming to cut welfare expenditure, with the process accelerated after the 2010 general election when a Conservative and Liberal Democrat coalition government replaced an outgoing Labour one, and again in 2015 after the Conservatives achieved a majority. Alongside cross-party agreement on the need to reduce expenditure, the Conservative Party has a strong belief in the need to tackle a “culture of dependency” in which welfare benefits are seen as a right. There has also been a consistent slant of the reforms towards cutting benefits for the young but not for older people, with pensioners having thus far remained largely unaffected by cuts to benefits.

Young people who are unemployed or on a low income are generally entitled to housing benefit to help meet their housing costs. Those under 25 who rent in the private rented sector have since 1996 been restricted to the ‘shared accommodation rate’ of housing benefit, which means their housing benefit is capped at a level intended to cover the rent on a room in a shared house. Since 2012 this has been extended to young single people up to the age of 35, and from 2018 it will be extended to those renting their homes from social landlords. Despite the lower rents within social housing, on average, the rents of one-bedroom flats (which young single people are currently entitled to) are considerably higher in most locations than the housing benefit shared accommodation rates. This welfare reform will reduce the range of properties that can be afforded on housing benefit; this could have an impact on poverty if young people are unable (due to insufficient stock) to find accommodation to rent within the shared accommodation rate.

Social landlords are concerned about these reforms because they want to meet the housing needs of young people but fear young tenants will be unable to afford the rent. Local authorities also have legal duties to secure accommodation for certain categories of homeless young people and rely on social housing providers being able to accommodate them, with housing benefit covering the rent if necessary.

Differences within the UK

Welfare policy is UK-wide so these reforms will affect all parts of the UK. Most of the recent reforms have also been UK-wide (with the exception of the reductions to housing benefit for under-occupiers in Northern Ireland, which were delayed for four years). Housing benefit rates for private rented housing are set at Local Housing Allowance rates, which vary broadly in line with market rents. In the social sector tenants can usually claim housing benefit to cover up to the full rent on their home at present (unless they have spare bedrooms), which also varies across the UK, with higher social rents in London and the

south of England and lower rents in Scotland, Wales, Northern Ireland and the north of England.

To help assist households most affected by welfare cuts, some additional funding has been given to local authorities for discretionary housing payments, which they can make to households in receipt of housing benefit in situations where the housing benefit is insufficient.² Local authorities allocate this funding at their own discretion and can top up central funds from their own reserves. Some young people whose housing benefit is insufficient to cover their rent – for instance because the Local Housing Allowance limit is lower than their rent – may be able to claim a discretionary housing payment to top it up. Awards are usually time-limited. The Scottish and Welsh devolved administrations have all topped up the funding allocated to local authorities for discretionary housing payments, meaning that the impact of some welfare cuts has been mitigated in these parts of the UK. This has applied to the housing benefit cuts for under-occupiers in Scotland (the “bedroom tax”) but not specifically in order to mitigate the main cuts that are most likely to affect young people.

Supporting People funding

Supporting People funding was introduced in 2003 to cover the support costs needed to help vulnerable people to live independently. Many supported housing projects for young people received funding for up to two years for each of their clients.

In Scotland the programme ceased running in 2008, with the funding ceasing to be ring-fenced, meaning local authorities could choose to reduce spending on support costs if they wished. In England the funds were distributed to local authorities by the DCLG. In 2009, as in Scotland, the Government removed the ring-fence. Analysis by *Inside Housing* suggested that by 2013 many councils in England had cut their Supporting People budgets.³ This led to the closure of some services, while others have seen the maximum length of time people may receive funding reduced from two years to one.

In Northern Ireland and Wales the Supporting People programme still runs, with funding distributed by the Housing Executive and Welsh Governments and still ring-fenced for support costs.

Homelessness duties

Homelessness policy is devolved within the four parts of the UK and the duties owed by local authorities to young single people vary significantly across the UK.

