

Experiences of homeless young people in precarious employment

Research for Centrepont

Jonathan Buzzeo, Morwenna Byford, Alex Martin and Becci Newton

Institute for Employment Studies

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Institute for Employment Studies
City Gate
185 Dyke Road
Brighton BN3 1TL
UK

Telephone: +44 (0)1273 763400
Email: askIES@employment-studies.co.uk
Website: www.employment-studies.co.uk

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1 Introduction

1.1 The changing nature of employment

The world of work is changing. The most common forms of employment – characterised by open-ended, full-time contracts – have steadily declined across Europe over the past 10 years. They have been replaced by historically atypical or non-standard employment relationships, including fixed-term contracts, part-time and on-call working, and temporary agency work. This shifting labour market context has numerous, interrelated causes that stem from changes in demography, technology, labour market regulation and most recently the 2008 financial crisis and global recession.

While standard employment relationships are still prevalent among the working population, concerns have been raised around the rights and income security of the rising numbers of atypical workers. In the UK, the core groups affected are those on zero-hours contracts (ZHCs), agency workers and the pseudo self-employed. Issues affecting these workers include the presence of pay disparities compared to employees on standard employment contracts in the same company, and employment classifications leading to denial of basic entitlements such as the national minimum wage, union recognition and holiday pay (Berry-Lound et al, 2015; CIPD, 2013; Work and Pensions Committee, 2017). Further, under these types of employment relationship, individuals are not always guaranteed a minimum number of hours, leading to short or unstable working schedules (Rubery et al, 2016).

These issues are more acute for particular sections of the population. For instance, younger age groups make up a disproportionate share of this workforce. Individuals aged 16-24 represent a third of those working under ZHCs (ONS, 2018a). Agency and platform workers in the 'gig' economy (many of whom are classified as self-employed) are also significantly over-represented among younger groups: in both cases, close to half are aged under-35 (Taylor, 2018; Lepanjuuri et al, 2018). Further, the income volatility of non-standard employment can put those without financial wealth and savings at risk of social and economic instability.

In this context, the youth homelessness charity Centrepoin^t commissioned the Institute for Employment Studies (IES) to explore the experiences of young people in non-standard forms of employment among groups they support.

1.2 Method and report structure

The research consisted of interviews and survey research carried out between December 2018 and March 2019. This involved:

- Nine in-depth qualitative interviews with young people with experiences of homelessness and of engaging in non-standard forms of employment. Young people were identified by Centrepoin staff as well as through the organisation's partner services. They were spread over three geographic areas, including central London, the North West and North East of England. A detailed case study of one young person's experience in non-standard work while living in supported accommodation was also developed from interviews with staff in Centrepoin's legal clinic.
- Eight in-depth interviews with staff working in third sector organisations, with experience of supporting homeless young people with issues related to employment, housing and the benefits system.
- An online survey of 50 young people with recent experiences of engaging in non-standard employment who are currently living in Centrepoin supported accommodation or receiving support from partner organisations. All but one respondent was aged between 16-24, and over half (55%) were under the age of 20. Just over half of respondents (55%) were women, while 45 per cent were men.

This report summarises and presents findings from both strands of the research, and considers their implications for policy.

- **Chapter 2** further defines non-standard employment and the conditions under which it may be considered 'precarious'
- **Chapter 3** presents the findings from the qualitative and survey research, setting out young people's experiences of non-standard forms of employment. This includes the nature of this work in terms of their working hours, pay and conditions, and access to training and progression opportunities, as well as the impact of these factors on their personal circumstances.
- **Chapter 4** details the future work and general life aspirations of the young people interviewed, and the support they have received from statutory and non-statutory support services to fulfil these aspirations through advice, guidance and training.
- **Chapter 5** set outs policy recommendations that are supported by this study.

2 What is ‘precarious’ work?

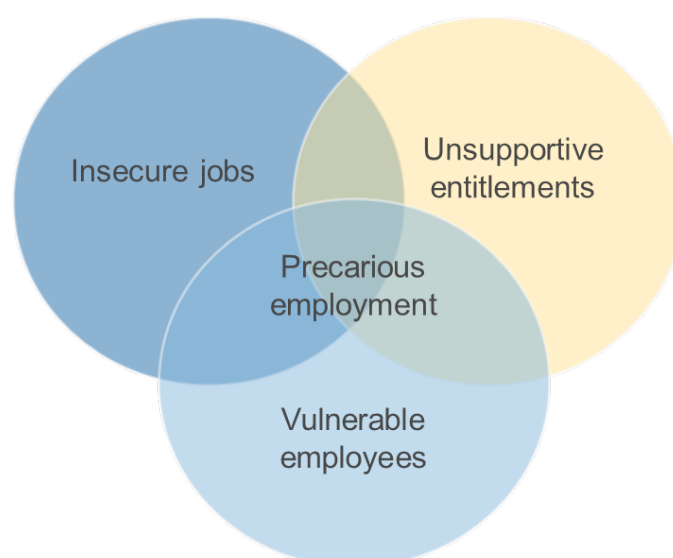
2.1 Definition

Concerns over the precariousness of certain types of employment relationship have risen with the increasing prevalence of non-standard forms of work. They include temporary employment, part-time and on-call work, temporary agency work and other multiparty employment relationships, as well as disguised employment and dependent self-employment (ILO, 2019). These employment relationships are generally of low cost to the employer compared with standard forms employment, and are thus associated with low wages, subcontracted work, variable and non-guaranteed hours, and low paid and dependent self-employment (Rubery et al, 2016).

