The youth penalty

citizens advice Wiltshire

We’re Wiltshire Citizens Advice and we’re here for everyone

We can all face problems that seem complicated or intimidating. At Citizens Advice, we believe no one should have to face these problems without good quality, practical advice.

The Citizens Advice service is made up of the national charity, and a network of almost 250 independent local Citizens Advice charities in England and Wales. We offer free, confidential advice online, over the phone and in person. When we say **we’re for everyone**, we mean it. People rely on us because we’re independent and totally impartial.

No one else sees so many people with so many different kinds of problems, and that gives us a unique insight into the challenges people are facing today. With the right evidence, we can show organisations – from companies right up to the government – how they can make things better for people.

That’s why we’re here: to give people the knowledge and the confidence they need **to find their way forward** – whoever they are, and whatever their problem.

Introduction

We help thousands of people every year

Whether dealing with a single issue, or a complex set of problems that require more specialist support, in 2023/24 we provided one-to-one advice, support and information on 37,456 issues directly to 12,186 people.[1] Thousands more viewed our online advice pages.

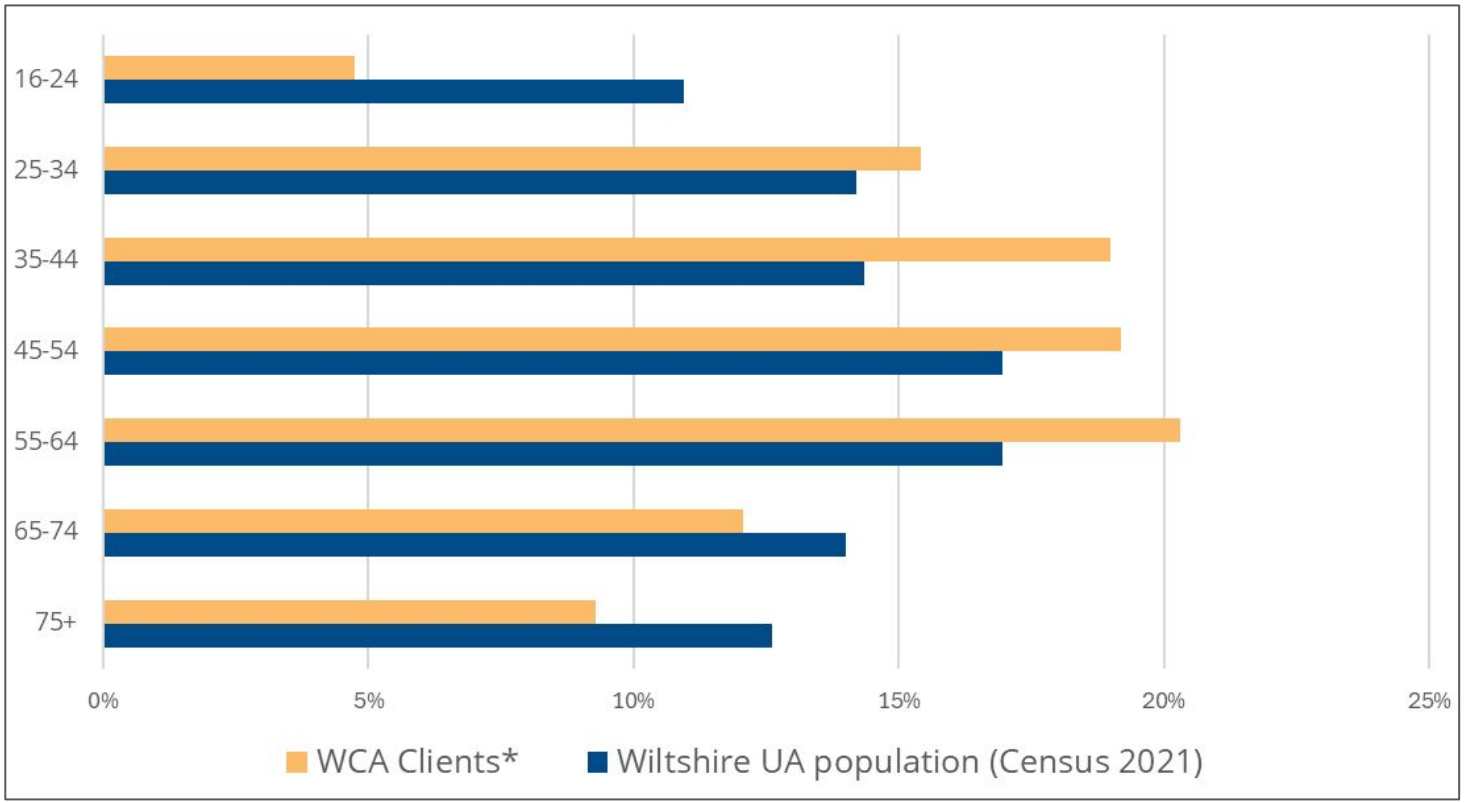
Problems related to Welfare Benefits, Managing Money (including budgeting and debt) and Housing account for around two thirds of all the issues we usually help people with.

The vast majority of people we support are working age people, those aged between 16 and 64 years old. Excluding our Pension Wise project, which provides pensions guidance exclusively to people aged over 50, around three quarters (74%) of the people we helped last year were aged 25-64, 21% were aged 65 and over, and around 5% were aged 15-24.[1]

In the 2021 census around 11% of the population in Wiltshire were aged 16-24.[2] More than double the comparative percentage of young people we helped last year. Those aged 15-24 are generally under-represented across the Citizens Advice service.

Back in 2020/21 we began undertaking some small scale research to better understand why this might be.

