

DEMOS

**INSIDE JOBS:**  
THE EXPERIENCE  
OF LOW-PAID  
HOMeworkERS IN  
BRITAIN TODAY

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**Andrew Phillips and Rose Lasko-Skinner**

# 60-SECOND SUMMARY

From significantly raising the minimum wage to building a “high wage, high skill economy”, this government often champions the cause of low-paid workers as part of its levelling up agenda. It has also been somewhat sceptical about the increase in homeworking caused by the pandemic. Ministers have expressed concerns about people continuing to work from home, and Boris Johnson himself said in his party conference speech this year that “we will and must see people back in the office”.

The underlying assumption often appears to be that working from home only benefits workers with high and middle incomes, whose experiences have been highlighted in the media. But this ignores the millions of low-paid workers who worked from home during the pandemic, and are continuing to work from home in the ‘new normal’.

For the first time, this report shows that low-paid workers report significant benefits as a result of working from home. These benefits range from more self-reported flexibility and autonomy at work and a better work-life balance, to stronger family relationships and improved health. Low-paid homeworkers are just as likely as high-paid homeworkers to want to continue working from home in the future. Although there are some downsides to homeworking, we conclude that overall the advantages reported by low-paid workers clearly outweigh the disadvantages.

If the government, employers and wider stakeholders want to support low-paid workers, they should seek to maintain homeworking as an option for workers, improve the experience of homeworking, and expand access to homeworking where this is possible.

# EXECUTIVE SUMMARY

## **HOMEWORKERS REPORT A WIDE RANGE OF HOMEWORKING BENEFITS THAT ARE GENERALLY ENJOYED ACROSS THE INCOME SPECTRUM**

- Homeworkers are particularly positive about the impact homeworking has had on their productivity, work-life balance, flexibility at work, relationships with their families, caring responsibilities and their health and wellbeing.
- Low earners (that is, earning a personal income of less than £20,000 per year) are generally just as positive as high earners.
  - 76% of all homeworkers and 72% of low-paid homeworkers say that homeworking is good for flexible working.
  - 74% of all homeworkers and 75% of low-paid homeworkers say that homeworking is good for their productivity.
  - 73% of all homeworkers and 69% of low-paid homeworkers say that working from home is good for their work-life balance.
  - 72% of all homeworkers and 68% of low-paid homeworkers say that working from home is good for their relationships with their family.
- Nearly all homeworkers (94%) would prefer to work from home at least some of the time in the future, with the same proportion (94%) of low-paid homeworkers agreeing.

## **WHILE THE SHIFT TOWARDS HOMEWORKING IS GENERALLY POSITIVE, THERE ARE CHALLENGES THAT NEED TO BE ADDRESSED**

- A third (34%) of homeworkers report working more hours, of which three quarters (76%) report working those extra hours unpaid. However, this affects high-paid workers more than low-paid workers. A fifth (22%) of low-paid homeworkers report working more hours, and of those a majority (64%) report

working those extra hours unpaid.

- A third of all homeworkers (34%) and of low-paid homeworkers (35%) report that their employer uses monitoring or surveillance tools while they work. This is a higher proportion than among non-homeworkers (22%).
- A quarter of all homeworkers (25%) and of low-paid homeworkers (28%) say that “feeling lonely” is a challenge for them when working from home.
- A fifth of all homeworkers (21%) and of low-paid homeworkers (23%) identify “lack of space” as a challenge when working from home.
- A ‘hybrid’ working pattern - a mixture of working at home and at a workplace - is the most popular option for the future among both workers and businesses. However, despite its popularity, hybrid workers are more likely than full-time homeworkers to report some more negative aspects of homeworking, such as taking meetings in an uncomfortable place, feeling embarrassed about how their surroundings might appear in video calls, or lacking equipment when working from home.

The financial implications of homeworking for low-paid workers vary significantly. Although many report saving money, others report spending more as a result of working from home.

- People who always work from home report saving money, regardless of income. Low-paid workers who always work from home report saving about £22 per month due to homeworking.
- However, nearly half (46%) of low-paid hybrid workers report their costs increasing as a result of working from home. On average they report spending £39 more per month due to working from home.
- Among homeworkers, higher spending on gas and electricity (60%), food (35%), broadband (19%) and equipment (18%) are the most common costs associated with homeworking.

## **WHILE HOMEWORKING IS EQUALLY POPULAR ACROSS INCOME GROUPS, LOW-PAID WORKERS ARE LESS LIKELY TO WORK FROM HOME. AS A RESULT, THEY COULD BE MISSING OUT ON OPPORTUNITIES TO IMPROVE THEIR WORK-LIFE BALANCE**

- Although the benefits of homeworking are shared across income groups, low-paid workers are much less likely to be working from home. 37% of low-paid workers report working from home at least some of the time, compared to 73% of high-paid workers (that is, earning a personal income of £50,000 per year or more).
- Low-paid non-homeworkers face a range of barriers to working from home, in particular due to the sectors in which they work not being suitable for homeworking. Nearly nine in ten (87%) of low-paid non-homeworkers say that it would be impossible for them to work from home in their current job.

## **RECOMMENDATIONS**

To ensure more workers - particularly those on low incomes - can access homeworking, we recommend that:

1. The government should make employee contracts flexible by default, with the burden of proof lying on employers to demonstrate why a specified location is required in their particular circumstances.
2. Further research should be conducted to explore the sectors and occupations in which low-paid workers are employed, which of these currently offer homeworking, and which could offer homeworking in the future.

To protect homeworkers from the additional costs associated with homeworking, we recommend that:

3. The government should update and simplify the current tax relief system to ensure it covers the additional costs for employees when working from home.
4. The government should consider making employers responsible for meeting the costs of equipment purchases needed to work from home comfortably and safely, and any additional energy or internet costs incurred by homeworkers.

To develop opportunities for remote working outside the home - given homeworking won't be suitable for everyone - we recommend that:

5. Local authorities should establish remote working strategies to meet the unique needs of the local workforce. This should include considering the development of new remote working hubs and the redesign of existing community spaces to ensure equal access to remote working, as well as seeking to help the local population access remote or homeworking job opportunities.

To ensure the shift to homeworking reflects the wants, needs and concerns of employees, we recommend that:

6. Employers should:
  - a consider the needs of workers on an individual basis and involve staff in the process before making important decisions such as the future pattern of working, or closing or downsizing offices.
  - b take proactive steps to support employees who are partly or fully working from home, including providing the necessary equipment to ensure employees are productive and comfortable when working from home.
  - c include the available options for flexible working, including working from home, in all job adverts.

To help ensure homes are fit for homeworking, we recommend that:

7. The ongoing review of the Decent Homes Standard should consider issues related to working from home. The revised standard should include broadband connectivity, as recommended by the Centre for Ageing Better's Good Home Inquiry. The Future Homes Standard should also be reviewed to ensure it is suitable for a future in which homeworking is significantly more common.

To support homeworking through the benefits system, we recommend that:

8. The Department for Work and Pensions should ensure that the current housing benefit system supports homeworking by permitting people who are working from home to have an additional bedroom under the Bedroom Standard, without being penalised by the Removal of the Spare Room Subsidy ('Bedroom Tax') policy.

9. The Department for Work and Pensions and social housing providers should take more of an active role in ensuring claimant awareness of social tariffs in the utilities sector, for example, by notifying those who sign up for Universal Credit of the additional schemes for which they are eligible.

Housing providers, such as housing associations and local councils, have an important role to play in facilitating access to, and improving the experience of, homeworking. We recommend that:

10. Housing providers should review tenancy agreements to ensure that they do not unnecessarily prevent tenants working from home.
11. Housing providers should aim to provide high-quality broadband access to tenants, and should consider incorporating broadband access into tenants' rent payments.
12. Housing providers should explore the possibility of providing tenants with co-working spaces for remote working.

# INTRODUCTION

The shift to homeworking has been one of the most dramatic changes caused by the pandemic. Just a quarter of workers reported ever working from home in 2019, but as of September 2021, just over half of all workers across Britain were doing at least some work from home.<sup>1</sup> This suggests that the pandemic could lead to a permanent shift in the way we work.

Much of the media and policy coverage of the rise of homeworking has focused on the economic impacts of homeworking on public transport and chains such as Pret A Manger which rely on commuters, as well as considering the implications for the government's levelling up agenda.<sup>2,3,4</sup> In contrast, the experiences of low-paid workers, who have less financial resources to adapt to new working patterns, seem to have been overlooked. It is often assumed that working from home is only something for the 'middle classes', yet there are many low-paid workers currently working from home.<sup>5</sup>

Given this, we have sought in this report to better understand the experiences of low-paid homeworkers. We have taken a mixed-methods approach to understand how income interacts with people's experiences of homeworking, as well as considering the barriers which may prevent workers on low pay accessing homeworking.