However, the nature of an employment contract does not determine, on its own, whether a particular job can be considered to be precarious. Flexibility in when and how much an individual works can be beneficial, for instance, for those in full-time education who want to earn money while managing their learning commitments. In considering the precariousness of a particular type of employment, other factors have to be taken into account, such as the individual’s own circumstances as well as the social protections offered by the society in which they live. Olsthoorn’s (2014) three-part definition of precarious work incorporates these separate elements.

In this model, precarious work is found at the intersection between a **non-standard employment** relationship, undertaken by a **vulnerable employee**, with few other means of subsistence and **limited entitlements to income support** from the benefits system.

Figure 1: Conceptual framework of precarious employment



This model is useful in considering the wider contextual factors that can make non-standard employment relationships precarious. In the context of this current study, these relate to recent changes to the UK benefit system and its interaction with non-standard forms of employment, as well as the social and economic risks that young people who are homeless or at risk of homelessness are exposed to.

2.1.1 Welfare reform and how Universal Credit interacts with non-standard employment relationships

The introduction of Universal Credit is one of the most far-reaching reforms ever made to the UK's welfare system (Citizens Advice, 2016b). The principles that underpin it are generally welcomed: simplify and streamline the benefits system for claimants and administrators; improve work incentives; tackle poverty among low income families; and reduce the scope for fraud and error. However, concerns have been raised about how UC works for those in non-standard employment (Howarth et al. 2018).

The flexibility components of UC aim to smooth the cycle of moving between periods of unemployment and employment, and improve the responsiveness of in-work benefits for those in non-standard forms of employment by way of a Real Time Information (RTI) link, open claim, and removal of the 16 hour rule¹ (DWP, 2017). Despite this, recent research by Citizens Advice (2018b) has shown how the timing of the monthly assessment period for in-work benefits is set arbitrarily, and does not always match claimants' pay cycles. This can create difficulties for those paid weekly, fortnightly, or every four weeks and/or those with fluctuating levels of pay. For example, if two pay cycles fall within a given assessment period, claimants may receive less in the subsequent month. However, if their working hours also fall, then levels of income variability can be exacerbated rather than smoothed by this policy. This can lead to difficulties in budgeting and finding financial security in work.

Other elements of welfare reform that are relevant to this study relate to the introduction of a new sanction regime in 2012. It requires claimants to look for work under the terms agreed as part of their Claimant Commitment. Claimants can be sanctioned and face losing their benefit over a defined period for not carrying out these obligations or accepting an offer of employment regardless of its quality (Work and Pensions Committee, 2018). The effectiveness of this regime has been challenged, however, and evidence suggests it could be encouraging people to accept low-paid, short term, and unsustainable employment (Welfare Reform Committee, 2014; Work and Pensions Committee, 2018; Watts et al. 2018).

¹ Open claim: for those who move off UC, but need to return within six months, the process is simplified. RTI: claimant's employers sign up to HMRC, who then report earnings to the Department for Work and Pensions (DWP), meaning that claimants do not have to report earnings themselves. Removal of the 16-hour rule: unlike on JSA, claimants can work over 16 hours a week and payments are reduced as their hours increase until they are earning over the UC threshold. They can also undertake a small amount of work without having to sign on and off.

2.1.2 Homeless young people as vulnerable workers

Young people with experience of homelessness can face multiple challenges to accessing secure employment. These groups can present a complex and interacting set of support needs, which they need help to address in order to be able to effectively compete for, enter into and sustain higher quality work.

While the support needs of each young person differ, common issues presented relate to poor experiences of mainstream education and associated low attainment; a lack of labour market experience and high competition for secure job opportunities; a lack of a permanent address and financial insecurity; low confidence and self-esteem; mental health and substance misuse problems; and cultural and financial barriers to travelling (Buzzeo et. al, 2016).

These challenges mean that when young people do enter employment, it can be low-quality and low paid (Furlong and Cartmel, 2004). It also places these groups at greater social and financial risk if they lack job security and can easily fall back into unemployment, or if their work negatively impacts on their health and wellbeing or contributes to income volatility and a lack of predictability in earnings.

3 Experience in precarious work

This chapter presents the findings from the qualitative and survey research, setting out young people's backgrounds and their experiences of non-standard forms of employment. This includes the nature of this work in terms of their working hours, pay and conditions, and access to training and progression opportunities, and the impact of these factors on their personal circumstances. When referring to individual cases, pseudonyms are used to protect the identities of the young people.

3.1 Overview of prior education and work experience

3.1.1 Prior education

The young people interviewed as part of this research were asked about their previous experience in education and work, in order to provide context for their more recent employment history. Most interviewees described poor experiences in mainstream education, particularly in school settings up to the age of 16. In several instances, interviewees reported having been poorly behaved at school, sometimes due to the influence of their peer groups, leading to non-attendance and exclusion in some instances. This had resulted in low attainment at GCSE level in terms of the grades and number of qualifications achieved.

It was not uncommon for interviewees to have progressed onto College after leaving school. Here, young people studied more vocationally-orientated subjects, such as Health and Social Care, Engineering, Plumbing and Horticulture at Levels 1-3. Their educational experiences were generally more positive in this learning environment, with interviewees identifying few problems and noting that they enjoyed the more 'practical' focus of their course.

In spite of continuing in further education, a few interviewees commented that they did not feel it had significantly enhanced their chance of finding work as they were still without key qualifications in English and maths (i.e. GCSEs at grade C/4). The absence of these qualifications also presented a barrier to progressing further with their education and achieving higher level qualifications at Levels 4 and above given the entry requirements for these courses.

In a few cases, the young people interviewed had comparably high levels of attainment at GCSE level, but had dropped out of further education due to a sudden and dramatic change in their personal circumstances, which resulted in them becoming homeless.

These educational profiles were similar to those of survey respondents. In terms of their highest level of qualification achieved, 12 respondents stated that the highest qualification they currently hold is a Level 1, while 16 hold a Level 2 and 14 hold a Level 3. Just two respondents had achieved qualification at Level 4 or above.