Figure 1. Wiltshire Citizens Advice (WCA) Clients* by age group compared with the general population of Wiltshire Unitary Authority (UA)



*Excludes Pension Wise clients[3]

What we learnt about young people and their advice needs

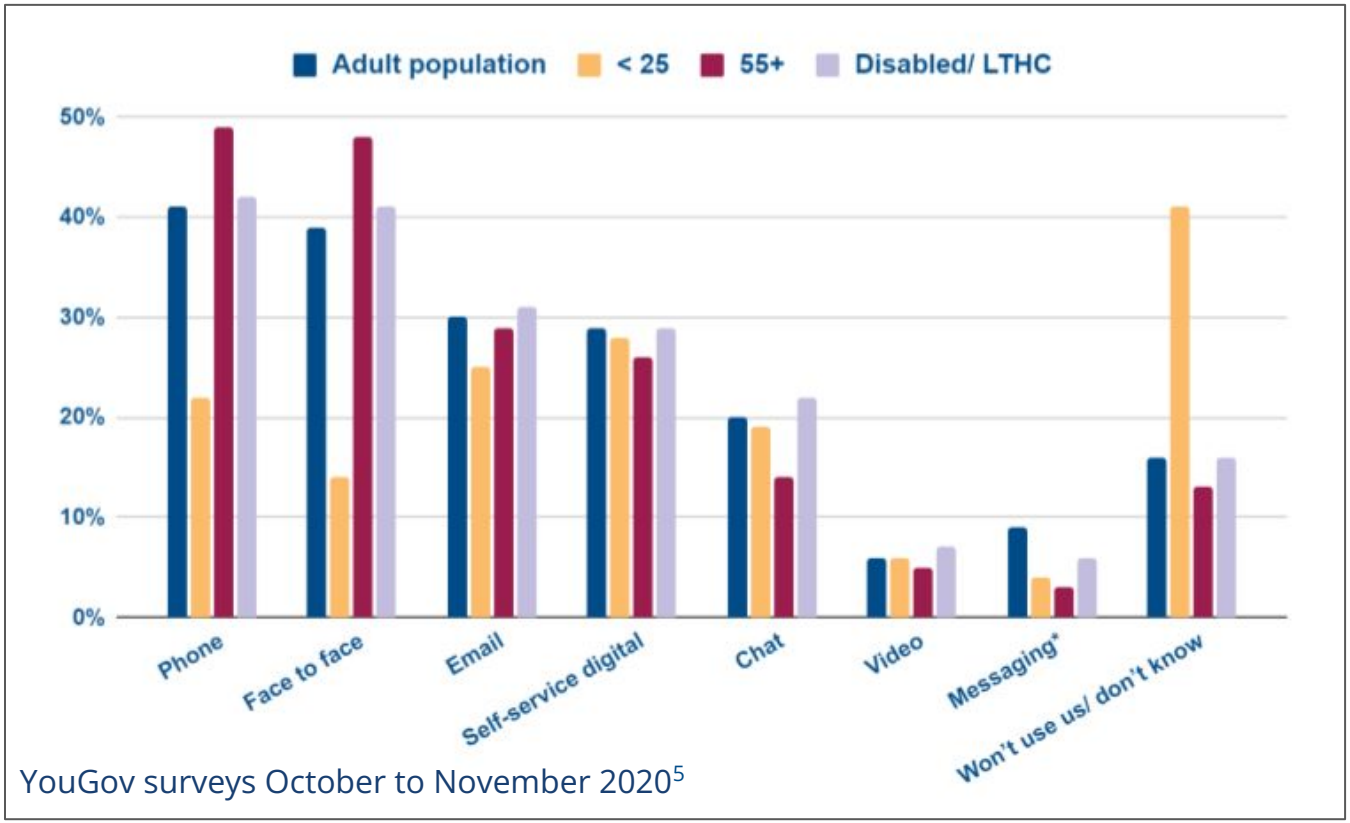
From our research, among other things we found that many young people:

- Don't know about the Citizens Advice service, including what we do and how we can help them
- See Citizens Advice as a little "old fashioned"
- Do have advice needs, but not all want to access advice services digitally.[4]

We then worked with the Brand and Marketing Team at National Citizens Advice to develop, and then pilot resources specifically aimed at promoting our brand and local services to young people to raise awareness of who we are, what we do, and how we can help them at key times in their lives, whether that be now or in the future.

Using the findings from our earlier research and further learning we then successfully bid to the National Lottery Community Fund for a dedicated service to support young people aged under 25 years old. We started delivering this service in November 2023. This report aims to build on our research and share what we have learnt from the issues that young people (those aged between 15 and 24 years old) have come to us for advice, and in particular those issues which significantly impact, or uniquely impact young people.

Figure 2. If you need Citizens Advice in the future how would you like to get in touch with Citizens Advice?



YouGov surveys October to November 2020[5]

What our data tells us

The issues young people are seeking our advice about

Figure 3. This chart shows as a percentage of all issues, the issues we advised people across all age groups about, between 1 April 2023 and 31 March 2024.*[6]

Benefits, Debt and Housing were the three largest enquiry areas we advised people about, across all age groups.

*This chart excludes our Pension Wise project as this is only available to people aged over 50 with a defined pension contribution.

