



# Reality Check

# Contents Page

**Introduction - Page 3**

**Can I afford to move out? - Page 4**

**Income - Page 5-9**

**Budget - Page 10-11**

**Wellbeing - Page 12-13**

**Accommodation Options - Page 14-15**

**Furnishing your home - Page 16-17**

**Glossary and Contacts - Page 18**

**Please note that the information in this booklet is intended as a basic guide to some of the issues you need to consider when moving in to your own home. Individual circumstances can vary greatly and we recommend that you speak with a Moving On Adviser to discuss your own situation.**

Information correct as of March 2016

# Introduction

**It is becoming more difficult for young people to move out of the family home and maintain an independent tenancy. Lack of affordable housing, changes to benefits and social pressures can all increase risk of eviction.**

**This guide is for young people who are thinking of moving into their own home. It aims to show some of the realities of living independently and help you to decide if you have the knowledge, ability and attitude needed to maintain a tenancy.**

**Moving On has been supporting young people to find and maintain appropriate accommodation since 1998. We work throughout County Durham offering accommodation, information, advice and practical guidance to young people who are homeless or experiencing housing difficulties.**

## **MOVING ON CAN OFFER SUPPORT TO:**

- *Explore your reasons for wanting to get your own tenancy*
- *Access counselling or mediation to improve your current circumstances*
- *Explore your housing options and make applications*
- *Plan your budget*
- *Find furniture*
- *Set up and maintain your tenancy*
- *Access emergency accommodation if you feel in danger or are at risk of homelessness.*

# Can I afford to move out?

**Often the biggest problem faced by young people living on their own is managing money. You need to think carefully about whether you can afford to move out as failing in your first tenancy can make it hard to get housing in the future, especially if you leave with rent arrears.**

**Plan your budget before you commit to moving out to make sure that you can afford the things that are important to you and still pay your rent and household bills. This can get complicated but your Moving On Adviser can help you work it out.**

“I moved into a house with my partner as we had nowhere else to go. It was bigger than we needed but we thought that we would be okay with money as we were both working.

We didn't have much furniture and weren't eligible for any help so we had to borrow from friends and family to buy the things we needed. We didn't really think about what we had to pay for each month and took on contracts for internet, mobile phones and TV, but the cost of our travel expenses and the fact our monthly income was changing all of the time made it really difficult for us to manage our money.

Paying our friends back became our priority as we didn't want to upset them and we quickly got behind in our rent, Council Tax and contract payments. We started getting letters saying we would be taken to court if we did not pay. It was really stressful and we didn't know what to do so just started to ignore it.

It's taken us a long time and a lot of extra hours at work to get back on track. There hasn't been much opportunity for treats or nice things but with careful budgeting and negotiating with our creditors with the help of Moving On we have managed to keep our home and have started paying off our debts.”

# Income Options

## Employment

There are many positives to working – improved confidence and self-esteem, more skills and experience to get a better job in the future, financial stability and independence, however, it can be difficult when you are first starting out.

Try to get a job before you decide to move out so you can plan your budget. Many people are surprised to find that by the time they have paid for their rent, Council Tax and household bills, as well as bus fares to get to work, they have very little excess income. You can ask your local Job Centre for a “better-off calculation” to make sure you can afford your essential expenses.

At the time of printing the National Minimum Wage is:

***£6.70 - aged 21+***  
***£5.30 - aged 18-21***

As a rough guide, this could give you a take home weekly wage of:

	<b>Part Time 18.5 hrs per week</b>	<b>Full Time 37 hrs per week</b>
<b>21+</b>	<b>£123.95</b>	<b>£227.91</b>
<b>18-21</b>	<b>£101.75</b>	<b>£197.68</b>

# Benefits

Benefits can be very helpful in times of financial difficulty but many people end up trapped in unemployment once they move out of the family home as the job market is very competitive. Being out of work for a long time can decrease your confidence and cause you to feel down. It can also be more difficult to study and gain new qualifications while claiming certain benefits.

Here is a brief guide to the main benefits that could be claimed by over 18s. If you are 16-17 you will need to meet specific criteria to claim benefits.

