



Centre for  
Homelessness Impact

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# Employment and homelessness in the context of the new economy following Covid-19.

by Tim Gray

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## About the Centre for Homelessness Impact

The Centre for Homelessness Impact champions the creation and use of better evidence for a world without homelessness.

Our mission is to improve the lives of those experiencing homelessness by ensuring that policy, practice and funding decisions are underpinned by reliable evidence.

Centre for Homelessness Impact

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## Foreword

Meaningful work is a fundamental human need. ‘Good employment’, besides a fair and constant source of income, delivers other personal and societal benefits including better health and wellbeing, as well as integration into society.

We know that many people experiencing homelessness would like to work and many already do.

Notwithstanding the barriers many face gaining employment, even those who do it, may struggle to find secure, well-paid employment that allows them to reap any long term benefits.

COVID-19 has had a disproportionate impact in terms of both health and economic security on those who were already experiencing disadvantage. The labour market is fundamentally changed, and as the furlough scheme comes to an end and companies are making changes to their structure in order to recoup some of the losses created by COVID-19, more job losses are imminent. These circumstances threaten to make it much harder for anyone looking for work and particularly the most disadvantaged who might be farther from the labour market. It is paramount to look at strategies to mitigate against this.

This policy paper was prepared to help policy-makers respond to this challenge. Drawing on the best international evaluations and a good understanding of the socio-economic impact of the pandemic, it provides a useful overview of what works and does not work in this space, and puts forward a series of evidence-informed recommendations. Suggestions include specific help for anyone who has lost their job and as a result their home because of COVID-19 and specialist programmes for those with the greatest barriers to work. As with any new programme, one of the keys to success is rigorous evaluation.

For instance, an evidence-based approach highlighted by the paper is the individual placement support (IPS) model which could have a profoundly positive impact on someone’s ability to gain and maintain employment. By incorporating employment support into their homelessness services, local authorities stand to significantly improve outcomes for people at risk of, or experiencing, homelessness in their borough, as well as saving the local authority money in the longer term.

We hope that the paper offers busy policy-makers and practitioners timely and useful insights at this unprecedented time.



Dr Ligia Teixeira  
Director, Centre for Homelessness Impact

## Summary

**The relationship between homelessness and employment is a complex one. Despite the record levels of employment in recent years across the UK, homelessness has risen in many places, and many people lose their home whilst they are in work. Nevertheless, most of those experiencing homelessness do not have a job and the vast majority of those people want to work, ranging across the spectrum from those who have just lost their job to people facing the greatest barriers to employment, who may rarely or never have worked.**

All the evidence suggests that good work improves health and well-being for nearly everyone, but evidence also suggests that work for people on the fringes of the labour market is often difficult to obtain, and for those who find employment, it may still be insecure and poorly paid.

These difficulties are likely to be greatly exacerbated by the impact of the Covid-19 recession, with both a clear possibility of increased homelessness due to Covid-19 related unemployment and higher barriers to employment to those furthest from the labour market.

In the face of this, we believe that the UK Government’s “Levelling Up” agenda, and the aspirations of the devolved administrations in Scotland, Wales and Northern Ireland all point to greater efforts being required to assist people experiencing homelessness to gain and keep good employment.

There is considerable evidence about what works, and especially that expert, tailored, individual advice is key to progress. This advice needs to be given to those experiencing or at risk of homelessness in the context of a clear understanding of their housing situation and support needs.

For this paper, we drew from the studies in our Evidence and Gap Maps which includes the best international evidence. The core recommendations are:

- Local authorities should be encouraged and assisted by the UK, Scottish and Welsh governments to develop ‘homelessness employment pathways’ which provide tailored employment advice to anyone receiving statutory support to prevent or relieve homelessness who wants help to gain and keep employment. This should be incorporated into statutory homelessness guidance.
- Within these pathways, a specific focus should be given to helping anyone who has lost their home as a result of Covid-19 related unemployment to return to work as quickly as possible and at the other end of the spectrum should also include specialist programmes for those with the greatest barriers to employment.
- For people facing the greatest barriers to employment, the evidence suggests that programmes based on the Individual Placement and Support (IPS) model can be promising. However, IPS for people experiencing homelessness with high support needs should be rigorously evaluated in the UK to robustly quantify the benefits and costs of implementing in large scale.

## About this paper

**There is clear evidence that good work improves health and wellbeing across people's lives, boosting quality of life and protecting against social exclusion. There is also clear evidence that conversely, unemployment undermines our health, increasing our risk of limiting long-term illnesses, poor mental health, and health-harming behaviours.**

This is as true for people experiencing or at risk of homelessness as for anyone else, and the large majority of people experiencing homelessness who are not in employment want to work. This is evidenced by a number of studies. It is also backed up by the everyday experience of local authority and voluntary sector staff working with people experiencing homelessness in all parts of the UK.

Homelessness is very often a consequence of not having sufficient resources to be able to pay for suitable accommodation, and good work can offer significant protection against homelessness for that reason. On the other hand, the precarious, insecure nature of much modern employment, along with low pay compared to housing costs in many areas of the UK, can increase homelessness risks, with many people experiencing homeless actually in employment or having recently lost employment.

In this short paper, we briefly look at the evidence around employment and homelessness, examine some of the barriers to employment for some people experiencing homelessness, and comment on the effectiveness of some of the current interventions in place to help.

