

Report to: Governance Committee
Date of meeting: 18 September 2018
By: Chief Operating Officer
Title: Revised staff relocation scheme
Purpose: To propose the adoption of a revised staff relocation scheme

RECOMMENDATIONS

The Governance Committee is recommended to agree the adoption of a revised staff relocation and travel allowance scheme as set out in Appendix 1.

1 Background

1.1 As the Governance Committee may be aware, the Council operates a relocation scheme. The scheme gives recruiting managers discretion to offer job applicants a cash allowance, which can either be spent on expenses arising from moving house in order to accept a job offer, or on travel expenses where it's not possible for the preferred candidate to relocate. In order to offer the allowance, the following criteria must be met:

- Either there is objective evidence of difficulty in recruiting to a particular role or from a specific staff group in the past;
- or it becomes clear that the preferred candidate would be unable to accept the post without relocation assistance, and it is recognised that it would be costly to the department to lose the candidate and re-advertise the role.

1.2 An appropriate senior manager is also required to approve use of the allowance, with regard to the business needs of the service.

1.3 The allowance is only offered in limited circumstances, and is not normally referred to in job adverts. However, it is considered to be an important tool to help attract staff into service-critical roles. Earlier this year, a review of the amounts available under the relocation scheme was carried out, comparing ESCC's offer to that of other Council's, including Surrey and Kent County Council.

1.4 While the precise terms and composition of each scheme varies from authority to authority, most currently limit the amount that may be granted to £8,000. This is in line with the threshold imposed by HMRC, as payments above this amount are subject to income tax and national insurance.

1.5 ESCC currently offers two levels of relocation allowance - one for employees up to grade LMG3, and another for employees at LMG4 and above. At present, the following limits are in place:

- For staff up to LMG3, up to £3,000 towards legal fees when buying and selling a house, plus up to £1,400 on miscellaneous relocation costs, providing a total of £4,400 plus removal expenses. Provision also exists for an extension of £1500, based on £225 per month over six months, if the relocation takes longer than 12 months.
- For staff at grade LMG4 and above, up to up to £3,000 towards legal fees when buying and selling a house, plus up £4,000 on miscellaneous relocation costs, providing a total of £7,000 plus removal expenses. Again, provision exists for a rarely used extension of £3,900, based on £650 per month over six months, if the relocation takes longer than 12 months.

Alternatively, an annual travel allowance of £1500 per year, payable for up to three years for a total of £4500, is available where the candidate is unable to permanently relocate.

1.6 Compared to the general £8,000 limit that other authorities have in place, ESCC pays new staff at lower grades comparatively less, while new staff at senior grades can claim a comparatively higher amount.

1.7 The difference between the amounts available under the two ESCC schemes is accounted for by the amounts available for miscellaneous relocation costs. Senior managers are currently able to claim more than twice as much towards miscellaneous costs as staff on lower grades.

1.8 There is no single objective reason why senior staff require a higher relocation allowance. Some new recruits at lower grades might reasonably incur higher relocation costs than the allowance currently available to them. Conversely, senior recruits might not automatically require more assistance or inducement in order to accept a job offer.

1.9 Depending on the particular recruitment and retention pressures facing them, some council services might have a greater need to attract staff at lower grades, and therefore have a greater appetite for paying relocation allowances if this will help recruit staff to critical roles.

1.10 In light of the above, a revised relocation policy has been drafted . A copy of the proposed revised policy is attached as Appendix 1. The revised document sets the relocation allowance at £8,000 for staff at all levels.

1.11 The document also proposes that, to maintain parity with the relocation allowance, the annual value of the travel allowance be increased to £2,666 per year. As the travel allowance is payable for up to three years, this comes to a total of £7,998 per annum.

2 Conclusion and reasons for recommendations

The Governance Committee is recommended to:

- Approve moving to a single relocation scheme for staff at all grades;
- Approve setting the relocation allowance at £8,000, to be spent on any combination of reasonable expenses as described in the current scheme. This would be available instead of, not in addition to, the recently agreed travel allowance.
- Approve the increase to the travel allowance, to maintain parity with the relocation allowance.

KEVIN FOSTER
Chief Operating Officer

Contact Officers: Sarah Mainwaring, Head of HR/OD
Tel. No. 01273 482060
Email: sarah.mainwaring@eastsussex.gov.uk

Nicholas Earley, HR Consultant
Tel No: 01273 335061
Email: nicholas.earley@eastsussex.gov.uk