Benefit	Weekly Income	Who Can Claim?
Income Support	£71.00	Single parent with at least 1 child under the age of five
Jobseekers Allowance	£56.85 – under 25 £71.00 – 25+	If you are available for full time work Need to “sign on” fortnightly and apply for a set number of jobs each week and attend training courses or you may not be paid.
Employment and Support Allowance	£56.85 – under 25 before assessment £71.00 – 25+ before assessment £100.15 / £106.50 – after assessment	If you have a long term health condition that means you cannot work  You will need to pass a medical assessment after around 4 months to keep claiming.  After assessment you will be placed in one of two groups:  Work related activity group - you will need to attend appointments and training to help you return to work in the future.  Support Group - you will not need to attend appointments to help you return to work.

## Universal Credit:

**Universal Credit started to replace most income-based benefits\* (Carer's Allowance will continue to be a separate benefit) from September 2015. It will combine all of your benefits in to one monthly payment.**

There are some new rules for Universal Credit which may affect your ability to manage a tenancy - for detailed information visit [gov.uk/universalcredit](http://gov.uk/universalcredit).

- **Monthly Payments** - you will need to be able to budget for your full month of expenses. It can be very easy to overspend at the beginning of the month and then have to go without food, gas and electricity towards the end of the month.
- **No Housing Benefit for the first 7 days of your claim.**
- **Housing Benefit will be paid directly into your account** - even if you live in a Council or Housing Association property. You will be responsible for ensuring that the landlord gets their rent in full and on time
- **If you are subject to a sanction you will continue to get your Housing Element** - you will face pressure to spend this money on daily living expenses and are more likely to get behind in your rent leading to risk of eviction.
- **If you are in arrears your landlord can apply to have the rent plus up to 20% of your personal allowance to be paid directly to them (for a limited period of time).**
- **Sanctions can be longer** so you must make sure that you comply with all of the terms of your benefit award.
- **You will still need to apply to your local Council for Council Tax Reduction**

A Credit Union or basic bank account may help you to manage your money more easily as you will avoid bank charges from failed direct debits which can quickly spiral out of control.

## Tax Credits

If you are under 25 you will only be able to claim Child Tax Credits and Working Tax Credits if you have children or meet certain disability criteria. The exact amount you will be entitled to will vary depending on your employment and family circumstances. You can find out if you are eligible using the Tax Credits calculator at [www.gov.uk](http://www.gov.uk)

## Housing Benefit

### **Social Housing:**

If you claim income related benefits\* and are living in Social Housing\* then you should get your full rent paid by Housing Benefit (unless you have spare bedrooms). This is likely to be your most affordable housing option.

### **Private Rental**

If you are under 25, single and renting from a private landlord, you will be eligible for between £45 and £63.50 towards your rent (the exact amount depends on your income and where you live in the county).

There will be very few properties that you can afford to rent on your own so you might need to think about sharing with a friend. If you have a partner or children then you will be eligible for slightly more Housing Benefit so may find that Private Rental is an affordable option for you.

If you are working and on a low wage you may still qualify for some Housing Benefit—visit [www.durham.gov.uk/benefits](http://www.durham.gov.uk/benefits) to find out if you can apply.



## The “Bedroom Tax”

The “Bedroom Tax” only applies to people living in Social Housing\* with a spare bedroom. If this applies to you then your Housing Benefit will be reduced by 14% (1 spare room) or 25% (2 or more spare rooms) of your TOTAL rent (note, your total rent may include water rate payments and service charges).

You may be able to apply for Discretionary Housing Payments to help you pay the shortfall. This is a temporary award and there are no set rules as to who is eligible. As a guide you may need to show that:

- you could afford the rent when you took the property on or you were in an emergency situation and had no choice but to take the property on.
- you will be able to afford the rent in the future or are actively looking for affordable accommodation.
- you could not afford the rent by making changes to your lifestyle.

## Council Tax Reduction

If you claim any income-related benefits (excluding Tax Credits) then you should get your full Council Tax bill paid through the Council Tax Reduction Scheme. If you are on a low income you might also be entitled to help paying all or part of your bill.

To find out if you qualify visit [www.durham.gov.uk/benefits](http://www.durham.gov.uk/benefits)

# Budget

To give you an idea of what your finances could be like, we've worked out a sample budget based on a single person living in a 1 bedroom property let by a Social Landlord.\* Your actual income can be affected by many factors so make sure you work out your own budget before you commit to moving out.