3.1.2 Early labour market experiences

The young people interviewed for this research all had early labour market experiences from the age of 16 onwards. This included some limited work experience, usually organised as part of their college course or by their keyworker if they had been living in supported accommodation from an early age. Interviewees spoke of how these experiences had been helpful in clarifying their career aspirations or confirming the nature of the work they would like to do (i.e. working outdoors).

Other young people had brief experiences in paid work either immediately before or after leaving school. These roles were usually informal, cash-in-hand roles, for instance, working as a local farm hand or as a delivery driver for a takeaway restaurant. As noted, these roles were usually short-lived, ending either because their employer no longer needed the young person's labour or because of a sudden change in this individual's circumstances.

3.1.3 Disruptive life events

As indicated, participants' education and work trajectories were often disrupted by significant life events that resulted in them dropping out of their course or losing employment. The range of contributing factors were commonly interrelated and included: close family bereavements or family breakdown that resulted in young people having to leave the family home; mental health problems; substance misuse issues; and in a few cases criminal convictions resulting in time spent in prison. For all participants, this resulted in periods of homelessness and unemployment, while they sought a stable housing situation (i.e. moving into supported accommodation) and spent time addressing the other personal issues they were experiencing. These were the starting points from which young people's interactions and experiences in precarious forms of work were explored and tracked.

3.2 Recent experiences in 'precarious' work

3.2.1 Incidences of precarious work

When discussing their recent experiences in precarious employment, interviewees described their employment histories over the past 4-5 years (which for most covered the period since the age of 18).

The most common experiences in these forms of work had been temporary opportunities accessed via recruitment agencies. Young people who reported these experiences had typically registered with multiple agencies and obtained several different short-term roles through these sources (Tony, Sam, Kelly, Rachel). They reported being offered paid employment in a range of settings including hospitality, warehouse and factory work, as well as adult social care. The hospitality roles involved catering and bar work at events (Rachel). Factory work in the food and drink sector, meanwhile, was prevalent among the young people interviewed in a particular locality in the North West. It involved working on

a production line and packing food products (Tony, Sam). The agency work obtained in the adult social care sector entailed the delivery of personal care and domestic assistance through several different home visits over the course of a day (Kelly).

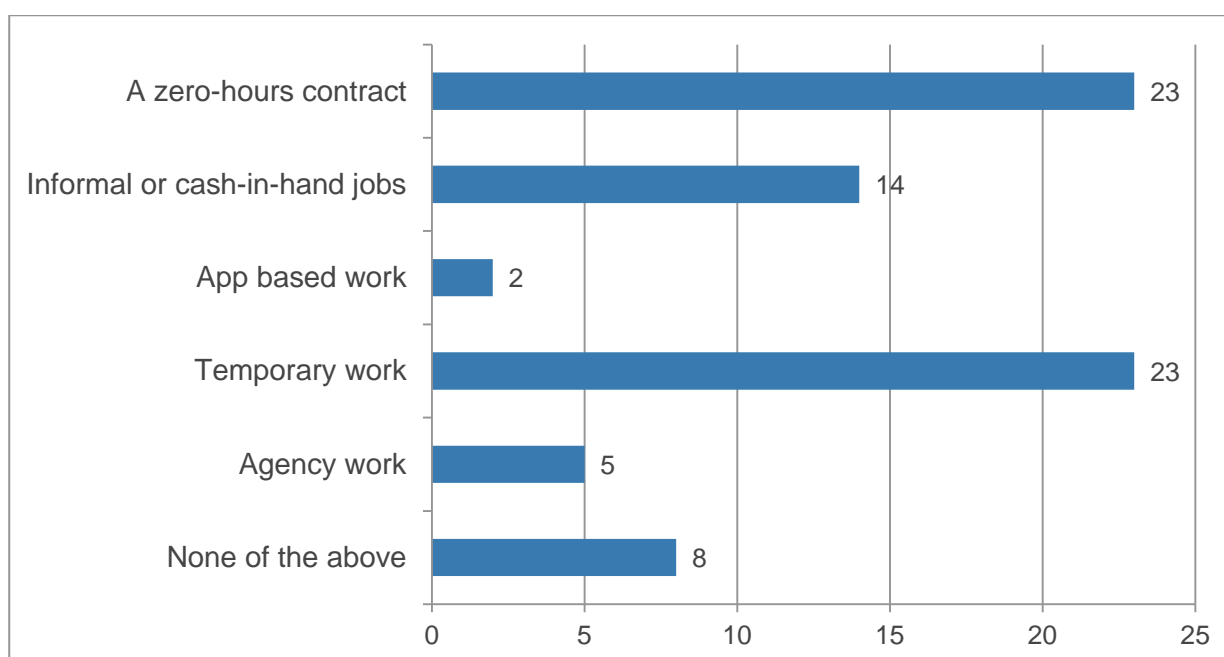
Several young people also noted that they had recent experience of 'cash-in-hand' employment (Tony, Sam, Charlie). This usually involved undertaking some form of manual labour; examples included work as a farm hand, as well as roofing and plastering. Interviewees spoke of having been informally hired for these roles to assist with particular projects, and so again they were employed on an infrequent, short-term basis.

Other young people had experience of working on zero-hours contracts in the customer service and cleaning sectors (Jordan, Daniel, Natasha). For Daniel, this was short-term seasonal employment over the Christmas period. Natasha, meanwhile, had experience of undertaking subcontracted work as a cleaner in a clinical environment.