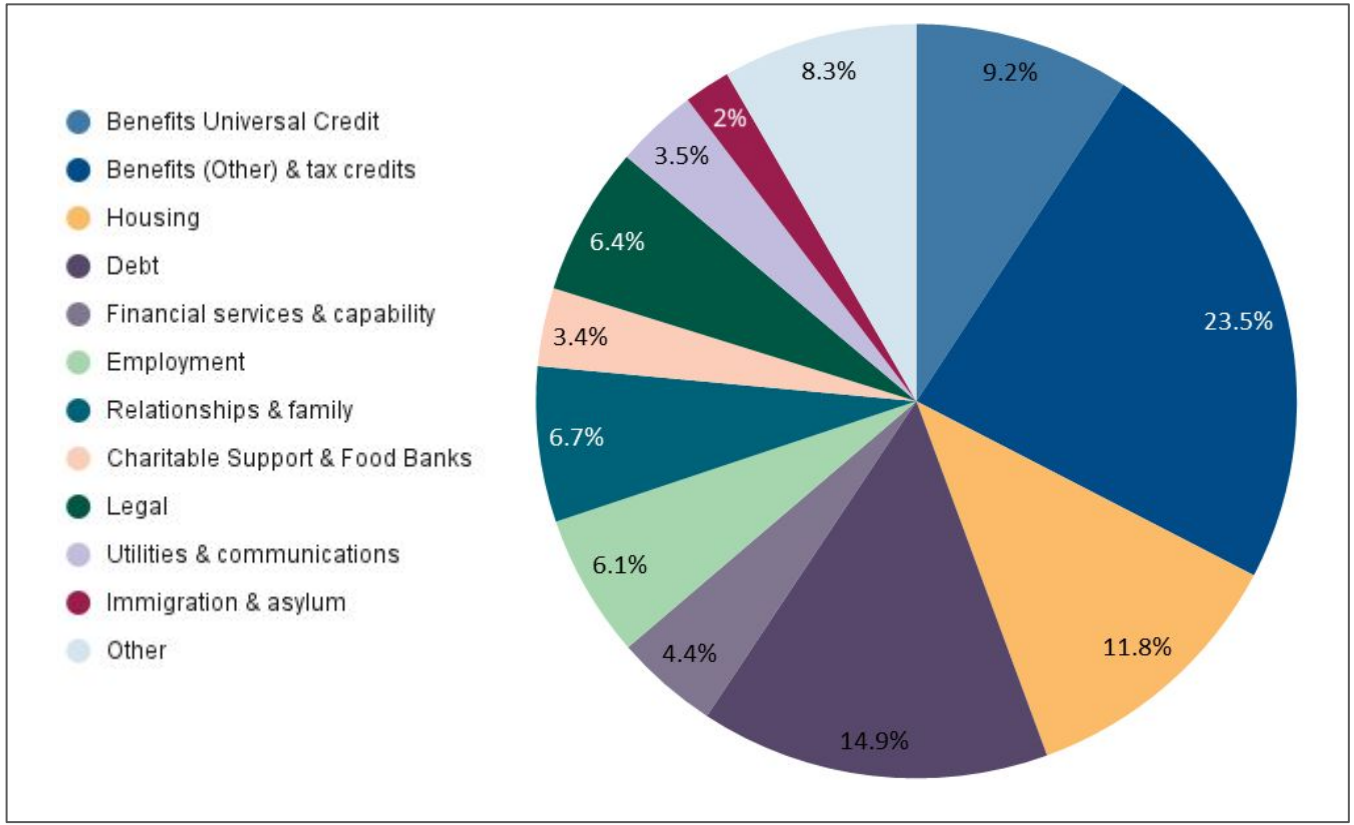
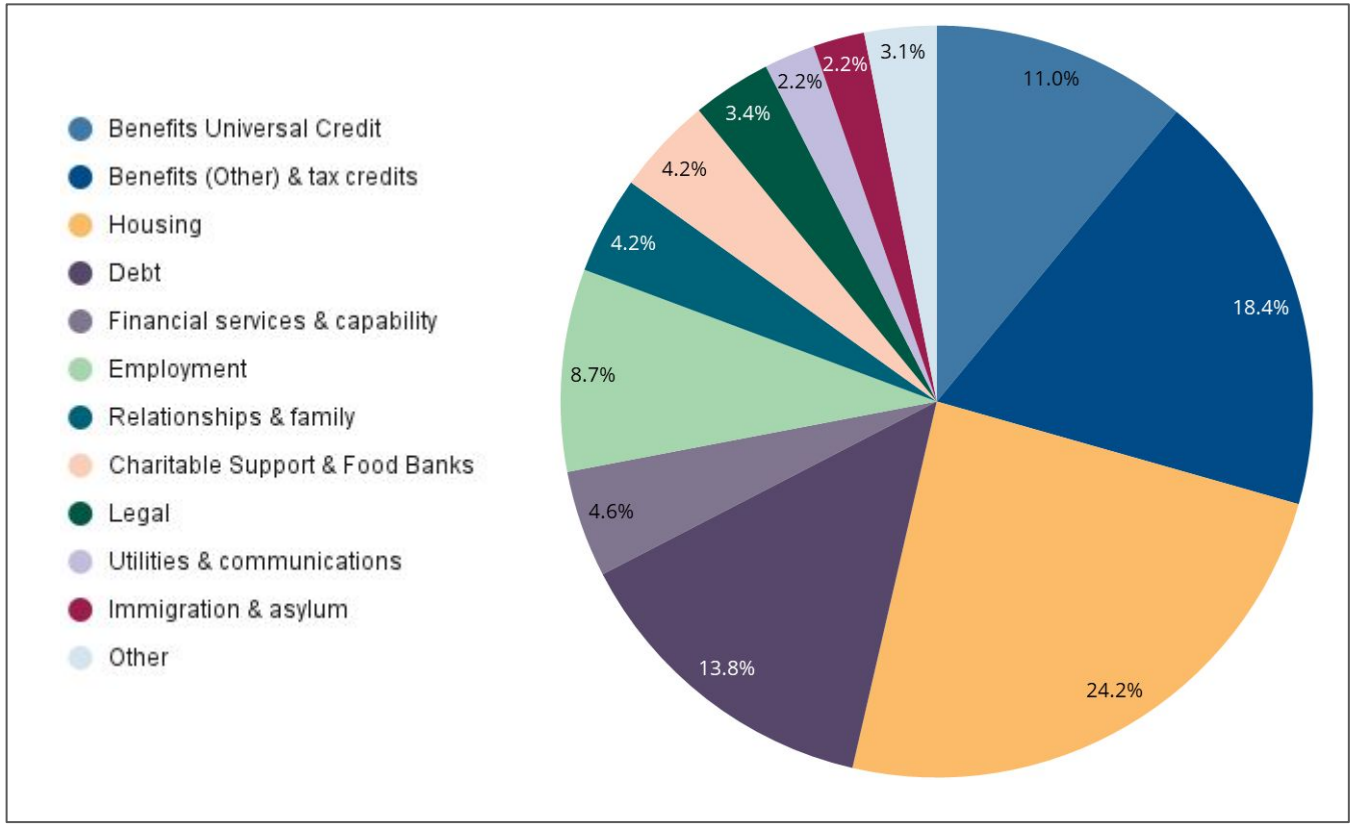


Figure 4. This chart shows, as a percentage of all issues, the issues we advised people under the age of 25 about, between 1 April 2023 and 31 March 2024.[7]

Last year we helped 236 15-24 year olds with 1,307 issues.

