

## Written evidence submitted by Centrepont

### About Centrepont

1. Centrepont is the leading national charity working with homeless young people aged 16 to 25. We are a registered social housing provider, a charity enterprise and a company limited by guarantee. Established 50 years ago, we provide accommodation and support to help homeless young people get their lives back on track.
2. Every year, alongside our partner organisations, we work with over 14,000 young people, providing tailored support to help them address their support needs, with a particular focus on health, learning, and move on to independent accommodation in both the social and private rented sectors. We also run a national helpline for young people at risk of homelessness.

### What are the trends in intergenerational inequality, and how has the crisis affected them?

3. Centrepont has found that the repercussions of COVID-19 have intensified the growing disparity between the different generations, with young people consistently worse off.

### Youth unemployment

4. Prior to the pandemic, **youth unemployment rates remained consistently higher than the national average**, with an estimated 771,000 young people not in employment, education or training between January and March 2020<sup>1</sup>. COVID-19 notably worsened these numbers: as of January-March 2021 there are now nearly 70,000 more unemployed young people when compared with the same period in 2019. Of this, the **vast majority are women** (50,009 out of the total figure).
5. The pandemic has also seen levels of long-term unemployment rise for young people. Between November 2020 and January 2021, **98,705 16-24s had been unemployed for longer than 12 months, an increase of 39% compared to the year before**<sup>2</sup>. This is particularly concerning as the impacts of long-term unemployment can be extremely damaging to a young persons' health, wellbeing and development, and can continue to affect work and earnings opportunities throughout their life.

### The impact of lower benefit rates for young people

6. Lower benefit rates leave a considerable number of young people that are unemployed or on low incomes unable to meet housing and everyday costs,

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<sup>1</sup> 16-24 levels taken from:

<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/timeseries/mgfv/lms>

<sup>2</sup> 16-24 levels taken from:

<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/unemploymentbyageanddurationnotseasonallyadjustedunem01nsa>

largely contributing to intergenerational inequality. A standard Universal Credit (UC) award for a person aged under 25 is less than four-fifths of the award that somebody over 25 would receive. This is due to the premise that younger people are more likely to be living in somebody else's household and will have fewer financial responsibilities to take care of. However, **a third of all young people living in the UK aged between 16 to 24 live independently**<sup>3</sup> and the vast majority of young people in supported accommodation do not have access to ongoing financial support from family and friends.

7. Despite the £20 per week uplift to UC, food insecurity among young people has increased significantly during the pandemic<sup>4</sup>, and is reflected in **the sheer number of young people needing to access Centrepoin't's emergency food support**. As of the beginning of March 2021, the total number of emergency food actions in 2020/21 had reached 553, which is a **276% increase** from the previous year.
8. The high number of young people experiencing food insecurity even with the £20 UC uplift shows what a vital lifeline it has been to young people in our services, who are forced to live on extremely limited incomes without any family support.

### Mental health issues

9. 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.
10. **Over half (54.1%) of young people at Centrepoin't were reported to have a mental health need pre-COVID**<sup>5</sup>, and since the first lockdown last March, we've seen a **40% increase** in demand for Centrepoin't's mental health services<sup>6</sup>. 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**.
11. Furthermore, findings from a Centrepoin't research project found that former rough sleepers were more likely to face mental health, substance misuse and alcohol problems<sup>7</sup>.

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<sup>3</sup> Social Security Advisory Committee (2018) Occasional Paper No. 20: Young People living independently. London: SSAC. P12

<sup>4</sup> Centrepoin't (2021). A year like no other: Youth homelessness during the COVID pandemic. <https://centrepoin't.org.uk/media/4773/a-year-like-no-other.pdf>

<sup>5</sup> Centrepoin't (2020). The mental health needs of homeless young people <https://centrepoin't.org.uk/media/4650/prevalence-of-mental-health-need-report.pdf>

<sup>6</sup> Centrepoin't (2021). A year like no other: Youth homelessness during the COVID pandemic. <https://centrepoin't.org.uk/media/4773/a-year-like-no-other.pdf>

<sup>7</sup> Centrepoin't (2021). The mental health needs of homeless young people. <https://centrepoin't.org.uk/media/4650/prevalence-of-mental-health-need-report.pdf>.

