

This is a repository copy of *ESPN Thematic Report: Access to social protection for young people United Kingdom - 2021*.

White Rose Research Online URL for this paper:

<https://eprints.whiterose.ac.uk/204544/>

Version: Published Version

Monograph:

Wenham, Aniela Michelle orcid.org/0000-0003-0759-617X (2021) ESPN Thematic Report: Access to social protection for young people United Kingdom - 2021. Research Report. European Commission Employment, Social Affairs & Inclusion , Brussels.

Reuse

This article is distributed under the terms of the Creative Commons Attribution (CC BY) licence. This licence allows you to distribute, remix, tweak, and build upon the work, even commercially, as long as you credit the authors for the original work. More information and the full terms of the licence here:

<https://creativecommons.org/licenses/>

Takedown

If you consider content in White Rose Research Online to be in breach of UK law, please notify us by emailing eprints@whiterose.ac.uk including the URL of the record and the reason for the withdrawal request.

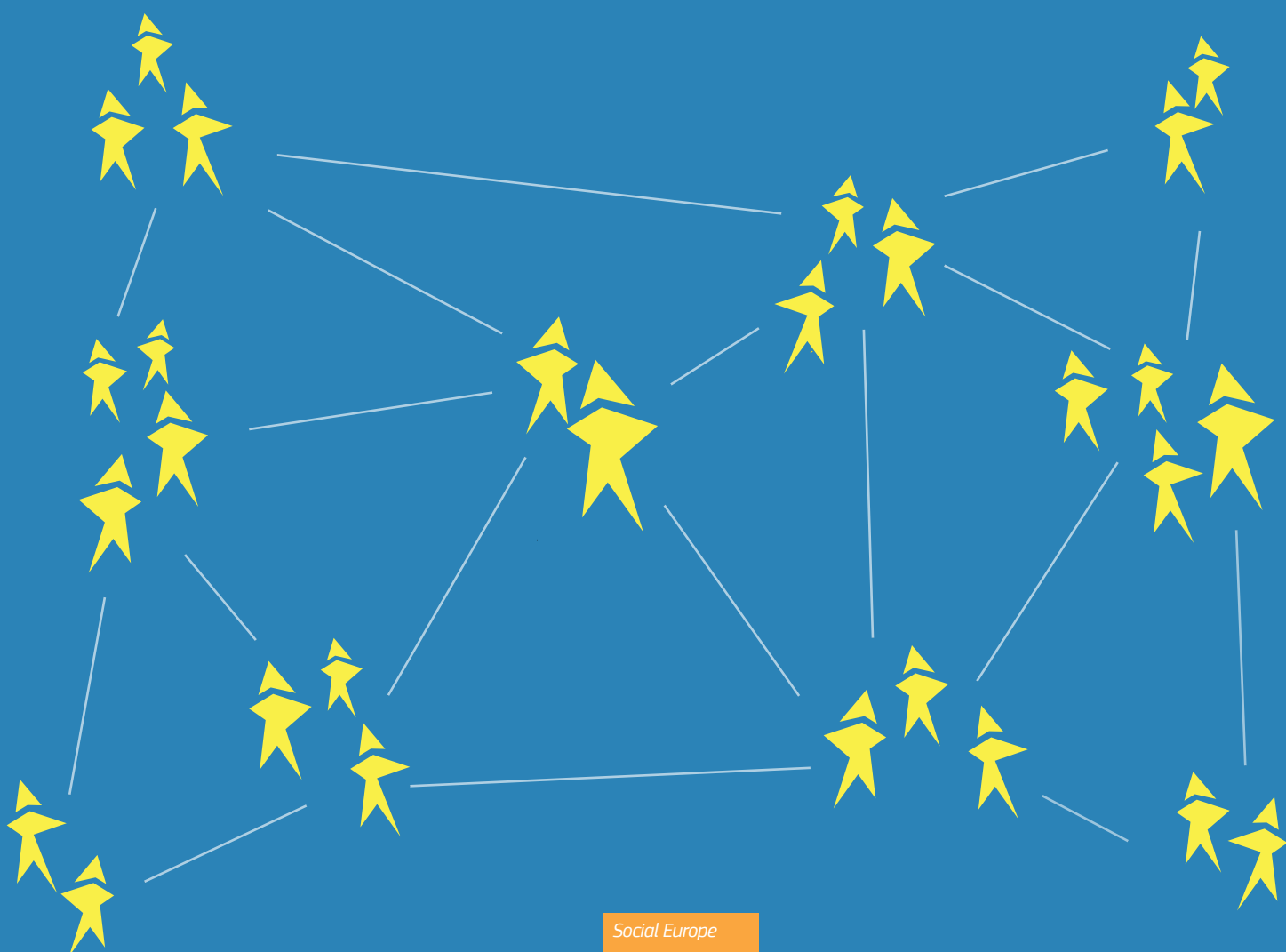


EUROPEAN SOCIAL POLICY NETWORK (ESPN)

Access to social protection for young people

United Kingdom

Aniela Wenham



EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
Directorate D — Social Rights and Inclusion
Unit D.2 — Social Protection

Contact: Flaviana Teodosiu

E-mail: flaviana.teodosiu@ec.europa.eu

*European Commission
B-1049 Brussels*

European Social Policy Network (ESPN)

**ESPN Thematic Report:
Access to social protection for
young people
United Kingdom**

2021

Aniela Wenham

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

For more information on the ESPN, see: <http://ec.europa.eusocialmain.jsp?catId=1135&langId=en>

LEGAL NOTICE

The information and views set out in this document are those of the authors and do not necessarily reflect the official opinion of the European Union. Neither the European Union institutions and bodies nor any person acting on their behalf may be held responsible for the use which may be made of the information contained therein. More information on the European Union is available on the Internet (<http://www.europa.eu>).

Manuscript completed in June 2021

The European Commission is not liable for any consequence stemming from the reuse of this publication.
Luxembourg: Publications Office of the European Union, 2021

© European Union, 2021



The reuse policy of European Commission documents is implemented by the Commission Decision 2011/833/EU of 12 December 2011 on the reuse of Commission documents (OJ L 330, 14.12.2011, p. 39). Except otherwise noted, the reuse of this document is authorised under a Creative Commons Attribution 4.0 International (CC-BY 4.0) licence (<https://creativecommons.org/licenses/by/4.0/>). This means that reuse is allowed provided appropriate credit is given and any changes are indicated.

For any use or reproduction of elements that are not owned by the European Union, permission may need to be sought directly from the respective rightholders.

QUOTING THIS REPORT

Wenham, Aniela (2021). *ESPN Thematic Report on Access to social protection for young people – United Kingdom*, European Social Policy Network (ESPN), Brussels: European Commission.

CONTENTS

SUMMARY	5
1 KEY FIGURES ON THE SOCIO-ECONOMIC SITUATION OF YOUNG PEOPLE	6
1.1 Distribution of young people (aged 15-29) by main activity status.....	6
1.2 Young people (aged 15-29) at risk of poverty or social exclusion.....	8
1.3 Young people (aged 15-29) materially and socially deprived	9
1.4 Young people neither (aged 15-29) in employment nor in education and training (NEETs)	9
1.5 Early leavers (aged 18-24) from education and training	10
1.6 Young people (aged 16-29) living with their parents	10
2 ACCESS TO UNEMPLOYMENT BENEFITS	11
2.1 Contributory unemployment benefits	11
2.1.1 'New Style' Jobseekers Allowance	11
2.1.2 'New Style' Employment and Support Allowance	12
2.2 Non-contributory unemployment benefits	14
2.2.1 Eligibility conditions and benefit entitlements	14
3 ACCESS TO SICKNESS AND HEALTHCARE BENEFITS	14
3.1 Sickness benefits.....	14
3.1.1 'New Style' Employment and Support Allowance	15
3.1.2 Statutory Sick Pay (SSP)	15
3.1.3 Personal Independence Payment (PIP)	16
3.2 Healthcare benefits.....	17
4 ACCESS TO MATERNITY, PATERNITY, AND PARENTAL CASH BENEFITS	17
4.1 Statutory Maternity Pay and Leave	17
4.1.1 Eligibility conditions and benefit entitlements	17
4.1.2 Gaps/obstacles in access for young people.....	18
4.2 Maternity Allowance.....	18
4.2.1 Eligibility conditions and benefit entitlements	18
4.2.2 Gaps/obstacles in access for young people.....	19
4.3 Paternity Pay and Leave	19
4.3.1 Eligibility conditions and benefit entitlements	19
4.3.2 Gaps/obstacles in access for young people.....	20
5 GUARANTEED MINIMUM INCOME SCHEMES	20
5.1 Universal Credit (UC)	20
5.1.1 Eligibility conditions and benefit entitlements	20
5.1.2 Gaps/obstacles in access for young people.....	21
5.2 Kickstarter.....	22
5.2.1 Eligibility conditions and benefit entitlements	22
5.2.2 Gaps/obstacles in access for young people.....	23
6 HOUSING BENEFITS	23
6.1 Universal Credit – Housing Payment	23
6.1.1 Eligibility conditions and benefit entitlements	23
6.1.2 Gaps/obstacles in access for young people.....	24
7 REFORMS, NATIONAL DEBATES, AND RECOMMENDATIONS.....	24

7.1 Reforms implemented since 2015..... 24
7.2 National debates 25
7.3 Good practices and recommendations 29
REFERENCES 31

SUMMARY

In the UK, young people's entitlements to social security are aligned to their age and national insurance contributions. Despite eligibility to many social protection measures being non-age specific, schemes that are most relevant to young people, such as Universal Credit (UC) and UC Housing Allowance, often operate differently with respect to rates of benefit entitlement. The most common difference involves young people under the age of 25 receiving a lower benefit rate when compared to the older working age population. National minimum wage legislation also allows young people under the age of 23 to be paid a lower amount than their older counterparts in the labour force.

Social security schemes that are intended to provide a safety net for young people who are unemployed or on a low income, leave young people more vulnerable to income poverty. There are three main reasons for this:

- 1) The current social security system fails to provide an adequate income for all benefit claimants regardless of age in the sense that payments are below the at-risk-of-poverty or social exclusion (ARPE) threshold and below the Minimum Income Standard. The ARPE rate for 16-29s was 1.22 times higher than for 30-64s in 2018 and the at-risk-of-poverty (AROP) rate 1.29 times higher.
- 2) A lower benefit rate for under 25's (or in the case of housing under 35), pushes young people deeper into poverty and deprivation. This is particularly acute for the most vulnerable young people (i.e., care leavers or young people estranged from their family), who have no choice but to live independently.
- 3) Social security reform, including the expansion of conditionality and the threat of sanctions, has been shown to impact more profoundly on young people.

There are some measures to exempt particular groups of young people from a reduced benefit rate (i.e., care leavers and teenage parents), but these do not go far enough. It is also the case that the complexity of the social security system means social security benefits can simultaneously alleviate and/or exacerbate income poverty for some of the most vulnerable young people in society.

