



Human Resources Guide: Homeworking Tips for Employers

Whilst the number of workers who work from home comprises a relatively low percentage of the UK workforce, a Labour Force Survey* shows over 25% “sometimes” work at home and this percentage is growing.

In the current economic climate, where businesses are being forced to cut back on costs and maximise productivity, employers may be faced with requests from workers to carry out some or all of their duties from home, in the hope that this may reduce costs to the business and thus avoid and/or reduce the need for redundancies. Employers need to be prepared to deal with such requests and also be aware of any pitfalls.

Employees rights to homeworking

There is no automatic right for employees to work from home, but certain employees are afforded statutory protections. For example, employees with specific parental responsibilities can apply for flexible working arrangements, which could cover working from home, at which point an employer must follow the statutory procedure to consider and discuss the request.

Whilst some employers may be reluctant to embrace home working, you should be aware that a refusal to allow homeworking could constitute indirect sex discrimination if it has a disproportionate effect on one sex. Disability discrimination may also be relevant if homeworking would constitute a reasonable adjustment by the employer under the Disability Discrimination Act 1995 to prevent an alleged disadvantage being suffered by a disabled employee.

Benefits of homeworking for employers

These are seen to be:

- Reduced overheads – it is estimated that each employee at a desk costs around £7,000 per annum in overheads**. The need for office space and other office overheads can sometimes be reduced and relocation costs can sometimes be avoided.
- Increased productivity – homeworkers are spared travel time and associated stresses; there is some evidence that the time gained leads to an increase in work output.
- Better motivation – many workers respond well to homeworking.
- Skills retention – workers who might otherwise be lost because of family relocation, new family responsibilities or temporary or permanent disability may stay if offered appropriate arrangements, including temporary or permanent home working.
- Team flexibility – Geography and travel time are less of an impediment and teams of workers can be assembled more easily.
- Organisations geared to homeworking may be better able to withstand external disruptions. Indeed, established homeworking can form an important part of disaster management planning. For example if flooded employees can work from home and it is also going to be widely used now for dealing with swine flu.

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Downside to homeworking

Whilst there are a number of benefits, there are also reasons why an organisation may be reluctant to embrace homeworking. Loss of control and damage to team working and culture are commonly cited. Different management styles may be required to oversee homeworkers and managers may not be able to support work or workers to the same degree. The business may become overly dependent on technology, and there may be significant duplication of equipment. The employer will be reliant to a large degree on trust and may fear that some workers will not “pull their weight.”

Practical Issues

Any employer entering into homeworking arrangements will need to address a range of practical issues including:

- Tailoring standard contract clauses to encompass homeworking. Apart from the obvious provisions relating to place of work and so on, employers should consider whether other amendments are required, such as a right for the employer to enter the employee’s home to service its equipment and carry out risk assessments for health and safety purposes.
- Considering whether any special insurance arrangements are required.
- Taking appropriate measures to ensure confidentiality of information and comply with the Data Protection Act 1998.
- Deciding whether any special equipment should be provided.
- Identifying the tax consequences of homeworking: these should be minimal for the employer.
- Reviewing the health and safety implications of the arrangements.

In addition, at the outset of entering into homeworking arrangements, employers should give serious consideration to a trial period in which to assess whether the arrangements are working, with a right to require the employee to revert to office work if they are not satisfactory. Employers may wish to go further and include a right to require the employee to revert to office work on request, long after the end of the trial period: this may, however, prove difficult to enforce in practice.

For further advice on introducing homeworking arrangements or in preparing a suitable contract of employment to encompass homeworking, please contact Claire Coufts at clairec@berg.co.uk to discuss further issues. Alternatively you contact Claire on **0161 833 9211**.

* Source: www.statistics.gov.uk ** Source: Work Wise UK

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