In a small number of cases, young people had experience of working in the gig economy (Mitchell, Shaun). Specifically, they had experience of accessing on-demand work opportunities in hospitality and transport through mobile applications. Some of the staff who interviewed noted that these roles tend to be rarer among young people with experience of homelessness, typically due to the need to purchase equipment or pay a fee to register and provide these services.

Young people responding to the survey had broadly similar levels of experience in these types of roles. As Figure 2 shows, over the past two years the most common types of non-standard paid work young people had been able to find were zero-hours contracts and temporary positions, while informal or cash-in-hand jobs were also prevalent. Agency work was less common than among interviewees, however.

Figure 2: Over the past 2 years, have you had any of the following types of paid jobs?



Survey respondents were also asked about the number of jobs that they had like this over the past two years. Forty-four per cent of respondents reported that they only had one role like this, while the same proportion stated that they had worked in two to five separate positions. For respondents who had worked in several jobs over this period, they were asked why they decided to take another job and/or leave the one they were doing. Most often, young people stated that they were not getting as many shifts or hours as they wanted as a reason for this change (11 respondents). Other reasons commonly cited included struggling to find a job that paid enough money, wanting to try different things, or their employment being terminated (all cited by 7 respondents).

In terms of their most recent experience in this type of paid work (which could be a respondent's current job), zero hour contracts were again most common (19), followed by temporary work (15) and informal or cash-in-hand type roles (9). As with the young people interviewed for this study, many of these roles had lasted only a short while. Just over half of respondents (52%) had held this most recent post for between one and three months, while few (7) had worked in this role for six months or more.

3.2.2 How young people found these jobs and their reasons for taking them

All of those interviewed had found work through either word of mouth recommendations or by searching online. None of the young people reported that it was difficult to find opportunities for precarious work, though many reported that they had only taken these roles having been unable to obtain a permanent, secure job.

A few young people had sought precarious work because it was 'easy' to obtain and because they felt there were not many opportunities available to them (Jordan, Kelly). Tony, who took an agency role working at a local factory, said the job was easy to get because '*not very many people want to do this work*', and that the factory was known locally as a place people worked when '*times are getting hard*'.

For some young people, criminal records posed a barrier to employment (Rachel, Charlie). For Rachel, she felt that she was more likely to obtain precarious work with agencies who may not conduct background checks as strictly as employers taking on permanent employees.

A number of interviewees (Rachel, Jordan, Kelly) had taken insecure work in industries they aspired to work within in future. They had hoped that gaining some relevant work experience would provide a 'route into' more permanent work in this area. Generally, such roles did not lead to permanent employment (Rachel, Kelly). However, it did prove to be a successful strategy for Jordan, who later gained a full time job in a customer service role in the transport industry after undertaking several zero-hours contracts in the sector.

For Mitchell, agency work appealed as he 'did not feel ready' to take on a full-time role, due to the issues in his personal life that had led to him becoming homeless. In this sense, non-committal work was preferable to a permanent contract, as he felt uncertain of his future.

Respondents to the survey were also asked about their reasons for taking their most recent job role like this. Most often, young people stated that they took up this role as it paid enough money (16), offered flexible working (13), was the job they most wanted to do (11) and was easy to apply for (11).

3.3 Working conditions and entitlements

For young people who had formal employment arrangements in place and were not working 'cash-in-hand', there was a general lack of clarity about the exact nature of their contract and the entitlements they had access to as part of this role. For many of these young people, their main focus was on having the opportunity to earn money and support themselves financially, and so little consideration was given to entitlements such as holiday and sick pay.

Respondents to the survey were similarly unclear about their access to entitlements and benefits such as sick pay, paid annual leave and pension contributions from their employer. Almost 80 per cent stated that they were not aware of receiving any of these entitlements as part of their employment.

In the qualitative research, where young people commented on their working conditions, this usually related to their experience in the workplace and its impact on their mental health and wellbeing. Tony reported that working on a factory production line was a relentless experience, which required constant concentration to prevent the whole line from stopping. During the Christmas break, he experienced a worsening in his mental health. While unrelated to his employment, he did not feel able to continue in this type of role under these circumstances.

Kelly, however, disclosed the direct impact that her working conditions had on her mental health and wellbeing during her employment as an agency care worker. She commented that the role was very stressful as she had to adhere to a tight schedule in order to complete several home visits and travel from one location to the next. Kelly was reliant on public transport in this role, and sometimes had to pay for expensive taxis out of her own money if she was running late between appointments. She commented that she left this job partly due to these travel difficulties and the stresses it caused.

"They tell you to be in one person's house from 9 to 9.30, and from 9.30 to 10 you have to be at the next person's house. You can't do that, it's really hard. So you're in this position where you're running late for every call because you don't have enough travelling time. And they'll blame you for it."

3.3.1 Training and skills

Interviewees were asked about the training they received in these roles, as well as the opportunities they had to deploy existing skills and learn new ones. Most of the training young people received was informal and learnt on-the-job. Where formal training was provided, this usually took the form of a short induction. The quality of this training could be variable. For Sam, who obtained factory work via an agency, the induction he received

was described as ‘*very basic*’: his health and safety training consisted of being given several pieces of paper that detailed the meaning of various COSHH symbols. The forms he had to complete to demonstrate that he understood this content were all self-completion and there were no external checks to this process.

With regards to how young people felt they were using and developing their skillsets in these roles, a few interviewees who were undertaking menial, repetitive tasks noted that the scope for skill development was very limited and the tasks they were completing were ‘*common sense*’.

Others stated that they did feel they were deploying the skills they had learnt during a vocational course (health and social care) in a professional context in these positions, while one individual undertaking a cash-in-hand role (Tony) felt that he had developed a completely new skillset in roofing. However, he had no formal accreditation for these skills, which he felt could present a barrier to acquiring further employment opportunities in this area.