## How has the crisis impacted on regional inequality?

12. Centrepoin't's databank indicates that youth homelessness is an extensive problem across the whole country, but looking more closely at the data and insight from our Helpline, it is clear that some areas face even more acute challenges.
13. Despite the great efforts of the 'Everyone In' scheme, which supported around 33,000 people who were sleeping rough or at risk of sleeping rough, young people are still falling through the net in some areas of the UK.
14. Data points to London as the region with the highest levels of rough sleeping: between April and June, 449 under-26s were seen sleeping rough, up by over 80 per cent compared to the same period in 2019<sup>8</sup>. During this period, **young people made up more than one in ten recorded rough sleepers in the capital, a historically high proportion**. This increase was driven primarily by an increase in the City of Westminster in central London.
15. Likewise, London saw the highest levels of unemployment, with one in four young people (25.2 per cent) unemployed in August-October 2020<sup>9</sup>. While in the South West, the rate of youth unemployment saw the steepest increase. At its peak (16.4 per cent in May-Jul), the youth unemployment rate was nearly **twice** that of pre-pandemic levels.

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<sup>8</sup> CHAIN reports taken from: <https://data.london.gov.uk/dataset/chain-reports>

<sup>9</sup> Centrepoin't (2021). A year like no other: Youth homelessness during the COVID pandemic. <https://centrepoin't.org.uk/media/4773/a-year-like-no-other.pdf>

**Youth unemployment (16-24 years) – level and rate, by region**

	North east		North West		Yorkshire and Humber		East Midlands		West Midlands	
	level	rate	level	rate	level	rate	level	rate	level	rate
Nov 19-Jan 20	33,903	18.4%	70,447	14.0%	44,732	12.1%	42,058	12.1%	54,955	14.1%
Feb-Apr 2020	30,853	15.9%	57,293	11.8%	35,877	9.4%	38,930	11.6%	55,153	15.5%
May-July 2020	31,785	16.4%	47,778	10.1%	43,318	11.3%	49,187	15.3%	59,834	16.6%
Aug-Oct 2020	33,644	17.2%	66,210	14.0%	49,008	13.1%	61,113	18.5%	61,590	15.6%
Oct 20-Feb 21	29,779	16.6%	66,824	14.5%	45,871	12.6%	45,803	13.7%	69,433	18.0%

	East of England		London		South East		South West	
	level	rate	level	rate	level	rate	level	rate
Nov 19-Jan 20	36,675	9.7%	67,550	13.7%	57,409	9.2%	31,858	8.4%
Feb-Apr 2020	42,265	11.0%	56,963	12.1%	53,944	9.5%	39,019	10.9%
May-July 2020	48,914	13.3%	95,028	20.1%	70,554	12.1%	59,794	16.4%
Aug-Oct 2020	63,617	16.7%	115,995	25.2%	72,844	12.8%	55,084	14.9%
Oct 20-Feb 21	40,009	11.2%	92,449	19.7%	54,404	9.9%	46,465	13.3%

	Wales		Scotland		Northern Ireland	
	Level	Rate	level	rate	level	rate
Nov 19-Jan 20	13,812	6.8%	25,605	7.4%	5,918	5.0%
Feb-Apr 2020	13,211	6.8%	45,270	13.2%	6,210	5.6%
May-July 2020	25,689	13.8%	51,053	14.5%	8,634	8.0%
Aug-Oct 2020	28,098	14.8%	35,567	10.0%	12,054	11.7%
Oct 20-Feb 21	27,679	14.2%	29,273	8.6%	10,205	10.7%

10

## How does housing, and housing finance, impact on intergenerational inequality and regional imbalances?

16. Young people are struggling to access secure and affordable accommodation. For those living in hostels or supported accommodation, the situation is even bleaker; lack of accessible housing options leaves these young people stuck in the system, unable to move on into independent living.