Housing support has been shown to be especially ineffective at covering housing costs and needs major reform. The governments 'Shared Accommodation Rate' (SAR) for young people under 35 is particularly problematic due rising housing costs in the private rented sector and a severe shortage of affordable housing. A lack of affordable housing can lead a young person to struggle to meet their housing costs, which in turn, increases the risk of rent arrears and potential housing eviction.

The increased use of social security conditionality, combined with the threat of benefit sanctions, can leave young people with little choice but to accept insecure, low-paid work, which in turn, entrenches the experience of poverty and deprivation over the long term. Young people under 25 are more likely to be subject to benefit sanctions than older age groups. The impacts of benefit sanctions can result in severe hardship for many claimants.

Overall, lower benefit rates, combined with the cumulative impacts of social security reform, have had a negative impact on young people over time. With young people hit harder by the impact of COVID-19 than older population groups, it is likely we will see greater reliance upon social security and higher and more entrenched forms of youth poverty and deprivation going forward. Section 7.3 of the report presents a few recommendations aimed at improving access to social protection for young people, especially the most vulnerable ones.

1 KEY FIGURES ON THE SOCIO-ECONOMIC SITUATION OF YOUNG PEOPLE¹

1.1 Distribution of young people (aged 15-29) by main activity status

Table 1a: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and United Kingdom, % 15-29 and 30-64)

	UNITED KINGDOM											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	60.9	62.1	62.8	62.6	63.1	:	77.6	78.1	78.7	79.5	79.9	:
<i>Paid employment**</i>	92.5	92.6	92.5	92.8	92.7	:	83.7	83.1	83.3	83.7	83.1	:
<i>Self-employment**</i>	6.1	6.1	6.3	6.1	6.3	:	15.3	16.0	15.8	15.6	16.2	:
<i>Contributing family work**</i>	1.4	1.3	1.2	1.0	0.9	:	1.0	0.9	0.8	0.7	0.7	:
UNEMPLOYMENT***	10.7	9.3	8.4	8.0	7.6	:	3.6	3.4	3.1	2.8	2.6	:
INACTIVITY****	31.8	31.5	31.5	31.9	31.8	:	19.5	19.1	18.8	18.2	17.9	:
	EU-27											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	45.0	45.9	46.9	47.7	48.2	46.1	71.4	72.4	73.5	74.5	75.3	74.9
<i>Paid employment**</i>	91.8	92.2	92.4	92.6	92.8	92.5	83.0	83.3	83.7	84.0	84.1	84.2
<i>Self-employment**</i>	5.3	5.2	5.2	5.2	5.1	5.4	14.6	14.5	14.3	14.2	14.2	14.1
<i>Contributing family work **</i>	2.9	2.6	2.4	2.2	2.1	2.1	2.4	2.2	2.0	1.8	1.7	1.7
UNEMPLOYMENT***	17.3	15.8	14.2	12.8	11.9	13.3	8.5	7.7	6.9	6.1	5.6	5.8
INACTIVITY****	45.6	45.4	45.3	45.3	45.3	46.8	22.0	21.6	21.0	20.6	20.2	20.5

Notes: (*) The employment rate is expressed as a share (%) of the total population in the age group. The 3 categories of employment (paid employment [i.e. employees], self-employment and contributing family work) are expressed as a share (%) of the population in employment in the age group. Contributing family work is a form of labour (generally unpaid, although compensation may come indirectly in the form of family income) that supports another member of the family to run an agricultural holding or another business. (**) The unemployment rate is expressed as a share (%) of the active population, i.e. the population that is either in employment or unemployed (not the total population), in the age group. (***) The inactivity rate is expressed as a share (%) of the total population in the age group. No data for United Kingdom in 2020.

Reading note: In 2019, in United Kingdom, 63.1% of people aged between 15 and 29 were in employment, compared to 79.9% of those aged 30-64. In the EU-27 as a whole, these figures were 48.2% and 75.3%, respectively. The share of people unemployed in the active population in United Kingdom was 7.6% of the 15-29 age group and 2.6% of the 30-64 age group (EU-27 average: 11.9% and 5.6%). The shares of people economically inactive in Country!\$A\$6 in the 15-29 and 30-64 age groups were 31.8% and 17.9%, respectively (EU-27 average: 45.3% and 20.2%).

Source: Eurostat, ESPN Network Core Team calculations based on LFS indicators [lfsa_eegais], [lfsa_egaps], [lfsa_pganws] and [lfsa_igan]. Data downloaded on 24 May 2021.

¹ Except if and where otherwise specified, the indicators presented in Section 1 of this report were computed by the ESPN Network Core Team on the basis of data coming from two data sources coordinated at European level by the statistical office of the European Union (Eurostat: <https://ec.europa.eu/eurostat>): European Union Labour Force Survey (EU-LFS) and European Union Statistics on Income and Living Conditions (EU-SILC). These indicators were computed for all the 35 ESPN countries for which the data needed were available. All these ESPN countries' estimates are presented in Annex B of the following Synthesis Report: Dalila Ghailani, Stéphanie Coster, Ramón Peña-Casas and Pietro Regazzoni (2021), "Access to social protection for young people. An analysis of policies in 35 countries", European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union. This Synthesis Report can be downloaded [here](#).

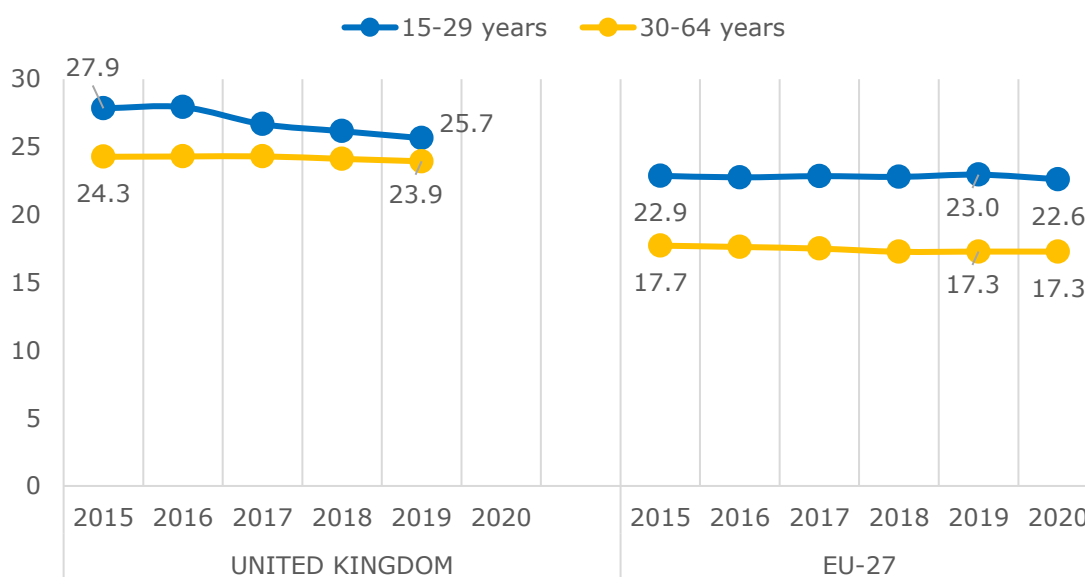
Table 1b: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and United Kingdom, ratios 15-29/30-64)

	UNITED KINGDOM						EU-27					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	0.78	0.79	0.80	0.79	0.79	:	0.63	0.63	0.64	0.64	0.64	0.62
Paid employment**	1.11	1.11	1.11	1.11	1.12	:	1.11	1.11	1.10	1.10	1.10	1.10
Self-employment**	0.40	0.38	0.40	0.39	0.39	:	0.36	0.36	0.36	0.36	0.36	0.38
Contributing family work**	1.44	1.43	1.37	1.37	1.28	:	1.21	1.20	1.21	1.24	1.24	1.20
UNEMPLOYMENT***	2.98	2.74	2.72	2.87	2.90	:	2.04	2.06	2.06	2.09	2.10	2.29
INACTIVITY****	1.63	1.65	1.67	1.75	1.77	:	2.07	2.11	2.16	2.20	2.24	2.29

Notes: To obtain the ratio of 15-29 to 30-64, the 15-29 percentage is divided by the 30-64 percentage: a value below (above) 1 in a given activity status therefore means that 15-29-year-olds are proportionally less (more) numerous in that activity status than 30-64-year-olds. See also Notes to Table 1a above. No data for the United Kingdom in 2020.

Reading note: In 2019, in United Kingdom, 63.1% of people aged between 15 and 29 were in employment compared to 79.9% of those aged 30-64 (see Table 1a) – i.e. a 15-29:30-64 ratio of 0.79. In the EU-27 as a whole (see table 1a), these figures were 48.2 and 75.3% respectively (ratio 0.64).

Source: See Table 1a.

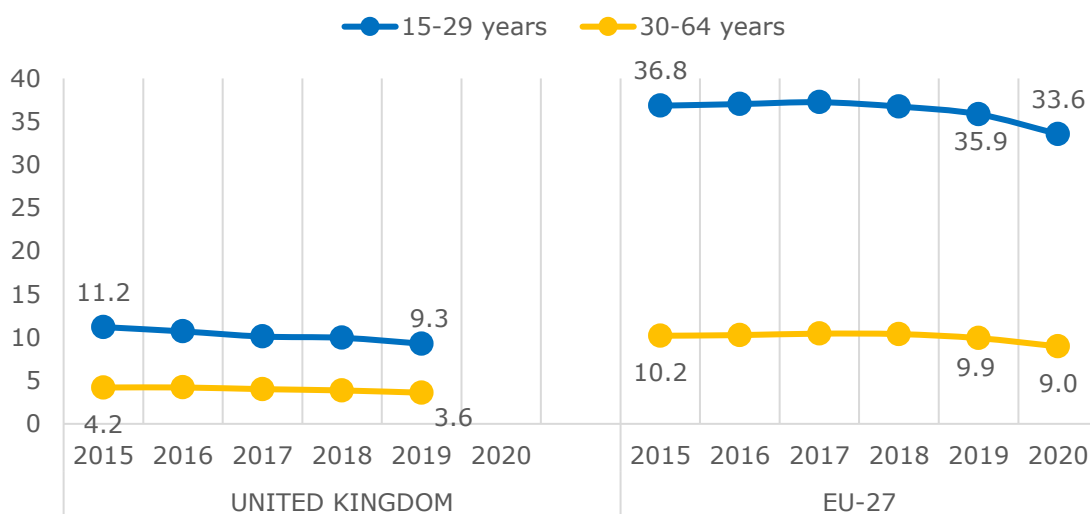
Figure 1: Part-time employment as a share of the population in employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and United Kingdom, %)

Note: No data for the United Kingdom in 2020.

Reading note: In 2019, in United Kingdom, the share of part-time employment in total employment was 25.7% for the 15-29 age group and 23.9% for the 30-64 age group. For the EU-27 as a whole, these shares were 23.0% and 17.3%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicator [lfsa_epgn62]. Data downloaded on 24 May 2021.