Recommendations are made on what could be done to increase the opportunities for more people experiencing homelessness to gain or regain good employment, which is likely to improve wellbeing and reduce the risk of future homelessness.

It is the case, however, that the evidence base around the effectiveness of some current interventions remains limited so further investment to expand our understanding of what works and for whom is necessary.

The appraisal is in the context of the rapidly shifting employment situation caused by the Covid-19 pandemic, including the potential for more people to become homeless as a result of losing their job and the implications for those who are more disadvantaged and further removed from the labour market, who may find it even harder to gain and keep suitable employment.



There is clear evidence that good work improves health and wellbeing across people's lives, boosting quality of life and protecting against social exclusion.

It is also in the context of the UK government's 'Levelling Up' agenda. We hope that levelling up is not only about geographical regions, welcome though that is, but is also about levelling up of the opportunities for those facing the greatest difficulties, of which the experience of homelessness must surely be one.

In looking at pathways to employment for people who are experiencing or have experienced homelessness, we attempt to distinguish between what is necessary to help those closer to the labour market to return to work as soon as possible, and what can be done to assist those with higher support requirements such as the long-term street homeless who have been accommodated in response to Covid-19, housing first residents and residents of high needs hostels and supported housing.

The first group may benefit most from rapid integration into mainstream employment services, whereas members of the second group may often face multiple barriers to employment, where the evidence suggests that existing government funded programmes may not always work well and that different approaches are needed.

Although not intended to be a comprehensive review of all the evidence on employment and homelessness, the paper makes use of the CHI evidence tools and other published research listed in the footnotes and is informed by conversations with researchers and practitioners in the field. These CHI essays are intended to inform policy developments and foster experimentation as well as provide a stopgap while longer term systematic reviews are undertaken.



## Background

**Homelessness as defined in the UK encompasses a range of different situations, including street homelessness, people living in hostels, 'sofa surfers', and families living in self-contained temporary accommodation, sometimes for many years. As an example of the scale of the problem in some areas, according to government homelessness statistics and population statistics, in London around 4.4%, or 1 in 23, of all children were living in local authority temporary accommodation at the end of 2019.**

The profile and the level of support needs of households experiencing homelessness are equally variable. Many of these households have no identified support needs (between 40% and 50% of statutorily homeless households in both England and Scotland).

Others may have a range of difficulties which in some cases might have contributed to their homelessness or might have been exacerbated by it. These may include barriers that affect their prospects of employment, including mental and physical health problems, drug or alcohol dependency, or an offending history.

Among those experiencing street homelessness in particular, these issues have been highly prevalent. This is shown by the CHAIN data for people sleeping rough in London, which records that in the period from January to March 2020, 37% of those seen bedded down on the streets by outreach teams had an alcohol problem, 41% had a drug problem and 47% had a mental health problem. Only 23% of London rough sleepers had none of these issues. In addition to this, 10% were recorded as having a history of being in local authority care, compared to around 2% of the general population and 35% had previously spent time in prison.

MHCLG's research in England also shows that people experiencing street homelessness are more likely to have truanted, to have been excluded from school and to have left school before 16. This points to significant educational attainment and skills issues likely to impact on their ability to find and keep employment.

It is widely acknowledged that, especially for those with support needs, provision of accommodation alone, although crucial in relieving immediate homelessness, is often not sufficient to resolve the problems which have led to homelessness, and which, if left unaddressed, can lead to continued poor life chances. All these



The percentage of households below the official poverty line where someone is in paid work rose from 37% in 1994/95 to 58% in 2017/18.

factors affect the capacity of people experiencing homelessness to get employment.

Whether people have support needs or not, poorly paid, intermittent or insecure employment can often present a homelessness risk because of the lack of financial resources available to pay for housing, or to respond to eviction or exclusion from existing accommodation if this occurs.

In the right circumstances, as with the rest of the population, finding and keeping a job can play a substantial part in improving self-esteem, mental well-being and financial independence, and can help to reduce negative behaviour where this exists.

The 2020 Covid-19 pandemic has provoked an extraordinary response from central and local government, health services and the voluntary sector to reduce street homelessness across the UK. In England during March and April 2020, an estimated 90% of people experiencing street homelessness were brought into safe accommodation within the space of a few weeks through the 'Everyone In' initiative, achieving what had apparently been impossible over decades under previous policies, with comparable results being achieved for equivalent cohorts across the UK jurisdictions.

However, it is already clear that homelessness pressures are beginning to increase and shift, with CHAIN figures showing a 33% increase in street homelessness in London in April to June 2020 compared to the same period in 2019 and a 14.5% increase compared to January to March 2020.

Importantly, while the total number rose, the number of those with longer histories of homelessness (deemed to be living on the streets) decreased by about 30% and the people who are new to the streets have considerably lower support needs than previous cohorts. A large proportion of these are foreign nationals without access to public funds.

The UK is now in a recession for the first time in eleven years and there is the real risk of a wider increase in homelessness as more households lose

the ability to pay the rent, due to unemployment and loss of income. The end of the current government furlough scheme and the end of the current government ban on the eviction of tenants both pose specific threats.