Benefits, Debt and Housing were also the three largest enquiry areas we advised young people about.

However, housing enquiries accounted for almost a quarter of all enquiries from people aged under 25 - more than double that of housing enquiries from all age groups.



What our data tells us

While Benefits, Debt and Housing were the three largest enquiry areas we advised people about last year, regardless of their age, there were some 'age related' differences in the types of issues people sought advice for. Some are because the type of issue very much relates to a person's age, for example an issue with claiming Pension Credit. Others, however, while not related directly to a person's age appear to disproportionately impact certain age groups, more than others.

Housing is a good example of this. Last year, housing enquiries accounted for almost a quarter (24.2%) of all enquiries from people aged under 25 - more than double that of housing enquiries from all age groups (11.8%). Just five enquiry areas - Benefits, Housing, Debt, Employment and Financial services & capability accounted for more than 80% of issues for people under 25, compared with just under 70% of issues, across all age groups.[8]

Benefits, the largest enquiry area regardless of age, accounted for around 30% of issues for people under 25, compared with almost 33% for all age groups. However, when we look at specific benefits, the opposite was true for Universal Credit (UC), which accounted for a higher percentage of issues (11%) for those under 25, than for all ages (9.2%). Although Universal Credit was the largest benefits issue, regardless of age. In terms of other benefits, Personal Independence Payment (PIP) was the next largest enquiry area, regardless of age, accounting for around a third (33.7%) of non UC benefit issues for all ages, but more than half (53.75%) for those aged under 25.[8]

What our data tells us

The issues young people are seeking our advice about: Benefits

Universal Credit rates for young people

Universal Credit is the now the main benefit for working age people on a low income, out of work, or who cannot work. It is therefore maybe not surprising that it is the most common benefits issue people come to us for advice.

As most new benefit claims will now likely be for Universal Credit it is also perhaps not surprising that it is slightly more common for us to help young people with a Universal Credit issue than people aged over 25. However, the way Universal Credit is calculated is also more likely to impact young people than those aged over 25.

Firstly, while there are some exceptions if you're 16 or 17, for example you have a health condition or disability, or you have a child or other caring responsibilities, you must be aged 18 or over to claim Universal Credit. Secondly, people under the age of 25 are only entitled to a lower amount of support, making it harder to cover essential costs, and harder to find somewhere to live independently.

Universal Credit monthly standard allowance: [9]

	2023/24	2024/25
• **Single and under 25**:	**£292.11 per month**	**£311.68 per month**
• Single and 25 or over:	£368.74 per month	£393.45 per month
• **Joint claimants and both under 25:**	**£458.51 per month for both**	**£489.23 per month for both**
• Joint claimants, one or both are 25 or over:	£578.82 per month for both	£617.60 per month for both

The impact of Universal Credit rates on young people

While this might seem fair enough for some young people who can rely on family and friends for support, this is not the case for all young people. Moreover young people don't usually get a discount on their rent, grocery shopping, or energy bills because of their age, so it is not immediately clear why the level of support they receive is less. The UK government has said that the lower rates are intended to encourage young people to find work. However, this doesn't recognize the life circumstances of many young people.

Furthermore in recent years the basic rate of support from our social security system, even for those aged over 25 has hit historic lows, and become a significant driver of people going without essentials like food, or a warm home. Research from JRF and Trussell Trust (Bannister et al., 2023) showed that, in 2023/24, a single adult needed around £120 per week to cover essentials, like food, utilities, vital household items and travel (excluding rent and council tax).[10] The standard allowance of Universal Credit at the time was £85 per week for a single adult aged 25 or over - a shortfall of at least £35 per week. For adults under the age of 25, who receive lower standard allowance rates: the shortfall was around £53 per week for a single adult and £94 per week for a couple.

Going without food, or properly heating your home can harm people's health and wellbeing, and leave people, especially young people who are without family support, vulnerable to exploitation and abuse. For those young people who have had no choice but to grow up fast, pay rent and manage bills alongside going to college, looking for work, or finding a stable place to call home, the current levels of support just aren't enough.

Universal Credit and young parents: Freya's story*

When we met Freya she was 17 and expecting a baby the following month, when she would also turn 18. She was living with her mother, and they were about to move from a 3-bed to a 2-bedroom property, to avoid 'the bedroom tax'. Freya had left education around 18 months before, was not currently in employment, and had no income.

Freya came to us because her and her mum were struggling financially, and her baby was due soon. Freya told us she had not looked into applying for benefits because she didn't know anything about the benefits system. We checked Freya's entitlement and because her baby was due in under 11 weeks she was eligible for Universal credit (UC).

16- and 17-year-olds are generally not entitled to claim UC, and Freya's mother was unable to claim child related benefits for her. Even when Freya became pregnant she couldn't have claimed UC until 11 weeks before the due date. This had meant Freya and her mum had spent over a year living on a single person's standard UC allowance, including for almost 7 months while Freya was pregnant.

Initially Freya received the under 25s rate of UC and once she adds her baby to the claim, the child element will be added, meaning Freya will receive around £600 each month in support. We also told Freya about claiming child benefit and other grants and support she may be entitled to as a new mum.

*client name has been changed

Recent Universal Credit changes disproportionately affect young people

As well as receiving a lesser amount, Universal Credit also adversely impacts young people in other ways too.

One of Universal Credit's (UC's) lesser known features is the Administrative Earnings Threshold (AET). The AET determines the extent of conditions that someone on UC might have attached to their benefits. And more conditions means a higher likelihood of sanctions, like losing income if the conditions are not met.

In short, people getting UC need to be earning more than the AET to escape conditions around searching for work, or higher pay, that jobcentres attach to UC awards.

AET increases have accelerated — widening the scope of conditionality and sanctions
The government has increasingly raised the AET over the past few years and young people are likely to be most negatively affected.

From 13 May 2024 the AET increased to:

- 18 hours per week at the national living wage for a single claimant, and
- 29 hours per week for a couple.

This is equivalent to £892 per month for single claimants and £1,437 for a couple.

