



How many people work from home?

For many years, so-called “knowledge work” has predominantly been conducted in traditional offices. A radical transformation is now under way, with more and more people working from home for part or all of the time.

A research project undertaken by the Centre for Labour Market Studies, University of Leicester, found that the number of people in the UK working mainly at home, or from home as a base, had increased from under one million in 1981 to nearly three million in 2002. These figures were derived from its own calculations based on the spring Labour Force Survey for the years 1981 and 2002.

In its Working Paper No 28, “The Changing Place of Work” (Felstead, Jewson and Walters 2003), the Centre for Labour Market Studies also showed that from 1992 to 2000 there was an increase of 71% in the numbers of professionals and technical workers operating mainly at or from home.

A relatively small proportion of the home-located workforce falls into the traditional home working categories of manufacturing and routine services. White-collar workers represent a far higher percentage, with a significant proportion of professionals, managers, freelancers, small entrepreneurs and clerical staff working at home for most or part of the time.

The “Transforming Places of Work” project is funded under phase two of the Economic & Social Research Council’s (ESRC) Future of Work Programme.

For further information, see
www.clms.le.ac.uk

Working from home

Apple Computer and Hewlett-Packard both started life in a garage at home. Working from home is on the increase, thanks to the falling cost of new technology - computers, mobile phones and faxes.

Estimates show that nearly three million people work from home some or all of the time. Tangible benefits cited for choosing to work from home include:

- ◆ Low-cost way of launching a business.
- ◆ No nightmare journeys on commuter trains or gridlock on motorways.
- ◆ Flexibility of working methods and hours.
- ◆ Increased productivity levels without typical office interruptions and “chat gaps.”
- ◆ Low operating costs.
- ◆ The ability to accommodate family demands.
- ◆ The chance to stroll out in one’s own garden for a 10-minute break.

“Opportunities for procrastination are greater at home than they would be in a conventional workplace.”

Properly implemented, giving up the office can work like a dream, but you need to be disciplined, organised and have access to the right technical equipment. Also, home working does not suit everyone. For some people, the drawbacks outweigh the benefits:

- ◆ Feeling isolated and bored.
- ◆ The chance of increased pressure and longer hours.
- ◆ Diminished sense of personal satisfaction.
- ◆ Clashes between business and family demands.
- ◆ Not being able to switch off.
- ◆ Poorer rewards if the working from home holds back development of the business.
- ◆ Interruptions from family, neighbours and friends who do not respect your work regime.

Not all businesses can operate effectively from home either. Some, for instance, have to follow strict regulations, whilst others must comply with planning regulations and local by-laws. If your business requires any structural

changes to your home, you will need planning permission and there may be other planning and legal issues to consider, if the business generates noticeable smell, noise or traffic.

Advice from experienced home workers

Opportunities for procrastination are greater at home than they would be in a conventional workplace.

- ◆ Treat your working time as seriously as you would time on a client or employer’s premises.
- ◆ Make sure those you share your home with see it that way too.
- ◆ Aim for a definable, permanent workspace - not the kitchen table.
- ◆ The right furniture and equipment is an essential investment. Get a good chair, especially if you work long hours at a computer. An Aeron may be out of your league, but an adjustable chair offering the right lumbar support and synchronised mechanism can cost as little as £195.
- ◆ Installing a separate telephone line lets you make a clear distinction between your work and home life. When you finish working, you can let a machine answer business calls for you.
- ◆ Remember to get specific insurance cover for your business equipment.
- ◆ Discipline yourself to ignore household jobs until you have finished your work.
- ◆ Develop support networks that keep you in the loop.
- ◆ Make time to socialise and meet new people, particularly if you live alone.
- ◆ If you are freelancing, arrange the occasional meeting with those you work for; personal contact is so much more memorable than email or phone conversations.
- ◆ Timetable breaks - include sessions away from your work to eat, exercise and socialise.
- ◆ Work in your pyjamas if you must, but for most people, it is much better to get dressed properly in the morning.
- ◆ Likewise, the temptation of daytime television could leave you wondering where all the hours and revenue went.

Will I have to pay business rates for my home office?

Following a key ruling by the Lands Tribunal on 4 August 2003, thousands of home-based workers can rest assured that their home offices are unlikely to attract a business rating.

Previously, if the majority use of a room in your house was a home office, you could be liable for rates on that part of the building. The impact of the new judgement is that if you work from home, use office equipment, have not made structural alterations, and do not employ people from the premises, then business rating will not be required. A spokesperson for the Valuation Office, which is responsible for assessing the rating system, said that it had accepted the decision and its instructions to staff had been amended accordingly.

The Lands Tribunal president also advised the Valuation Office to be careful how it identified those who might still be subject to business rates. He advised an approach which looked at whether the business on the premises was advertised, or whether planning

Modems not motors

Commuting can take as long as four hours per day, the equivalent of five weeks a year, according to an RAC Foundation survey, and costs some people a third of their salary.

Research published in the RAC Foundation's report, "Motoring Towards 2050 - An Independent Inquiry", suggests that nearly 50 per cent of drivers are sympathetic to the idea of working from home and think that over half of the working population will do so by 2020.

Edmund King, executive director of the RAC Foundation says, "Many ordinary people spend large chunks of their working week stuck in traffic jams, on crowded trains and buses while commuting to their employment.

If we can follow the example of other countries who have utilised technology to much greater effect than the UK, we can reduce car dependency, significantly impact on traffic congestion and improve lives."



In another report commissioned by the RAC Foundation and updated in 2000, "Motors and Modems Revisited," the National Economic Research Association (NERA) concludes that "by substituting for travel, new technology can have a significant impact on traffic growth and on future levels of traffic congestion."

The Telework Association believes that the benefits of home working and technology to the economy in reduced congestion costs could be up to £1.3 billion by 2005 and up to £1.9 billion by 2010. It is calling upon the Government to introduce tax incentives and a clarification in legislation to facilitate and encourage home working.

See www.racfoundation.org, www.nera.com and www.tca.org.uk.

permission had been sought for building alterations or business use.

A Valuation Office spokesperson confirmed that the advertising of a business in itself is not an issue, simply that it is a way of identifying

business use, and that other factors such as employees on site, frequent visitors or structural alterations would be the determinants. The Tribunal president also emphasised that there was no significance in itself whether the worker was employed or self-employed.

How are you spending your free time?



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