In England local authorities only have full duties to re-house people who are classed as 'statutorily homeless'. This requires them to be 'eligible for public funds' (which depends on immigration status); to have a 'local connection'; to be 'unintentionally homeless' (i.e. they did not cause or fail to prevent their homelessness); and to be in 'priority need'. People with children are considered to be in priority need, but childless people would normally be

² In Northern Ireland the Housing Executive takes on this role, played by local authorities in other parts of the UK.

³ www.insidehousing.co.uk/concerns-over-localised-funding-for-supported-housing/7005041.article.

deemed so only if they were considered to have some form of vulnerability (such as pregnancy or a disability).

Those assessed as statutorily homeless would previously have been housed mainly in social housing, but since 2011 local authorities in England have been able to offer a private rented tenancy of 12 months to homeless households and need make no further efforts to re-house the applicant if this is refused.

In Northern Ireland the framework is broadly similar, except it is the Northern Ireland Housing Executive that secures accommodation for homeless people, rather than local authorities.

In Scotland similar obligations are placed on local authorities, but the distinction between priority and non-priority homelessness has been removed, meaning that all homeless people (including single young people) are entitled to re-housing (as long as they are eligible, have a local connection and are unintentionally homeless).

In Wales new homelessness legislation introduced in 2015 placed duties on local authorities to assist all households who are homeless or threatened with homelessness. The full homelessness duties are still owed only to households deemed to be in 'priority need', and the accommodation secured for homeless people does not have to be social rented and can include appropriate offers of accommodation in the private rented sector.

The 2015 legislation also introduced a new legal duty on local authorities, owed to all households regardless of priority need status, to *prevent or relieve* homelessness where possible. Prior to the Housing Act (Wales) 2014, homelessness prevention work was led by guidance only and did not form part of the legislative framework. Local authorities are also able to decide whether or not to assist households found to be intentionally homeless, and there are greater obligations placed on housing associations to assist authorities in housing homeless people.

Findings

Whilst few housing providers in the UK consider reducing poverty to be an explicit goal, many of the support services offered by housing organisations and their partners may reduce poverty amongst young people as a by-product of activities designed to increase independence and employment prospects. Most social landlords with more than a few properties help their tenants in a variety of ways beyond the provision of housing. For example, they may provide financial advice, tenancy support, employment advice or community facilities. Some of these services are aimed specifically at young people, although few have an explicit aim of combating poverty. Examples provided by housing associations include supporting tenants into employment through providing work experience, CV-writing advice, free courses and sessions on interview techniques. In addition, housing associations can help to reduce poverty amongst tenants by improving the energy efficiency of their homes and offering advice on other ways to reduce energy bills.

Many homelessness or housing charities that do not provide housing directly also carry out initiatives to combat youth poverty; where these are housing-related they have been

included in the scope of this research. Social landlords also work in partnership with organisations of any type to deliver these additional services.

The literature publicly available that includes evaluations of projects aiming to help young people in poverty is sparse. It is not that innovative projects of this type do not exist; several studies have identified multiple innovative projects that reduce poverty amongst young people, but these rarely include an evaluation of impact, beyond stating the project's scale and intended goals.

Throughout Europe housing market pressures, low incomes and unemployment are resulting in younger people staying longer with parents and difficulties in forming new independent households in both the homeownership and rented housing sectors. Investigations of housing and young people in a broad European context were assisted by cooperation with *Housing Europe*. At a meeting hosted by *Housing Europe* in Brussels in March 2015, provision in the UK was compared with that in several other European countries with the assistance of experts from several countries. Examples were given of projects focused on young people in several countries. There are a variety of approaches throughout Europe, including Foyers in France and the Netherlands, which combine housing provision and additional support for young people. Foyers offer housing, learning, working and coaching to improve employment prospects. In Ireland a childcare scheme set up by lone parents who needed childcare was supported by a housing association that provided funding and helped set up the scheme. Another example from Ireland is a project aimed at 18-35 year olds with kick-start funding for co-op enterprise models; housing associations help find members and funders, with financial support obtained from crowd funding. Trial tenancies for 18-26 year olds are offered as part of initiatives in Sweden, and "tenancy training" support is offered as well as assistance with work or training. The variety of approaches mirrors the range of initiatives in the UK.