The Administrative Earnings Threshold (AET)[11]

	Individual AET per calendar month	Couples AET per calendar month
Pre-reform	**£355** *(equivalent to 8.62 hours per week earning the National Living Wage)*	**£567** *(equivalent to 13.77 hours pw earning the National Living Wage)*
From Sept 2022	**£494** *(equivalent to 12 hours pw)*	**£782** *(equivalent to 19 hours pw)*
From Jan 2023	**£617** *(equivalent to 15 hours pw)*	**£988** *(equivalent to 25 hours pw)*
From April 2024	**£743** *(equivalent to 15 hours pw)*	**£1,189** *(equivalent to 25 hours pw)*
From 13 May 2024	**£892** *(equivalent to 18 hours pw)*	**£1,437** (*equivalent to 29 hours pw)*

With a higher AET, unless claimants can quickly increase their hours or pay, they'll become subject to an intensive work search (IWS) regime, meaning stricter expectations of searching for higher-paid work will be applied. With more conditions attached to UC awards, this may mean more people receive sanctions, for example a withdrawal of, or reduction in their benefits for a period of time for failing to show they've been searching for higher-paid work.

Young people bear the brunt of these changes

We know from government data that young people on UC are already more likely to be subject to conditionality.[12] And among those on UC subject to conditionality, young people are more likely to receive a sanction — particularly people in their early twenties (this is partly because they're less likely to have a disability or long-term health condition, and so are more likely to be subject to the maximum job search requirements).[12]

The recent rises in the AET are likely to make this situation worse. Equality impact assessments produced alongside the AET decisions show that young people are far more likely than other age groups to have earnings below the new threshold, and so are more likely to be subject to stricter conditionality.

The explanation for this impact is relatively simple: most young people don't qualify for the National Living Wage (NLW), even though it's the reference point for calculating the AET. The NLW rate of £11.44 per hour is only available to those aged 21 or over. People aged under 21 are eligible instead for the National Minimum Wage (NMW) rates of £8.60 per hour for 18-20 year olds and £6.40 per hour for under 18s. This means low-income young people may have to work more hours than older groups to rise above the AET, and even more as the threshold increases.

Young people and mental health

Much has been written about the rise in mental health problems for young people in the past decade or so. As has, more recently, the increase in the number of young people claiming disability benefits due to their poor mental health. While we may not be able to add anything new to the debate, these trends are reflected in our own data.

Universal Credit (UC), Personal Independence Payment (PIP) and to a lesser extent now, Employment and Support Allowance (ESA) are the main sickness and disability benefits for working age people in England.

With Universal Credit if you have a health condition or disability that limits how much work you can do, you might get an extra amount of UC, known as the Limited capability for work elements of UC. Around 1 in 10 of the UC issues we helped young people with last year were in relation to these Limited capability for work elements of UC.

PIP, which has replaced Disability Living Allowance (DLA) for working age people, helps with extra living costs if you have both, a long-term physical or mental health condition or disability, and difficulty doing certain everyday tasks or getting around because of your condition. You can get PIP if you're working, have savings or get most other benefits. More than half the non UC benefit issues we helped young people with last year were to do with PIP, and mental health was by far the most common reason for the person claiming PIP.[13]

Mental health, PIP and young people: Chloe's story*

Chloe is 23 years old and lives with her partner. Since recently finishing university she has been working part-time.

Chloe has severe mental health issues, including a diagnosis of anxiety and depression. Chloe told us that about 18 months before we met her, she had a complete breakdown but was now doing somewhat better.

Chloe had previously applied for PIP when she was a student, but her claim was refused. She was helped to complete a Mandatory Reconsideration but after this was unsuccessful, she did not go on to the Appeal Tribunal stage.

Chloe initially approached us to start a new PIP claim as she believed that her earlier one could not progress further. However, as her initial claim was within 13 months of receiving the Mandatory Reconsideration Notice then it was still possible to take it to tribunal.

While discussing with her about which option to pursue, Chloe revealed that in the past year she had another traumatic life event that left her with deep depression for months, and she was still struggling with.

We went through the PIP criteria with Chloe and advised her about the evidence she needed to support her claim, and based on that we believed Chloe is entitled to receive PIP, at the standard Daily Living rate of £72.65 per week.

*client name has been changed

What our data tells us

The issues young people are seeking our advice about: Employment

Employment issues we advised young people about

Employment was the fourth largest enquiry area we advised young people about last year. Employment issues accounted for almost 9% of all issues for people aged under 25, compared with just over 6% across all age groups.[14]

Enquiries about Pay & Entitlements was the main employment issue, regardless of age, people sought advice about last year - accounting for about 1 in 5 employment issues for those under, as well as those aged over 25. This is perhaps unsurprising as pay and entitlements are a pretty universal concern for the workforce. Advice about being dismissed from your job (Dismissal) was the second largest employment enquiry, regardless of age; but as a percentage of employment issues it appears to impact those under 25 slightly more (18.42% of employment issues we advised under 25s on, compared with 16.01% for age groups). Perhaps related to this, we also advised young people with significantly more issues, as a percentage of all employment issues, about Employment tribunals & appeals (11.4% for those under 25 and 7.4% for all age groups).[14]

Perhaps reflecting the life stages people are at in their working lives, as a percentage of all employment issues, Discrimination, Parental & Carers rights, Resignation and Access to jobs were more common among under 25s, whereas Self Employment, Redundancy and enquiries around Terms & Conditions of Employment were more common from people aged over 25 years old. Terms & Conditions of Employment was the most significantly weighted to over 25s (5 percentage points higher), which could indicate that those who have been employed for longer are more aware of their rights at work, or at least more willing to exercise them.[14]

Pay and entitlements at work

Just as with Universal Credit rates, there are age-based wage bands too and these also disproportionately impact young people. While the main minimum wage rate is £11.44, the current wage floor for 18–20-year-olds is £8.60 and the rate for 16-17 year olds is £6.40.

With the current heightened cost of living, young workers, like many others, struggle to afford the basics - whether that's their rent, travel costs to work, food, or energy bills. Analysis by the TUC found that more than 700,000 18–20 year olds could be missing out on more than £2,400 a year because they are not covered by the National Living Wage. And as they say "it's simply unfair that young workers can be paid less for doing the same job as those older than them".[15]

The current government has committed to ending discriminatory age wage bands but until then young workers risk being left behind because of lower wages.