3.3.2 Progression opportunities

Interviewees were also asked about the scope they had for progression in these job roles. As noted, several individuals were hoping to convert what they knew to be a temporary work opportunity into a more permanent position for career and/or financial reasons. However, given their lack of induction and training in these posts, they noted it was difficult to compete with more experienced workers who had been undertaking these types of roles for a number of years, and so this ambition was generally unsuccessful.

‘You want to go there, you want to do the best you can and you want to try and get a contract with the main people. But if you only have a short period of time and a limited skill-set then you don’t really have the tools that you need to get yourself into that position. It’s something that’s too far out of your reach but because you need money you still go and do it, but you can’t hold it down.’

-Sam

3.4 Working hours

None of the young people interviewed worked a ‘typical’ number of hours per week. The non-standard nature of their employment meant that the number of hours worked varied greatly; in the vast majority of cases these fluctuations were at the discretion of employers. In some cases the number of hours worked varied between weeks by more than 30 hours. Kelly, a young person undertaking agency work in the care sector, recounted her experience:

‘Sometimes I got about 30 or even pushing 40 [hours a week]. But there was this time... it was so bad that I got five hours [in one week] and then they knocked it down to two. I mean imagine getting two hours a week, that’s really bad.’

Those undertaking temporary agency work also experienced fluctuating working hours, as Tony, a young person working in a food production factory, found:

'There were weeks where I could go without work, then the week after they're constantly phoning me even to do more hours than I should.'

For some young people, the nature of their employment meant they were consistently working fewer hours than they would have liked (Jordan, Rachel, Sam). In Rachel's case, she had been offered a role with a hospitality agency, who told her to prepare for a 'busy summer' and purchase a uniform. Despite taking these steps she was not called forward for any shifts. Similarly, Jordan, who had been excited to receive a zero hours contract with a company in a sector that appealed to him, received only one shift in his first month.

Regardless of whether they were receiving more or fewer hours than they would have preferred, many interviewees described a sense of being out of control and feelings of stress.

'It was horrible, especially when you had weeks where you weren't working and then straight away you'd get loads of work. It was quite stressful [...] they were giving you random hours and I was having to take them because they were the only times I was getting.'

-Tony

Other young people reported how receiving fewer hours than they had initially hoped had a negative impact on their confidence (Rachel, Jordan). For a few agency workers (Rachel, Kelly), receiving a low number of hours led them to feel that agency staff had 'favourites' that they would prioritise above them. Rachel, who had not received a single shift from the hospitality agency, felt that she was '*not the right kind of person*' for the agency and that she '*didn't fit with their brand*'.

These feelings of stress were furthered by the lack of notice many interviewees received regarding their work schedules. Whilst one individual received up to a fortnight's notice, the majority were lucky to receive a week's notice of shift times, and many were regularly given less than 24 hours. Tony described receiving sporadic agency work in a food manufacturing factory. There were times when he was asked to come in and wait in the canteen to provide cover if other employees did not turn up for work. There were instances when he did this and, after waiting for two hours, he would be told that he was not needed and that he could go home. These hours were unpaid.

Again, this was stressful and made it difficult for interviewees to have a sense of routine. A number of young people described wanting regular hours and shift patterns in order to add some reliable structure to their working lives. Furthermore, many of those interviewed also spoke of their employment being terminated at short notice (Tony, Jordan), or casual contracts 'fading out' over time. This was particularly true of seasonal work.

The exception in these accounts was Mitchell, who worked for a hospitality agency and said that he was '*very satisfied*' with his working hours and the amount of notice he was given. The agency he worked for allowed him to 'apply' for shifts up to fortnight in advance, though sometimes he would choose to apply for shifts for the following day. Generally, he was accepted for the shifts he applied for, and if he was not, there were always more opportunities. For him, being able to select his own shifts meant that he

could fit his work around other aspects of his life. As he was in receipt of Universal Credit, he typically sought to work less than 16 hours a week. Consequently, the flexible and non-committal nature of his work meant he felt in control of the number of hours he worked and the impact this would have on his welfare payments.

Among the survey population, experiences were more mixed in terms of how much their hours fluctuated week-to-week and the level of control they felt they had over this working schedule. With regard to their working hours in their most recent role, over two-fifths of respondents (45%) stated that their hours fluctuated each week, while the same proportion stated that they usually worked the same hours.

The survey asked respondents about the degree of autonomy they felt they had over this working pattern. Half of respondents felt that they had a choice in how many hours they worked, while just over two-fifths (41%) felt that they did not. Similarly, 53 per cent of respondents noted that they felt able to have a say in which days and times they worked, while just over two-fifths again reported that they did not feel they had this level of control.

3.5 Pay and finances

3.5.1 Levels of pay

The majority of young people interviewed received pay on or around minimum wage. Generally, interviewees' jobs paid on an hourly basis, though some received a daily rate of around £50 (Daniel). This experience was reflected among the survey population: the majority of respondents (63%) reported earning between £7 and £9 an hour in their most recent non-standard form of employment. Given that almost all respondents were under the age of 25, this suggests that many were also earning at or above the National Minimum Wage rate for their age group.

In the interviews with young people, some reported feeling satisfied with their wages during times when they were receiving a high number of hours (Jordan). However, many young people rarely received enough hours and therefore enough pay to meet their living costs. One interviewee described their life whilst in precarious employment as '*living on the breadline*'. Though their pay would sometimes be enough to cover their rent and food costs, their wages left them unable to afford social activities or other basic items.

Anxiety about whether or not their pay would be sufficient to meet their rent was common amongst interviewees. As Kelly, a young person undertaking agency work in the care sector, stated:

'I get paid then I have to pay for my rent, then whatever I have left I'd have to... It was scary, obviously I kept thinking, can I pay my rent... it was hard.'