## What will I have to pay for each week?

Expense	Approximate Amount
Rent (before benefits)	£ 68
Council Tax (before benefits)	£15 (£20 if couple / house share)
Gas	£ 12
Electricity	£ 8
Water	£ 7
Food	£ 18
TV Licence	£ 2.80 (£5.60 for first 6 months)
<b>Total</b>	<b>£ 130.80</b>

## Excess Income Per Week

Using the income and expenses from the last three pages, this could give you an excess weekly income of:

<b>Basic Benefits</b> <b>£9.05 (18-24)</b> <b>£23.20 (25+)</b>	<b>Working Part Time</b> <b>£18.04 (18-20)</b> <b>£20.14 (21+)</b>	<b>Working Full Time</b> <b>£54.20 (18-20)</b> <b>£89.20 (21+)</b>
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Out of your excess income you will need to pay for:

- any rent top up
- travel expenses
- phone bill
- insurance
- loan and debt repayments,
- socialising, clothes, cigarettes, make up etc.

Also keep in mind that the amounts listed are the minimum amounts you would spend. To live on £18 a week for food means buying very basic products and counting every penny when out shopping. You will have to be careful not to use your gas and electricity too much. Many clients find that they are spending over £30 per week on gas during the winter.

# Wellbeing

## Can I Improve my Living Situation?

**We understand that sometimes it can be hard to talk to parents or carers. Mediation can help to break down these barriers and help everyone to understand the point of view of others. Often this can be enough to resolve the problems that made you want to leave home.**

**Mediation can also help even if you do end up leaving home. Having the support of your family can make living on your own a lot easier and you are therefore more likely to succeed in your tenancy. Moving On can help to arrange for you and your family to access mediation. Ask your adviser for more information.**

## Tips for good health and wellbeing

- Be creative
- Learn new skills
- Value yourself and others
- Eat well
- Keep in touch with friends and loved ones
- Keep active
- Care for yourself

## Lifestyle and Happiness

**Leaving home will always mean a big change in lifestyle. You need to work out what is important to you and whether you'll still be able to do it if you moved out. Many people do not realise how lonely it can be when they live on their own.**

- Are you ready to be responsible for cooking, cleaning, washing your clothes and being responsible for sorting out repairs for your home?
- If you are into sports, gym, movies, music or going to the pub, can you afford to keep doing it? Can you still get there? If you can't how will you feel and what else could you do to fill up your time and enjoy yourself?
- Do you suffer from mental health problems? Depression, anxiety, substance misuse and self-harm can all be made worse by spending too much time on your own.
- Are your family and friends close by for support?
- Will your friends be supportive? It can be difficult to stand up to pressure to have parties or allow friends over. when you have your own place. This can often lead to you feeling intimidated, it may also lead to problems with neighbours and possibly eviction.
- It can be difficult to stay in education and claim benefits – will this affect your future?

# Housing Options

**Now that you've thought about what living on your own might be like, it's time to consider your housing options.**

## Moving On Housing

**Moving On Housing is a private sector leasing scheme to work with young people across County Durham.**

**If you are finding it difficult to find a property with Durham Key Options or can't afford the costs associated with a Private Rental then we may be able to help.**

**We can offer individual and shared tenancies in an area of your choice for up to 12 months.**

Benefits include:

- No bond / admin fees / rent in advance
- Support to set up and maintain your tenancy
- A good reference if you conduct your tenancy well
- Support to furnish your home
- Support to find move on accommodation at the end of your tenancy

## Moving On Lettings

**Moving On Lettings is a social lettings agency which went live in 2016. We offer a range of packages for both landlords and tenants. This service is ideal for tenants who may not need intense support but would like to live independently.**