How significantly this might affect future homelessness is hard to quantify at the time of writing, but GDP fell by 20.4% in April 2020, the largest fall since monthly records began in 1997, reflecting record widespread falls in services, production and construction output. The Office for Budget Responsibility (OBR) central scenario estimates that the headline unemployment figure will rise from 3.8% in 2019 to 10.1% in 2021 before falling back to 5.3% by 2024. It is important to note, however, that there is considerable uncertainty about the shape and duration of the Covid-19 recession. The OBR upside forecast shows unemployment peaking at 7.9% in 2020 and falling to 4.0% by 2022, whilst the downside scenario shows a peak in the unemployment figure of 11.6% in 2021 (three times the 2019 figure) and unemployment still at 6.3% in 2024.

The Bank of England is a little more optimistic, with the Monetary Policy Report for August 2020 forecasting a peak unemployment rate of 7½% in Q4 2020. However, the Monetary Policy Committee (MPC) also judges that unemployment is likely to decline only gradually from this peak, as firms may be reluctant to make hiring decisions while uncertainty is high and believes that the differential impact of Covid-19 on economic activity across sectors is likely to increase the mismatch between vacancies and those looking for work.

McKinsey are explicit that within the overall figure, job losses are expected to be heavily concentrated in lower paid, less skilled occupations:

"UK GDP in 2020 is expected to shrink by 9 percent, overall. Such a rapid fall in output has significant implications for employment. We find that during lockdown, around 7.6 million jobs are at risk—a term

we use to encompass permanent layoffs, temporary furloughs, and reductions in hours and pay.

The risks are highly skewed: people and places with the lowest incomes are the most vulnerable to job loss. Nearly 50 percent of all the jobs at risk are in occupations earning less than £10 per hour. (The median hourly pay in 2019 was £13.30.) ...The proportion of jobs at risk in elementary occupations—which employed 3.3 million people in 2019 and include jobs such as cleaners, kitchen assistants, waiters, and bar staff—is around 44 percent. In contrast, the same number for professional occupations—such as computer programmers, project managers, and accountants—is around 5 percent.”

Further dire predictions of differential impacts for more disadvantaged groups are confirmed by various sources.

COVID-19 is likely to create an unprecedented shock to the demand for labour (i.e. higher unemployment) which means that the ability of many people at risk of homelessness or who have experienced homelessness to get and keep good work may decrease in the short to medium term. Whilst it is unlikely to be possible to mitigate these effects entirely, there is a strong case for providing more rather than less help in the next few years to these groups.

This applies specifically to those at risk of homelessness in the near future due to losing employment as a direct or indirect result of the Covid-19 pandemic and need assistance to get back to work as quickly as possible.

It is also important to help those furthest from the labour market such as those living in Housing First accommodation and supported housing residents with higher needs, who may now find it even harder to get jobs.

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The risks are highly skewed: people and places with the lowest incomes are the most vulnerable to job loss.

## The need for good employment and barriers to achieving it

**Good employment, or ‘Decent Work’ to use the International Labour Organisation (ILO) terminology, is defined as “work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men”.**

In making a case for assistance for those experiencing homelessness to gain employment, it is important to be clear that a substantial proportion of those who become homeless are actually in work at the point when they become homeless, and many of those who are not might be able to gain employment without significant assistance if it were not for barriers such as childcare costs.

England is the only UK jurisdiction which publishes statistical data on this. For England as a whole, excluding responses where employment status was unknown, the latest available data shows that 15% of those owed a homelessness prevention or relief duty were in full time work, and 14% were in part time work – a total of 29% employed when they became homeless or at risk of homelessness. This applies to all of the English regions, not just to London and the South East where housing pressures are greatest.

These are much lower proportions of employed people than the general population, where 86.5% of working age UK households have at least one member in work, and there are significant variations by group, with for example many more homeless families including a working adult than single person homeless households.

It is clear, however, that being employed, even full time, is not in itself a reliable protection from becoming homeless. This is not necessarily surprising. The percentage of households below the

official poverty line where someone is in paid work rose from 37% in 1994/95 to 58% in 2017/18.

There is significant evidence that good work is in general good for health and well-being compared to unemployment for almost everyone. However, the caveat in the evidence is that it needs to be “good work” as is already accepted by government. It is not at all clear that cycling in and out of low paid, insecure employment is good for health and well-being, and the opposite may sometimes be the case.

This is a real risk for some types of households trying to re-enter the labour market. Evidence from the UK ‘Work Programme’ shows that of the roughly 45% of participants who entered employment according to HMRC RTI data, less than half earned more than £5,000 in the 15 months after starting the programme, due to a combination of delays in entering employment, low pay and becoming unemployed again.

The same kind of pattern is shown in research on specific homelessness employment programmes, where a significant proportion of those who gain employment may struggle to sustain it or to improve their incomes significantly, even though benefits of participation on such programmes in terms of improved confidence and skills, and reductions in harmful behaviour, are widely reported e.g. in studies by University of York, Broadway, Crisis, Business Action on Homelessness and others.

Entering low paid or unstable employment can

potentially increase homelessness risk in some cases, because of difficulties in budgeting, failure to claim or to estimate the amount of in work benefits, and difficulties in handling changes in income when moving in and out of employment.