'It was hard to get regular pay, it was really hard to...for me, it was 'whatever I get that's what I get' [regarding pay]. It's hard to know how much I'm getting, to work out how much I'm getting, or even get an idea of what I think I'll be getting.'

Even at times where young people were receiving a reasonable number of hours, their pay was still insufficient to meet basic living costs. Sam reported that he felt more able to

meet his living costs when his pay increased after he turned 21, at which point the minimum wage rate rises. Jordan was one of the only interviewees who did not express anxiety about meeting his living costs because he was receiving additional financial support from family members.

In addition to concerns about levels of pay due to fluctuating hours, some young people had also experienced unreliable and inaccurate levels of pay whilst undertaking agency work (Sam, Kelly). Sam described being forced to go to the agency's head office and dispute the level of pay until it was changed to accurately reflect the number of hours he had worked. Meanwhile Kelly said:

'Sometimes I actually expected more but I got way, way less than what I was expecting. I had to try and work out my pay...I felt like I was being ripped off'.

For young people seeking to work less than 16 hours per week, pay was sufficient (Mitchell). Mitchell stated that he was satisfied with his levels of pay and felt that between his wages and Universal Credit payments he was able to meet his basic living costs. However, Mitchell, unlike many others, had the advantage of a high level of control over the number of hours he worked each week.

Survey respondents were asked similar questions about whether the money they earned from their most recent experience in non-standard employment was sufficient to cover their housing costs and other basic needs. In terms of housing costs, almost two-fifths of respondents (38%) stated that the income from this employment was not enough to cover the costs of their rent. Forty-six per cent meanwhile commented that this question was not applicable as they were not paying rent at the time.

Among respondents who were living in supported accommodation during this period of employment (23), just over a third (8) of young people in this group encountered difficulties in meeting their housing costs, while almost half (11) stated that they were not paying rent at the time. This suggests differences in how much young people were working and therefore earning, which affects their entitlement to housing benefit and the level of service charge they pay. It is likely that for those who were not paying rent themselves directly at the time, their hours were at a level where they were still eligible for this benefit, which covered these housing costs.

The survey also asked respondents about whether, excluding rent, they earned enough from this job to cover their basic needs such as the cost of food, bills and travel. Just over half of respondents (53%) stated that their income was high enough to cover these costs, while just over a third did not have enough money to meet these needs.

Respondents were asked questions about whether they had to add to their income while undertaking this type of work. They were asked to consider all of their experiences in precarious employment over the past two years, not just their most recent employment experience. In terms of needing to add to their income, only seven respondents were explicit that they did not need other forms of financial support during this period. Among those that had required assistance, as suggested by the answers above, respondents stated that they had claimed benefits to cover their housing costs (23) and/or their living costs (16).

3.5.2 Interaction with the benefit system

All of the young people interviewed had received welfare support at some point since becoming homeless. The majority were on Universal Credit, though some were, or had previously been, in receipt of Jobseekers allowance (JSA). Across the interviewees there was a high level of confusion regarding Universal Credit's interaction with employment. Many young people were under the impression that if they worked less than 16 hours per week their Universal Credit payment would not be affected. Though the cause is unclear, in these instances it appears that young people are confusing the stipulations of Universal Credit with those of JSA, where claimants are able to work 16 hours or less without affecting their entitlement.

A number of young people felt that Jobcentre Plus staff were too eager to alter their benefit entitlement when they had accepted, but had not yet started, a non-standard employment opportunity. For instance, Rachel described how she had to persuade Jobcentre Plus staff not to immediately update her employment status on their systems when she was accepted for work by a hospitality agency. This proved to be the correct decision as the agency never offered her any shifts. Mitchell's entire Universal Credit payment stopped upon informing Jobcentre Plus that he had signed a zero-hours contract. As it took approximately one month for him to receive any shifts under this contract, he was left without any money during this period. Mitchell expressed frustration at the situation and felt that Jobcentre Plus staff were being unreasonable in demanding that he 'prove' he had not worked, *'which is an impossible task'*. Eventually he was able to make a new claim and get an advance payment, having been without money for over 40 days. This left him with debt and means that any future Universal Credit payments he receives will have £20 deducted from them until he has cleared his arrears.

Other young people found that the benefit system was not responsive to their fluctuating work hours, resulting in benefit payments that reflected their previous, rather than current, circumstances (Daniel, Tony). Daniel accepted a seasonal, zero-hours contract over the Christmas period. Jobcentre Plus staff were aware of the post and the number of hours he was guaranteed, and asked Daniel to let them know if he worked any overtime. Being keen to make the most of this opportunity to earn money, he took on extra hours but failed to inform Jobcentre Plus staff. This resulted in his Universal Credit payments being stopped in January, by which time his contract had ended. It took over 30 days for Daniel to receive another Universal Credit payment, despite having immediately informed Jobcentre Plus of the fact that he was no longer employed. He described his lack of income as highly stressful, as it caused him to fall into rent arrears and become reliant upon food banks in order to eat.

Similar issues were reported in regard to housing benefit payments. Shaun, who had been working as a self-employed taxi driver via an online platform, had his housing benefit claim terminated due to a delay in notifying the council that he was working. The council also determined that he had been overpaid housing benefit since he had started working and invoiced for the full amount (over £5,000). Shaun did not have the finances available to repay the council or to pay his rent without housing benefit support due to the fluctuating nature of his income and consequently fell into rent arrears. Following referral

to a legal charity, he eventually had his housing benefit reinstated and his debt halved. However, this process was protracted and compounded by the non-standard nature of his employment. In order to resolve the issue, the Council had requested multiple profit and loss statements and supporting evidence which Shaun struggled to provide due to the irregular and online nature of his work.