Figure 2: Temporary employment as a share of population in paid employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and United Kingdom, %)



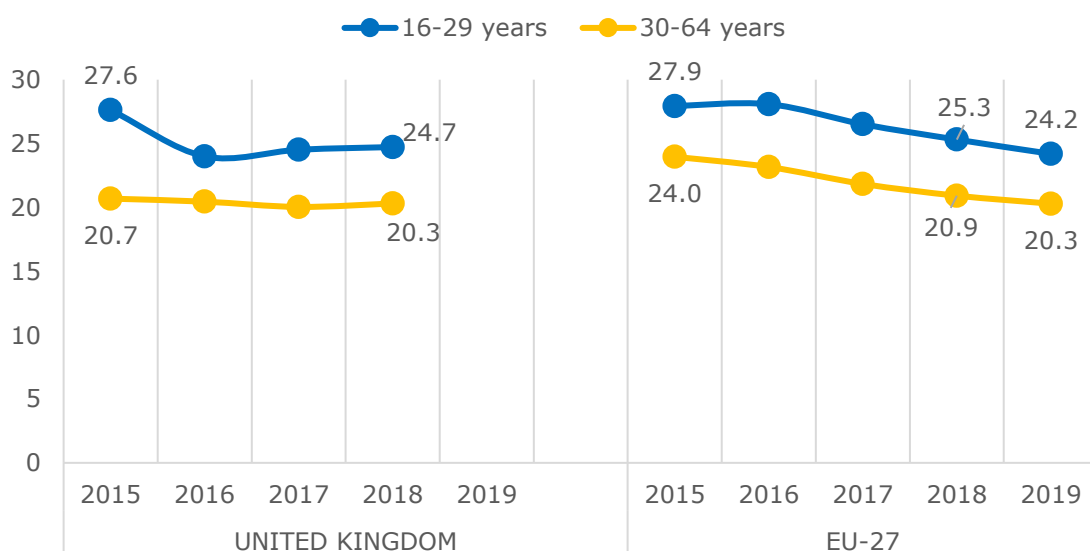
Note: No data for the United Kingdom in 2020.

Reading note: In 2019, in United Kingdom, the share of temporary workers among employees was 9.3% for the 15-29 age group and 3.6% for the 30-64 age group. For the EU-27 as a whole, these shares were 35.9% and 9.9%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicators [Ifsa_epgn62] and [Ifsa_egaps]. Data downloaded on 24 May 2021.

1.2 Young people (aged 15-29) at risk of poverty or social exclusion

Figure 3: People at risk of poverty or social exclusion - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and United Kingdom, %)



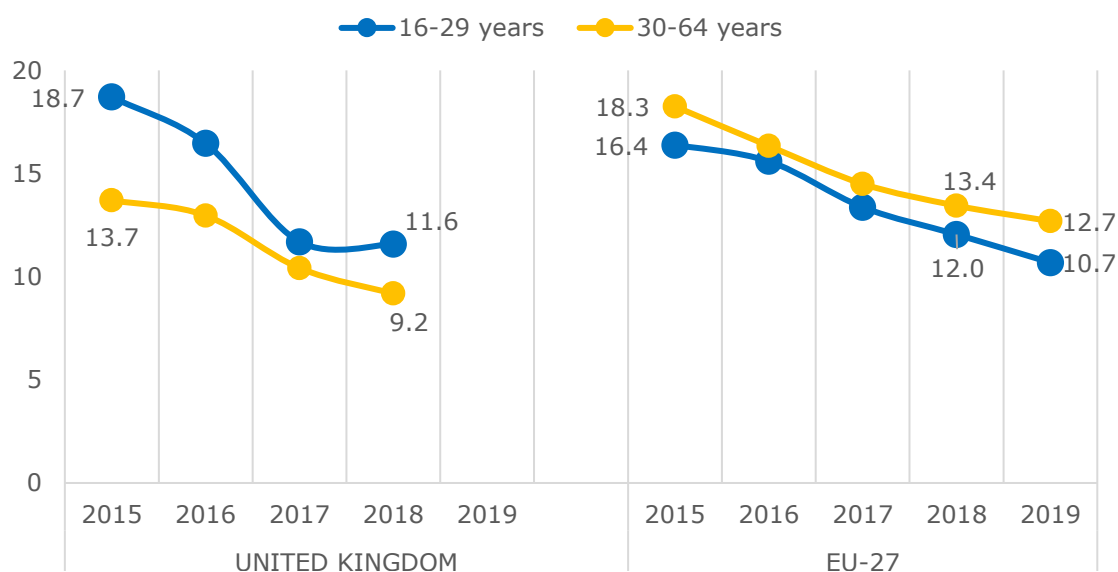
Note: No data for the United Kingdom in 2019.

Reading note: In 2018, in United Kingdom, 24.7% of the 16-29 age group were at risk of poverty or social exclusion (i.e. they were living in a household that was at risk of poverty and/or severely materially and socially deprived and/or (quasi-)jobless according to the EU definition of these indicators) compared to 20.3% of the 30-64 age group. For the EU-27 as a whole, these figures were 25.3% and 20.9%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc_peps02]. Data downloaded on 24 May 2021.

1.3 Young people (aged 15-29) materially and socially deprived

Figure 4: People materially and socially deprived - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and United Kingdom, %)



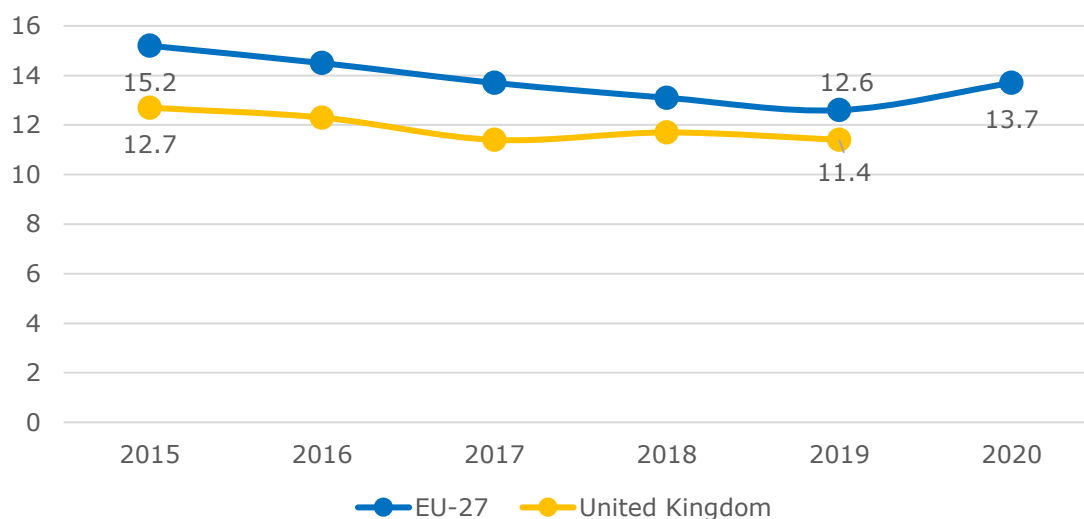
Note: No data for the United Kingdom in 2019.

Reading note: In 2018, in United Kingdom, 11.6% of the 16-29 age group were materially and socially deprived (according to the EU definition of this indicator) compared to 9.2% of the 30-64 age group. For the EU-27 as a whole, these figures were 12.0% and 13.4%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc_mdsc]. Data downloaded on 24 May 2021.

1.4 Young people neither (aged 15-29) in employment nor in education and training (NEETs)

Figure 5: People aged 15-29 neither in employment nor in education or training (NEETs) (2015-2020, EU-27 and United Kingdom, %)



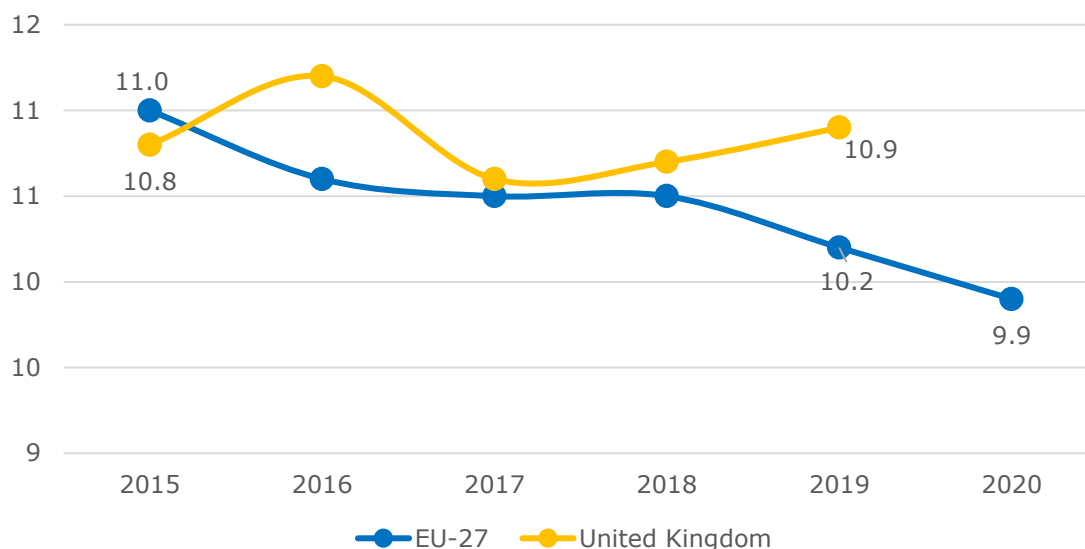
Note: No data for the United Kingdom in 2020.

Reading note: In 2019, in United Kingdom, 11.4% of the 15-29 age group were neither in employment nor in education or training (NEET) compared to 12.6 for the EU-27 as a whole.

Source: Eurostat, LFS - indicator [lfse_20]. Data downloaded on 24 May 2021.

1.5 Early leavers (aged 18-24) from education and training

Figure 6: Early leavers from education and training for the 18-24 age group (2015-2020, EU-27 and United Kingdom, %)



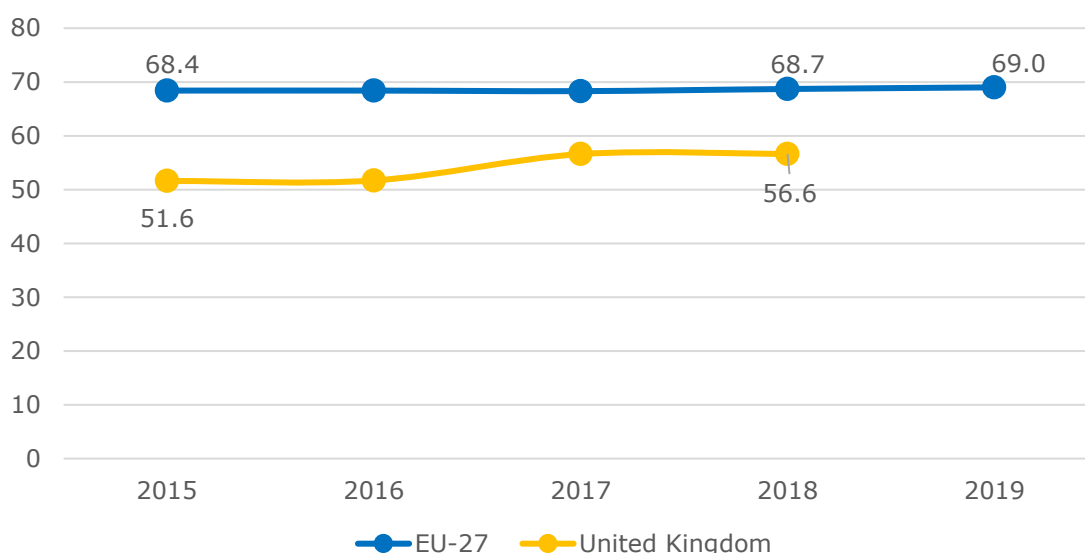
Note: No data for the United Kingdom in 2020.