It is important therefore, in considering barriers to employment for households experiencing homelessness, to note that it is not only the barriers to entering employment per se which are important. It is also the barriers to good and sustained employment that matter, if the intention is to have a significant impact on well-being and to reduce the chances of homelessness recurring in the future. Some of the issues are structural, very difficult to tackle, and relate to the way the economy is organised. For example, whilst there are clear benefits to people at the edges of the job market from having better job security, there are also important arguments for maintaining a flexible labour market on the basis that this can lead to higher overall employment, including lower loss of employment as a result of economic shocks and a quicker rebound in employment afterwards. In the 2008/09 recession for example, unemployment rose just 3% points and subsequently numbers in work (including “good work”) rose to record highs.

In addition to the shock created by the COVID-19 pandemic to the demand for labour (i.e. higher unemployment), people experiencing homelessness may also face other barriers to the supply of labour which are more personal (i.e. the characteristics of people experiencing homelessness in relation to the requirements of the labour market).

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Issues are now likely to be compounded by the economic issues arising from Covid-19

Barriers to employment for people experiencing homelessness, adapted from the Joseph Rowntree Foundation’s ‘Homelessness and Poverty: Reviewing the Links’ 2014’, can include:

- A lack of stable housing - clearly it is much harder to gain or sustain work without a stable place to live
- Welfare benefits system / work disincentives – An important driver behind the introduction of Universal Credit was to reduce the ‘benefit trap’ issues for people entering work, and there are indeed stronger work incentives for many people under UC than under the previous benefits system. However, UC still has a 63% taper, so that in general for every pound earned in wages above a minimum income threshold, 63p is lost in reduced benefits.
- Vulnerabilities / support needs, such as mental and physical health problems or drug and alcohol issues
- Low educational attainment - This can sometimes include low levels of literacy and numeracy, as well as a lack of the skills needed in the modern workplace e.g. digital skills
- Limited or no work experience – This is highly variable across different segments of the population who have experienced homelessness. Many are actually in work or have worked very recently but others have never worked or only worked intermittently, especially people with health problems or disabilities

- Criminal record – again this is variable but is a problem for a significant proportion of people experiencing homelessness who may consequently face reduced willingness of employers to take them on
- Poor self-esteem and lack of confidence – A number of studies have shown this to be an important barrier to employment and to engagement with work focussed support programmes for a significant proportion of those with experience of homelessness
- Discrimination – Knowledge that a person has experienced homelessness can itself be a negative factor in the eyes of employers who may assume that this means they will not perform as well in a job role
- Lack of peer support – It is sometimes the case that households experiencing homelessness may lack social contact with peers who are working or can help them with work related problems

Although by no means applicable to everyone who experiences homelessness many of these households face some or all of the above barriers to a greater or lesser extent, and these issues are now likely to be compounded by the economic issues arising from Covid-19.




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Despite the record levels of employment in recent years across the UK, homelessness has risen in many places, and many people lose their home whilst they are in work

## Current employment interventions

Before looking at employment initiatives specific to people experiencing homelessness and other disadvantaged groups, it is worth reviewing the provision available nationally to protect existing employment and assist those nearer the labour market who need support to get back into work. For many of those experiencing or at risk of homelessness, such mainstream support is what is needed so long as they can gain effective access to it.

## A Plan for Jobs

The government's response to the impact of Covid-19 on employment to date is set out in 'A Plan for Jobs' published in July 2020. In addition to measures intended to help support employers in vulnerable sectors to retain staff, the government plans a number of specific additional interventions to help people who are unemployed to gain and keep jobs. These include:

- A £2 billion Kickstart Scheme to create 6-month work placements aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment.
- £32m new funding for the National Careers Service to provide personalised advice on training and work.
- £111m extra funding this year for work placements and traineeships for 16-24 year olds.
- Payments for employers who hire new apprentices of £2,000 for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over.
- £101 million for the 2020-21 academic year to give all 18-19 year olds in England the opportunity to study targeted Level 2 and 3 courses when there are no employment opportunities available to them.
- Expanded Youth Offer – The government will expand and increase the intensive support offered by DWP in Great Britain to young jobseekers, to include all those aged 18-24 in the Intensive Work Search group in Universal Credit.
- £895 million to enhance work search support by doubling the number of work coaches in Jobcentre Plus before the end of the financial year across Great Britain.
- Expansion of the Work and Health Programme to introduce additional voluntary support in the autumn for those on benefits that have been unemployed for more than 3 months.
- £40 million to fund private sector capacity to introduce an online job finding support service in Great Britain in the autumn to help those who have been unemployed for less than three months increase their chances of finding employment.
- £150m increased funding for the Flexible Support Fund in Great Britain, including to provide local support to claimants by removing barriers to work such as travel expenses for attending interviews.
- £17 million extra funding this year to triple the number of sector-based work academy placements in England in order to provide vocational training and guaranteed interviews for more people.

This illustrates the plethora of programmes available for those closer to employment and especially for young people, many of which are about to grow rapidly. A key question for people experiencing homelessness, however, is how to get access to the right opportunities to meet their particular needs whilst coping with the upheaval and trauma of homelessness and housing difficulties at the same time.

For those more distant from the labour market, who have a mental or physical disability, or who have been unemployed for a long period, the key current national programmes are the Work and Health Programme in England and Wales and Fair Start Scotland, although even these programmes are not designed or funded to cater for those most distant from the labour market who need the most help to get good work.

