

Removal of automatic entitlement to housing costs for 18-21 year olds in Universal Credit

April 2017 to June 2017

● One off

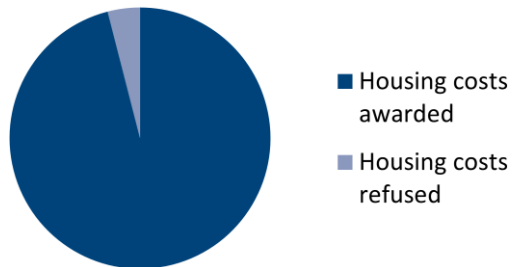
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Ad hoc

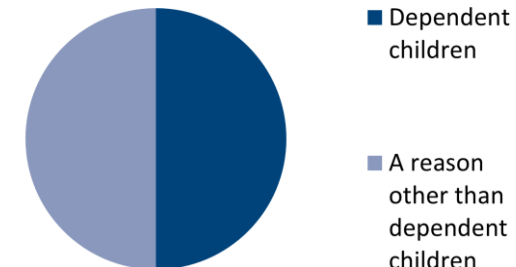
From April 2017 the Government removed the automatic entitlement to support for housing costs for single, childless 18 to 21 year olds claiming Universal Credit (UC) subject to all work-related requirements. There are exemptions for vulnerable claimants, those in work or who have recently left work, and the policy applies only to those who can reasonably be expected to live in the parental home but choose not to do so.

Main stories

96% of 18-21 year olds who applied for support for housing costs were awarded it.



50% of claimants aged 18-21 awarded support for housing costs in UC had dependent children, which exempts claimants from the policy.



What you need to know

Background to support for housing costs with UC for 18-21 year olds

At a glance

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UC was introduced in April 2013 in certain areas. It has been progressively rolled out to other areas through Live Service and, more recently, Full Service. From 1st April 2017 automatic entitlement to support for housing costs was removed for 18-21 year olds in UC Full Service areas. The intention of the policy is that young people in the benefit system should face the same choices as other young people who go out to work but cannot yet afford to leave the parental home.

The policy does not apply to Housing Benefit. The policy does not apply to claimants who had been in receipt of support for housing costs in UC prior to 1st April 2017 and who have ongoing housing costs after that date. In addition, the policy does not apply to claimants receiving support for housing costs through Live Service immediately prior to transferring to Full Service. The policy applies only to new claims for support for housing costs in UC Full Service areas for those who can reasonably be expected to live in the parental home but choose not to do so. There are various exemptions from the policy. These include, but are not limited to:

- couples and those with dependent children;
- those in work with net earnings above the monthly equivalent of working 16 hours per week at the National Minimum Wage;
- victims of domestic violence;
- some disabled people and carers.

The figures presented in this release are based on new claims for support for housing costs. They include cases flowing back on to UC after a period not in receipt of benefit. They exclude re-awards and re-refusals within claims where reassessment for entitlement to support for housing cost occurs following a change of circumstances.

Purpose of this *ad hoc* statistical release

The analysis in this statistical release shows the number of 18-21 year olds awarded and refused support for housing costs since April 2017 when the new regulations came into force.

Information about the analysis and statistics

This publication presents statistics on the number of new awards to UC support for housing costs where claimants are entitled to UC and have applied for support for housing costs and were either awarded support for housing costs or refused it. For information on how the statistics were produced see 'About these statistics' (p5).

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Comments? Feedback is welcome

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UC claimants aged 18-21 awarded and refused support for housing costs

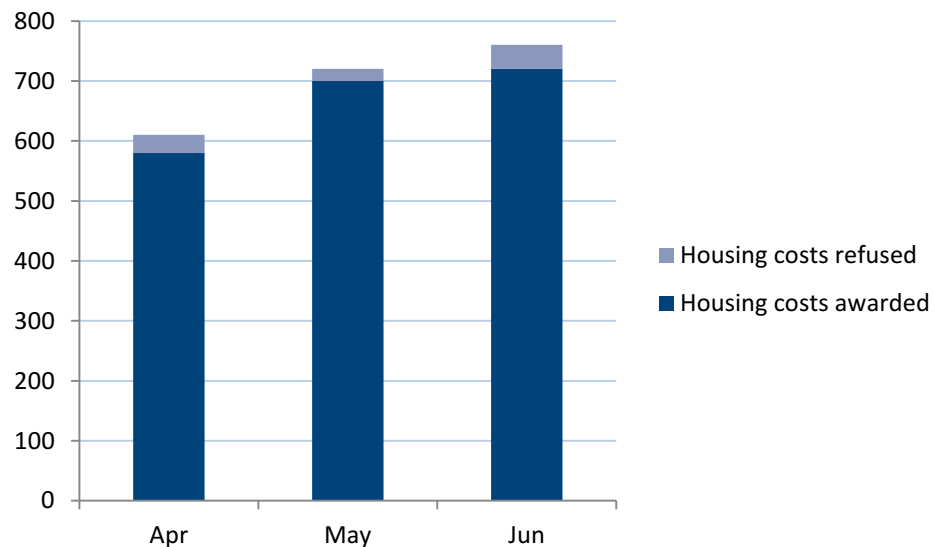
The chart below shows the number of UC claimants aged 18-21 awarded and refused support for housing costs between April and June 2017. This is based on new claims for support for housing costs made after 1st April 2017 when the new regulations came into force.