Reading note: In 2019, in United Kingdom, 10.9% of the 18-24 age group were early leavers from education and training – i.e. they had completed, at most, lower secondary education and were not in further education or training. For the EU-27 as a whole, this figure was 10.2%.

Source: Eurostat, LFS - indicator [edat_lfse_14]. Data downloaded on 24 May 2021.

1.6 Young people (aged 16-29) living with their parents

Figure 7: Young people aged 16-29 living with their parents (2015-2019, EU-27 and United Kingdom, %)



Note: No data for the United Kingdom in 2019.

Reading note: In 2018, in United Kingdom, 56.6% of the 16-29 age group were living with their parents, compared to 68.7% for the EU-27 as a whole.

Source: Eurostat, EU-SILC - indicator [ilc_lvps08]. Data downloaded on 24 May 2021.

2 ACCESS TO UNEMPLOYMENT BENEFITS

This section provides a brief overview of access to contribution-based and non-contribution based social protection by young people. A description of the main measure is provided. For each social protection measure, it describes the eligibility conditions and benefit entitlements.

2.1 Contributory unemployment benefits

There are two main contribution-based unemployment benefits:

- **'New Style' Jobseeker's Allowance** is for people under the State Pension Age and who are not working full-time (under 16 hours a week) or unemployed.
- **'New Style' Employment and Support Allowance** is for people under State Pension Age who have limited capability for work due to an illness or disability and are not in receipt of Statutory Sick Pay.

2.1.1 'New Style' Jobseekers Allowance

a) Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in the United Kingdom as far as young people are concerned are the following:

a) Age

In order to be eligible for 'New Style' Jobseekers Allowance, you must be under State Pension age². Whilst young people under the age of 18 cannot access this scheme, there are some exceptions for 16- and 17-year-olds (i.e. a young person is responsible for a child or estranged from family/parents). There are also special rules for 'care leavers' under the age of 18 where it is assumed Social Services have responsibility for meeting a young person's needs.

b) Activity status requirement

In order to be eligible for 'New Style' Jobseekers Allowance, a young person must be:

- either unemployed or working fewer than 16 hours per week;³
- available and actively seeking work.

This scheme is not available for those who:

- are self-employed;
- have an illness or disability which means you can't work;
- are in full-time education;
- are on an apprenticeship (for apprentices, earnings are treated in the same way as other forms of employment).

c) Contributory history required to access the scheme

'New Style' Jobseekers Allowance is dependent upon having previous employment that means you have paid enough Class 1 National Insurance contributions within the last 2 to 3 years.

d) Waiting period

There is a 7-day period between claiming and being able to get Jobseeker's Allowance.

² Under State Pension age: Under the current law, if your DOB is after 6 April 1978, your state pension age is 68. If you were born between 6 April 1970 and 5 April 1978, your state pension age is 67.

³ Earnings from part-time work can affect entitlement.

e) Replacement rate/benefit level

The amount you are entitled to is dependent upon age. Under 25s receive a lower benefit rate than the wider working age population:

Benefit Type	Up to 24	25 or over
'New Style' Job Seekers Allowance	£59.20 (€515.67) per week	£74.70 (€86.65) per week

Unlike, income-based Jobs Seekers Allowance (see 2.2), 'New Style' Jobseekers Allowance is non means tested.

f) Duration

Non age-specific. You can claim this benefit for up to 6 months (182 days).

b) Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in the United Kingdom are the following:

a) Main gaps in access for young people

This scheme is not available for young people who are self-employed or full-time students.

b) Main obstacles in access for young people

For the younger cohort of young people, it is unlikely they would have built up the contributory requirements necessary for the scheme. The more complex nature of youth employment, involving higher levels of insecure and precarious employment (JRF, 2021), also means it would be more difficult to meet the contributory requirements. There is also evidence to suggest less awareness of contributory benefits more generally (Baumberg-Geiger et al, 2021). Claimants must also accept a 'claimant commitment' (i.e., be required to meet work-related requirements such as work-preparation/work-focused interviews). Failure to do so can result in a benefit sanction (see 7.2).

2.1.2 'New Style' Employment and Support Allowance

c) Eligibility conditions and benefit entitlements

a) Age

Non-age specific. In order to be eligible for 'New Style' Employment and Support Allowance, you must be at least 16 years of age but under State Pension age.

Activity status requirement

For young people to be eligible for 'New Style' Employment and Support Allowance, they must:

- Have a disability or health condition that affects how much they can work.

b) Contributory history required to access the scheme

'New Style' Employment and Support Allowance' is dependent upon having previous employment that means you have paid enough Class 1 National Insurance contributions within the last 2 tax years (employed or self-employed). Unlike, Income-based

employment and Support Allowance (see 2.2), 'New Style' Employment and Support Allowance is non means tested⁴.

c) Waiting period

There is a 7-day period between claiming and being entitled to 'New Style' Employment and Support Allowance.

This scheme is also subject to an assessment period. During the 'Work Capability Assessment' phases, the following rates are age dependant:

Benefit Type	Up to 24	25 or over
'New Style' Employment and Support Allowance: Assessment phase	£59.20 (€68.67) per week	£74.70 (€86.65) per week

If it takes longer than 13 weeks to assess a claim, claimants will continue getting the 'assessment rate' until a decision is made or until ESA is due to end.

d) Replacement rate/benefit level

After the assessment period, if a claimant is found to be eligible, they will be placed in either one of the following groups:

- a work-related activity group (claimants cannot work now, but can prepare to work in the future)
- a support group (claimants cannot work now and are not expected to prepare for work in the future)

After the assessment period, the benefit rate is **non-age specific**:

Benefit Type	Benefit Rate
'New Style' Employment and Support Allowance	£74.70 (€86.65) per week (Work-related activity group) £114.10 (€132.36) per week (Support group)

Whilst receiving New Style ESA claimants will earn Class 1 National Insurance credits, which can help towards State Pension and other contributory benefits in the future.

e) Duration

Non age-specific. New Style ESA lasts for 365 days if you're in the **work-related activity group**. There's no time limit if you're in the **support group**.

d) Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in the United Kingdom are the following:

a) Main gaps in access for young people

No specific gaps identified.

⁴ New style ESA is non means tested but a private pension worth more than £85 per week can affect the amount received.

b) Main obstacles in access for young people

For the younger cohort of young people, it is unlikely they would have built up the contributory requirements necessary for the scheme for the same reasons as given for contributory JSA above. Work Capability Assessments have been shown to create anxiety and stress, especially concerning the potential for a face-to-face medical assessment (Disability Benefits Consortium, 2017; Machin, 2018). Whilst it is broadly recognised that young people will need extra support, advocacy, and guidance through this process, not all young people will have such support systems available. Careful consideration needs to be given to the distinct needs of young people, especially younger cohorts, as they move through the claim process. There are also issues surrounding a gap in training for assessors to deliver a young person friendly assessment (EDCM, 2012). Young people will also be subject to the lower benefit rate during the assessment phase.

2.2 Non-contributory unemployment benefits

2.2.1 Eligibility conditions and benefit entitlements

Universal Credit (see 5.1 below) is gradually replacing the following non-contributory benefits:

- Housing Benefit
- income-related Employment and Support Allowance (ESA)
- income-based Jobseeker's Allowance (JSA)
- Child Tax Credit
- Working Tax Credit
- Income Support

No new claims can be made for the above benefits⁵. Elements of these non-contributory unemployment benefits can be combined with contributory job seeker's allowance, for example housing benefit can be paid in addition to contributory job seeker's allowance.

3 ACCESS TO SICKNESS AND HEALTHCARE BENEFITS

This section provides a brief overview of access to sickness and healthcare benefits by young people. A description of the main measure is provided. For each social protection measure, it describes the eligibility conditions and benefit entitlements.

3.1 Sickness benefits

There are a number of sickness benefits that young people can apply for:

- **'New Style' Employment and Support Allowance** is a contribution-based benefit. This is for people under the State Pension Age who have a disability or health condition that affects how much they can work.
- **Statutory Sick Pay (SSP)** is for people in employment who are unable to work due to sickness. SSP can be paid for up to 28 weeks.
- **Personal Independence Payment (PIP)** is for people with a long-term health condition or disability. This is eligible to those over the age of 16 and under State Pension Age.

⁵ There are some exemptions with respect to Housing Benefit – see 6.3

3.1.1 'New Style' Employment and Support Allowance

This is a contributory based benefit. See section 2.1.3.

3.1.2 Statutory Sick Pay (SSP)

e) Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in the United Kingdom as far as young people are concerned are the following:

a) Age

Non-age specific – access to this scheme is dependent upon your employment status.

b) Activity status requirement

In order for young people to have access to this scheme they must be:

- be classed as an employee and have done some work for an employer
- earn an average of at least £120 (€139.20) per week
- have been ill or self-isolating for at least 4 days in a row (including non-working days)

Agency workers and apprentices are entitled to SSP. Young people are not entitled to SSP if they are self-employed. There are different rules for young people who work in agriculture⁶.

c) Contributory history required to access the scheme

N/A

d) Waiting period

If eligible, young people can get SSP from the fourth day they are off sick⁷.

e) Replacement rate/benefit level

Non age specific – £96.35 (€111.77) a week (paid to employer)

f) Duration

Non age specific – SSP can be claimed for up to 28 weeks.

3.1.2.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in the United Kingdom are the following:

a) Main gaps in access for young people

Young people who are self-employed are not eligible for SSP⁸. Young people earning less than £120 per week are also not eligible. This has greater impacts on young people who are more likely to experience underemployment and be in low paid employment⁹. SSP is not paid until the 4th day of sickness absence so there is a gap between employment and state support.

⁶ <https://www.gov.uk/agricultural-sick-pay>

⁷ The rule for SSP changed so that if COVID-19 is involved entitlement is from the first rather than the fourth day of absence. See: <https://www.gov.uk/government/news/sick-pay-from-day-one-for-those-affected-by-coronavirus>

⁸ Self-employed workers impacted by COVID-19 are directed towards the governments 'Self-Employment Income Support Scheme' (SEISS).