## Work and Health Programme and Fair Start Scotland

**The government's flagship programme for supporting people with difficulties entering and sustaining employment in England and Wales is the Work and Health Programme. This programme started in 2017. Although soon to be expanded to be open to anyone unemployed for more than 3 months, to date it has been designed to cater for three main groups of participants – people with a disability, long term unemployed people and early access participants including those experiencing homelessness.**

The programme is targeted at people who are assessed as being able to get a job within 12 months, not those who are furthest from the labour market.

Both programmes are delivered by private sector providers with local contracts, and methods of provision vary, but common elements might include access to a work coach, strengths based interviews and action plan development, support with CVs and interview skills, help with managing support needs, training and skills development, help with job search and in work support after a job is found.

So far, the rate of success in gaining a job outcome for people who started the programme before August 2019 is 15%, where a job outcome is broadly defined as earning the equivalent of 16 hours employment per week for 6 months at the National Living Wage.

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The government's flagship programme for supporting people with difficulties entering and sustaining employment in England and Wales is the Work and Health Programme

Rates of success appear to be broadly similar for the disabled, long term unemployed and early access groups, but it is not possible to disaggregate participants experiencing homelessness specifically or indeed to see how success rates differ geographically from the published data.

In Scotland, people who have struggled to find a job can apply to join Fair Start Scotland, which has been running since April 2018, and is aimed at people who have difficulties in finding work as a result of a disability or additional support needs, a health condition, caring responsibilities, being a single parent, being unemployed for a long time, being a care leaver, being from a minority ethnic community, being a refugee, or being a person with a conviction.

Published statistics from Fair Start Scotland show that by December 2019, 27% of those who had started the programme had entered employment, 15% had sustained employment for 3 months, and 9% had sustained employment for 6 months.

Different presentation of the statistics inhibits a straightforward comparison of Fair Start Scotland with the Work and Health Programme based on published data, or between either programme and a counterfactual of non-participation, but it is clear that in both programmes, progression to stable employment is currently only being achieved for quite a small minority of participants.

## Homelessness Employment Programmes

**As the Work and Health Programme and Fair Start Scotland are already funded by government and potentially available to people experiencing homelessness, additional, targeted programmes working to support people with experience of homelessness specifically into employment may therefore be most appropriate when they are likely to be more effective than the Work and Health Programme or Fair Start Scotland for a particular client group. This could be for a number of reasons including:**

Clients may not be eligible for the Work & Health Programme. This could be for example because of immigration status or because they do not meet the definition of homelessness applied to join the early access group or because they are not assessed as being able to get a job within 12 months.

- Clients choose not to participate
- Clients face barriers to attendance or risk exclusion e.g. for anti-social behaviour
- Clients have already completed the Work & Health Programme or Fair Start Scotland or have left the programme early
- The proposed targeted funded programme is likely to achieve better results for the specific client group than the Work and Health Programme or Fair Start Scotland.

Some reasons why a tailored programme might be more likely to achieve better results than a government programme a potential participant is eligible for can include; established trusted relationships between the client and a homelessness provider, integration with an existing service, a more convenient or familiar location, the ability to undertake a programme with other people already known to the participant, lower caseloads, or a different methodology. It can also be very helpful if a provider has engaged with local employers who may be willing to employ service users introduced by that organisation.



A tailored programme is especially likely to be helpful for those with higher support requirements or barriers to labour market entry

A tailored programme is especially likely to be helpful for those with higher support requirements or barriers to labour market entry, such as those with significant histories of street homelessness for example. A significant proportion of this group would not be assessed as being likely to get a job within a year under the Work and Health Programme or Fair Start Scotland, might not be well supported by a standard programme not tailored to their specific needs, or, in the case of some EEA nationals or NRPF clients, would not be eligible to participate.

Employment programmes run by local homelessness services can vary considerably according to the specific client group being worked with and local circumstances. However, some common elements of many programmes include:

- information, advice and guidance (IAG)
- training (functional skills, ICT/digital skills, interpersonal skills and vocational skills)
- counselling and support to address barriers to engagement
- employer engagement
- support to identify, provide and/or access work placements
- support with CVs, cover letters and interview training
- internships, apprenticeships or volunteering opportunities
- support for enterprise/self-employment
- individualised mentoring and key worker support
- provision of financial support to address barriers to engagement in work/education/training etc.
- post entry to employment/education/training support (often for a specified period)

## Local Authority Employment Services

Many local authorities either provide or commission their own local employment services for local residents who need support to gain employment, which contain some or all of the above elements. In some cases, these may be specifically aimed at households experiencing homelessness, but usually they are targeting more broadly vulnerable populations.

There is a case for people experiencing homelessness and those in housing need to gain quicker and more systematic access to these programmes than is often the case. An example of how this could be better achieved is by the routine inclusion of employment issues in Personal Housing Plans agreed between local authority housing options services and people who approach councils as homeless or at risk of homelessness.

One interesting employment initiative currently being used by local authorities and voluntary sector organisations in London is Beam which is a social enterprise specialising in crowdfunding support for people experiencing homelessness to gain the

career they want.

Each person referred to Beam is given a dedicated support specialist - a Beam employee who supports them all the way into their new career. After establishing that the referred person is mentally and physically ready to enter full-time employment, each person is supported to develop a tailored career plan, building on their unique strengths and interests.