Hourly Wage Bands (April 2024 to April 2025)		
National Living Wage	Aged 21 and over	£11.44
National Minimum Wage	Under 18	£6.40
	Aged 18-20	£8.60
Apprenticeship Rates	Standard Rate	£6.40
	Apprentices are entitled to the minimum wage for their age, if they are aged 19 or over, and have completed the first year of apprenticeship.	

Employment challenges for young people

There are more than 50,000 people aged 15-24 living in Wiltshire.[16] A significant minority of young people are both out of work and education. In 2023, 2.6% of 16-17-year-olds in Wiltshire were categorized as NEET (Not in Education, Employment, or Training).[17] Without support to progression, training and development these young people face uncertain economic futures with the potential for long term unemployment or cycles of low paid work.

Young workers also face higher unemployment rates. The unemployment rate for ages 16+ in Wiltshire Unitary Authority is around 2.3%.[17] As of 2021, the youth unemployment rate for 16-24-year-olds in Wiltshire was more than three times higher than for all workers, at around 7.4%, highlighting ongoing challenges in the job market.[17] Young workers (16-24) are more likely than others to have been unemployed for over 6 months but less than a year.[18] Those young people who experience long-term unemployment are at risk of scarring effects across their working lives.

Young workers are also more likely to be in low paid work. Whilst lower hourly pay amongst young workers as they first enter the labour market can be expected, too many young people still earn below a living wage as they are overrepresented in low paid occupations and because, as shown on the previous page, minimum wage age bands permit young workers to be paid less for the same work. Young workers are also more likely to be employed on zero-hours contracts: despite making up only 11% of the total UK workforce, young workers represent a staggering 40% of the 1.18 million people employed on zero-hours contracts.[19]

Other employment issues

The TUC estimates that around three quarters of employees aged 16-24 miss out on key employment rights, such as protection from unfair dismissal and the right to statutory redundancy pay, as they are more likely than other workers to have been in their jobs for less than two years.[20]

While some employee employment rights begin from day one of employment, others only kick in after two years of continuous service. As young employees are more likely to be at the start of their working lives, they are less likely to have built up two years of continuous service. Around 70% of employees aged 16 to 24 have worked for their employer for less than two years, compared with around 30% of all employees.[21] Young workers on zero-hours contracts, who are therefore workers not employees, have even less access to the full range of employment rights.

The government, through its Employment Rights Bill, has promised to introduce day one rights that would scrap the qualifying period for basic rights, such as unfair dismissal, sick pay, and parental leave, for all workers. This means workers will have day one rights to these key workplace protections as well as employees. It has also said it will look to end exploitative zero hours contracts and create a “Fair Work Agency” to ensure compliance with the National Minimum Wage. For young workers these protections are urgently needed.

What our data tells us

The issues young people are seeking our advice about: Housing

Housing issues and young people

Housing is the second largest enquiry area under 25 years olds sought advice from us in 2023/24. Almost a quarter (24.2%) of all enquiries from those aged 15-24 years old were about housing issues - more double that of over 25s.[22]

Finding somewhere to live (Access to & provision of accommodation) was the most common issue (33%) young people needed advice about. Issues with Private rented property (20%) and Homelessness - Actual homelessness (13%), Threatened homelessness (8%) and problems with the Local Authority's homelessness service (9%) were the other main housing issues young people came to us for advice.[22] Furthermore, Rent arrears was the top debt problem that young people sought our advice for last year, whereas Council Tax Arrears was the top debt issue for all age groups.[22]

So why is housing such a big issue for young people? Housing costs, whether that's rent or mortgage payments, are the single biggest monthly expense for working age households in the UK. As we've shown in this report already, young people are far more likely to have lower incomes than older age groups, even those doing the same work, because of lower age-based wage-bands, and lower levels of Universal Credit for those under 25s.

High housing costs combined with low incomes can make it difficult for young people to afford to live independently. These factors can also make it more difficult to buy a home as you're likely to have little, if any, money left over at the end of the month to save up for a deposit. Rising house prices, difficulty saving for a deposit, and tighter lending requirements, are all factors in the reason why young people are now more likely to rent than own their own home.

In fact young people today are far less likely to own their home compared to those in the early 1990s (31 per cent in 2022-23 down from a peak of 55 per cent in 1990), far more likely to rent in the private sector (up from 10 per cent to 33 over the same period) and far more likely to live with their parents (up from 16 to 22 per cent).[23] This last point is even more stark for those young people from poorer backgrounds, who are far more likely to live with their parents than those from richer families (35 per cent, compared to 10 per cent).[23]

The lack of social housing also means young people on low incomes are now more likely to rent privately, and private rents have more than doubled in the last 10 years. Young people in the private rented sector face higher housing costs, with those privately renting spending around a third (31 per cent) of their income on rent on average, compared to just 12 per cent for mortgagors.[23]

Those on a low income may be able to get support to help towards their housing costs - in the form of either Housing Benefit, or through the Housing Element of their Universal Credit allowance. For those renting in the private sector, the Local Housing Allowance (LHA) is used to calculate the maximum amount of Housing Benefit / Universal Credit Housing Element that a private renter may be entitled to, but it's becoming less effective because the level of support is out of step with the housing market.

The Local Housing Allowance (LHA)

LHA rates are based on local rental prices. When launched in 2008, the LHA was set at the median rent in a local area, meaning half of all properties would be affordable to those on low incomes. In 2011 this was reduced to the bottom 30% of rental properties, with further caps affecting the most expensive parts of the country.

Then in 2013 the link with rents was broken; LHA was now to be uprated in line with inflation, typically lower at the time. And in 2016 it was included in the 4-year benefit freeze. This led to a widening gap between LHA rates and rents in the years leading up to the coronavirus (Covid-19) pandemic. Then as a response to the pandemic, the LHA was returned to the 30th percentile of local rents in April 2020. It was then frozen in cash terms until April 2024, when it was again returned to cover the bottom 30% of rents (based on September 2023 rents), but then frozen again, and is likely to remain frozen throughout 2025.