In each of the three months less than 6% of 18-21 year olds who applied for support for housing costs were refused it.

See table 1 for full data.

The majority of 18-21 year olds who claimed support for housing costs were awarded it

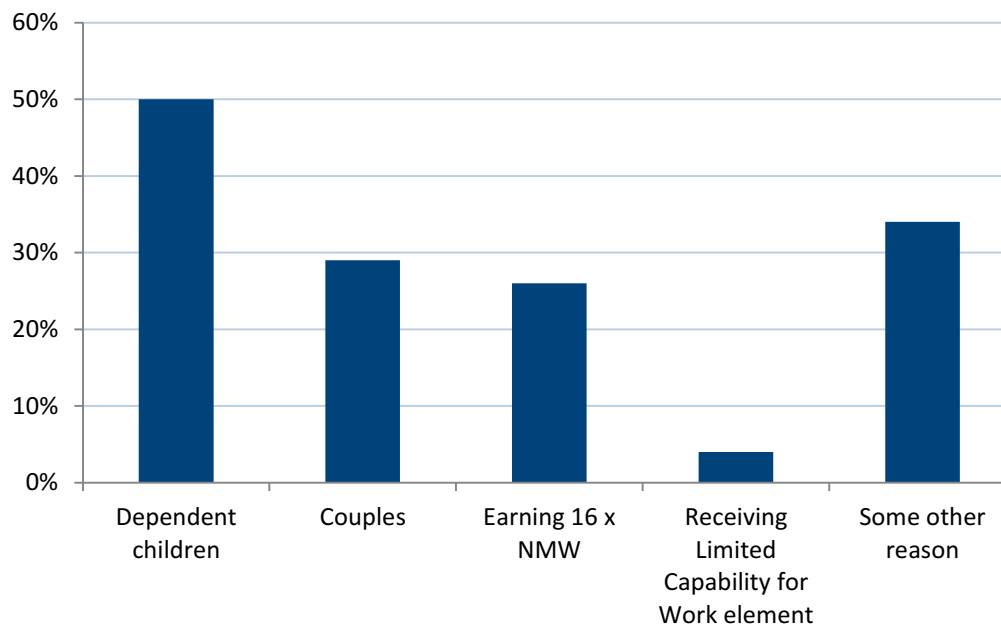
Number of 18-21 year olds awarded or refused support for housing costs



Reasons for exemptions

There are many reasons why someone may be exempted from the general rule that those aged 18-21 are not entitled to support for housing costs through UC. The chart below shows statistics on the types of exemption that applied to those aged 18-21 who were awarded support for housing costs which can be identified in UC data. Note that cases may be exempted for more than one reason e.g. a couple with dependent children.

The largest single group is those with dependent children. This group made up 50% (one in two) of the cases awarded support for housing costs. The next largest group is couples (29%). The third largest group is those whose net earnings were above the monthly equivalent of working 16 hours per week at the national minimum wage. 'Some other reason' includes certain vulnerable people and those unable to live with their parents.



See table 2 for full data.

About these statistics

UC full service and UC live service

UC is being introduced in stages across Great Britain by postcode area. UC is available to all types of claimants in certain areas of Great Britain.

UC was introduced in April 2013 in certain areas. It has been progressively rolled out to other areas through Live Service and, more recently, Full Service. UC Live Service is available to a restricted group of claimants and will end in January 2018. In time, all UC claims will be through Full Service.

Methodology

There are differences in definitions between the statistics in this *ad hoc* statistical release and Official Statistics on UC that mean the figures are not directly comparable.

Claimants exempted from the policy, and so entitled to support for housing costs, were identified from their monthly UC statement which showed that the housing costs element was paid.

Claimants not exempted from the policy and refused support for housing costs were identified based on not receiving support for housing costs (as evidenced by their monthly UC statement) and having an indicator flag in the data record showing that an assessment of age-based entitlement to support for housing costs had been undertaken.

The figures presented in this release are based on new claims to support for housing costs. They include cases flowing back on to UC after a period not in receipt of benefit. They exclude re-awards and re-refusals within claims where reassessment for entitlement to support for housing cost occurs following a change of circumstances; these cases are, at most, counted only once for receiving support for housing costs and once only again for being refused support for housing costs.

In a small number of cases claimants may be refused support for housing costs and have no other entitlement to UC, e.g. due to earnings. In these instances, claimants are excluded from the statistics presented here. In most circumstances, claimants affected by the policy will be entitled to UC on the basis of having earnings below 16 x national minimum wage per week.

The data is subject to some minor retrospection. This is because in some instances awards may be revised retrospectively.

Where to find out more

General introduction to Universal Credit - <https://www.gov.uk/universal-credit>

Benefit caseload and expenditure - <https://www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-2017>

The roll out of Universal Credit - <https://www.gov.uk/government/news/next-phase-in-rollout-of-universal-credit-confirmed>