We ran two polls in September 2021, the first a poll of homeworkers, and the second a poll of all workers. Both polls had a total of 2,000 respondents who were aged 18 or over in England, Scotland and Wales. The poll of all workers was weighted to be representative of the working population of Great

Britain, and the poll of homeworkers was weighted to be representative of homeworkers in Great Britain. Homeworkers are defined by their response to the question "How often do you currently work from home?", where non-homeworkers are defined as those who selected "never", and homeworkers are defined as those who selected one of the homeworking options. We also conducted five focus groups with current homeworkers on low incomes or living in the social housing sector.

In this report, we define 'low income' or 'low pay' as a personal income under £20,000 per year. We have focused throughout on homeworking, which we consider to be one type of the broader category of flexible work. Although we focus on homeworking, we recognise that other types of flexible work - such as part-time jobs, job sharing and flexible hours - are also vital for moving toward good work for people on low pay.

This report comes in three parts:

- Chapter One describes how homeworking benefits workers across the income spectrum.
- Chapter Two explores the key challenges arising from homeworking, focusing on the difficulties that are particularly acute for low-paid homeworkers.
- The conclusion puts forward a series of recommendations for the government, employers and other stakeholders to ensure that more low-paid workers can benefit from homeworking and that issues arising from homeworking are addressed.

1 Office for National Statistics. Coronavirus and homeworking in the UK labour market: 2019. 24 March 2020. Available at [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/coronavirusandhomeworkingintheuklabourmarket/2019](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/coronavirusandhomeworkingintheuklabourmarket/2019) [accessed 17/11/2021]

2 Blackall, M. Working from home: number of commuter train journeys still less than half of pre-pandemic levels. *The i*, 30 October 2021. Available at <https://inews.co.uk/news/working-from-home-commuter-train-journeys-half-before-pandemic-1276479> [accessed 17/11/2021]

3 Waugh, P. Ministers rail against working from home, but it's key to their own 'levelling-up' agenda. *The i*, 11 October 2021. Available at <https://inews.co.uk/news/working-from-home-wfh-hybrid-ministers-government-levelling-up-agenda-1243876> [accessed 17/11/2021]

4 Burton, L. Pret sales in London outstrip Paris as bankers return to the office. *The Telegraph*, 9 November 2021. Available at [www.telegraph.co.uk/business/2021/11/09/pret-sales-london-outstrip-paris-bankers-return-office](http://www.telegraph.co.uk/business/2021/11/09/pret-sales-london-outstrip-paris-bankers-return-office) [accessed 17/11/2021]

5 Mansour, N. How can we make the remote working revolution less middle class? Wales TUC Cymru, 10 March 2021. Available at [www.tuc.org.uk/blogs/how-can-we-make-remote-working-revolution-less-middle-class](http://www.tuc.org.uk/blogs/how-can-we-make-remote-working-revolution-less-middle-class) [accessed 17/11/2021]

# CHAPTER 1

## THE BENEFITS OF HOMEWORKING

“I find it a lot easier to balance my workload... It’s much easier for me to pace my day better. I find that my work-life balance is way, way better than when I was in the office.”

— Male participant, full-time homemaker

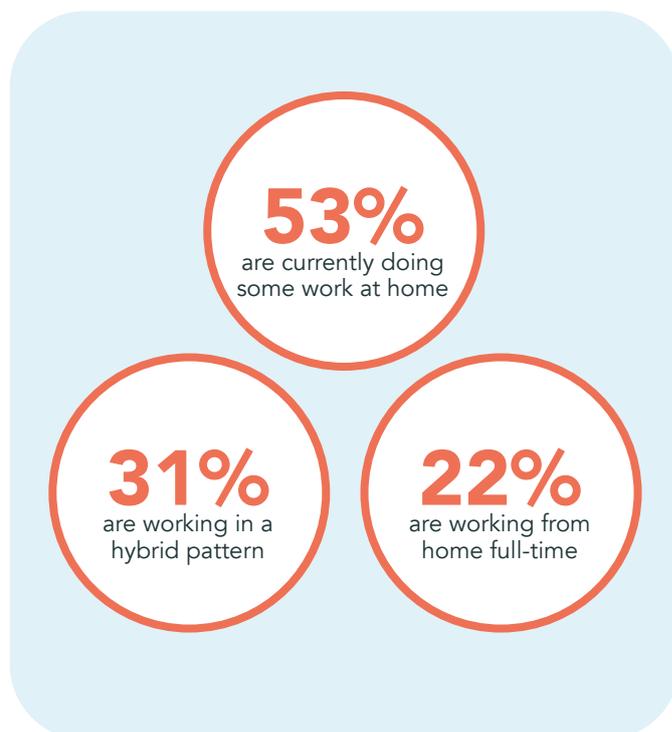
This chapter considers the benefits of homeworking, for low-paid workers and all workers. We find that there are a wide range of homeworking benefits and these are generally enjoyed by low-paid workers as much as others.

### HOMEWORKING TODAY

Homeworking boomed during the pandemic and is showing signs of becoming a permanent feature of the UK economy. Our polling conducted in September 2021 found that over half (53%) of workers in Great Britain are doing at least some work from home. 31% are working in a ‘hybrid’ working pattern and 22% are working from home full-time (see Figure 1). This marks a significant increase compared to pre-pandemic working patterns, when only 5% of the workforce said they ‘mainly’ worked from home, and only 27% said they ever worked from home.<sup>6</sup>

Contrary to some assumptions, homeworkers are not just higher earners: we find in our polling that four in ten workers (37%) on low incomes are working from home at least some of the time and 17% of the same

**FIGURE 1:** HOMEWORKING IN THE GB WORKFORCE TODAY



Source: Demos/Focaldata poll of all GB workers, September 2021, n=2,002

<sup>6</sup> Office for National Statistics. Coronavirus and homeworking. 24 March 2020.

group are working from home all the time. Although people with higher incomes are more likely to work from home (see Figure 2), a significant proportion of lower earners also work from home.

We find that nearly all current homeworkers (94%) would prefer to work from home at least some of the time in the future, of which nearly seven in ten (68%) would prefer to work from home half of the time or more.

Crucially, the popularity of homeworking remains strong across all income groups (see Figure 3): homeworkers on low incomes are just as likely as those on higher incomes to want to continue to work from home at least some of the time in the future. When asked why people are currently working from home, the most popular answer is "I like working from home" (51%), and this is also broadly similar across each income group.

Previous studies have found that reported experiences of homeworking have often been very positive, and our research matches this general picture.<sup>7</sup> As Figure 4 illustrates, over half of current homeworkers say that working from home has had a positive impact on their working flexibility, productivity, work-life balance, relationships (with families, managers and colleagues), personal health and wellbeing, caring responsibilities and financial situation.

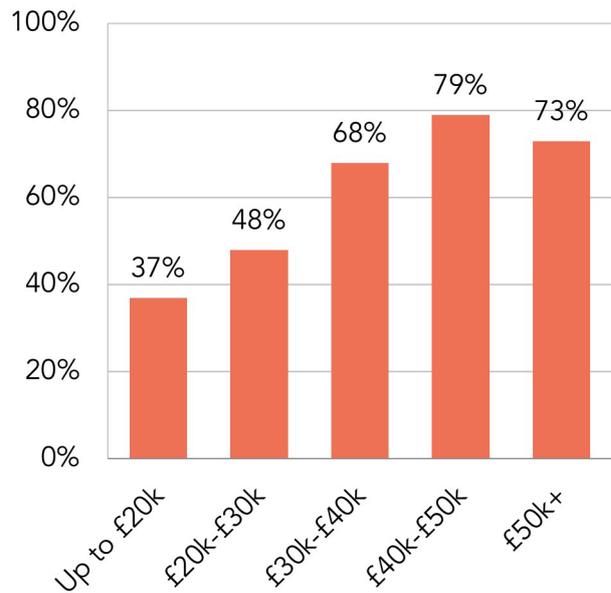
Although responses are more mixed regarding the impact of homeworking on learning from colleagues, training, promotions and career prospects, respondents are still more likely to say that the impact is positive rather than negative. Below, we discuss some of the most important benefits of homeworking in more detail.

### **BENEFIT 1: GREATER FLEXIBILITY, AUTONOMY AND PRODUCTIVITY**

For many respondents to our poll, working from home contributes to aspects of improved job satisfaction, such as flexibility, autonomy and productivity. Importantly, these benefits are shared across different income brackets - people with lower incomes are just as likely to say homeworking is positive for these aspects of their work as people with higher incomes.