## Accommodation

	Pros	Cons
Supported Housing	<ul style="list-style-type: none"> <li>• Staff available to help you develop independent living skills</li> <li>• Staff and other residents available for support</li> <li>• Usually fully covered by Housing Benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Can be expensive if working</li> <li>• Need to be able to live and get on with others</li> <li>• May need to meet eligibility criteria</li> <li>• Other residents may have complex needs</li> </ul>
Social Housing (Council/ Housing Association)	<ul style="list-style-type: none"> <li>• Most affordable</li> <li>• Need a valid reason to evict</li> <li>• Must meet an acceptable standard of repair</li> </ul>	<ul style="list-style-type: none"> <li>• Have to pay for empty bedrooms – few 1 bedroom properties available</li> <li>• Long waiting lists</li> <li>• No carpets or furniture</li> </ul>
Private landlords	<ul style="list-style-type: none"> <li>• More available properties</li> <li>• No waiting lists</li> <li>• Able to negotiate if you have a poor housing history</li> <li>• Bond should be protected in a guarantee scheme</li> </ul>	<ul style="list-style-type: none"> <li>• More expensive – housing benefit unlikely to cover full rent for a single person</li> <li>• May need to pay a deposit, admin fee and rent in advance. This can add up to over £800</li> <li>• Can be evicted with only a few weeks' notice, even without doing anything wrong.</li> <li>• More difficult to challenge if landlord does not do what they should</li> </ul>
House Share	<ul style="list-style-type: none"> <li>• More affordable – split rent and bills</li> <li>• Less likely to be lonely</li> </ul>	<ul style="list-style-type: none"> <li>• Can put strain on friendships</li> <li>• You may be held responsible for the actions of housemates</li> </ul>

# Furnishing Your Home

**Unless you are accessing supported accommodation it is likely that you will need to furnish your property yourself as furniture packages no longer exist. This can become very expensive and many people end up living in poorly furnished properties which can affect their wellbeing and self-worth.**

## Second-hand Furniture

This is likely to be the most affordable option if you are on a low income. If you take your time to shop around you can get good quality items at low cost however if you need to buy all of your furniture at once it quickly adds up. For example a second hand cooker from a furniture scheme costs around £70 so you may need to save up some money before you decide to move out.

Where can I find second hand furniture?

- County Durham Furniture Help Scheme
- East Durham Partnership
- Woodhouse Church Close Furniture Project
- Consett YMCA
- Haswell Mencap Furniture Enterprise
- Larger charity shops

You can also ask friends and family, internet selling sites and pay it forward groups.



## Budgeting Loan

If you have been claiming certain benefits for 6 months or longer you will be able to apply for a Budgeting Loan. Although you will not pay any interest on the loan it can still be difficult to afford the repayments when your income only covers your essential expenses.

## Grants

You may be eligible to apply for furniture grants through local charities and the Durham Welfare Assistance Scheme. These grants are getting more difficult to access and you will need to meet specific criteria (e.g. severe financial hardship, setting up home after being homeless or fleeing violence) in order to be considered. If the fund has run out of money for that particular year you may not be awarded a grant even if you meet the criteria. Your Moving On Advisor will be able to help you find any grants that you may be eligible to apply for.

## Weekly Payment Stores

Although the amount you pay each week may seem small, by the time you have finished paying for the item you could have paid up to 70% more for it than if you'd saved and bought it on your own. If you get behind on your payments it could lead to debt collectors coming to your home which can be very stressful. You may also face missed payment charges.

## Definitions

\* **Income-related benefits** - includes income related Employment and Support Allowance, Jobseekers Allowance, Universal Credit, Income Support, Carer's Allowance

\* **Social Housing** - any property let by the Local Authority, Housing Association or other Registered Social Landlord.

## Useful Contacts:

**Housing Solutions**

**0300 026 8000**

**Housing Solutions Out of Hours**

**01388 722538**

**Durham County Council Customer Services**

**03000 262000**

**Durham County Council Welfare Rights (Benefits advice and information)**

**03000 268 968 (Mon-Fri 9am—12noon)**

**Citizens Advice County Durham**

**Debt Advice Line 0300 323 2000 (Mon-Fri 9am-12noon)**

**General Advice Line 03444 111444 (Mon-Fri 10am-4pm)**

**YOUR NOTES....**

# Who We Are

Moving On is a registered charity since 1998. We work with young people living in County Durham who face homelessness or housing difficulties and need support to live independently.

## Our vision is to:

Break the Cycle of Youth Homelessness in County Durham.

## Contact us:

Jordan House, Forster Business Centre  
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Framwellgate Moor  
Durham  
DH1 5HL

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