Crowdfunding is used to pay for training, equipment and other costs involved in moving people forward into the type of employment they want. Crowdfunding can also support housing costs such as rent deposits, where applicable.

## 'What Works' for work

### What we have evidence for

It is very hard to compare outcomes of local homelessness employment programmes working with different client groups under different circumstances without the use of randomised control trials (RCTs), of which there are very few. Looking more widely than homelessness specific programmes, there is a range of 'what works' evidence, albeit mostly below the RCT standard of evidence.

There is consistent evidence that a key ingredient of effective active labour market support for the long-term unemployed and disadvantaged is high quality personal advisers who provide personalised, motivating support, intensive job preparation, job

search and placement advice, and who work with small caseloads and access to complementary support.

According to the key 2007 review of evidence and meta-analysis for the Department for Work and Pensions on 'What works for whom' one of the strongest conclusions to be drawn from the evidence is that personal advisers are critical to the success or otherwise of interventions. This is not just a technical matter of how well a service is delivered but also a matter of how well the personal advisor is able to engender a desire to seek and accept employment amongst customers and to build on the initial engagement by providing support

and encouragement of an appropriate type.

The evidence suggests that the greater the flexibility given to personal advisors, the better they are able to fulfil their role and to meet the specific needs of the individual customer.

Where customers feel coerced into participation in provision that does not meet their needs, motivation and engagement can quickly be undermined.

This conclusion is confirmed by research into the effect of benefit sanctions for people experiencing homelessness as part of a wider study of the impact of welfare conditionality across a wide range of client groups between 2013 and 2018.

Researchers concluded that as currently implemented, benefit sanctions do little to enhance the motivation of people experiencing homelessness to prepare for or seek work and that they cause considerable distress and push some extremely vulnerable people out of the social security safety net altogether. Dealing with the 'fallout' from sanctions diverts support workers away from assisting with accommodation and other support needs.

The same study also concludes that provision of meaningful support was pivotal in all the cases of positive behaviour change reported. Gains in relation to work preparation and acquisition were greatest when support was intensive and individually tailored. Support was also important in achieving reduced involvement in street culture activities, wherein flexible and 'flexible but consistent' support was especially beneficial.

Another source of emerging evidence is the ongoing evaluation of the Building Better Opportunities programme, in which the National Lottery Community Fund is matching funds from the European Social Fund 2014-2020 to invest in

local projects tackling the root causes of poverty, promoting social inclusion and driving local jobs and growth. The funding is being delivered in 38 Local Enterprise Partnership (LEP) areas according to local priorities. Projects range from those improving employability for the most disadvantaged, helping those with multiple and 'complex needs', to improving financial literacy.

The evaluation looks in some detail at individual projects working with different groups in different parts of the country, but some common beneficial service components identified are:

- trusted relationships
- services provided in familiar places
- flexibility to provide bespoke and tailored provision
- inclusion of specialist partners
- informal approaches e.g. to teaching English
- volunteering for older age groups and participants with disabilities or long-term health conditions is more effective when pursued as part of the journey towards employment
- exploring existing or potentially long forgotten skills can be useful when supporting older people or refugees.
- early support to address mental health needs
- wellbeing and mental health support delivered alongside employment support
- active brokerage with employers
- recognising the influence of family circumstances, or childcare responsibilities
- provision of childcare facilities or child-oriented events
- considering support to address wider family issues

## Individual Placement Support (IPS)

The major employment programme for those with extreme disadvantage, which does have robust research evidence comparing it to other approaches, is the IPS model of employment support. IPS is an evidence-based vocational intervention, originally developed in the US, that targets individuals with significant barriers to work with customised, long-term, and integrated vocational and clinical services to help them gain and maintain competitive employment.

Originally designed for adults with severe mental illness, the IPS model has been implemented and adapted for different groups, including people experiencing homelessness with psychiatric or substance use disorders, housed young adults with first-episode psychosis, and young adults with mental illness who are experiencing homelessness.

IPS has been comprehensively demonstrated to increase return to employment significantly in individuals with mental health problems in the US. In Europe, the EQOLISE trial of IPS in six countries including the UK, published in 2007, was a RCT conducted with a sample of 312 individuals with psychotic illness. Inclusion criteria were a minimum of two years' illness duration, with at least one year of continuous unemployment and six months contact with their current mental health services. Follow-up was over 18 months.

IPS was found to be more effective than more traditional "train and place" services for all vocational outcomes. 54.5% of IPS patients worked for at least one day compared to 27.6% of the control group. They were also significantly less likely to be hospitalised, and employment sustainment outcomes were more than twice as long.

The IPS model follows eight core principles:

- Zero exclusion: all clients who want to participate are eligible regardless of apparent distance from the labour market.
- Integration of vocational and mental health treatment services: vocational and mental health treatment staff members are co-located and frequent communication between team members is essential.
- Competitive employment: clients get help obtaining community-based jobs at competitive wages.
- Benefits counselling: people who receive government benefits need personalized benefit planning when considering employment.



As a result of the positive evidence, IPS is now being rolled out across England by the NHS for work with mental health patients .

- Rapid job search: the job search process begins within one month of the client meeting with an employment specialist and beginning a career profile or vocational assessment.
- Follow on support: individualized assistance to working clients is available for as long as they need it.
- Preferences: client preferences influence the type of job sought and the nature and type of support offered.
- Systematic job development: employment specialists build an employer network based on clients' interests, developing relationships with local employers by making systematic contacts

As a result of the positive evidence, IPS is now being rolled out across England by the NHS for work with mental health patients .