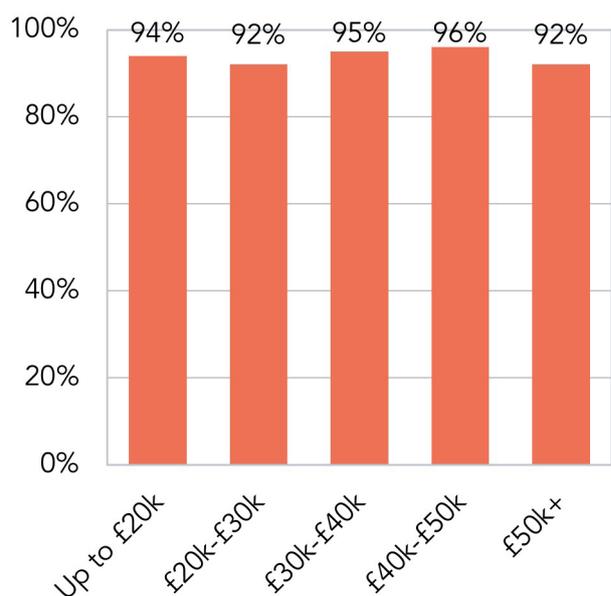
76% of poll respondents say that homeworking has a positive impact on their work flexibility. Several focus group participants mentioned flexibility and

**FIGURE 2:** PROPORTION OF ALL GB WORKERS WORKING FROM HOME AT LEAST SOME OF THE TIME, BY PERSONAL INCOME



Source: Demos/Focaldata poll of all GB workers, September 2021, n=2,002

**FIGURE 3:** PROPORTION OF HOMEWORKERS WHO SAY THEY WOULD PREFER TO WORK FROM HOME AT LEAST SOME OF THE TIME IN THE FUTURE, BY PERSONAL INCOME



Source: Demos/Focaldata poll of GB homeworkers, September 2021, n=2,003

<sup>7</sup> Lasko-Skinner, R. *Distanced Revolution: Employee experiences of working from home during the pandemic*. Demos, 4 June 2021. Available at <https://demos.co.uk/project/distanced-revolution-employee-experiences-of-working-from-home-during-the-pandemic> [accessed 17/11/2021]

greater autonomy over their work as a benefit of homeworking:

*“I do like the flexibility, because I can start and finish when I want, which I could not do in the office - I would have to go in at a set time [and] finish at a set time. So now, if I want to work from two o’clock in the afternoon to ten o’clock at night, I can, that is my choice, or I can split it up so I work less hours and I can work a little bit over the weekend as well.”*

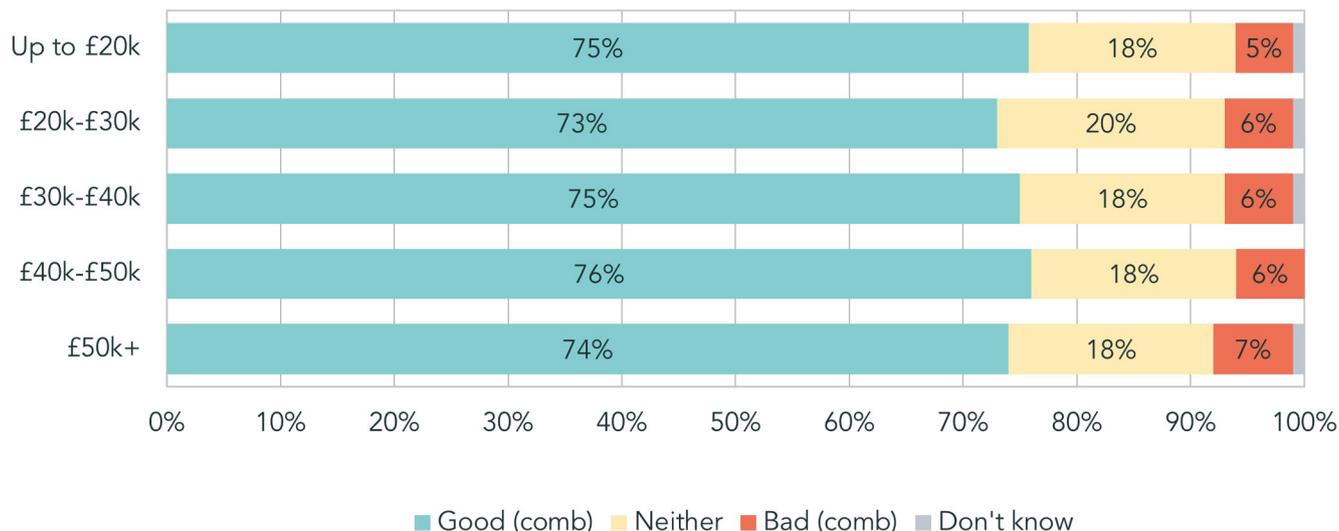
*Female participant, full-time homeworker*

**FIGURE 4: PERSONAL IMPACTS OF WORKING FROM HOME**



Source: Demos/Focaldata poll of GB homeworkers, September 2021, n=2,003

**FIGURE 5: IMPACT OF WORKING FROM HOME ON SELF-REPORTED PRODUCTIVITY, BY PERSONAL INCOME**



Source: Demos/Focaldata poll of GB homeworkers, September 2021, n=2,003

No clear academic consensus has yet emerged regarding the impact of homeworking on productivity. However, in our polling, 74% of respondents say that the impact of homeworking on their productivity is positive - and low-paid homeworkers are just as likely to report a positive impact as high-paid homeworkers (see Figure 5). In our focus groups, several people mentioned that working from home enabled them to focus on their work more effectively:

*“Me, definitely, I’m more productive. [...] I can manage my workload way better because I haven’t got the pressure that I had on before. Time management is way easier when I’m on my own. I can pace myself properly, so, yes, my productivity has gone up immensely, I think.”*

**Male participant, full-time homeworker**

*“I’ve found that since working from home, I’m actually a lot more efficient. The social element might be playing a big factor in it. So, you don’t go and make yourself a cup of tea every hour, or however often, or have a quick chitchat with different team members, and things like that. So, because you’re alone, or because I’m alone, I feel that I do a lot more work now.”*

**Female participant, full-time homeworker**

## BENEFIT 2: A BETTER WORK-LIFE BALANCE

**FIGURE 6: IMPACT OF WORKING FROM HOME ON WORK-LIFE BALANCE, BY PERSONAL INCOME**



Source: Demos/Focaldata poll of GB homeworkers, September 2021, n=2,003

The majority of homeworkers in our polling view homeworking as having a positive impact on their work-life balance. In our focus groups, we heard that this was often related to saving time on travel, having more family time, more effectively balancing work and caring responsibilities, and reduced day-to-day stress.

73% of current homeworkers in our poll say the impact is positive for their overall work-life balance and this is relatively consistent across income groups (see Figure 6). This is comparable to ONS survey data, where among homeworkers “improved work-life balance” (65%) was the most commonly selected option from a list of possible advantages of homeworking.<sup>8</sup> On a similar theme, 72% of homeworkers in our poll say that working from home is good for their relationships with their family.

These benefits were often mentioned in our focus groups, where people described major improvements to their work-life balance as a result of working from home. Participants often commented that it was simply “more convenient” or “more comfortable” to work from home more often. One participant explained how hybrid working had enabled him to save significant time on travel, which he was then able to spend with his children or at home:

*“I think 25% of my work is as a key worker, so there are kids at risk that I still need to go to our college, if you like, and tutor them one to one. But the other 75%, it has been from home. So, instead of allowing for travel time from one venue to the other, I can just stack my sessions, have a five-minute break in between the hour. [...] I’ve spent loads of time with family. Between teaching, I’m cooking, or I’m gardening, or putting litter out. I find it really convenient to be at home. [...] If I had a 30/70, 70 being work and 30 being home balance prior to the pandemic, I’d say it’s the other way around now, where it’s 70% family life, and then 30% work.”*

**Male participant, hybrid worker**

In our poll, we asked homeworkers how much time they save in a typical day by not travelling to work. Just under half (48%) report saving an hour or more per day, and although workers with higher incomes are more likely to report saving a significant amount of time, even among low-paid workers a third (33%) report saving an hour or more per day. Participants in our focus groups who previously had long commutes perceived saving travel time as a significant benefit.

In addition to saving time, several people mentioned working from home had reduced the stress they experienced on a day-to-day basis:

*“I have been less stressed and less anxious as well. I am quite an anxious person, and I found working from home, the stress anxiety is not there. Where I work... the parking is horrendous and you cannot get parked. So unless you set off for a good half an hour/40 minutes before you are actually due to start your shift at eight o’clock anyway, you do not get parked.”*

**Female participant, full-time homeworker**

Similarly, 80% of homeworking parents in our poll say homeworking is positive for balancing their working pattern with caring responsibilities. In our focus groups, parents mentioned the difficulties of juggling work and childcare during periods of pandemic-related school closures, but with schools back to a normal schedule, most spoke positively about working from home:

*“It’s positive, because I’m here to take the kids to school in the morning, I’m here if they need anything. [...] I can be here for my children when they need me to be. It just makes more sense, as a parent, for me to work from home. [...] So, me, personally, a completely positive experience. I prefer it.”*

**Female participant, full-time homeworker**

### **BENEFIT 3: IMPROVED WELLBEING**

Various aspects of wellbeing also emerged as benefits of homeworking. According to our poll, the majority of homeworkers feel that working from home has a positive impact on their health (64%), exercise routine (59%) and diet (57%).