The quantitative analysis undertaken suggested that getting out of poverty is, for young people, often associated with other changes in their circumstances. Education, qualifications, employment, independence and mobility, in the broadest sense of the term, can all be part of the route out of poverty. Actions initiated by housing providers that promote such changes are therefore likely to help alleviate or prevent poverty.

The longitudinal analysis, tracking young people over time, strongly suggests that qualifications can help get young people out of poverty. As each ascending qualification level is reached, the percentage not in poverty rises and the percentage in poverty falls. Educational programmes that lead to higher qualifications and improved prospects of employment are therefore very likely to reduce poverty.

Getting out of poverty is strongly associated with becoming an independent household. For young people who escaped poverty between 2001 and 2011, nearly two thirds of individuals were either not in a household or in a multi-adult household in 2001. This had fallen to fewer than one in ten by 2011. Staying in poverty can be associated with being or becoming a lone parent and getting out of poverty with becoming part of a couple. For young people who escaped poverty between 2001 and 2011 almost one in ten (9.42%) were lone parents in 2001. By 2011 a negligible (2.21%) proportion of these young people were lone parents.

Getting out of poverty was associated with spatial mobility and mobility between tenures. Over time, young people who are in poverty were less spatially mobile than those who are not in poverty. The quantitative analysis showed that 16-24 year olds who were in poverty in

2011 were much less likely to have moved than those not in poverty. Comparing circumstances in 2001 to those in 2011, among those who were still in poverty in 2011 less than half had changed household type since 2001, compared to more than four in five among those who were no longer in poverty by 2011.

The qualitative work across the UK has shown that projects that help young people may not always be exclusively aimed at young people. For example, projects aiming to help vulnerable single parents may not be explicitly restricted to young people, but nevertheless may cater almost exclusively to that group in practice. The appraisal of a variety of projects suggests that there are three main ways housing providers address poverty amongst young people:

1. they run schemes to help people improve their incomes by finding work or gaining qualifications to enable them to find better-paid work;
2. they help young people manage their incomes better; and
3. they can reduce the costs of housing provision by for example providing shared housing.

Many projects run by housing providers have the potential to prevent or alleviate poverty amongst young people by variously improving personal skills, employability, confidence and the ability to maintain independent living.

Case studies from across the UK distinguished several approaches by housing providers: employability schemes, pre-tenancy training schemes, and supported housing schemes. All of these have a part to play in preventing or reducing poverty amongst young people, and all of the activities investigated within this research were able to claim successes in terms of for example preparing young people for work, improving their chances of independent living and promoting better budget-management skills. Strategies that increase earnings and improve budgeting skills, in particular, offer great potential to equip young people to avoid future poverty.

For schemes to run effectively a number of conditions need to be in place. The reputation and visibility of the organisations running the services for young people is important. These features build trust and good working relationships with referral agencies and potential clients. Thus organisations with these characteristics have advantages in providing or coordinating effective support for young people. Effective co-ordination between housing and other services (e.g. Citizens Advice Bureau, local colleges and social services) helps provide support that has positive impacts. For tenancy training courses to work, strong local branding and links to likely sources of referrals (such as social services and local hostels) are essential for recruiting participants.

Flexibility and individual tailoring helps negotiate the right balance of support and independence, and adjusting the support offered to the changing circumstances of tenants (e.g. if they acquire new partners and children) is highly valued by tenants and their partners.

Well-managed supportive shared housing can bring large benefits and have positive impacts on mental health and well-being. Tenancy training courses work best when they promote an informal, relaxed learning environment that is not like a classroom. The important roles of training and qualifications in alleviating poverty are reinforced by findings from the longitudinal analysis.

Housing providers have a valuable role as coordinators (or as the organisations that make the connections that brings services together). However, all the schemes investigated faced challenges to their financial viability and sustainability. There are in all cases limits to what housing providers can do. Broad economic, social and political contexts will have impacts on poverty that impose constraints on what can be achieved by specific local initiatives.

