

WEST SWINDON PARISH COUNCIL

Working from Home Allowance as requested by Cllr Gould

1. Introduction

- 1.1 Since April 2011 employers have been able to pay their employees a tax-free allowance to cover the additional costs incurred when the employee works at home on a regular basis under an agreed home working arrangement. The flat rate of this allowance was raised from £4 to £6 per week from 6 April 2020 (from £18 to £26 per month).
- 1.2 The employee does not have to keep any records of costs or provide any evidence to their employer of the extra expenses they incur by working at home. However, if more than the flat rate is paid by the employer, the employee will have to demonstrate how their additional costs exceed the flat rate.
- 1.3 HMRC guidance to employees is as follows:

Working at home

You may be able to claim tax relief for some of the bills you have to pay because you have to work at home on a regular basis. You cannot claim tax relief if you choose to work from home.

You can only claim for things to do with your work, for example, business telephone calls or the extra cost of gas and electricity for your work area.

You cannot claim for things that you use for both private and business use, for example, rent or broadband access.

From 6 April 2020 your employer can pay you up to £6 a week (£26 a month) to cover your additional costs if you have to work from home. For previous tax years the rate is £4 a week (£18 a month).

You will not need to keep any records.

2. Report Details

- 2.1 This year, the lockdown prevented the office staff from using the Link Centre office due to building closure from 01 April 2020 to 15 July 2020. Both the Parish Manager and Assistant Clerk worked from home during this period. Since the 15 July 2020, the Parish Manager has predominantly worked from the office and the Assistant Clerk has continued to work from home.
- 2.2 Councillor Gould has indicated that the Finance and Staffing Committee should review the working from home arrangement, which could include a 'working from home' policy and consider payment of the allowance.

3. Financial Implications

- 3.1 There are minor financial implications if the allowance is paid. If it resolved that the staff are eligible for the allowance, further consideration should be given as to whether the Committee proposes to back date the allowance. The additional cost of the allowance would equate to approximately £312 per annum if a full year was paid per member of staff. This can be reasonably accommodated by the existing staff budget.

4. Recommendations

- 4.1 That the Committee notes the report and considers the payment of the working from home allowance. t.

**Paula Harrison
Parish Manager**