The self-reported impact on health is similar across income groups. However, those on low incomes are slightly less likely to say that the impact on exercise and diet is positive, compared to higher income groups (although in each case a majority still say the impact is positive). This is consistent with previous Demos research which found that higher earners were more likely than lower earners to see their wellbeing improve when working from home during the pandemic.<sup>9</sup>

<sup>8</sup> Office for National Statistics. Coronavirus and attitudes to the future of homeworking. 11 June 2021. Available at [www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/datasets/coronavirusandattitudestothefutureofhomeworking](http://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/datasets/coronavirusandattitudestothefutureofhomeworking) [accessed 17/11/2021]

<sup>9</sup> Lasko-Skinner. *Distanced Revolution*. 4 June 2021.

People's experiences were more mixed in our focus groups, with some describing how working from home had made it hard to establish a routine, for example. However, other participants talked about the benefits of homeworking for their wellbeing:

*"Monday to Friday I will have a proper breakfast, and I appreciate that. Where before, I'd be running around, probably feeling hungry about 10:00, 11:00, snacking, but I don't do that anymore. I've definitely got a healthier lifestyle because I'm not rushing in the morning. So, there are benefits to working from home."*

*Male participant, hybrid worker*

*"I find that I keep going out for little walks in nature, which I would not have done if I was in the office, to be honest with you, which has helped me and my mental health absolutely loads."*

*Female participant, full-time homeworker*

#### **BENEFIT 4: FINANCIAL SAVINGS FOR SOME**

In our polling and focus groups, we found that the financial implications of homeworking are varied, differing significantly depending on people's personal circumstances. On average in our survey of homeworkers, people report saving around £18 per month due to working from home, saving on costs such as travel, food and childcare - although this average hides wide variation.

At an overall level, 54% of homeworkers report a net saving due to working from home. However, this varies by income. While just under half (47%) of homeworkers on low pay report a net saving due to working from home, the proportion rises to six in ten (62%) of homeworkers earning £50,000 or more. It is likely that to some extent this difference reflects the general financial circumstances of people on low pay, interacting with the impact of working from home. The implications of this are discussed further in chapter two.

Nevertheless, it is important to emphasise that many low-paid workers do report that working from home has a positive impact on their finances, enabling

them to save money on things like travel costs and childcare. One participant in a focus group who had a young child explained how working from home enabled her to save about £50 per day on childcare:

*"For me, to be honest, I have my child quite a lot, so working from home has been a godsend. I've probably saved a fortune in childcare... I'm saving about £57 a day on childcare at the moment."*

*Female participant, full-time homeworker*

A number of people in our focus groups mentioned saving on travel costs:

*"And money, as well. I've saved about £200 a month, which actually allowed me to pay for a loan to get a new car, and, also, it's saved me about two-and-a-half hours a day in commuting time. So, it's been a massive benefit to me."*

*Male participant, hybrid worker*

*"Fuel and parking, that's a big one. For me, it would have been – I don't know – maybe £15 a day in fuel, and £5 a day in parking to go into my centre to work. Not that I work full time, but for the days that I'm in, that's £20 each day that I'm not paying anymore. So, it is a significant saving."*

*Female participant, full-time homeworker*

#### **CONCLUSION**

Overall, our research reveals a clear picture: people like working from home and they report that it brings a number of benefits, including improved job satisfaction, work-life balance, wellbeing and, for some, financial savings. Overall, these benefits are broadly shared across income groups, with people on lower incomes generally reporting comparably positive experiences of homeworking to people on higher incomes. Nonetheless, there are some challenges that emerge for homeworkers, which we explore in the next chapter.

# CHAPTER 2

## THE CHALLENGES OF HOMEWORKING

“It’s the social interaction, that’s the thing that you miss, because when you go to work, it’s usually the people that you go to work with that make the job a nice place to be.”

— Female participant, full-time homemaker

“I think you feel you’ve got more support when you’re in the office than at home when things go wrong, or if the Internet goes down, things like that.”

— Female participant, hybrid worker

Given the benefits outlined in the previous chapter, the unprecedented growth in homeworking could be one of the most positive societal changes coming out of the pandemic. However, there are some important challenges emerging from the rise of homeworking, particularly for low-paid homeworkers. In summary, we find that the biggest issues which particularly affect low-paid homeworkers are additional costs and lack of space.

### **CHALLENGE 1: ADDITIONAL COSTS FOR LOW-PAID HOMEWORKERS**

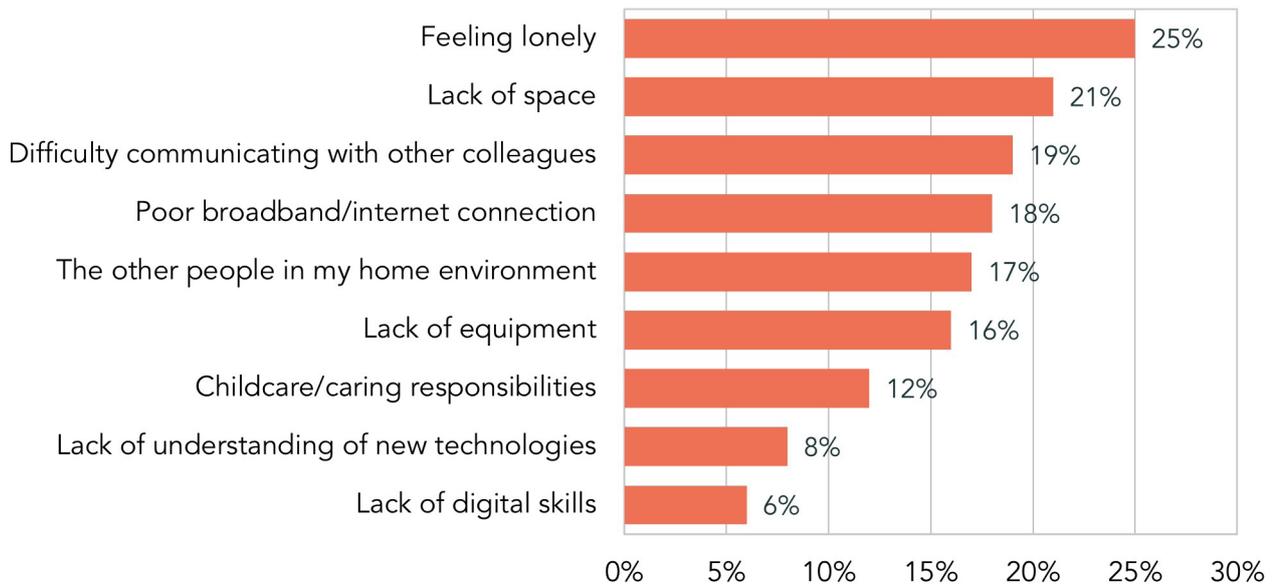
Higher spending on gas and electricity (60%), food (35%), broadband (19%) and equipment (18%) are the most common costs associated with

homeworking in our poll. Among those who spent more on gas and electricity, the median average increase in spending on this was £18 per month. This figure is relatively similar across different income groups, which means that low-paid workers are spending proportionately more of their income on increased gas and electricity costs due to working from home.<sup>10</sup>

Among all homeworkers, lower earners are more likely than higher earners to see their overall costs increase as a result of homeworking. In our poll we find that, on average, low earners report their costs increasing by £10 per month, while the highest earners report saving £63 per month due to homeworking.

<sup>10</sup> Among those spending more on gas and electricity, the median increase was similar for the bottom four income groups (£15-£17). The increase was slightly higher for those earning £50,000 or more per year (£24 per month).

**FIGURE 7: CHALLENGES FACED BY CURRENT HOMEWORKERS**



Source: Demos/Focaldata poll of GB homeworkers, September 2021, n=2,003

However, breaking this down by different types of homeworking reveals a more nuanced picture. Homeworkers across the income spectrum who always work from home on average report saving money. Low-paid homeworkers who always work from home report saving on average £22 per month. However, low-paid hybrid workers - working from home sometimes, but not always - report their monthly costs increasing by £39 on average. Hybrid workers report spending more on a range of areas, with food and childcare making up the greatest proportion of the increase.