⁹ See Resolution Foundation Briefing – 'Time out – Reforming Statutory Sick Pay to support the Covid-19 recovery phase: <https://www.resolutionfoundation.org/publications/time-out/>

b) Main obstacles in access for young people

The earnings threshold has greater impacts on young people who are more likely to experience underemployment and be in low paid employment¹⁰.

3.1.3 Personal Independence Payment (PIP)

f) Eligibility conditions and benefit entitlements

PIP is replacing the **Disability Living Allowance** for adults with long-term ill health or a disability. The main eligibility conditions and benefit entitlements that apply to the scheme in the United Kingdom as far as young people are concerned are the following:

a) Age

Non-age specific – In order to be eligible for PIP, you under State Pension age. Unlike most other benefits, young people can apply for this from the age of 16.

b) Activity status requirement

A young person must also have a physical or mental health condition or disability where they:

- have had difficulties with daily living or getting around (or both) for 3 months
- expect these difficulties to continue for at least 9 months

Young people will be assessed by an independent assessment provider.

c) Contributory history required to access the scheme

None

d) Waiting period

Claimants will be subject to a 'qualifying period' to establish if the health condition or disability is likely to be long term. Entitlement to PIP cannot start until the qualifying period has been satisfied.

e) Replacement rate/benefit level

Non age specific – PIP is made up of two parts - a **daily living part** and a **mobility part**. Eligibility depends upon the outcome of a 'Work Capability Assessment'.

- The weekly rate for the **daily living part** is either £60.00 (€69.60) or £89.60 (€103.94).
- The weekly rate for the **mobility part** is either £23.70 (€27.49) or £62.55 (€72.56).

f) Duration

If a young person is eligible, PIP will normally be awarded for a fixed period (three years). If a claimant feels remains eligible, they can make a renewal claim up to six months before their current award comes to an end.

g) Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in the United Kingdom are the following:

a) Main gaps in access for young people

N/A

¹⁰ See Resolution Foundation Briefing – 'Time out – Reforming Statutory Sick Pay to support the Covid-19 recovery phase: <https://www.resolutionfoundation.org/publications/time-out/>

b) Main obstacles in access for young people

Assessments for PIP have been shown to create anxiety and stress, especially concerning the potential for a face-to-face medical assessment (Disability Benefits Consortium, 2017; Machin, 2018). Whilst it is broadly recognised that young people will need extra support, advocacy, and guidance through this process, not all young people will have such support systems available. Careful consideration needs to be given to the distinct needs of young people, especially younger cohorts, as they move through the claim process. There are also issues surrounding a gap in training for assessors to deliver a young person friendly assessment.

3.2 Healthcare benefits

The UK has a National Health Service that provides free healthcare at the point of demand. There are charges for dental care and prescriptions for adults with exemptions. Children 0-17 are exempted from these charges. Young people over 18 have the same exemptions as other adults.

4 ACCESS TO MATERNITY, PATERNITY, AND PARENTAL CASH BENEFITS

This section provides a brief overview of access to maternity, paternity, and parental cash benefits by young people. A description of the main measure is provided. For each social protection measure, it describes the eligibility conditions and benefit entitlements.

There are a number of maternity, paternity and parental cash benefits that young people can apply for:

- **Statutory Maternity Pay and Leave** - If eligible, Statutory Maternity Leave can provide up to 52 weeks leave. Statutory Maternity Pay can provide a percentage of your average weekly earnings for up to 39 weeks.
- **Maternity Allowance** is for people who do not qualify for Statutory Maternity Pay, i.e., they are self-employed or do not meet the earnings threshold.
- **Paternity Pay and Leave** - If eligible, individuals can claim 1 or 2 weeks paid Paternity Leave.

4.1 Statutory Maternity Pay and Leave

4.1.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in the United Kingdom as far as young people are concerned are the following:

a) Age

Non-age specific

b) Activity status requirement

To receive SMP a young person must earn on average at least £120 (€139.20) per week and have worked for an employer for at least 26 weeks continuing into the 'qualifying week' (15th week before due date). To be eligible a young person has to be classified as an employee¹¹. Agency workers and apprentices can apply for SMP. If students have been in employment, and meet the eligibility requirements outlined above, they may be entitled to SMP.

¹¹ See - <https://www.gov.uk/employment-status/employee>

c) Contributory history required to access the scheme

None.

d) Waiting period

N/A

e) Replacement rate/benefit level

Non age specific – SML is 52 weeks¹². SMP is paid for 39 weeks. If eligible, a young person will receive 90% of their average weekly earnings (before tax) for the first 6 weeks. Then £151.97 (€176.29) or 90% of average weekly earnings (whichever is lower) for the next 33 weeks.

f) Duration

See above.

4.1.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in the United Kingdom are the following:

a) Main gaps in access for young people

SMP and SML does not extend to those in self-employment. Young people earning less than £120 (€139.20) per week are also not eligible for SMP. This has greater impacts on young people who are more likely to experience underemployment and be in low paid employment. Employment status also has implications meaning that workers with less employment rights might not be eligible. An example of this is 'agency workers' who are not eligible for SML.

b) Main obstacles in access for young people

N/A

4.2 Maternity Allowance**4.2.1 Eligibility conditions and benefit entitlements**

The main eligibility conditions and benefit entitlements that apply to the scheme in the United Kingdom as far as young people are concerned are the following:

a) Age

Non-age specific

b) Activity status requirement

Maternity Allowance is for those: not eligible for SMP (see 4.3); are self-employed; have recently stopped employment. In the 66 weeks before the baby is due a claimant must have been employed/self-employed for at least 26 weeks. They must have also been earning £30 a week or more in at least 13 weeks. There are specific eligibility rules for Maternity Allowance for those not employed/self-employed (i.e., the claimant takes part in the business of a self-employed spouse or civil partner¹³).

c) Contributory history required to access the scheme

There are no requirements to have paid national insurance contributions to qualify. However, for self-employed claimants to receive the full amount they must have paid Class 2 national Insurance for at least 13 of the 66 weeks before due date. If a young person

¹² See following for detailed breakdown: <https://www.gov.uk/maternity-pay-leave/leave>

¹³ See <https://www.gov.uk/maternity-allowance/eligibility>

meets the activity status requirements outlined above, they may still qualify for Maternity Allowance even if they are currently classified as unemployed.

d) Waiting period

N/A

e) Replacement rate/benefit level

Non age specific – Varies depending upon eligibility. A young person may be entitled to: £151.97 (€176.23) a week or 90% of average weekly earnings (whichever is less) for 39 weeks; £27 (€31.32) a week for 39 weeks; or £27 (€31.32) a week for 14 weeks.

f) Duration

See above.

4.2.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in the United Kingdom are the following:

a) Main gaps in access for young people

MA is targeted to those who are not eligible for SMP, including those on a low income. The low benefit rate of MA is more likely to impact on young people who are overrepresented in low paid employment and experience underemployment.

b) Main obstacles in access for young people

4.3 Paternity Pay and Leave

4.3.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in the United Kingdom as far as young people are concerned are the following:

a) Age

Non-age specific.

b) Activity status requirement

For a young person to be eligible for Paternity leave they must be taking time away from work to look after the child and be classified as the father/husband/partner of the mother (or adopter)¹⁴. They must be classified as an employee and have been continuously employed by their employer for at least 26 weeks up to any day in the 'qualifying week' (the 15th week before the baby is due). To be eligible for Paternity Pay they must be: employed by the employer up to the date of birth; earn at least £120 (€139.20) a week (before tax); continuously employed by their employer for at least 26 weeks up to any day in the 'qualifying week'.¹⁵ Agency workers can apply for Paternity Pay. Apprentices have the same employment rights as employees.

c) Contributory history required to access the scheme

None

d) Waiting period

N/A

¹⁴ See detailed eligibility guidelines - <https://www.gov.uk/paternity-pay-leave/eligibility>

¹⁵ The government also provides a 'Shared Parental Leave' scheme and a 'Adoption Pay and Leave' scheme. Whilst these are non-age specific, they are unlikely to apply to young people.

e) Replacement rate/benefit level

Non age specific – If eligible, individuals can claim 1 or 2 weeks paid Paternity Leave. The statutory weekly rate is £151.97 (€176.29), or 90% of average weekly earnings (whichever is lowest).

f) Duration

See above.

4.3.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in the United Kingdom are the following:

a) Main gaps in access for young people

For Paternity Leave you have to have an employment contract to be eligible. This excludes young people who are overrepresented in more precarious forms of employment such as agency workers and zero hours contract workers (Eurofound, 2014; OECD, 2012). Young people who are self-employed are not eligible¹⁶.

b) Main obstacles in access for young people

None.

5 GUARANTEED MINIMUM INCOME SCHEMES

This section will introduce Universal Credit, the main guaranteed minimum income scheme that operates in the UK. This scheme was introduced in 2013 replacing six means-tested benefits and tax credits for people of working age. A brief outline of the governments 'Kickstarter' programme will also be provided. This programme provides government funding to employers to create jobs for young people.

5.1 Universal Credit (UC)**5.1.1 Eligibility conditions and benefit entitlements**

The roll out of **UC**, first introduced in 2013, is gradually replacing the following non-contributory benefits:

- Housing Benefit
- income-related Employment and Support Allowance (ESA)
- income-based Jobseeker's Allowance (JSA)
- Child Tax Credit
- Working Tax Credit
- Income Support

The merging of these six in- and out-of-work benefits into a single UC is a radical reform of the social security system. UC is now the main working age benefit in the UK. It is expected that all legacy benefits will be migrated to UC by 2023.

The main eligibility conditions and benefit entitlements that apply to the scheme in the United Kingdom as far as young people are concerned are the following:

¹⁶ Unless they pay themselves via PAYE and pay Class 1 National Insurance.

a) Age

Non-age specific. In order to be eligible for UC, you must be under State Pension age. Whilst young people under the age of 18 cannot access this scheme, there are some exceptions for 16- and 17-year-olds (i.e. a young person is responsible for a child or estranged from family/parents). There are also special rules for 'care leavers' under the age of 18 where it is assumed Social Services have responsibility for meeting a young person's needs.

b) Activity status requirement

UC is available to people aged 18 and above (and under Stage Pension Age) who are on a low income or out of work. For young people in training or studying full-time, a claim for UC can be made if they are responsible for child; live with a partner eligible for UC; are in further education, aged 21 or under and estranged from parents and not under local authority care. Young people can also apply if they are entitled to PIP (see 3.5). If a young person is on an apprenticeship scheme, they can also apply for UC¹⁷.

c) Other eligibility conditions

UC is a means tested benefit and takes account of savings. You must have no more than £16,000 in capital.

d) Benefit level

UC's **standard allowance** is age dependant:

Benefit Type	Up to 24	25 or over
UC's standard allowance	Single: £344.00 (€399) per month In a couple (both under 25): £490.60 (€569.10)	Single: £411.51 (€477.35) per month In a couple (either of you are over 25): £596.58 (€692.03)

In addition to the standard allowance above, young people may be entitled to any extra amounts if: they are responsible for a child/children; have a disability or health condition that prevents them from working (claimants may be asked to undertake a Work Capability Assessment); care for a severely disabled person; need help paying rent (see section 6.1).