### Availability of social housing

17. Social housing is an effective safeguard against housing instability and repeat homelessness. However, research carried out by Centrepont, found that a lack of social housing is a major barrier to many young people trying to move on from

<sup>10</sup> 16-24 levels taken from:

<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/regionalunemploymentbyageX02>

supported accommodation. **84% of housing associations saw the overall shortage of social housing stock as a barrier to young people accessing a social tenancy<sup>11</sup>.** In London, every association surveyed saw this as a barrier.

### Affordability of social housing

18. Affordability within the social rented sector is also a significant problem for homeless young people. Affordable rents can be set at up to 80% of the local market rent for an equivalent home; however, this is still too high, especially in areas such as London, and remains unaffordable to those on a low income, especially considering young people face a lower minimum wage. For young people on the lowest incomes, this means that it is becoming more difficult to find housing they can afford, even in the social sector.

### Affordability of private rented housing

19. Due to the difficulties faced in accessing social rented housing, young people are looking to the private rented sector (PRS) to find accommodation; however, rents in the private sector have increased steadily since 2010 at a rate **three times greater than average wages<sup>12</sup>.**

20. Young people renting privately today can expect to spend around 35 per cent of their income on housing costs, **more than double the proportion that their parents and grandparents would have paid at the same age<sup>13</sup>.** Rents in the PRS mean that homeless young people, who are likely to be in low paid employment or accessing benefits, struggle to meet these costs and are often overlooked in favour of tenants who are seen as more financially secure.

21. As well as high rents, the considerable upfront cost of a deposit plays a role in reducing the accessibility of the PRS. Young people are often required to have a guarantor when they rent their first property; however, this is rarely possible for care leavers, homeless young people who are estranged from their families or young people with parents that are unable to financially support them.

### Access to shared accommodation

22. The announcement as part of the 2021 Budget to bring forward the change to allow care leavers and those under-25 moving on from hostels to claim the higher one-bedroom rate of Local Housing Allowance rather than the lower shared accommodation rate was hugely welcomed. However, the initiative still excludes formerly homeless young people that fall outside of this bracket; for example, those receiving floating support or living in less formal living arrangements. These young people have the same financial responsibilities as those who have lived in a hostel; however, they are at a disadvantage as they do not meet the

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<sup>11</sup> Harding (2018). Ready to Move On: Barriers to homeless young people accessing longer-term accommodation. <https://centrepoin.org.uk/media/4192/8-ready-to-move-on-barriers-to-homeless-young-people-accessing-longer-term-accommodation.pdf>.

<sup>12</sup> Harding (2018). Ready to Move On: Barriers to homeless young people accessing longer-term accommodation. <https://centrepoin.org.uk/media/4192/8-ready-to-move-on-barriers-to-homeless-young-people-accessing-longer-term-accommodation.pdf>.

<sup>13</sup> Resolution Foundation (2017) Home Affront: Housing across the generations. London: Resolution Foundation.

Government's criteria for the higher one-bedroom rate and so face a greater risk of repeat homelessness.

23. Furthermore, findings from our private landlord survey suggest that there is only a limited market for shared accommodation. **Almost nine in ten landlords (89 per cent) reported not letting any shared accommodation at all<sup>14</sup>.** Essentially young people who are not entitled to claim the higher one-bedroom rate are expected to find accommodation which simply does not exist in great supply.

### Supported accommodation

24. Although young people leaving supported housing are often given some additional priority in local allocations policies, an overall shortage of available housing stock means in reality they spend long periods of time on bidding systems and waiting lists before being offered a property, and in many areas have no realistic prospect of securing one<sup>15</sup>. As such, new social lettings to young people have decreased: new lettings to tenants aged 16 to 24 years fell from 26% to 19% in Supported Housing and 19% to 15% in General Needs, over 2011/12 to 2019/20<sup>16</sup>.
25. Centrepont research found that a **third of landlords (33 per cent) said that reductions to local authority budgets and tenancy support had meant they would be less likely to let to young people leaving supported accommodation<sup>17</sup>.** Many respondents stressed that reductions to grants and support funding were affecting their ability to support young people in tenancies, making it difficult to take on tenants with vulnerabilities and complex needs. Moreover, young people owed legal duties by a local authority, such as care leavers, may have greater priority to social housing nominations; however, service managers express concern that even these nominations are becoming harder to access.