One reason why some hybrid workers are spending more is that, for some workers, employer financial support (for example, a fuel allowance) has been cut as employees have started working from home. This was the case for some participants in our focus groups who explained that formerly they had been able to claim expenses for work-related travel costs, but were not able to when working primarily from home:

*“Any home visits or anything you did during the day, we got expenses back, like mileage. Now... that would be [classed as] the cost of travelling to work, so I couldn’t claim that. So, I’m missing out on my mileage, but still having to do some travel, but not getting anything back for that.”*

*Female participant, hybrid worker*

**FIGURE 8: CHALLENGES OF HOMEWORKING, BY PERSONAL INCOME**

CHALLENGE	FELT MORE BY LOWER EARNERS	FELT MORE BY HIGHER EARNERS	FELT EQUALLY BY ALL INCOME GROUPS
Additional costs	Yes	No	No
Lack of space	Yes	No	No
Barriers to homeworking	Yes	No	No
Difficulties of hybrid working	No	Yes	No
Lack of equipment	No	No	Yes
Unreliable internet	No	No	Yes
Isolation	No	No	Yes
Lack of training opportunities	No	No	Yes
Working longer hours unpaid	No	Yes	No
Inflexible employer attitudes	No	No	Yes

*“Yes, I think everything has gone up for me utilities wise. [...] I am probably not driving as much as I would, but then I would have got my mileage anyway. My employer said, “Oh, apply for this working from home whatever and you get your tax back” but I am under the threshold for actually paying tax... so that is not beneficial to me.”*

*Female participant, full-time homeworker*

In addition to a potential reduction in financial support from employers for things such as travel and food when employees work from home part-time, the irregularity of hybrid working could come with additional costs for lower earners. For example, working irregular or hybrid working patterns could be more expensive for childcare than working in the office or from home full-time.<sup>11</sup>

## **CHALLENGE 2: SPECIFIC CHALLENGES FOR HYBRID WORKERS**

As businesses adapt to new ways of working, most are experimenting with different kinds of hybrid working. A CBI survey of businesses in May 2021 found that 93% expect to adopt a hybrid working model.<sup>12</sup> A YouGov survey in June 2021 found that 41% of businesses expect their employees to work in a hybrid pattern in the future, with a further 19% planning to allow their employees free choice over how many days they work from home.<sup>13</sup>

Surveys consistently show that hybrid working is the most popular option among workers as well. In our poll of homeworkers, 64% report currently working in a hybrid pattern, and this is closely aligned with workers' preferences, with 63% saying they would prefer to work in a hybrid pattern in the future. When discussing the future of homeworking, a number of our focus group participants said they would prefer a hybrid model, often because it would enable them to meet colleagues in person sometimes:

*“It would be nice to have a balance, really. So say you are at home, but one day a week you go into the office. So you have still got that... work community, haven't you.”*

*Female participant, full-time homeworker*

*“I think I'd probably want to do a hybrid [pattern], but nothing that's like a hard-and-fast rule. So, I make a decision if I want to go in the office or if I'm working from home that day, unless there are business needs, of course.”*

*Male participant, hybrid worker*

However, in its current form, hybrid working could lead to some downsides, particularly for those on low incomes. This is primarily because (as discussed above) we estimate that low-paid hybrid workers are on average spending more as a result of working from home.

Hybrid workers are also more likely than full-time homeworkers to report some more negative aspects of homeworking: they are more likely to report sometimes taking meetings in an uncomfortable place (27% to 14%), feeling embarrassed about how their surroundings might appear in video calls (26% to 16%) and that a lack of equipment was a challenge for them when working from home (17% to 13%).<sup>14</sup>

## **CHALLENGE 3: SOME LACK SPACE AND APPROPRIATE EQUIPMENT**

Our polling finds that workers from low-income households are significantly less likely to have a dedicated room for homeworking than others (see Figure 9). Among workers from households with an income of below £20,000, only 26% report having a dedicated room to work in, compared with roughly a third (35%) of all homeworkers and nearly half (46%) of homeworkers with a household income of £100,000 per year or more.

When asked about the challenges of working from home, a fifth of all homeworkers (21%) identify “lack of space” as a challenge. This is relatively similar across different income groups, although it is slightly higher for low earners (23%) than for high earners (17%).

For those claiming Housing Benefit, in particular, the Removal of the Spare Room Subsidy policy ('Bedroom Tax') can be a barrier to working from home. One of our focus group participants, who does not currently work from home, explained that a lack of space would be a barrier for him:

11 Canter, L. Out-of-hours childcare: expensive and ever harder to find. *The Guardian*, 7 June 2016. Available at [www.theguardian.com/money/2016/jun/07/out-of-hours-childcare-expensive-and-ever-harder-to-find](http://www.theguardian.com/money/2016/jun/07/out-of-hours-childcare-expensive-and-ever-harder-to-find) [accessed 17/11/2021]

12 CBI Economics. The revolution of work: A survey on the world of work post-COVID-19. CBI, July 2021. Available at [www.cbi.org.uk/media/7029/12680\\_cbi-economics\\_nexus\\_report\\_web.pdf](http://www.cbi.org.uk/media/7029/12680_cbi-economics_nexus_report_web.pdf) [accessed 17/11/2021]

13 Nolsoe, E. One in four businesses intend to allow all workers to work from home at least some of the time. YouGov, 29 July 2021. Available at <https://yougov.co.uk/topics/economy/articles-reports/2021/07/29/one-four-businesses-intend-allow-all-workers-work> [accessed 17/11/2021]

14 For taking meetings in an uncomfortable place and feeling embarrassed about how their surroundings might appear in video calls, “sometimes” refers to respondents who said that this happened daily, weekly or monthly.

*"I think space is a bit of an issue for me in our house. [...] If I was given the option to work from home, it's... more space I need. I think with me being on Housing Benefit, I've got to have every room counted for. We're only allowed a two-bedroom house."*

**Male participant, non-homeworker**

Many participants in our focus groups explained that they had made significant changes to their homes in order to be able to work from home. This sometimes included changing how people were using the rooms in their house, such as turning spare bedrooms into offices. Some participants explained how they had moved a child's bedroom to create a dedicated workspace, or made difficult decisions about the furniture for which they could find space.

*"I've actually turned this into a spare room/office now. [My daughter] has moved bedrooms. So, that was decorating this whole room, decorating her whole room. I did a huge change around in my house just to accommodate now working from home."*

**Female participant, hybrid worker**

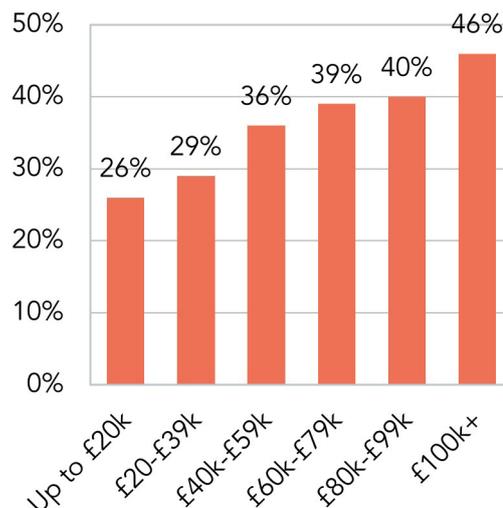
*"I wanted to get another sofa because there are only three of us, but I wanted to... put it exactly where my desk is right now. I was like, "You know what? We're just going to have to deal with the little sofa that we've got, for a bit longer, because I don't have anywhere to put the desk."*

**Female participant, full-time homeworker**

We also find an equally mixed picture regarding access to equipment. On a weekly basis, a quarter of homeworkers (23%) report feeling physically uncomfortable due to lacking the right equipment, and one in ten (14%) report feeling embarrassed about how their workspace might appear in video calls. These experiences are relatively consistent across income groups.

Some focus group participants told us their employer had purchased desks, chairs, monitors or other equipment for them. However, others told us they had purchased these kinds of things themselves, or simply made do without them. Some participants simply didn't have the space for new equipment, leaving them uncomfortable even if they were offered support by their employer.

**FIGURE 9: PROPORTION OF HOMEWORKERS WHO SAY THEY HAVE A DEDICATED ROOM TO WORK IN, BY HOUSEHOLD INCOME**



Source: Demos/Focaldata poll of GB homeworkers, September 2021, n=2,003

*"I don't have anywhere I can fit a desk. So, I'm currently working at my kitchen table, which then means I can't bring home a monitor or keyboard, because I've got nowhere to attach it. [...] It has been difficult, trying to separate your office space from your living space. [...] That sort of 'housebarrassment' type thing, when your house doesn't look as good as everyone else's on the screen, can play a bit of a factor."*

**Female participant, hybrid worker**

In our poll a fifth (18%) of all homeworkers report experiencing challenges because of their broadband. This was relatively similar across different income groups. For some participants in our focus groups the challenges could be particularly acute.

*"That has been probably the biggest source of my stress – my internet connection. [If] I lose my internet, that's incredibly stressful... that's probably the single cause of real stress during the pandemic."*

**Female participant, full-time homeworker**

A few participants in our focus groups explained that they had upgraded their internet packages in order to improve their productivity at work. For low earners, this could be a significant cost relative to their incomes.

*“My internet was shocking before. I couldn’t get my work done, and the computer was constantly crashing. I could be in the middle of doing a piece of work, it would crash. So, I have had to pay more for a better internet service. Originally, I was paying £8 to £10 [per month]... I’m now paying £30 so I can work better. But I can’t claim any of that money back.”*

*Female participant, hybrid worker*

## CHALLENGE 4: ISOLATION

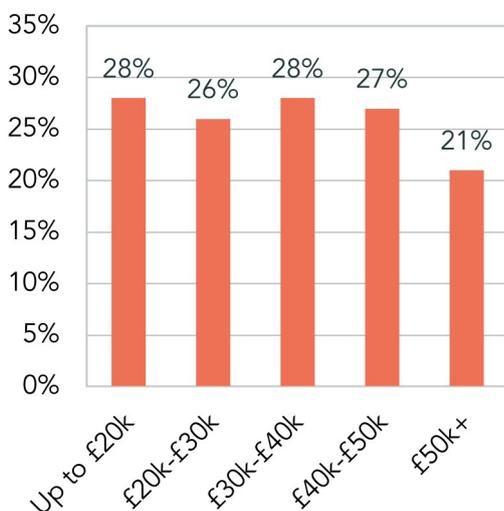
*“You do feel like you’re in... your own bubble, and there’s no one else around.”*

*Male participant, full-time homeworker*

A quarter (25%) of all homeworkers identify loneliness as a challenge when working from home. This is felt roughly equally across all income groups, though higher earners are slightly less likely to say this is a challenge for them (see Figure 10).