The exact amount of UC a young person will receive will depend upon their earnings and circumstances.

When comparing UC to the legacy benefits system it has replaced, evidenced has shown out-of-work, single parent and disabled families are more likely to be worse off as a result of the switch to UC, and that there are significant geographical differences across the UK associated with such disparities (Gardiner and Finch, 2020).

e) Distinctions between different groups of young people

See activity status and age exemptions above.

5.1.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in the United Kingdom are the following:

¹⁷ Apprentices can claim benefits (Earnings are treated in the same way as other forms of employment). Entitlement to benefits will depend upon earnings and circumstances.

a) Main gaps in access for young people

None

b) Main obstacles in access for young people

There is a five week wait between applying for UC and receiving the first payment which has been shown to create a great deal of stress and financial hardship. One of the major developments in the roll out of UC is how it introduces low paid workers to mandatory job search requirements that are enforced by the use of sanctions (benefits are reduced if they do not meet the requirements in their claimant commitment. There are three levels of sanction; low, medium, and high).

Each young person will need to accept a Claimant Commitment involving various levels of work-related conditionality. Claimants will be classified into one of the following groups:

- **All work-related requirement group:** Subject to full work-related conditionality, i.e., 35 hr/week job search/preparation activities.
- **Work preparation and work-focused interview requirement group:** Take steps to prepare for work. Attend periodic work-focused interviews.
- **Work-focused interview requirement only group:** Attend periodic work-focused interviews.
- **Non work-related requirement group:** No work-related requirements. This group will include claimants with limited capability due to ill health or a disability.

Young people have been hit particularly hard by these reforms, with evidence (Watts et al, 2014) showing how they are much more likely to be sanctioned (have their benefits reduced) and find the budgetary requirements of managing a low income particularly challenging (see 8.2). With compliance being so heavily built into the social security system, the barriers accessing social security, and/or young people claiming their full entitlement, have intensified for young people (Gardiner and Rahman, 2019). The increased use of conditionality, combined with the threat of sanctions, can also leave young people with little choice but to accept insecure, low paid work.

Work Capability Assessments have been shown to create anxiety and stress, especially concerning the potential for a face-to-face medical assessment (Disability Benefits Consortium, 2017; Machin, 2018). Whilst it is broadly recognised that young people will need extra support, advocacy, and guidance through this process, not all young people will have such support systems available. Careful consideration needs to be given to the distinct needs of young people, especially younger cohorts, as they move through the claim process. There are also issues surrounding a gap in training for assessors to deliver a young person friendly assessment. Considering the scale of radical reform in the roll out of UC, poor implementation (including significant technical difficulties), have resulted in delayed payment and severe hardship for claimants (Gardiner and Rahman, 2019).

5.2 Kickstarter

5.2.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in the United Kingdom as far as young people are concerned are the following:

a) Age

You have to be between the ages of 16 and 24.

b) Activity status requirement

To be eligible a young person must be on UC.

c) Contributory history required to access the scheme

None

d) Waiting period

N/A

e) Replacement rate/benefit level

The Kickstart scheme provides government funding to employers to create jobs for young people. **Employers** receive: 100% of the National Minimum Wage (or National Living Wage depending on age) for 25 hours per week for a total of 6 months¹⁸. Employers also receive associated employer National Insurance contributions and any relevant workplace pension contributions.

f) Duration

6 Months

5.2.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in the United Kingdom are the following:

a) Main gaps in access for young people

Young people who are not claiming UC. Young people over the age of 25¹⁹.

b) Main obstacles in access for young people

There are concerns surrounding what is likely to happen to young people once their paid work placement ends.

6 HOUSING BENEFITS

UC's Housing Payment is replacing Housing Benefit²⁰.

6.1 Universal Credit – Housing Payment**6.1.1 Eligibility conditions and benefit entitlements**

The main eligibility conditions and benefit entitlements that apply to the scheme in the United Kingdom as far as young people are concerned are the following:

a) Age

Young people under the age of 35 receive a lower rate than those aged 35 or over if they are renting privately and not covered by certain exemptions. Exemptions most relevant to young people include: being responsible for a child; are a care leaver under the age of 25;

¹⁸ The Department for Work and Pensions (DWP) 'Youth Offer' provides three different types of support for 18–24-year-olds claiming UC: (1) Youth Employment Programme (2) Youth Hubs (3) Youth Employability Coaches. Kickstart is part of the DWP Youth Employability Programme. Young people in Northern Ireland, Scotland and Wales can also claim a 'Educational Maintenance Allowance' (EMA) that provides financial support to eligible low income 16–19-year-olds who stay on in education. The EMA was abolished in England in 2010 and replaced with a watered down 16-19 bursary fund.

¹⁹ The government also introduced a scheme titled 'Restart' for adult long-term unemployed on UC. The scheme will provide 12 months of tailored support to help claimants move back into employment.

²⁰ Whilst most young people will not be eligible to receive Housing Benefit there are some exemptions. Young people can make a claim for Housing Benefit if they are in supported, sheltered or temporary accommodation.

aged between 16 and 24 and have spent at least three months in a homeless hostel; have been in prison and aged between 25 and 34; are receiving Personal Independence Pay.

b) Activity status requirement

If you are eligible for UC - see section 5.1

c) Other eligibility conditions

Accommodation type – The housing payment can help cover rent to a private landlord, social housing/housing association rent. The housing costs element of UC does not cover a claimant's mortgage interest payment; instead the DWP may offer a loan.

d) Benefit level

Single people under the age of 35 receiving a housing allowance based on the cost of shared accommodation in their area, often referred to as the Shared Accommodation rate (SAR).

e) Distinctions between different groups of young people

See section (a) above on exemptions for young people. If such exemptions apply, young people under the age of 35 may be eligible for a higher rate of housing payment.

6.1.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in the United Kingdom are the following:

a) Main gaps in access for young people

None

b) Main obstacles in access for young people

The SAR for young people under 35 is particularly problematic due rising housing costs in the private rented sector and a severe shortage of affordable housing.

7 REFORMS, NATIONAL DEBATES, AND RECOMMENDATIONS

7.1 Reforms implemented since 2015

A number of important changes have occurred, including the roll out of UC that was first introduced in 2013. This major reform of social security aimed to simplify the system by merging six in- and out-of-work benefits into a single UC. UC is now the main working age benefit with around 6 million people on UC as of April 2021. It is expected that all legacy benefits will be migrated to UC by 2023. One of the major developments in the roll out of UC is how it introduces low paid workers to mandatory job search requirements that are enforced by the use of sanctions (benefits are reduced if they do not meet the requirements in their claimant commitment). Young people have been hit particularly hard by these reforms, with evidence showing how they are much more likely to be sanctioned and find the budgetary requirements of managing a low income particularly challenging (see 8.2).

Since 2015, levels and access to housing benefit have deteriorated over time for young people. In 2010 the government Spending Review announced the extension of a Shared Accommodation Rate (SAR) to claimants under 35 (previously limited to the under 25's). This means that young people receive housing support, but at a lower rate than those aged 35 or over. Calculations are based upon the cost of shared accommodation in their local area. LHA rates were originally set at the lower (30th percentile) end of market rents for rooms in shared housing and have been frozen since 2016.

In response to the impact of COVID-19 the government introduced a number of reforms to social security. These included:

- A temporary £20 (€23.20) per week uplift to UC. This took place from 6 April 2020 and is due to expire at the end of September 2021). There are no intentions for this to be a permanent fixture of UC. There were also amendments made to the work-related requirements for benefit claimants.
- There have been no changes to contribution-based unemployment benefit ('New Style' Jobseeker's Allowance – see 2.1.1) - except that for 3 months from the end of March to the end of June 2020 claimants did not have to be available for, or look for, work.
- In April 2020 the government increased the Local Housing Allowance (LHA) to the 30th percentile of rents in a local area. The amount will not decrease after the pandemic but will be frozen in cash terms from April 2021.

Responding to concerns surrounding the impact of COVID-19 on young people, the government introduced a number of schemes to help claimants re-enter the labour market. These included:

- A scheme titled 'Kickstart' (announced in July 2020), for young people between the ages of 16 and 24 at risk of long-term unemployment. To be eligible, a young person must be on UC. This scheme provides funding to employers to cover the National Minimum Wage or National Living Wage (depending upon age) for 25 hours per week for a total of 6 months. In addition, they will be provided with associated employer National Insurance and employer minimum automatic enrolment contribution.
- 13,500 extra work coaches are being recruited by March 2021 to work in Jobcentres, doubling the numbers to cope with increased numbers of claimants.²¹

The Government also introduced a Coronavirus Job Retention Scheme (often referred to as the Furlough Scheme). This pays employers a proportion of the salary of employees placed on leave, up to a monthly maximum with the option that employers can top this up²².

7.2 National debates

Young people in the UK are at a higher risk of experiencing poverty and deprivation (Fahmy, 2018; JRF, 2021). Whilst young people are more likely to be unemployed²³, the risk of in-work poverty is particularly acute for young people who tend to be overrepresented in more precarious and low paid employment (Eurofound, 2014; OECD, 2012; JRF, 2021). This includes sectors such as hospitality and retail that 'have a higher incidence of low pay and lower average working hours than other sectors' (JRF, 2021, p.24). Research has shown the increased likelihood of low paid employment for young people over time, with indications that the fall in wages for workers aged 18-25 since 2018, are in real terms, similar to levels found in the late 1980's (Gregg et al, 2014). Drawing on analysis of the 2012 UK Poverty and Social Exclusion Survey, Fahmy (2018) documents significant growth in youth deprivation over the 1999-2012 period, evidencing how 'the proportion of young adults in the UK experiencing unacceptable hardship in living standards (3+ deprivations) has virtually doubled over this period' (p.56).

Social security schemes that are intended to provide a safety net for young people who are unemployed or on a low income, leave young people more vulnerable to income poverty. There are three main reasons for this. Firstly, the failures of current social security schemes to provide an adequate income for all benefit claimants regardless of age.

²¹ <https://www.gov.uk/government/speeches/its-key-for-jobcentres-to-help-people-back-to-their-feet>

²² The Government recently extended the furlough scheme until 30 September 2021. See: <https://www.gov.uk/government/news/furlough-scheme-extended-and-further-economic-support-announced>

²³ The inactivity rate of 15-29s was 31.8%, 1.77 higher than 30-64s in 2019 according to Eurostat LFS. The NEET rate for 15-24s in 2019 was 11.4%.

Secondly, how the social security system differentiates between various age groups, resulting in young people under the age of 25 (or in the case of housing under 35) receiving a lower benefit rate when compared to the older working age population. And thirdly, the specific rules/regulations surrounding benefit entitlement (i.e., in-work conditionality) that impact more profoundly on young people. An international review of young people's social security entitlements has drawn attention to the impact of age differentials for young people in the UK, demonstrating a gap between the end of state support for parents and full benefit entitlement for young people (Stephens and Blenkinsopp, 2015). Young people receiving lower rates of benefit pushes young people deeper into poverty and deprivation (Gardiner and Rahman, 2019). It is also important to note that within the UK, income related benefits have been falling over time (JRF, 2021), further heightening the risks of experiencing poverty amongst the youth population.