### Mortgage and insurance conditions

26. Official and unofficial policies imposed by mortgage lenders, insurance companies and lettings agents can leave vulnerable households and those on low incomes unfairly locked out of accessing accommodation in the private sector.
27. Research by Shelter and the National Housing Federation has highlighted that many lettings agents, including some of the UK's largest, use blanket 'No DSS'

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<sup>14</sup> Harding (2018). Ready to Move On: Barriers to homeless young people accessing longer-term accommodation. <https://centrepont.org.uk/media/4192/8-ready-to-move-on-barriers-to-homeless-young-people-accessing-longer-term-accommodation.pdf>

<sup>15</sup> Harding (2018). Ready to Move On: Barriers to homeless young people accessing longer-term accommodation. <https://centrepont.org.uk/media/4192/8-ready-to-move-on-barriers-to-homeless-young-people-accessing-longer-term-accommodation.pdf>

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/981724/Social\\_Housing\\_Lettings\\_in\\_England\\_April\\_2019\\_to\\_March\\_2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/981724/Social_Housing_Lettings_in_England_April_2019_to_March_2020.pdf)

<sup>17</sup> Harding (2018). Ready to Move On: Barriers to homeless young people accessing longer-term accommodation. <https://centrepont.org.uk/media/4192/8-ready-to-move-on-barriers-to-homeless-young-people-accessing-longer-term-accommodation.pdf>

policies to exclude tenants receiving benefits irrespective of their ability to afford the rent<sup>18</sup>.

28. Four in ten private landlords surveyed by Centrepoint were using a mortgage to finance at least one of their rental properties<sup>19</sup>. Of these, **18% reported having mortgage conditions around letting to people on housing benefit or UC**. 15% of landlords also reported insurance conditions specifically mentioning tenants on benefits and for these, nearly 37% could not let to these tenants and a further 28 per cent would have to pay increased premiums to do so. These conditions, which add to the already long list of barriers faced by people on low incomes accessing the PRS, are compounded by landlords' attitudes towards tenants who claim benefits.

### Good practice – Manchester

29. Whilst affordable housing is extremely limited and difficult to access in Manchester, Centrepoint has developed a strong and effective partnership with Manchester City Council to provide a homelessness prevention service for 18 to 25 year-olds.
30. The Homelessness Prevention & Relief Service (HPRS) has continued to support homeless young people throughout the pandemic, including in periods of lockdown. This partnership combines the statutory responsibility of the council, under the Homelessness Reduction Act 2017, in combination with Centrepoint services, to effectively support homeless youth into accommodation whilst addressing mental health issues and learning needs. We encourage this same practice to be replicated by other councils. Due to the success of this partnership, the Council have asked Centrepoint to assess and work with **every single** homeless young person in the city.

## As we recover, how do we combat the inequalities that have been exacerbated as a result of the pandemic?

### Long-term funding for youth specific accommodation across the country, including specialist emergency accommodation for young people at risk of rough sleeping

31. While funding does exist, it is often not enough, nor tailored to overcome the structural barriers of a depleted housing stock that is increasingly unaffordable for those on a low income. Considerable upfront costs and unfair discrimination to those in receipt of benefits makes move on to independent living inaccessible to homeless youth.

### The government and local authorities should work together to significantly increase the supply of housing that is genuinely affordable for young people

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<sup>18</sup> Shelter (2018) Stop DSS Discrimination: Ending prejudice against renters on housing benefit. London: Shelter

<sup>19</sup> Harding (2018). Ready to Move On: Barriers to homeless young people accessing longer-term accommodation. <https://centrepoint.org.uk/media/4192/8-ready-to-move-on-barriers-to-homeless-young-people-accessing-longer-term-accommodation.pdf>

32. A drastic lack of social and genuinely affordable housing, as well as huge demand for the stock there is, leaves many young people on waiting lists and stuck in supported accommodation. However, landlords also need reassurance from the Government that government policy and welfare reforms, in particular concerns surrounding UC, do not result in losses of income for landlords.