Focus group participants often agreed that while homeworking had many benefits, social isolation is sometimes a downside. Some participants noted that this had been exacerbated by restrictions on social contact during the pandemic, and suggested that increased opportunities for socialising outside work would improve their experience of working from home. As discussed above, a desire for social interaction at work was the most common reason cited for preferring a pattern of hybrid working in the future.

**FIGURE 10: PROPORTION OF HOMEWORKERS WHO REPORT FEELING LONELY AS A CHALLENGE WHEN WORKING FROM HOME, BY PERSONAL INCOME**



Source: Demos/Focaldata poll of GB homeworkers, September 2021, n=2,003

## CHALLENGE 5: SOME WORK LONGER HOURS, OFTEN UNPAID

Data collected during the pandemic has indicated that people worked longer hours while working from home, suggesting homeworking could be leading to increased workloads. ONS analysis showed that in 2020 people who worked from home worked an average of 6 hours unpaid overtime per week, compared to 3.6 hours per week for those who never worked from home.<sup>15</sup>

In our poll, a third (34%) of homeworkers reported working more hours as a result of working from home, and of those three quarters (76%) reported working those extra hours unpaid.

When looking at differences across income, we find that lower earners are less likely to work longer hours and are more likely to be paid for the extra hours they do work. High-paid workers are twice as likely to be working longer hours due to working from home than low-paid workers - 41% and 22% respectively.

Based on our polling, about 8% of low earners working from home report both working more hours and being paid for those hours. Although this is a relatively low proportion, it nonetheless validates the hypothesis that working from home can enable at least some low earners to work more hours and raise their income overall.

We find a mixed picture regarding the key drivers of working longer hours, with some doing so because of an increase in autonomy and work satisfaction while others report having more work to do or finding it harder to disconnect (see Figure 11).

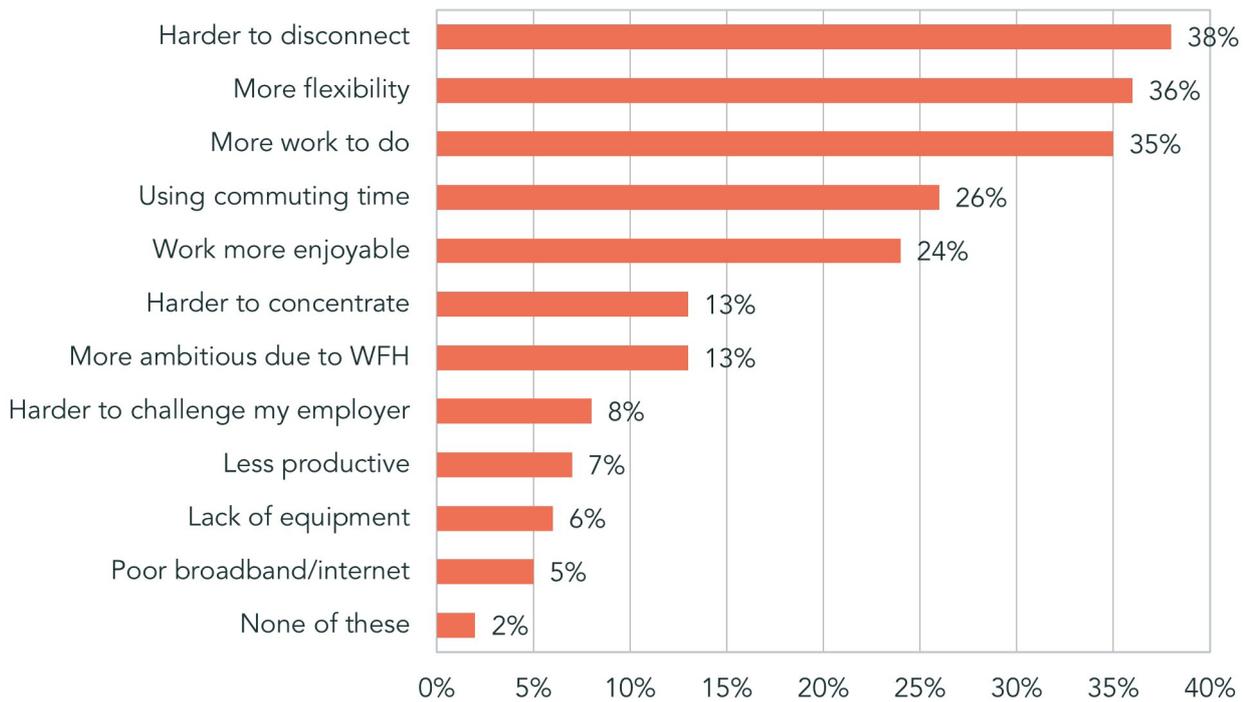
These varying experiences were also reflected in our focus groups, with some participants reporting negative effects on work-life balance, such as finding it harder to “switch off” from work. Another downside people mentioned was being contacted outside of working hours, for example receiving emails or messages late at night. Partly as a result, some people said they had been working longer hours unpaid.

*“I have been working extra hours and not getting paid for them. [...]. It’s impossible to switch off. If you’ve got a young family, if you’ve got responsibilities and so forth, they actually do suffer at the end of the day, I think.”*

*Male participant, full-time homeworker*

15 Office for National Statistics. Homeworking hours, rewards and opportunities in the UK: 2011 to 2020. 19 April 2021. Available at [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/homeworkinghoursrewardsandopportunitiesintheuk2011to2020/2021-04-19#hours-worked-overtime-and-sickness](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/homeworkinghoursrewardsandopportunitiesintheuk2011to2020/2021-04-19#hours-worked-overtime-and-sickness) [accessed 27/10/2021]

**FIGURE 11: HOMEWORKERS’ ANSWERS TO THE QUESTION: “WHICH OF THE FOLLOWING REASONS EXPLAINS WHY YOU’VE WORKED LONGER HOURS?”**



Source: Demos/Focaldata poll of GB homeworkers, September 2021, n=677

Finally, there are worrying gender disparities in relation to hours worked and the reasons why. Women are slightly more likely than men to work longer hours while working from home (37% compared to 31%) and are just as likely to be working extra hours unpaid.

The primary reasons for female homeworkers working longer hours are “finding it harder to disconnect” (42%) and “having more work to do” (40%), both reasons which they are more likely to select than men. In contrast, men are more likely than women to select reasons such as “I like to spend the time I would have spent commuting on working more” (31% to 22%) and “I enjoy my work more when I do it from home” (27% to 20%). Employers need to be aware of potential inequalities - such as women working longer unpaid hours than their male counterparts - that may arise due to homeworking.

**CHALLENGE 6: MONITORING AND SURVEILLANCE**

We find 34% of homeworkers report being monitored while they work (see Figure 12 for breakdown). Differences by income tend to be relatively small. The most common form of surveillance homeworkers report is monitoring emails

or messages (16%), followed by time spent on their computer (15%) or phone calls (13%). Monitoring is not unique to the home workforce, but it does appear to be somewhat more common: 22% of non-homeworkers report being monitored by their employer (see Figure 12).

**FIGURE 12: HOMEWORKERS AND NON-HOMEWORKERS, “IN THE LAST SIX MONTHS, WHICH OF THE FOLLOWING TYPES OF MONITORING HAS YOUR EMPLOYER USED?” (RESPONDENTS COULD CHOOSE MULTIPLE OPTIONS)**

	HOMEWORKERS	NON-HOMEWORKERS
Monitoring emails or messages	16%	11%
Monitoring phone calls	13%	8%
Monitoring time spent on my computer	15%	6%
Monitoring using a webcam	6%	4%

	HOMEWORKERS	NON-HOMEWORKERS
Monitoring what you are typing on your keyboard	6%	3%
Monitoring when/whether you are typing on your keyboard	6%	3%
Monitoring using wearable technology	3%	3%
Don't know	17%	17%
None of these	44%	58%
I do not have an employer	5%	3%

Source: Demos/Focaldata poll of GB homeworkers (n=2,003) and of all GB workers (n=2,002), September 2021

Interestingly, a majority of both homeworkers and non-homeworkers say they feel comfortable with the monitoring used by their employer (see Figure 13). However, around a fifth of both groups say they feel uncomfortable.