Survey respondents were also asked if they had experienced any issues with their benefit claim while undertaking precarious forms of work over the past two years. Just over two-fifths of the survey sample (42%) had encountered difficulties. The problems cited were disparate, though most often respondents reported similar issues to those discussed above. These included instances in which a young person's benefits were stopped without anyone explaining why (8), receiving an incorrect amount of benefit (7) and the amount of benefit they received changing because their employer paid them irregularly (5).

For some interviewees, negative experiences with the interaction of precarious work on their benefit payments meant that they had, at times, chosen not to disclose short periods of work to Jobcentre Plus staff or to decline employment opportunities unless they were permanent (Tony). Centrepont staff also highlighted non-disclosure as a particular issue in regard to casual or short-term employment.

The issues surrounding the interaction of non-standard employment and welfare payments had led many young people to accrue debts, mostly in terms of rent payments owed to their housing provider. A Centrepont Key Worker described how the tendency for young people's Universal Credit payments to be stopped following short periods of non-standard employment locked them into a '*never ending cycle of debt*'. Key workers also highlighted that many young people are unprepared for the responsibility of managing debt.

3.5.3 Ability to save and plan for the future

Interviewees spoke of how the stress of their financial and housing situation impacted upon their efforts to plan for the future. Kelly, a young person facing uncertainty with her housing benefit claim whilst working in a care home and studying at college, commented:

'It's hard. I mean, how can you plan for the future when you don't even know where you are right now? It was really, really difficult and I was panicking. I cried a lot because I thought I was going to get kicked out. It's just that feeling; it's not a nice feeling. I was just terrified; I thought I haven't got anywhere to go to, that I'm going to get kicked out'.

That so many young people described a 'stable and reliable' job as a future aspiration likely highlights how their current circumstances make them feel out of control. For many interviewees, finding stability at work appeared to be the first step towards gaining a sense of control over their lives and the ability to plan for the future.

As the majority of interviewees were struggling to meet their immediate living costs, it is unsurprising that all but one of the young people interviewed were unable to save for the

future. The young person that was able to save a modest amount each month (Mitchell) had also received financial support from family members since becoming homeless.

4 Employment support

This chapter sets out the future hopes and aspirations of the young people interviewed, particularly in relation to employment, and the support they have received from statutory and non-statutory support services to fulfil these goals.

4.1.1 Future hopes and expectations

The future hopes and expectations of interviewees were centred on achieving greater stability and security in their lives. They included finding sustainable employment, improving their personal situation by finding a house/flat and moving out of supported accommodation, and leaving the benefit system.

Future aspirations for employment were expressed in different ways, but were nearly always the antithesis of non-standard forms of work. For instance, they were characterised as a 9-5 job, working 40 hours per week, earning £1,200 per month², permanency, greater choice about their role, not working varied shifts, and having a regular and guaranteed income.

'I just want a stable job where I'm busy and then a weekend to myself, and a decent wage to go do something on a weekend. [...] I don't want to worry about whether I'm working next week or not.'

-Tony

Participants currently reliant on the welfare system and charities to help cover their basic living costs and provide sustenance were keen to leave these services and achieve financial independence (Charlie, Tony, Sam, Daniel, Rachel). Tony spoke of wanting to set a good example and gain confidence by being able to support his young family. Others wanted to be able to independently purchase clothes or food (Daniel), and access a home of their own (Rachel, Charlie, Tony, Daniel).

'I'd love to have a job and get off benefits because I wouldn't have to come to places like this [food bank]. I'd like to be able to buy my own food and have a decent house.'

-Daniel

Despite having modest aspirations, participants faced a number of barriers. Some experienced multiple rejections despite being very proactive in their job search, were told

² Working 40 hours per week on £7.70 per hour (national minimum wage for those aged 21-24) generates a take home salary of £1,202.23, before any contributory pension deductions.

they are not qualified enough, or didn't receive any feedback at all (Sam, Daniel, Tony). Despite working hard for a second chance, two participants' previous criminal records made their goals difficult to achieve (Charlie, Rachel).

Further, the insecurity some participants faced as a result of their housing situation, insecure work, and the benefits system resulted in short-term financial difficulties that overshadowed the prioritisation and achievement of these future aspirations (Sam, Kelly).

4.1.2 Views on out-of-work and in-work support available from Jobcentre Plus

The young people interviewed experienced a general lack of support from Jobcentre Plus (JCP), with inconsistencies in provision, a lack of clarity, a dearth in practical help for employment, and little care as to job quality or suitability when seeking employment.

Participants often sought help from Jobcentre Plus to find employment, but often found assistance to be minimal. In Rachel's case, her first Work Coach had helped her through the process of applying for jobs, though this transitioned into less beneficial 'job search sessions' when her Work Coach changed during her claim. Other participants received less practical support, whereby they were simply referred to job-search websites (Kelly, Daniel, Mitchell).

There was a strong desire among participants to find sustainable employment; however, many felt that Jobcentre Plus expressed little care as to job quality or suitability. Instead young people experienced a strict regime. Again, in Rachel's case, she recounted how she had to apply for at least 10 jobs a day or face sanctions. Other participants were encouraged to apply for any job regardless of quality, suitability, or how qualified they were (Jordan, Kelly).

'They didn't really encourage me, just whatever I could get, just get it, whatever it is. They don't really bother about what kind of job it is, they don't really care as long as you get a job, that's it.'

-Kelly

The young people who had gone through this process ended up applying for agency work and/or accepting zero-hour contracts (Daniel, Sam, Mitchell, Kelly), but often found themselves re-entering the benefit system. This was due to the short-term nature of their contract, or because they were not getting sufficient hours to support themselves financially month-to-month.