The conclusions from the quantitative analysis confirmed the appropriateness of the goals of the schemes studied, for example, the importance of qualifications and, employability, and supporting couple formation to poverty reductions and housing providers' initiatives on these issues. The research also identified multiple successes and challenges that are demonstrated by each of the case studies. However, the investigation has shown very little evaluation of outcomes by the scheme providers or funders. This is understandable in that many of the schemes are recent initiatives and more time needs to have elapsed before the full implications are apparent. But the lack of evaluation is also a function of the absence of agreed criteria for success and the difficulties of tracking the progress of young people after they have passed through a given scheme.

There are, nevertheless, many examples of activities that because of their perceived value by providers and young people are worthy of consideration for replication elsewhere. These relate to all the initiatives that promote improved employability, independence and support through changing circumstances.

The research has shown that in financial terms none of schemes investigated were cheap. Most worked with small numbers of young people and had high costs per client, though many of the clients were very vulnerable young people – such as care leavers and those who have left school with no qualifications – who are likely to need substantial support and investment to become self-sufficient.

For the initiatives illustrated in the case studies to be replicable elsewhere a number of conditions need to be in place. The success of the schemes was dependent on the local services and networks of which they were a part, and the availability of funding. Similar services would likely need to exist in the new area for the transfer to be successful, or alternatives (such as providing those services within the lead organisation) would need to be negotiated. Furthermore, the success of some schemes was linked to the local housing market (such as the local market rents or the cultural expectation of sharing); transferred schemes may find it easier in areas where the local housing market is similar.

The appropriateness of the initiatives to other locations depends on local employment, housing market and policy contexts, which vary across the UK.

As shown in Table 1, levels of youth unemployment vary across the UK. The higher percentage rates in Northern Ireland, North East England, North West England and Wales point to the particular applicability of education and skills promotion initiatives in these locations. The particularly high rents in London and South East England (shown in Table 2) point to the special relevance there of initiatives that tackle affordability and budget management. However, whilst these contextual points are important, for young people in poverty initiatives that for example improve employability and budget management are important wherever they live.

More significantly, the national and local policy contexts and economic context, including house prices and rents, impose constraints, provide opportunities and promote the need for effective transfer of promising ideas. UK-wide welfare reforms since 2010, as explained

above, have had major impacts on young people who are unemployed or on low incomes. Limits to housing benefit for young people under 35 impose especially strong limits on the affordability of rented accommodation in areas where rents are at their highest. The extension of these limits to social tenants from 2018 will create additional affordability problems and increases the relevance of shared housing initiatives, as explored here, as a means of bringing down costs.

As explained earlier in this paper, the availability of discretionary payments that mitigate the impact of some welfare cuts varies across the UK. Furthermore, *Supporting People* funding, which was introduced in 2003 to help vulnerable young people to live independently, has varied across the UK, with ring fencing of the funds ceasing in Scotland and England in recent years, causing cuts in many areas, but continuing in Northern Ireland and Wales. Homelessness policy also varies across the UK, with the duties owed by local authorities to young people in the different jurisdictions differing considerably, as discussed above. These variations mean that the help that young people receive from housing providers should be sensitive to both the opportunities and the constraints arising from local policy contexts.

The case studies examined within this research show that projects that can prevent or mitigate the impact of poverty amongst young people are often “random events” that are not the result of a national or local strategy for poverty reduction amongst young people. Thus, rather than being embedded in a coherent set of wider actions designed to tackle a problem, the initiatives involving housing providers are often the result of local leadership and the vision of individuals who have responded to a set of perceived needs. The funding of these projects is usually ad hoc and short-term, and from a variety of sources, including local authorities, charities and philanthropic support. The ad hoc nature of the initiatives and the funding has important implications both for the sustainability of the individual schemes and the transferability of ideas to other locations.

Housing associations sometimes take the lead in putting together a consortium of agencies that variously commit funds, personnel and ideas to produce a programme of activities that enhances the probability of poverty reduction for young people. Housing providers do this typically because no one else is taking the initiative. For the activities of housing providers to be successful in poverty reduction they ideally need to be embedded in a locally led strategy that responds to local needs. They also need to operate in a less risky environment where structures and resources are secure for many years.