**FIGURE 13: HOMEWORKERS AND NON-HOMEWORKERS, “WHICH OF THE FOLLOWING BEST DESCRIBES THE WAY YOU FEEL ABOUT HOW YOUR EMPLOYER MONITORS YOU?”**

	HOMEWORKERS	NON-HOMEWORKERS
Very comfortable	20%	13%
Fairly comfortable	34%	37%
Neither uncomfortable nor comfortable	25%	26%
Fairly uncomfortable	14%	16%
Very uncomfortable	6%	8%
Don't know	0%	1%

Source: Demos/Focaldata poll of GB homeworkers (n=662) and of all GB workers (n=212), September 2021

It is also worth noting that 17% of both homeworkers and non-homeworkers selected “don't know” in response to the question about monitoring and surveillance. This suggests that some workers may be unaware that they are being monitored.

Since some workers feel uncomfortable and others do not know what monitoring is being used, it is particularly important for employers to be transparent about what monitoring or surveillance is in place, and how any data collected will be used.

## CASE STUDIES: PERSPECTIVES ON MONITORING

*These case studies are based on our focus groups. Participants' names have been changed.*

Emma works in customer service, and works from home full-time. She has been working from home since the start of the pandemic in March 2020. She explained that the monitoring systems used for people working from home were similar to those used when working in the office, and said she could understand why monitoring was used:

“When I worked in the office, we still had targets to meet, really, a systems measure, how productive you are, how long your computer has been switched on. You have to log in and out for breaks, so it monitors how long you've been away from your desk for, and things like that. So, I've always been used to that environment. It's the same working from home, because I use the same systems. But it's not to really catch you out on maybe not doing your work. I think it's more so they know if they have enough staff to cover the amount of work that needs doing. [...] Of course, there are people that are starting to slack a little bit, and those people do get pulled up about it, and dealt with appropriately. But it has never really been something that affects me, because all my jobs in the past have all been monitored as well. So, yes, it doesn't really phase me.”

Katherine is a tenancy support worker, and works in a hybrid pattern. She explained that new monitoring systems had recently been put in place as her company shifted to a longer-term hybrid model:

“We were never really monitored before... but since going through this process of agile working, we've had a lot of new systems put in place. It's monitoring how many people are active. So, the phone system records when your laptop is in sleep mode, or when it's actually on to show how many staff are ready to be able to take a phone call if needed. It has never been – especially phone calls – how many phone calls? Because we were just all in an office, so... the office phone would ring, and it would ring around everybody's desk, and whoever picked it up would pick it up. So, I think to put targets and stats on answering phone calls isn't really what our job is. So, it's very new, this monitoring thing, so I'm a bit on the fence at the moment. But I wouldn't like to feel like I was being watched all the time. It sort of makes you feel like you're not doing your job.”

## CHALLENGE 7: EMPLOYER ATTITUDES

Employer attitudes to homeworking vary widely. Different businesses are taking different routes as they transition away from enforced homeworking during the pandemic to new patterns of working for the future. In particular, we find that employees report different experiences regarding being given the option to choose whether to work from home or not, and how often.

While the majority of homeworkers say they are being given at least some element of choice about where they work, 23% say they have been told to work in a hybrid pattern - that is, to work from home some days, and to come into an office or workplace on other days. A further 13% say they have been told that they will be working from home full time in the future. The proportion who say they have been told they will be working from home full time was slightly higher for low-paid workers (18%) compared to other income brackets (9%-14%).

**FIGURE 14:** HOMEWORKERS, "HAVE YOU BEEN ABLE TO DECIDE WHETHER YOU WORK FROM HOME OR NOT AS RESTRICTIONS HAVE BEEN LIFTED?"

I have been able to choose how many days I work from home and how many days I come into the office or workplace	26%
I have been told to come in to the office or workplace for a certain number of days each week, and to work from home for the rest of my working week	23%
I have been able to choose whether I work either from home full time or away from home full time	22%
I have been told to come in to the office or workplace for a certain number of days each week, but the rest of the time I can choose where I work	18%
I have been told that I am going to be working from home full time	13%

Source: Demos/Focaldata poll of GB homeworkers, September 2021, n=2,003

In our focus groups, the majority of people said they expected to work in a hybrid pattern moving forward. This was mostly due to personal preference, although some people said their employer was planning to require them to come into the office for a certain number of days each week. A few others said they had chosen to work from home full-time, or had been told to do so by their employer. There was

still a large degree of uncertainty for many people, as businesses in many cases had not made final decisions.

There was a strong consensus in our focus groups that employees should be involved in the decision-making process regarding the future of homeworking. Some participants told us they had been consulted or were currently being consulted, but others said they had not been involved in the process. Among those who had been told that they would be working from home some or all of the time, opinions differed. Some said they had enjoyed working from home, and therefore were pleased to be able to continue. Others, however, expressed mixed feelings, or said they were willing to accept the new arrangements even if they were not perfect.

*"So, my company has said that we can continue [to work from home]. If we wanted to go back into the office, we can book hot desks, but they've closed the building that I was working in. They've said we can work from home permanently, which works for me really, really well."*

*Female participant, full-time homeworker*

*"But the whole actual department where I was working in, it has... closed down and we are all remote now. [...] The office where I work now does not exist anymore. [...] So this is it for me, this is my normal now."*

*Female participant, full-time homeworker*

*"With my company, we're a very small company. We had three offices in an old school. Only last month, we've actually moved into a much smaller office. We've gone from space for about 30, 40 people, to having [space for] 6, because everyone is working from home. It is a permanent thing that our employer has done not only for cost saving but because they recognise that everyone wants to work from home in my company."*

*Male participant, full-time homeworker*

It is important that businesses take into account the preferences of their employees when making decisions about future working patterns. Some businesses are considering requiring staff to return to the office full time - potentially preventing their employees accessing the benefits of homeworking - while others have shut offices and told staff to work from home permanently, which could have negative consequences for some workers who may not want to work from home all the time.

## **CHALLENGE 8: MANY LOW-PAID WORKERS CANNOT WORK FROM HOME**

In our poll, job unsuitability is the most commonly cited reason for low-paid workers not being able to work from home. 87% of low-paid non-homeworkers say it would be impossible for them to work from home. Similarly, when asked about more specific barriers, 32% of low-paid non-homeworkers say that homeworking is not possible in the sector they work in and 14% say their employer doesn't allow homeworking. Other barriers are relatively less important, such as lack of equipment (10%) or lack of space (9%).

These findings have wider implications. They suggest that the main barriers to homeworking - particularly for low-paid workers - relate to the nature of their work and labour market structures. Resolving this could be challenging, particularly given some forms of work are not suitable for homeworking. However, this is an area that requires further investigation, to better understand whether industries with low levels of homeworking could be made viable homeworking sectors.

# CONCLUSION AND RECOMMENDATIONS

Low-paid homeworkers report significant improvements in work flexibility and productivity, work-life balance and wellbeing as a result of homeworking. This is reflected in the popularity of homeworking among lower earners as well as higher earners. This suggests that policy makers, employers and other stakeholders should aim to maintain the option of homeworking for those who are already doing so, improve the experience of homeworking, and broaden access to homeworking where this is possible.

However, there are some important challenges arising from the seismic shift to homeworking. Perhaps most concerning is that low-paid hybrid homeworkers in particular could be losing out financially from homeworking. They might also find it hard to create a designated, comfortable working space in their home, even if their employer covers the cost of homeworking equipment.

With roughly half of all workers working from home at least some of the time, the shift to homeworking has occurred much faster than policy or legislation responses to it. In particular, policy makers, key industry actors and even some employers seem to be behind when it comes to making sure workers are equipped for this new world of work.

Given the need to catch up, in this final chapter we suggest twelve recommendations to ensure all workers have fair access to the benefits of homeworking and that homeworkers are protected from the additional burdens that might come from increased homeworking.

## MAINTAIN AND EXPAND HOMEWORKING

The government's consultation on flexible working states that it aims to make work flexible by default.<sup>16</sup> However, to date, it has not followed through with adequate legislative change.

While the introduction of the right to request flexible working in 2003 was a significant first step, progress on expanding flexible working has been slow in recent years. It is therefore important that the government goes further to make flexible working the default, to ensure that those currently benefiting from homeworking can continue to do so, and to broaden access to homeworking, especially for low-paid workers. We reiterate our previous call for a Remote Working Strategy<sup>17</sup> and recommend that as part of that:

1. The government should make employee contracts flexible by default, with the burden of proof lying on employers to demonstrate why a specified location is required in their particular circumstances.

It is clear from our research that the main barrier to homeworking which low-paid workers face is the nature of their work. However, our research has not explored in depth the sectors and occupations of low-paid workers, to consider which of these currently offer homeworking, which could offer homeworking in the future, and which are not amenable to homeworking. Therefore we recommend that:

<sup>16</sup> Department for Business, Energy and Industrial Strategy. Making Flexible Working the Default. [GOV.UK](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1019526/flexible-working-consultation.pdf), September 2021. Available at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1019526/flexible-working-consultation.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1019526/flexible-working-consultation.pdf) [accessed 17/11/2021]

<sup>17</sup> Lasko-Skinner. *Distanced Revolution*. 4 June 2021.