The West London Alliance is working with Social Finance on a 3½ year Life Chances Fund project delivering IPS to a target group of around 2,400 drug and alcohol users in West London, which began operations in January 2019.

### Outcomes based commissioning

Although it has been difficult so far to evidence against a robust counterfactual, there also seems to be promise in programmes which pay for both housing and employment outcomes for people experiencing homelessness, so that helping as many people as possible to gain employment becomes an integral part of providing a service which is primarily focussed on them gaining and sustaining accommodation.

There are a number of current examples of this in the UK including Social Impact Bonds (SIBs) for those experiencing street homelessness and care leavers which reward EET outcomes and accommodation sustainment.

Perhaps the stand-out outcomes based commissioning example so far for improving

In addition to this an extensive RCT of IPS for people using drug and alcohol community treatment services - the IPS-AD trial, is being jointly funded by the Department for Work and Pensions and the Department of Health Work and Health Unit, and is currently underway in seven areas of the country.

There would appear to be real potential in applying the IPS approach to people who have experienced homelessness who require more support, especially those living in supported housing or Housing First projects where relatively intensive housing related support is already in place.

The provision of work first with training taking place while in employment, rather than as a prerequisite to securing employment, places IPS on a similar conceptual footing to Housing First. Providing employment first with the only expectation being that people intend and want to keep a job would arguably create the circumstances in which those furthest from the job market could gain the necessary skills and experience to remain employed and avoid future unemployment.

employment outcomes for people experiencing homelessness with high needs is the MHCLG commissioned Fair Chance Fund which helped around 2,000 young people experiencing homelessness aged between 18 and 24 with high support needs in seven projects across England between January 2015 and December 2017.

The main outcomes paid for were sustained accommodation and sustained employment. On the employment side, 33% of all participants entered employment, 57% of whom sustained full time posts for 13 weeks, and 40% of whom sustained full time posts for 26 weeks, with others gaining part time employment.

Considering that the programme was specifically targeted at young people with the highest needs in each location, who were assessed as being too difficult for other services to work with effectively, this compares very favourably with other programmes. This may be due to the focus and flexibility offered by the SIB model, which incentivises achieving positive outcomes for as many people as possible and provides the flexibility to adapt services to the needs of each individual. The London Homelessness SIB, which ran from 2012 to 2015 and worked with the 830 people

### What we don't know

There are a large number of areas where more evidence is needed in order to tailor future employment provision to be more effective for those who have experienced or are at risk of homelessness. These include:

- How well does IPS work for higher needs users of homelessness services in the UK both in absolute terms and compared to existing employment programmes?
- How well do the volunteering or internships provided by some homelessness organisations work in leading to paid employment, compared to more direct moves into employment?
- What employment sustainment rates can be expected over the longer term for groups of people experiencing homelessness with different barriers to employment, who get jobs?
- How well do bespoke employment services for people experiencing homelessness perform compared to mainstream provision when used by equivalent client groups?
- Can the benefits of both employment and participation in employment access programmes

with the highest recorded experience of street homelessness in London during the two years prior to the project starting, also recorded positive results on employment. Despite only 5% of outcomes payments being allocated to employment related outcomes within the design of the SIB, and the particularly high support needs of the cohort, 63 of the 830 participants achieved 13 weeks of full time employment. This figure was 52% higher than had been projected by the organisations delivering the project.

be quantified in terms of well-being, health, substance misuse and offending behaviour in both the short and long term, and how much does the continuation of these benefits depend on gaining and retaining employment?

- Are there any harmful effects of participation in employment access programmes and either failing to gain employment or failing to sustain employment once gained?
- To what extent does gaining employment act as a protection against repeat homelessness, and in what ways does this depend on the characteristics of the work obtained?
- The impact of the introduction and administration of Universal Credit for those moving into employment and those moving between different jobs, on rent arrears and homelessness. Some aspects of Universal Credit have the potential to make arrears less likely in these circumstances. However, other aspects have the potential to make rent arrears more likely, especially for those moving onto UC for the first time, as shown in a recent report for the Welsh Government.

## Conclusions and Recommendations

**The large majority of people experiencing homelessness would like to work, but many find it difficult to achieve this and especially to obtain the secure, 'good' jobs that are needed in order to improve health and well-being and reduce the risk of future homelessness.**

This is despite nominal unemployment rates being at historic lows in the recent past. The fall-out from Covid-19 threatens to make it much harder for anyone looking for work but especially for more disadvantaged people, further from the labour market, who are overrepresented amongst those who experience homelessness, and especially among those who experience street homelessness.

There is also a real risk that homelessness could increase as a direct result of people losing their jobs because of Covid-19 and being unable to pay the rent as a result. The risk of increased unemployment appears to be heavily concentrated in lower paid occupations, where those who lose work may be especially vulnerable to homelessness. It may also become much harder for those with lower skills to gain employment in the future, as they face increased competition from a wider pool of job seekers.

This means that employment support for people experiencing homelessness who want to work is

more important than ever and needs to be ramped up.

We do not advocate compulsory measures, as apart from increased ethical objections to this in a climate where jobs may be harder to find, the research evidence suggests that coercion does not work and that the motivation of participants in employment programmes is key to their success as well as the quality of support provided.