For some groups of young people, the risks of income poverty that result from such age differentials are heightened quite considerably. This is particularly the case for the most vulnerable young people in the UK who have no choice but to live independently. This can include young people who are estranged from their parents, care leavers and teenage parents. These young people often have complex and multi-faceted needs and might require more extensive and long-term support. For these groups of young people, a social security system that fails to provide an adequate safety net, means they often have very little disposable income and struggle to make ends meet. It is these young people who are also more susceptible to having to rely upon wider systems of support such as emergency hardship funds, foodbanks, and friends/family. A review of young people living independently by the governments Social Security Advisory Committee provided accounts from young people, who after budgeting for essential outgoings such as utilities and housing costs, were left with as little as £20 a month for food (SSAC, 2018, p.25). Wider evidence also demonstrates the particular challenges these groups of young people face and how unforeseen living expenses, or social security sanctions (see below), can further entrench poverty and deprivation. Some welcome developments have taken place that acknowledge the support needs of certain groups of young people living independently, but these do not go far enough. The complexity of the social security system also means that benefits can simultaneously alleviate and/or exacerbate income poverty. For example, young parents (under 25) are exempt from being subject to the reduced under 35's housing benefit rate, but then subject to the reduced under 25's rate for UC (Gardiner and Rahman, 2019). Overall, lower benefit rates, combined with the cumulative impacts of social security reform, have had a negative impact on young people over time.

Since 2013, the UK has also been subject to significant and controversial social security reform that has left young people particularly vulnerable²⁴. At the core of these reforms is the introduction of UC (see section 5.1) that has resulted in a significant increase in social security conditionality (i.e., work-related requirements) and the use of sanctions (Dwyer, 2018). Evidence tells us the most vulnerable young people are most likely to be sanctioned. For example, young people living independently 'are nearly four times as likely to receive a sanction compared to older claimants not claiming Housing Benefit and over a third more likely to receive a sanction compared to other young claimants who were not claiming Housing Benefit' (SSAC, 2018, p.52). This chimes with wider research that has also shown young people under 25 are more likely to be subject to benefit sanctions than older age groups (Crisp and Powell, 2017; Watts et al, 2014). The consequences of benefit sanctions can be devastating. Young people have reported feelings of shame and humiliation, alongside more material impacts such as homelessness and destitution (Redman, 2020; YMCA, 2014). The increased use of conditionality, combined with the threat of sanctions, can also leave young people with little choice but to accept insecure, low paid work, which in turn, further entrenches the experience of poverty and disadvantage. There are some

²⁴ Young people face some of the biggest proportional losses as a result of recent welfare reform, see Gardiner and Rahman, 2019.

measures in place to protect under 18s from the full force of benefit sanctions (sanctions are made at reduced rate and there are additional steps in place to prevent sanctioning - see SSAC, 2018, p.21). Considering the scale of radical reform in the roll out of UC, poor implementation (including significant technical difficulties), have resulted in delayed payment and severe hardship for many claimants (Gardiner and Rahman, 2019; Gardiner and Finch, 2020). UC's five-week wait for benefit payment has also been heavily criticized for pulling claimants further into poverty (Wright and Dwyer, 2020).

There are also longstanding debates that highlight the unique challenges and barriers that young people face accessing social protection more generally. This can include limited knowledge with respect to benefits entitlement and a lack of support for young people navigating a complex social security system. It could also be argued that recent social security reforms that provide less generous benefits, coupled with more stringent and punitive forms of conditionality, make it even more difficult for young people to access social protection. With compliance being so heavily built into the social security system, the barriers accessing social security, and/or young people claiming their full entitlement, have intensified for young people (Gardiner and Rahman, 2019). It is therefore very likely that headline figures on youth poverty and deprivation are an underestimation, with many young people, especially those between the ages of 16 and 24, failing to claim the benefits they are entitled to (SSAC, 2018, p.10). Analysis of the benefit system during COVID-19 claimed that in July/August 2020, around half a million people were eligible for UC but did not claim it (Baumberg-Geiger et al, 2021). Reasons put forward for not claiming included perceived need, the stigma associated with claiming benefits, challenges applying and perceived eligibility.

This report has also demonstrated how young people can receive housing support, but at a lower rate than those aged 35 or over. This involves single people under the age of 35 receiving a housing allowance based on the cost of shared accommodation in their local area, often referred to as the Shared Accommodation Rate (SAR). However, a substantial body of research indicates that rising housing costs in the private rented sector, coupled with falling/frozen rates of housing benefit increase the risk of poverty substantially (JRF, 2021). In the worst-case scenario, a lack of affordable housing can lead a young person to struggle to meet their housing costs, which in turn, increases the risk of rent arrears and potential housing eviction. Even when exemptions from SAR are applied to the most vulnerable young people (i.e., care leavers, teenage parents, also see section 6.1), housing affordability remains a deep concern. Research has shown how young people struggle to find suitable accommodation due to a shortage in affordable housing, which means there is a greater risk of homelessness amongst this group. It is also important to note that shared accommodation will not always be the best option for some young people who are not covered by exemptions from SAR.

Changes to housing benefit as part of the rollout of UC, have also enabled housing benefits to be paid directly to claimants rather than landlords. This is argued to be problematic for young people and can further deter private landlords providing housing to claimants deemed to be a 'high risk' of accumulating rent arrears. As a result, there have been calls by homelessness charities (Centrepoint, 2018), for reforms to UC that make it easier for young people to opt for the housing element of UC to be paid directly to their landlord (often referred to as an Alternative Payment Arrangement).

With youth poverty and deprivation being on the rise for several years, it is unsurprising to see major concerns surrounding the immediate and long-term impacts of COVID-19 on young people. The policy response to the COVID-19 pandemic left some sections of the labour market, especially in retail and the hospitality industry, closed for business and jobs for young people (Henehan, 2021; Wilson and Papoutsaki, 2021). These are precisely the sectors which employed large numbers of young people, particularly those who left school early with few qualifications. The Institute for Fiscal Studies (IFS), has shown employees under the age of 25 were about two-and-a-half times more likely to work in a sector that was shut down as a result of national lockdowns when compared to other employees (Costa

Dias et al, 2020). Research by the Resolution Foundation has also shown young people more likely to be furloughed or made redundant (Gustafsson, 2020). Analysis of the Labour Force Survey has also illustrated the specific sectorial and occupational effects of COVID19, especially concerning industries that have been hit the hardest by social distancing restrictions (Wilson and Papoutsaki, 2021).

The impacts of COVID-19 on youth employment/unemployment rates are stark when compared to older working age population groups: 'there are now 260 thousand fewer young people in work – this is nearly half (46%) of the total fall in employment since the crisis began, despite young people only accounting for one in nine of the pre-pandemic labour market' (Wilson and Papoutsaki, 2021:7). We now have the lowest employment rate ever for 16 and 17-year-olds, where there are now a quarter fewer young people in work. For 18-24-year-olds, there are 5% fewer young people in work, with the overall employment rate standing at 61.2% (Wilson and Papoutsaki, 2021:7). Recent data has also shown unequal impacts amongst young people, with Black and Asian young people accounting 'for two thirds of the total fall in youth employment, despite only being one in eight of all young people in work'. (Wilson and Papoutsaki, 2021:18). It is important to note that a sharp rise in full-time education has limited the rise in youth unemployment, especially for 16- and 17-year-olds. (Henehan, 2021; Wilson and Papoutsaki, 2021). The impacts of the crisis would have also been far worse for young people in employment if it wasn't for initiatives such as the government's Coronavirus Job Retention Scheme (Wilson and Papoutsaki, 2021:7-8). These changes surrounding the labour market are likely to have long lasting consequences for young people. The impact of COVID-19 makes it harder for young people to take their first steps onto the career ladder and progress into better paid employment, potentially trapping young people in in-work poverty for lengthier periods of time.

One of the greatest concerns relating to the impacts of COVID19 on young people are recent labour market statistics that show a sharp rise in long-term unemployment: 'The number of young people unemployed for more than six months has doubled from a year ago, the highest rate recorded in five years. Young people also account for over half of the fall in employees since last March' (Youth Futures Foundation, 2021). Commentators project that 'long-term unemployment will continue to rise strongly over the next year and will likely peak at more than double its pre-crisis levels in early-mid 2022' (Institute for Employment Studies, 2021:8).

In October-December 2020, the overall number of young people who were NEET (not in employment, education, or training) stood at 797,000. This equates to 11.6% of all young people aged between 16 and 24. Among 18-24-year-olds, 13.8% were NEET during this same period, the highest rate for around four years (ONS, 2021). NEET and youth unemployment have long been recognised to have a long-term 'scarring' effect throughout the life course. This can include increased risks of unemployment and lower earnings when in work, as well as physical and mental health issues later in life (Eurofound, 2016). Young people who experience long-term periods of being NEET often face complex and multifactorial barriers to re-engagement with education and the labour market. Successful intervention with NEET young people is, therefore, accepted to have long term savings to public finances through reductions in unemployment benefit over decades (Audit Commission, 2010).

Within this context of rising levels of youth unemployment and NEET, it is unsurprising that young people make up a greater proportion of starts to UC than before the coronavirus pandemic. The proportion of claimants starting on UC aged 16- to 19-year-old (9.2%) and 20- to 24-year-old (20.5%) has increased in July 2020 compared with March 2020 (6.7% and 14.4% respectively) at the beginning of the coronavirus pandemic (DWP, 2020).

Overall, this report has highlighted the ineffectiveness of the social security system in providing an adequate income/safety net from the impacts of unemployment and a low income. Not only are young people managing the COVID-19 crisis on benefits that provide a reduced standard allowance, but they are increasingly subject to the impacts of punitive

social security conditionality. For some of the most vulnerable young people who live independently, the consequences of this are particularly acute. With young people hit harder by the impact of COVID-19 than older population groups, it is likely we will see higher and more entrenched forms of youth poverty and deprivation going forward.

7.3 Good practices and recommendations

Considering the evidence that social security benefits do not provide an adequate income to meet essential living costs, the author of this report believes the government should consider more generous allowances for young people. This is especially important for some of the most vulnerable young people in society who live independently and often lack wider systems of support.

Examples of good practice include the exemptions from a reduced benefit rate for particular groups of young people. For example, the government recently announced that from June 2021 care leavers under the age of 25 and 16- to 24-year-olds who have spent at least three months in a homeless hostel will be eligible for a higher rate of housing benefit instead of the Shared Accommodation Rate (SAR). However, the complexities of the social security system mean such measures can work in contradictory ways. An example here includes young parents (under 25) being exempt from the reduced under 35's housing benefit rate, but then subject to the reduced under 25's rate for UC²⁵ (the risks of teenage pregnancy are more profound for care leavers). It has also been shown that young people with more complex needs will be subject to more punitive forms of social security conditionality and benefit sanctions, potentially outstripping any of the benefits aligned to their exemptions. There are also significant numbers of vulnerable young people who stand on the borderline of being eligible for such exemptions (i.e., young people on the 'edge of care'). The author recommends that the government remove all age differentials in benefit entitlement/rates to address these failures and provide intensive support and provision for more vulnerable groups of young people.