2. Further research should be conducted to explore the sectors and occupations in which low-paid workers are employed, which of these currently offer homeworking, and which could offer homeworking in the future.

## PROTECT HOMEWORKERS FROM ADDITIONAL COSTS

Making homes fit for work doesn't come for free. Purchasing home office equipment can be costly, as can paying higher energy bills as a result of homeworking. In our polling we find that the majority of low-paid hybrid homeworkers report net additional costs due to homeworking, alongside a minority of full-time homeworkers. This could adversely impact the financial situation of those that are already struggling. The government can and should do more to ensure that low-paid workers do not take on other additional costs when working from home.

Currently the government offers tax-free payments to support employees to cover additional costs when working from home, which are not subject to income tax or national insurance. The money can either be paid to the employee by the employer or claimed as tax relief, which under HMRC Covid-19 response has included people working part-time.<sup>18</sup> However, at £1.20 per week for basic rate taxpayers, this tax relief as it stands is unlikely to cover the additional costs of working from home, such as gas, electricity, broadband and equipment. We therefore recommend that the government reviews the additional costs employees may incur as a result of working from home:

3. The government should update and simplify the current tax relief system to ensure it covers the additional costs for employees when working from home.

While the current tax relief system is better than no assistance, it is by no means perfect. We found that many of our focus group participants were unaware of it, and therefore were missing out. In addition, it can't be claimed by those who do not pay tax due to low earnings.

We believe that in the medium term, employers should be responsible for meeting the extra costs of homeworking for their employees. The government could consider offering some financial assistance

to employers to help meet these costs, replacing the current tax relief system for individuals who are employees. We therefore recommend that:

4. The government should consider making employers responsible for meeting the costs of equipment purchases needed to work from home comfortably and safely, and any additional energy or internet costs incurred by homeworkers.

## ESTABLISH LOCAL REMOTE WORKING STRATEGIES

For some low-paid workers, working in their own home may not be a practical solution. However, many of the benefits of homeworking - such as increased flexibility and reduced commuting time - could be achieved via 'remote working hubs'. Local hubs that provide space, equipment and reliable internet access have been suggested as a way of enabling people to work remotely *near* home, rather than *at* home.<sup>19</sup> The Welsh government is currently piloting local remote working hubs in several locations in Wales, and have said that they are aiming for 30% of Welsh workers to work at or near home in the future. The Welsh government will publish the results of the pilots, and a wider remote working strategy, in the coming months. This will provide excellent evidence for different tiers of government across the UK and other stakeholders to learn from.

The benefits of these hubs could go beyond improving access to homeworking. First, they can bring people together outside of their homes, reduce isolation and develop important social networks; and second, they can help support local economies. As Demos has previously argued, increased remote working could be a key lever in levelling up.<sup>20</sup> To help deliver this vision we recommend that:

5. Local authorities should establish remote working strategies to meet the unique needs of the local workforce. This should include considering the development of new remote working hubs and the redesign of existing community spaces to ensure equal access to remote working, as well as seeking to help the local population access remote or homeworking job opportunities.

18 Lewis, M. Working from home due to coronavirus, even for a day? Claim two years' worth of tax relief. MoneySavingExpert, 12 April 2020. Available at <https://blog.moneysavingexpert.com/2020/04/martin-lewis-working-from-home-due-to-coronavirus-claim-p6-wk> [accessed 17/11/2021]

19 Welsh Government. Remote working. GOV.WALES, 14 September 2020. Available at <https://gov.wales/remote-working-policy> [accessed 17/11/2021]

20 Ussher, K. *Post Pandemic Places*. Demos, 22 March 2021. Available at <https://demos.co.uk/project/post-pandemic-places> [accessed 17/11/2021]

## IMPROVE EMPLOYER PRACTICES

Employers are critical to ensuring homeworking is a success. There is a lot that employers can do to enable employees to adopt long-term working patterns that include homeworking. Given the diversity of experiences and preferences illustrated by our focus groups, it is essential individuals are able to choose, wherever possible, the way that they work to suit their lifestyle - whether it be caring responsibilities or what is best for productivity given their individual circumstances. We therefore recommend that:

6. Employers should:
  - a consider the needs of workers on an individual basis and involve staff in the process, before making important decisions such as the future pattern of working, or closing or downsizing offices.
  - b take proactive steps to support employees who are partly or fully working from home, including providing the necessary equipment to ensure employees are productive and comfortable when working from home.
  - c include the available options for flexible working, including working from home, in all job adverts.

## UPDATE HOUSING STANDARDS

Our research suggests homeworking is likely to be a long-term feature of the economy. As a consequence, homes will be key places of work, as they have been throughout the pandemic. This means that standards in the housing sector will need to change to reflect increased homeworking, and to make sure homes are fit for the future of work. A reliable and fast broadband connection, for example, will be vital for every household to ensure homeworking is as accessible as possible. Improving the energy efficiency of homes could deliver multiple co-benefits including warmer homes, reduced energy bills for workers and lower carbon emissions. We recommend that:

7. The ongoing review of the Decent Homes Standard should consider issues related to working from home.<sup>21</sup> The revised standard should include broadband connectivity, as recommended by the Centre for Ageing Better's

Good Home Inquiry.<sup>22</sup> The Future Homes Standard should also be reviewed to ensure it is suitable for a future in which homeworking is significantly more common.

## SUPPORT HOMEWORKING THROUGH THE BENEFITS SYSTEM

The Removal of the Spare Room Subsidy policy ('Bedroom Tax') could present a barrier to low earners working from home, or could reduce the productivity of low-paid homeworkers by preventing them having a spare room to work in. As noted earlier, our research shows workers in low-income households are less likely to have a dedicated room to work in. We recommend that:

8. The Department for Work and Pensions should ensure that the current housing benefit system supports homeworking by permitting people who are working from home to have an additional bedroom under the Bedroom Standard, without being penalised by the Removal of the Spare Room Subsidy ('Bedroom Tax') policy.

Many low-paid homeworkers have seen their utility costs go up, including electricity, gas and internet. There are a number of schemes which provide utilities at a discounted rate for those on low incomes. For example, BT have launched a £15 per month broadband and phone 'social tariff' for those on low incomes or who are out of work.<sup>23</sup> However, uptake is low and it is likely that many people who interact with the benefits system are unaware of social tariffs.<sup>24</sup> We therefore recommend that:

9. The Department for Work and Pensions and social housing providers should take more of an active role in ensuring claimant awareness of social tariffs in the utilities sector, for example, by notifying those who sign up for Universal Credit of the additional schemes for which they are eligible.

## SUPPORT RENTERS TO WORK FROM HOME

Housing providers, such as housing associations and local councils, have an important role to play in facilitating access to, and improving the experience of, homeworking.

21 Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities and Local Government. Decent Homes Standard: review. GOV.UK, 8 February 2021. Available at [www.gov.uk/guidance/decent-homes-standard-review](https://www.gov.uk/guidance/decent-homes-standard-review) [accessed 17/11/2021]

22 The Good Home Inquiry. *Good homes for all: A proposal to fix England's housing*. Centre for Ageing Better, September 2021, p. 58. Available at <https://ageing-better.org.uk/sites/default/files/2021-09/good-homes-for-all-a-proposal.pdf> [accessed 17/11/2021]

23 Brignall, M. BT cuts broadband bills in half for struggling households. *The Guardian*, 3 July 2021. Available at [www.theguardian.com/money/2021/jul/03/bt-cuts-broadband-bills-in-half-for-struggling-households](https://www.theguardian.com/money/2021/jul/03/bt-cuts-broadband-bills-in-half-for-struggling-households) [accessed 17/11/2021]

24 Hansard, House of Lords. Covid-19: Broadband. Volume 813: debated on Monday 5 July 2021. Available at <https://hansard.parliament.uk/Lords/2021-07-05/debates/90CB8D8C-BF7F-43A1-A52F-257CE94CA7C5/details> [accessed 17/11/2021]

Although not affecting many people, 2% of non-homeworkers in our poll said that their landlord had rules against them working from home. Tenancy agreements may not always distinguish between different types of working from home but the aim should be to ensure that tenants are not prevented from accessing homeworking. We recommend that:

- 10.** Housing providers should review tenancy agreements to ensure that they do not unnecessarily prevent tenants working from home.

High-quality broadband access is an important facilitator of productive homeworking. In our poll, 18% of homeworkers said poor broadband was a challenge for them when working from home, and 10% of non-homeworkers said poor broadband was a barrier which could prevent them working from home in the future. Housing providers such as housing associations could look to improve broadband access as one way of enabling homeworking. In addition, bundling rent and broadband together could allow a better deal with an internet provider for high quality broadband. We recommend that:

- 11.** Housing providers should aim to provide high-quality broadband access to tenants, and should consider incorporating broadband access into tenants' rent payments.

Housing associations could also look to provide co-working spaces or hubs for their tenants. These could provide the opportunity to work remotely near home, but add advantages such as social connection, better equipment and more efficient heating. We recommend that:

- 12.** Housing providers should explore the possibility of providing tenants with co-working spaces for remote working.

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