

POLICY AND RESOURCES COMMITTEE**Wednesday, 30 June, 2021**

REPORT TITLE:	HOMEWORKING ALLOWANCE
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This report sets out the issues and implications relating to the implementation of a homeworking allowance and sets out the detail and eligibility criteria should the Policy and Resources Committee agree to implement an allowance.

RECOMMENDATION/S

It is recommended that the Policy and Resources Committee:

- a) consider the options, issues and implications associated with implementation of a homeworking allowance and the detail of the draft policy and eligibility criteria that has been developed and;
- b) consider whether to implement a homeworking allowance based on the policy and criteria developed.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Council has moved to a hybrid working model where significant numbers of staff will have the option to work at home regularly combined with some attendance at offices and site visits as required.
- 1.2 The Trade Unions have requested that the Council formally consider the implementation of a homeworking allowance for staff. It is appropriate that this request is considered by the Policy and Resources Committee.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 There is no obligation for the Council as an employer to pay a homeworking allowance or meet any costs of homeworking that may be incurred by employees.

As such, officer's position has been to maintain the position we have adopted which is to signpost employees to apply to claim tax relief from HMRC. There is no cost to the Council for this and all employees can apply.

- 2.2 Additionally, any staff who have concerned about the cost of homeworking can choose to work from a Council building.

3.0 BACKGROUND INFORMATION

- 3.1 Since the start of the pandemic, approximately 1,900 Council staff have worked from home in line with government advice. This has been very successful, and we have been able to continue to deliver services that have previously been delivered from our office accommodation or other fixed assets.
- 3.2 This experience and particularly the successful way in which technology has worked and has been embraced, has accelerated the move to more agile working models. Like many large organisations, the Council is now moving towards a 'hybrid' working' model with a combination of employees working at home, attending office to work, or meeting colleagues and/or visiting sites as required by service need.
- 3.3 We are keen to offer employees a degree of personal choice about where they work if the business need continues to be met.
- 3.4 There is a strong appetite from the workforce to retain an option for homeworking. A staff survey undertaken in November 2020 indicated that over 92% of 1,085 employees who responded, indicated a preference to work at home for 3 or more days a week.
- 3.5 Whilst hybrid working will be encouraged, it is not the intention of the Council to impose homeworking on employees. It is acknowledged that not all employees can work at home. Some employees may not have an appropriate home environment and others may prefer not to for personal reasons. There are also some jobs that cannot be done at home as effectively and some employees including new members of staff, trainees or apprentices benefit from working alongside colleagues.

Homeworking Allowance

- 3.6 The Trade Unions requested that the Council considers the payment of a homeworking allowance. They have put forward a case that working at home places financial hardship on some employees who have to meet the cost of additional heating and other bills, particularly over the course of the winter months. (At a national level the Trade Unions have included the implementation of a homeworking allowance as part of the national pay claim for 21/22).
- 3.7 In response, the Council has not agreed to the request to introduce of an allowance to date for a number of reasons:
- There have been very few issues raised directly by employees in relation to the cost of homeworking.
 - We have sign-posted employees to the HMRC tax relief option available to all employees who meet the tax threshold whereby employees required to work from home can claim tax relief based on the rate at which they pay tax: for example, if an employee pays the 20% basic rate of tax and claims tax relief on £6 a week, they would receive £1.20 a week in tax relief (20% of £6 a week) towards the cost of their household bills).
 - We have also advised if there are any personal reasons that mean employees who can't or don't wish to work from home (which would include concerns over costs) can choose to come into an office. This will remain the case in future as office accommodation is re-opened.
 - Personal circumstances vary, for the vast majority of staff, increased utility costs arising from working at home are likely to be offset by savings from not commuting and incurring petrol, parking or public transport costs.
 - Very few Councils have introduced an allowance. From an LGA survey of Councils in 2020 time around 99% of Council's reported they were not considering implementing a homeworking payment. None of the Liverpool City Region Local Authorities have implemented allowances for homeworking at this stage.
- 3.8 As this is a policy decision affecting the workforce, with a potential budget implication it is appropriate that this issue is considered by this Committee. The Leader of the Council asked for work to be undertaken to explore the implications of implementing a homeworking allowance for low paid staff and a report produced. This work has been undertaken in consultation with the Trade Unions.
- 3.9 There were several complexities to consider in developing this:
- **Eligibility criteria** - the purpose would be to pay an allowance to staff in recognition of the additional costs of homeworking. As with any allowance, to ensure it is applied fairly and equitably, criteria is required to ensure we do not make payments to staff who are not incurring additional costs or for whom there is no justification for doing so for other reasons. For example, some employees already have other people living at home whilst they are working at home and so are not incurring any additional costs from heating or lighting. We would also

want to exclude employees whose overall saving from travel costs exceeds any increase in heating or utility costs.

- **Low paid staff** - determination of which staff are considered to be low paid in the context of an allowance and taking into account the staff groups and grades who are likely to be working at home.
- **Flexible policy** - there is no expectation that staff will work at home all day every day and so an allowance system would need to be flexible and enable staff to claim on a pro-rata basis for time at home. The allowance should not be payable for periods of annual leave or other absence as the Council is not responsible for meeting home utility costs on these days.
- **The amount of the allowance** - HMRC regulations currently allow an employer to pay allowances of up to £26 per month tax free and without a requirement for the employee to provide evidence or receipts showing costs. This is equivalent to £6 per week or £1.20 per day. This is at the employer's cost.
- **Administration and process** - A requirement to ensure the process for claiming/paying the allowance is straightforward and also not administratively resource intensive or costly.

3.10 Appendix A sets out a proposed homeworking allowance policy, including eligibility criteria. This has sought to address the issues set out in 3.9 above.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There would be a cost implication to the Council if a homeworking allowance is implemented, which as yet is undetermined as to where this would be funded from. For 2021/22 Covid-19 emergency tranche funding could be used but this would only be applicable for one year. Any future years allowance would result in a pressure in the MTFP.
- 4.2 It is not possible to predict with precision how many employees will be eligible to make a claim for the allowance or the number that may choose to do so because of the variation in personal circumstances. The Council does not hold information about benefits staff may be in receipt of, their usual commuting costs or their home circumstances.
- 4.3 For modelling purposes, we have calculated the cost to the Council based on 50% of employees at Band H or below who can work at home, claiming 3 days a week homeworking allowance for 46 weeks a year. This cost would be £80k per annum. This equates to around £165.00 per annum employee.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council has a duty to operate fair pay systems. We have an obligation to ensure that by adopting a policy with eligibility criteria that we do not discriminate or treat individuals unfairly.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are no significant resource implications. The Council's Selfserve system will be used for claiming and approving the allowance.

7.0 RELEVANT RISKS

- 7.1 There are some inherent risks and potential arising from introducing an allowance for staff we have assessed at low paid who meet certain other criteria which means some staff working at home will not receive the allowance.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 The Trade Unions have been involved in developing the draft criteria and have been consulted on this report.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies and the way it carries out its work, is not discriminatory. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 The Council operates all pay arrangements within the requirements of the Equality Act 2010. An equality impact assessment has been produced.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The content and recommendations contained within this report are expected to have no impact on emissions of greenhouse gases.
- 10.2 It should be noted that if the introduction of a homeworking allowance were to encourage more staff to work at home, this may reduce the number of staff commuting to and from work as regularly in cars and on public transport which has environmental benefits.

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APPENDICES

Appendix A Homeworking Allowance Policy

BACKGROUND PAPERS

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date