'I just think an agency is a quick way to get quick money, but it's not really stable, there's no stability in it really. Whereas if you get a job with a company you're there for as long as you want, unless you get fired or are wanting to move on.'

-Sam

Some participants expressed wholly negative experiences when dealing with Jobcentre Plus, due to rudeness of staff, the number of applications they are expected to generate, and difficulties in making claims. For example, Jordan felt that the service had bullied him rather than provided support, with staff treating him as if he were a 'scrounger' (Jordan).

Following a lengthy dispute over her eligibility for the housing benefit, which led to £1000 in rent arrears, and no support to find employment, Kelly commented that she now had complete mistrust in Jobcentre Plus and was reluctant to apply for an advanced payment as advised by her Work Coach to address her current financial difficulties.

'Because they've been pushing it every month [Jobcentre Plus deeming the claimant ineligible for housing benefit], by now I'm behind a grand in rent. One time I had to go and borrow money to pay some of it off, about £300. Because I thought it would be cleared up by now, I was so convinced that it should be cleared up, I should get it [housing benefit]. It was really hard, because how am I meant to concentrate at college? To keep positive with so much going on?'

-Kelly

4.1.3 Other support provided to move into employment, education or training

Interviewees noted that they had received support from other organisations to find work and improve their employment prospects, which they generally found more helpful and felt more positive about. This included assistance from third sector organisations and/or their housing provider in accessing training and development opportunities, as well as support in applying and preparing for entry into employment. The training opportunities that interviewees accessed via these routes were aligned with their interests, and included a forklift truck driving course, a Construction Safety Certification Scheme (CSCS), a microblading course (Natasha) and an AAT (Jordan).

'They said they put me on these courses to get more qualifications, to get me a better job [...] I was in a bad place at the time and I thought this is the only chance I'm going to get really, with someone saying that they'll fund the expensive qualifications that I need.'

-Tony

Employment support provided by the key workers of young people living in supported accommodation also took a mentoring and coaching approach. This was confirmed by participants, and included job application and interview preparation, (Rachel, Natasha) as well as encouragement to volunteer and confidence building activities (Jordan). Natasha commented that she has a weekly meeting to establish and work towards specific employment-related targets.

As this support was on-going, the long-term benefits in terms of improving young peoples' position in the labour market had yet to be realised, though interviewees were appreciative of the support and felt it offered an opportunity to better their circumstances.

5 Policy recommendations

The findings presented in this report demonstrate that young people with experience or who are at risk of homelessness can find it difficult to compete for more stable employment opportunities. This can be the result of low attainment and skills levels, owing to poor experiences in mainstream education. Non-standard forms of employment are easier to obtain, are typically short-term or temporary, do not provide guaranteed hours or access to basic employment rights, and offer low rates of pay. The limited training and progression individuals receive in these roles, and poor experiences of employment support from statutory services such as Jobcentre Plus, do little to improve their labour market prospects and help them find more stable and better paid employment opportunities.

Young people engaging in these forms of work are also at a greater risk of financial insecurity. Unpredictable working patterns and earnings can affect their ability to meet housing and basic living costs. Further, the benefits and employment system are not seen to be working well in tandem, with reports of young peoples' welfare payments being cut, in spite of their employment only being temporary or their income fluctuating month-to-month. Such difficulties, where they occur, push young people into rental arrears and associated financial difficulties, which causes huge stress and a reliance on the support from third sector organisations for basic needs such as food and to access legal support. Some young people who experience difficulties with their benefits are either disincentivised from entering or sustaining themselves in employment as a result, or turn away from welfare system for support, despite being in financial need.

As this description shows, for young people in this situation, there are limited opportunities to break out of a cycle of low quality work and financial vulnerability. Third sector organisations may offer some support with accessing further training opportunities, but complementary services and initiatives are required from government agencies and employers to provide sustained progression out of this cycle and facilitate the achievement of this groups' modest career aspirations. Our recommended areas for action are set-out below.

1. The Government should review the way Universal Credit interacts with Housing Benefit for residents in supported exempt accommodation to prevent young people from falling into rent arrears.

Supported accommodation residents continue to pay their rent with Housing Benefit, while claiming the standard allowance of Universal Credit for their living costs. However the way the two benefits interact means that claimants lose their entitlement to full Housing Benefit as soon as they earn enough to take them off Universal Credit standard allowance. This cliff edge pushes young people into rent arrears.

2. The Government should provide grants to apprentices aged between 16-25 who cannot live at home to help cover the costs of travel, other work-related expenses as well as their living costs.

For young people who cannot live at home, such as those in supported accommodation, the low minimum wage rates for apprenticeships are not sufficient to cover the costs of independent living. Additional financial support is required to ensure that apprenticeship training programmes, which can have positive, long-term labour market returns, are accessible to these groups.

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

This would allow young people in supported accommodation to keep more of what they earn; enabling them to take on more hours and helping them to save up for the costs of moving out.

4. Jobcentre Plus partnership managers should develop and publish a local young person's skills pathway.

The offer should outline services offered by local education and training providers, and third sector organisations, which can assist young people to achieve key qualifications such as Functional Skills or work-related training courses.

5. The Government should invest in further promoting traineeships and recognize that participation in one is a positive outcome.

Traineeships are a vital stepping stone for those young people who are ready to enter the work-place but need to build skills and experience. Supporting young people to complete qualifications would provide them with an earnings premium in later life and increase their chances of finding better paid, stable employment.

6. The Government should ensure that measures to address the issue of 'one-sided flexibility' between workers and their employer should also apply to those employed via recruitment agencies.

Measures proposed by the Low Pay Commission (2018) include a right to reasonable notice of work schedules and providing workers with compensation for shifts cancelled without reasonable notice. These measures could limit the unpredictability of agency worker's schedules and help them to better manage their finances.

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