### **Universal Credit personal allowance rates for young people that cover the real cost of living**

33. The Department for Work and Pensions (DWP) should ensure that UC personal allowance rates cover the real cost of living. In the short-term, this should include making the temporary uplift to UC permanent, extending this increase to legacy benefits, and committing to a long-term linking of benefit levels to real living costs. In the longer-term, DWP should consider raising the personal allowance rates for young people living independently to match the rate that over-25s receive to reflect the fact they face the same living costs.

### **The DWP should extend eligibility for the lower rate work allowance within Universal Credit to young people living in supported accommodation.**

34. This would allow young people in supported accommodation to keep more of what they earn; incentivising them to take on more hours and help them to save up for the costs of moving out into their own accommodation.

### **Tailored youth employment schemes**

35. For the most vulnerable groups of young people, such as those experiencing homelessness, it is critical that programmes such as Kickstart are flexible and tailored enough to take into account the additional barriers homeless young people face.
36. Previous Centrepoint research suggested that the Youth Obligation, a recent government programme aimed at supporting young people into work, had only limited positive outcomes for those facing the greatest challenges.

### **Increase flexibility in grant funding applications to build affordable homes for young people**

37. As a registered social landlord, Centrepoint is calling for more flexibility in the provision of grants to help build affordable homes. The application process is often inflexible and requires the registered social landlord to navigate a complex and very time consuming process - including planning regulations and providing the full financial plan - as well as requiring the provider to fully commit before being awarded the grant; this is particularly relevant when making applications to the Greater London Authority (GLA). This can make it difficult for smaller, specialist organisations with fewer resources to access grant support.
38. Grant funding appears to be targeted towards Home Ownership or Shared Ownership, rather than the provision of affordable housing, which disadvantages homeless youth due to the profound challenges they face when trying to get on the housing ladder.

39. Within grant applications, there is an expectation that the social housing provider will charge the maximum amount of rent. For young people on the lowest incomes, this means that it is becoming more difficult to find housing they can afford, even in the social sector.
40. If the Government could allow more scope for registered social landlords to work with private landlords and other housing providers, in turn, this may help to encourage more effective solutions to the provision of safe, secure and affordable housing.

### **Local commissioning groups to work more closely with specialist providers to provide mental health support**

41. Local Clinical Commissioning Groups (CCGs) should consider working with specialist providers such as Centrepoin to provide mental health support to the most vulnerable young people given our ability to work more flexibly in the sector and engage those who are hardest to reach.
42. When Local Authorities commission accommodation and support services, we strongly advocate the integration of health services into the tendering specification and contract value to ensure the most vulnerable young people's mental health needs are addressed to prevent exacerbation of need.

## **Conclusion**

43. The past year has been an incredibly difficult time for young people facing homelessness. Intergenerational inequality was an undeniable issue pre-pandemic in terms of youth unemployment, affordability of housing and unjustifiably low benefit rates for those under the age of 25. However, the pandemic has exacerbated these issues, which has culminated in declining mental health, increasing levels of food insecurity and staggering numbers of young people unemployed and facing homelessness.
44. Homeless young people encounter overlapping layers of disadvantage and there is a clear need for intensive, targeted support that is backed with adequate youth-specific funding. This would give young people progressing out of homelessness a fighting chance, as they are forced to compete for a shrinking number of jobs whilst also dealing with the considerable challenges of finding and sustaining accommodation.
45. From our evidence, targeted regional support needs to be provided to London, the South East as well as the North East. Homeless young people seeking support should receive the same response as outlined by the Homelessness Reduction Act 2017 regardless of where they live, to enable them to get the support they desperately need.

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