Housing support has been shown to be especially ineffective at covering housing costs and is in need of major reform. The SAR for young people under 35 is particularly problematic due rising housing costs in the private rented sector and a severe shortage of affordable housing. The author recommends that the government provide more generous housing allowances and support the development of a wide range of affordable housing options for young people.

Recent social security reforms to social security (the roll out of UC) have left young people particularly vulnerable to their impacts. Within the context of UC, it is important that the government addresses the anxieties and financial hardship that can be caused by the 5-week waiting period for the first payment of UC. It has also been underlined how the increasing use of conditionality and the threat of sanctions, has had particularly negative impacts on young people. With evidence (Watts et al, 2014; YMCA, 2014) suggesting that sanctions are counterproductive, and in some cases result in destitution, it is recommended that the government look at alternatives to sanctioning. As a first step, the exemptions for young people 16 and under (sanctions are made at reduced rate and there are additional steps in place to prevent sanctioning) should be widened to all young people. The government should also monitor the impacts on young people of the UC Housing Allowance being paid directly to claimants. Extra measures and support should also be put into place to ensure young people are supported in opting for the housing element of UC to be paid directly to their landlord (referred to as an Alternative Payment Arrangement).

The government should also monitor the take up of benefits for different population groups and ensure there are effective mechanisms in place to support young people navigating the complexities of social security. Following years of cuts and chronic underfunding, it is

²⁵ See recent campaign by 'One Parents Families Scotland': <https://opfs.org.uk/policy-and-campaigns/campaigns/end-the-young-parent-penalty/>

necessary that the government invest in universal youth services to ensure young people receive holistic support, including provisions to ensure they claim the benefits they are entitled to. This should be combined with greater levels of targeted provision that provides intensive support to the most vulnerable young people, especially those who live independently.

Whilst programmes like 'Kickstart' provide a welcome development in addressing issues such as NEET and long-term unemployment, we need effective mechanisms in place to monitor its effectiveness at reaching the most vulnerable young people and preventing long-term unemployment. There are also concerns surrounding what is likely to happen to young people once their paid work placement comes to a close. It is therefore recommended that the Kickstart scheme has greater flexibility to be expanded beyond a 6-month work placement. We also recommend more robust systems are in place to ensure the most vulnerable young people are accessing the scheme. Within the context of rising long-term youth unemployment, it is also recommended that the scheme is expanded beyond its current end date of December 2021. Because we have yet to see the impacts of the closure of the governments furlough scheme, of which young people will likely bear the brunt of any potential job losses, schemes such as Kickstart will become increasingly important in managing the risks of long-term unemployment.

REFERENCES

- Audit Commission. (2010), *Against the Odds. Re-engaging young people in education, employment of training, provides a thorough investigation of NEET*. Available at: <https://webarchive.nationalarchives.gov.uk/20150423154441/http://archive.audit-commission.gov.uk/auditcommission/aboutus/publications/pages/national-reports-and-studies-archive.aspx.html> [accessed 20.04.21].
- Baumberg-Geiger, B., Scullion, L., Summers, K., Martin, P., Lawler, C., Edmiston, D., Gibbons, A., Ingold, I., Robertshaw, R. and de Vries, R. (2020), 'Non-take-up of benefits at the start of the COVID-19 pandemic, Welfare at a (Social) Distance Project Report'. Available at: <http://www.distantwelfare.co.uk/> [accessed 17.05.21].
- Centrepont. (2018), *Ready to Move On: Barriers to homeless young people accessing longer-term accommodation*. Available at: <https://centrepont.org.uk/media/3048/ready-to-move-on.pdf> [accessed 20.04.21].
- Costa Dias M., Joyce, R and Norris Keiller A. (2020), *COVID-19 and the career prospects of young people*. London: Institute for Fiscal Studies. Available at: <https://www.ifs.org.uk/publications/14914#:~:text=Tis%20note%20shows%20that%20the,the%20easing%20of%20the%20lockdown> [accessed 17.05.21].
- Crisp, R and Powell, R. (2017), Young people and UK labour market policy: a critique of 'employability' as a toll for understanding youth employment. *Urban Studies*, 54 (8) 1784-1807.
- Disability Benefits Consortium. (2017), *Supporting those who need it most? Evaluating Personal Independence Payment*. Available at: <https://disabilitybenefitsconsortium.files.wordpress.com/2019/10/dbc-report-on-pipsupporting-those-who-need-it-most.pdf> [accessed 21.05.2021].
- DWP. (2020), Universal Credit Statistics: 29 April 2013 to July 2020. Available at: <https://www.gov.uk/government/statistics/universal-credit-statistics-29-april-2013-to-9-july-2020/universal-credit-statistics-29-april-2013-to-9-july-2020> [accessed 15.05.2021].
- Dwyer, P. (2018), *Final Findings, Welfare Conditionality: Sanctions, Support and Behaviour Change*, York, University of York. Available at: http://www.welfareconditionality.ac.uk/wp-content/uploads/2018/05/40414_Overview-HR4.pdf [accessed 10.05.2021].
- Every Disabled Child Matters (EDCM). (2012), *Disabled Young People and Personal Independence Payments*. Available at: http://councilfordisabledchildren.org.uk/sites/default/files/field/attachemnt/disabled_y_p_and_pip_report.pdf [accessed 20.04.21].
- Eurofound. (2014), Young people and temporary employment in Europe. Available at: https://www.eurofound.europa.eu/sites/default/files/ef_files/docs/erm/tn1304017s/tn1304017s.pdf [accessed 20.04.21].
- Eurofound. (2016), *Exploring the diversity of NEETs*. Available at: <https://www.eurofound.europa.eu/publications/report/2016/labour-market-social-policies/exploring-the-diversity-of-neets> [accessed 20.04.21].
- Fahmy, E. (2018), *The impoverishment of youth: Poverty, deprivation and social exclusion amongst young adults*. In: Dermott, E. and Main, G (eds.). *Poverty and social exclusion in the UK: Vol.1 – The nature and extent of the problem*. Bristol: Policy Press. pp. 41-60.
- Gardiner, L and Finch, D. (2020), *The long and winding road: the introduction and impact of Universal Credit in Liverpool City Region and the UK*. Resolution Foundation. Available at: <https://www.resolutionfoundation.org/app/uploads/2020/01/The-Long-and-Winding-Road.pdf> [accessed 25.06.21]

- Gardiner, L and Rahman, F. (2019), *The role of a state safety net in supporting young people develop and transition to an independent, healthy future*. London: Resolution Foundation. Available at: <https://www.resolutionfoundation.org/app/uploads/2019/10/A-fraying-net-report.pdf> [accessed 20.04.21].
- Gregg, P., Machin, S. and Fernandez-Salgado. (2014), *The squeeze on real wages – and what it might take to end it*. National Institute Economic Review, 228 (1) 3-16.
- Gustafsson, M. (2020), *Young workers in the coronavirus crisis*. London: Resolution Foundation. Available at: <https://www.resolutionfoundation.org/publications/young-workers-in-the-coronavirus-crisis/> [accessed 6 October 2020].
- Henehan, K. (2021), *Uneven steps: Changes in youth unemployment and study since the onset of Covid-19*. London: Resolution Foundation. Available at: <https://www.resolutionfoundation.org/app/uploads/2021/04/Uneven-steps.pdf> [accessed 01.05.21].
- JRF. (2021), *UK Poverty 2020/21*. York: Joseph Rowntree Foundation. Available at: <https://www.jrf.org.uk/report/uk-poverty-2020-21> [accessed 15.05.21].
- Institute for Employment Studies. (2021), *IES Briefing: Labour Market Statistics, April 2021*. Available at: <https://www.employment-studies.co.uk/resource/labour-market-statistics-april-2021> [accessed 20.04.21].
- Machin, R. (2018), *Personal Independence Payment – a fair deal for people with mental health problems?* Social Policy Association 50th Anniversary Blog Series. Available at: <http://www.social-policy.org.uk/50-for-50/personalindependence-payment/> [accessed 19.05.21].
- OECD. (2012), *The challenge of promoting youth employment in the G20 countries*. Available at: <https://www.oecd.org/employment/emp/50304960.pdf> [accessed 20.04.21]
- ONS. (2021), *Young people not in education, employment or training (NEET)*. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/youngpeoplenotineducationemploymentortrainingneetable1> [accessed 20.04.21].
- Stephens, M and Blenkinsopp. (2015), *Young people and social security: an international review*. York: Joseph Rowntree Foundation. Available at: <https://www.jrf.org.uk/report/young-people-and-social-security-international-review> [accessed 10.05.21].
- SSAC. (2018), *Young People Living Independently: A study by the Social Security Advisory Committee Occasional Paper No.20*. London: Social Security Ad Advisory Committee. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/709732/ssac-occasional-paper-20-young-people-living-independently.pdf [accessed 10.05.21].
- Watts, B., Fitzpatrick, S., Bramley, G and Watkins, D. (2014), *Welfare sanctions and Conditionality in the UK*. York: Joseph Rowntree Foundation. Available at: <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/Welfare-conditionality-UK-Summary.pdf> [accessed 10.05.21].
- Wilson, T and Papoutsaki, D. (2021) *An Unequal Crisis: The impact of the pandemic on the youth labour market*. London: Institute for Employment Studies. Available at: <https://www.employment-studies.co.uk/resource/unequal-crisis-impact-pandemic-youth-labour-market> [accessed 05.04.21].

- Wright, S and Dwyer, P (2020), 'In-work Universal Credit: Claimant Experiences of Conditionality Mismatches and Counterproductive Benefit Sanctions', *Journal of Social Policy*, vol. 0, S0047279420000562. <https://doi.org/10.1017/S0047279420000562>
- YMCA, (2014), Signed on and sanctioned: An insight into vulnerable young people's perspectives on benefit sanctions. Available at: <https://www.ymca.org.uk/wp-content/uploads/2016/07/Signed-on-and-Sanctioned-v1.0.pdf> [accessed 12.05.21].
- Youth Futures Foundation. (2021), Long-term unemployment kicks in. Available at: <https://youthfuturesfoundation.org/news/long-term-unemployment-kicks-in/> [accessed 20.04.21].

Getting in touch with the EU

In person

All over the European Union there are hundreds of Europe Direct Information Centres. You can find the address of the centre nearest you at: <http://europa.eu/contact>

On the phone or by e-mail

Europe Direct is a service that answers your questions about the European Union. You can contact this service

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696 or
- by electronic mail via: <http://europa.eu/contact>

Finding information about the EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: <http://europa.eu>

EU Publications

You can download or order free and priced EU publications from EU Bookshop at: <http://bookshop.europa.eu>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see <http://europa.eu/contact>)

EU law and related documents

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp/en/data>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.