Employment support for those who have become homeless should include specific aspects aimed at ensuring that the transition into work is handled in such a way that the financial implications of moving into work are well planned for and do not lead to households getting into debt and potentially becoming homeless again. This should include advice and assistance on what to do when jobs or work placements end, in order to maximise income and avoid getting into rent arrears.

We believe that recommendations for action can usefully be split into two groups.



**Group 1. Those at risk of homelessness, particularly people in work who lose employment due to Covid-19 leading to homelessness, or those who are unemployed whilst living in temporary accommodation.**

Employment support and advice has not traditionally been a major component of local authority homelessness and housing options services, although attempts have been made in the past, such as in the Enhanced Housing Options Trailblazer programme in England. There is now scope for this to change rapidly in order to support people who have become homeless or are at risk of homelessness due to the economic shock from the Covid-19 pandemic.

We suggest that government follows the precedent of the youth homelessness positive pathway framework developed by St Basils and MHCLG which has been widely adopted by local authorities across England as a framework for positive practice with the support of MHCLG youth homelessness advisers.

We recommend the development of a homelessness employment pathway along similar lines, with local authorities working with MHCLG in England and the devolved administrations in Scotland, Wales and Northern Ireland, with DWP, and with voluntary sector partners to set up specific programmes of action to boost employment amongst those identified as at risk of or experiencing homelessness.

In order to implement such a pathway, local authorities may require additional funding, in order to ensure that people accessing housing options services and others who have experienced homelessness are given individual tailored advice.

As part of such a pathway model, we recommend that every person who becomes homeless or approaches a local authority at risk of homelessness is given access to employment advice and support if they want it. This is especially important for those who have recently lost their jobs and need help to get back to work as soon as possible. However, it should also apply to existing households experiencing homelessness in temporary accommodation.

An offer of employment advice and support should be an intrinsic part of local authority personal housing plans, although the best timing for support to be given will in many cases be after an immediate homelessness crisis has been resolved.

The offer should provide the opportunity to have a 1-2-1 interview with an employment specialist who can advise on the best course of action to gain employment, whether that is through gaining faster access



An offer of employment advice and support should be an intrinsic part of local authority personal housing plans

to mainstream Jobcentre Plus services, the new Kickstart scheme or other expanded initiatives within 'A Plan for Jobs', the Work and Health or Fair Start Scotland programmes, existing local authority commissioned programmes, or specialist programmes for those more distant from the labour market.

We recommend that MHCLG, and the devolved administrations in Scotland, Wales and Northern Ireland each employ one or more employment specialists in order to assist local authorities in applying good practice in employment support to people experiencing homelessness and to help embed the homelessness employment pathway once developed.

We also recommend that Jobcentre Plus, in dealing with the increased numbers of unemployed people approaching them following Covid-19, ensure that in each case they determine if a person approaching them for help is at risk of losing their home.

If so, support should be given to assist clients to avoid homelessness by provision of appropriate advice and support to deal with their housing situation as well as in gaining employment. This approach should be designed alongside local authorities to ensure statutory provision of homelessness assistance and associated national reporting mechanisms are complied with.

**Group 2. Higher needs service users more distant from the labour market**

For those with a history of street homelessness, high support requirements and/or multiple barriers to entering employment, based on the best evidence available, we recommend that an IPS model as described above or an adapted version tailored to work closely with the support services for this group provided in the different nations within the UK is adopted as widely as possible.

This group would include some of the Everyone In cohort in England, and equivalent cohorts in the other UK nations, but would also extend to Housing First service users and residents of hostels or supported housing designed for people with higher needs.

In the current climate, additional priority should be given to providing employment support to any person experiencing homelessness who needs to be employed in order to gain access to public funds and avoid street homelessness and destitution. This is particularly relevant in the context of the new CHAIN data suggesting an increase in those who are street homeless without access to public funds.

Support to gain employment for this group should be integrated with support to deal with issues like mental health and drug and alcohol problems following the IPS model, with nobody who wants to work being excluded, and an emphasis on a work first approach and intensive employer engagement.

Ongoing support to programme participants after they gain employment, which is intrinsic to the IPS model, should include support to ensure that finances for rent and other housing costs are prioritised and that if employment ends, steps are taken to ensure that this does not lead to rent arrears or a return to any form of homelessness.

As part of this approach we also recommend that a randomised control trial of IPS is commissioned as soon as possible for people experiencing homelessness with higher support needs, along similar lines to the IPS-AD trial for drug and alcohol services. This could be carried out in both supported housing and Housing First settings and should look at well-being and repeat homelessness outcomes as well as employment entry and sustainment outcomes.

It is also of significant interest to understand the wider well-being and repeat homelessness outcomes for people who participate in employment programmes but who either do not gain or do not sustain employment.

## What next?

- Explore current practice to identify opportunities to pilot the pathway approach
- Identify current practice that is most closely related to IPS and explore tweaking models to IPS and evaluate
- Funding opportunities to pilot the model across area including funding for evaluation
- Explore if government wish to pilot IPS as part of the RSI programme or a separate programme as part of their rough sleeping action plan
- Explore joint DWP and MHCLG policy/funding options to develop the homelessness employment pathway pilot the pathway and IPS approaches

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