In the year to September 2024 average rents rose by more than 8%, which means there's a shortfall between people's actual rent and the support they receive to cover their housing costs.[24] Again, for those on the lowest incomes, especially young people, it leaves them with even less money to live off each month, putting them at greater risk of getting into debt, or being unable to afford their rent, and therefore at risk of eviction and homelessness. And youth homelessness has been rising alarmingly in recent years.

The LHA shortfall leaving young people in debt: Belle's story*

Belle is 24 years old, single and has an 18 month old child. She left the family home due to domestic violence by her partner, and she and her child moved into a privately rented property.

Her new rent was £152 per month more than the Local Housing Allowance (LHA), so each month she had a shortfall of £152 between the amount of Universal Credit she received for housing costs and the rent she had to pay.

Fortunately, she has now been successful in securing a social tenancy, which will be more sustainable, as her rent is more affordable and should be covered in full each month by her Universal Credit.

However, her period in the private rented property has left her in debt. In order to meet the shortfall and pay her rent, Belle has accrued debts of around £2,000 to her utility suppliers. She has also built up some credit card debt. These debts are likely to take Belle time to pay off and will continue to put a strain on her finances until they are cleared.

*client name has been changed

The Shared Accommodation Rate (SAR)

Moreover if you're under 35, single and don't have children you'll usually only get the Shared Accommodation Rate (SAR). The SAR is the lowest rate of support within the Local Housing Allowance (LHA), and is based on the cost of a single room in a shared house or flat of multiple occupancy (HMO), up to the 30th percentile of local rents for this type of accommodation. The SAR means young people are expected to find rooms in shared housing, but in most areas there's a chronic shortage of HMOs. This is particularly true of Wiltshire.

HMOs are most abundant in cities and university towns, and mainly aimed at students, but are scarce in rural areas and market towns. Many rural areas and smaller towns report a rate of HMO provision that is equivalent to less than 1 shared house for every 1,000 young people.[25] This makes it even more difficult for local young people to find somewhere to live, especially somewhere their housing costs support covers their actual rent. And even if they do find a room to rent, because the SAR is set by the LHA, the rate is currently frozen and therefore out of step with market rents. Our debt clients reliant on the SAR have much higher monthly shortfalls than people eligible for other rates of housing costs support.[26]

There's other issues with the SAR too - it is age-linked again but with a different upper age tier than UC and wages. Minimum wage rates are lower for those under 21, Universal Credit rates lower for those under 25 but housing costs support lower for those under 35!

Mental health, sanctions, homelessness and young people: Sam's story*

Sam is 24 years old and approached us for help following a UC sanction. Sam was sofa surfing at the time.

Following a breakdown in the relationship with his mother, he'd had to leave the family home. Sam had been looking for somewhere to live but because of his age, he was only entitled to the Shared Accommodation Rate (SAR) as part of his UC Housing element award, and this made finding properties he could afford to rent extremely difficult.

As well as helping Sam to challenge his UC sanction and issuing him an emergency grant, we also looked at his wider situation. During these conversations Sam disclosed his mental ill health, neurodiversity and physical health issues. We advised Sam to request a fit note from his GP, which would put him in the UC health assessment system and should also avoid further sanctions. We also went through the PIP criteria with Sam and identified that he should qualify for it. When completing the PIP application with Sam, it emerged that if the appropriate points are awarded, he will qualify for both enhanced daily living, and standard mobility - adding more than £750 a month to his budget.

Once awarded, PIP daily living has the added benefit of entitling young people to the one-bedroom rate of local housing allowance, rather than the SAR. In Sam's case this is worth almost £150 a month, which should help finding somewhere to live much easier and more affordable.

*client name has been changed

Shared Accommodation Rate and family life

The expectation that young people should live in shared housing creates other problems too. Living with strangers can be difficult for people with mental health conditions. The SAR also makes it difficult for separated parents, and single pregnant people, to establish suitable family homes.

The SAR is designed for single people without children. Yet life is often not this simple. One group of people who can find life particularly difficult on the SAR are those who have shared care arrangements for children. It is only possible for one parent to claim child-related benefits, including help with housing costs, even when they split their time between two households. This means that the 'non-resident' parent, if they are under 35 and single, is only eligible for the SAR, which can have significant implications for family life.

Even if an arrangement is in place that means their children can stay with them for a certain part of each week, it might be impossible for that to happen if the parent lives in shared accommodation. Shared housing, especially where strangers have access to the kitchen, bathroom and other shared spaces, is unlikely to be appropriate either.

The SAR is also contributing to homelessness among young people and for those young people who are already experiencing homelessness, the low rate of the SAR can also be an impediment to finding stable accommodation.

Homelessness and young people

Over 118,000 young people approached their local authority for help in 2023-24, according to Centrepoint.[27] That's one young person becoming homeless every four minutes. And it's likely that's just the tip of the iceberg. The same research found around two thirds of young people who reached out to their local authority for support were assessed - meaning 1 in 3 young people who presented to their local authority for support did not receive an assessment.[27]

Demand for support from the Council's Housing Solutions team locally remains high. Some of the young people we help who are facing homelessness, appear to have 'fallen through the gaps' - they can often struggle to provide relevant documents, sometimes because, being the first time they've found themselves in this situation, they don't understand how the system works, or they are not clear what is required of them. Those that lack support from family, or support services can often struggle to navigate the complexities of the system.

The most significant cause of youth homelessness is family or relationship breakdown; with family or friends no longer being willing or able to accommodate them.[27] There are many other causes too, including mental health issues. A significant number of the young people we help with housing issues are women and/or parents. Young parents, in particular single parents, face additional barriers in securing safe and stable housing due to childcare responsibilities. These vulnerabilities can be further compounded by limited access to support services, thus increasing their risk of continuing to face homelessness.

Homelessness, temporary accommodation and young people

Some young people facing homelessness are found to have priority need and are eligible for immediate temporary accommodation from the council.[28] This is most clear cut for those with children, or who are care leavers aged 18-20. Others may have priority need due to particular vulnerabilities.

Wiltshire's young people's accommodation is currently provided by Alabare who have 31 beds for 16-21 year olds.[29] Capacity was lost when the 19 bed A2Dominion Foyer closed in 2024, as A2Dominion did not believe they could continue to operate safely on the money available.[30]

Alongside the accommodation these young people's projects provide support to help young homeless people gain the skills they need to live independently. They can be a good starting point for people who haven't had their own place before, and can also support young people to get into education, training or employment.

When specialist young people's accommodation is unavailable, single young people may find themselves placed in hostels alongside adults, who are likely to have complex support needs themselves. The bottleneck caused by long waits on the housing register, unaffordable private rents and insufficient support from the social security system can cause delays in move-on from these projects, reducing their capacity, and impacting on the wellbeing, development and progress towards young people living independently.[31]

Social housing and young people

Young people in housing need who cannot meet their own housing need in the open market may be eligible to apply for ‘social housing’ through their local council. If their application is accepted, they’ll go on to a waiting list, known as the Housing Register. Anyone aged 18 or over may apply to join the Housing Register. Young people aged 16 and 17 may apply if an adult will act as a trustee and guarantor for the tenancy.

All social housing in Wiltshire Council's area is advertised through Homes4Wiltshire, which is a Choice Based lettings system. To express an interest or "bid" for properties in the Wiltshire Council area, you need to have a housing need under the Council's Allocation Policy. The Council's Allocation Policy also sets out who gets priority on the waiting list. There are about 4,125 households in housing need on the Housing Register in Wiltshire Council’s area.[32]

Like many places in England demand for social rented housing significantly outstrips supply in Wiltshire Council's area. Only about 350 council homes become available to let annually, and the council relies heavily upon homes advertised by its partner housing associations to meet housing need.[33] The number of households registered for re-housing is three times the number of homes advertised and the numbers seeking to join the Housing Register continues to rise. Homes advertised through Homes4Wiltshire can attract over 100 bids, and those on the Housing Register can often wait more than 2 years before securing social housing.[34] In the meantime those young people wishing to live independently will more than likely have to look towards the private rented sector to find a home.

Conclusion and recommendations

Conclusion

Young people in the UK today are a generation of renters, increasingly in debt, overwhelmingly low paid and left to fend for themselves by society. They are a vulnerable demographic, but our policy decisions don't recognise this.

Through various policy decisions young people face age discrimination in terms of wages, benefits, and housing, including a lower minimum wage for younger workers, lower rates of Universal Credit for young people and limited access to housing benefits based on age.

Some of these policies are based on a perception that younger people face lower living costs - because they're more likely to live with their parents, or are used as 'sticks' to encourage certain behaviour, such as the AET and lower levels of UC, which are intended to encourage young people to find work / additional work.

However, many of these policies are based on a fiction, the SAR for non existent HMOs is an example; or simply don't recognise the life circumstances of many young people. For those young people who have had no choice but to grow up fast, pay rent and manage bills alongside going to college, looking for work, or finding a stable place to call home, the current levels of support just aren't enough. This can leave some young people starting adulthood struggling to make ends meet, getting into debt, or becoming homeless.

As we've shown in this report these aged based policies can make it difficult for young people to cover their essential costs and live independently. Going without food, or properly heating your home can harm your health and wellbeing, and leave young people who are without family support, vulnerable to exploitation and abuse.

The Government has promised to remove discriminatory age bands from the Minimum Wage, and, through its Employment Rights Bill, introduce day one rights that would scrap the qualifying period for basic rights, such as unfair dismissal, sick pay and parental leave, for all workers. It has also said it will look to end exploitative zero hours contracts and create a "Fair Work Agency" to ensure compliance. For young workers these protections are urgently needed, and can't come soon enough. Until then young workers can still be paid less than older workers, while doing the same work. The Government has made no such promises about UC allowances or LHA rates.

Young people just starting out in life need more support, not less. Moreover, people, whatever their age, often come to us for advice because they don't know how something works, or they aren't clear what is being asked of them, and whether that is right. When you experience something for the first time it can be difficult to know what should be expected. This is never more true when you get your first job, rent your first home, or need support from the state for the first time. And few of us get things right first time, and certainly not every time. Young people need support and encouragement, not punitive measures and sanctions, especially if they are to thrive.

Recommendations

We are calling on the government to:

- **Scrap age-based wage tiers** to enable all workers, including apprentices – regardless of age – to be eligible for the same minimum wage, removing the current lower rates for young workers.
- **Give all workers day one rights** on the job and scrap qualifying time for basic rights, such as unfair dismissal, sick pay, and parental leave.
- **Increase investment and skills for young people:** A job guarantee scheme to stop young people without work becoming long-term unemployed. Along with investment in a dedicated careers service for young people and prioritisation of skills and apprenticeships for young people.
- **Keep increasing the minimum wage**
- **Scrap the lower rate of UC for under 25s** so claimants receive the same standard rate of UC regardless of age. This combined with the scrapping of age-based wage tiers will also help with issues related to the AET.
- **Unfreeze the Local Housing Allowance** and permanently restore the link to local rents, returning it to at least the 30th percentile to help those struggling most with increased rental costs.
- **Scrap the Shared Accommodation Rate (SAR)**, or as a minimum reduce the upper age limit in line with Universal Credit and the minimum wage rates, so these are consistently applied.

Further recommendations

- **Reconsider UC eligibility for students** to allow people to live independently while studying.
- **Reduce the necessity for guarantors** or make more schemes available for young people who want to rent but are not able to access guarantors.
- **Increase oversight and monitoring** of local authority implementation and practices related to the implementation of the Homelessness Reduction Act (HRA) when tackling youth homelessness. Improved Government scrutiny over how local authorities provide homelessness assessments and services would improve adherence to best practices, maintain consistent standards, and address any gaps in service provision to tackle youth homelessness.
- **Increase the housing stock**, for example more HMOs / affordable flats that would enable more young people to live independently.
- **Have more tailored advice support for young people** for example when moving into their first property to ensure that they understand setting up bills and other responsibilities linked to living independently.

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Written by the Research and Campaigns Group, Wiltshire Citizens Advice

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