

# Staffing Committee

**Dorset County Council**



Date of Meeting	09 April 2018
Officer	Head of Organisational Development
<b>Subject of Report</b>	<b>Relocation Expenses</b>
Executive Summary	<p>Relocation expenses provision is only offered to new appointments in approved cases, where there are significant recruitment difficulties. These have been reviewed, and some changes proposed.</p> <p>The changes aim to:</p> <ul style="list-style-type: none"><li>• Modernise the relocation expenses package being offered to new appointments;</li><li>• Provide increased flexibility to recruiting managers;</li><li>• Provide a more attractive offer to applicants who are in rented accommodation and/or are relocating from an area where house prices/rents are cheaper than those in Dorset;</li><li>• Help the Council to attract to its hard-to-fill roles such as Children's and Adult's Social Workers.</li></ul> <p>This report summarises the key changes and anticipated improvements.</p>
Impact Assessment:	<p>Equalities Impact Assessment:</p> <p>An EqIA has been undertaken in respect of the proposed changes. This has been circulated to the Council's Diversity Working Groups and is attached at Appendix 2.</p>

	<p>Use of Evidence: The report and the recommended changes are based on evidence, including feedback regarding the practical application of the existing provision from Human Resources &amp; Organisational Development (HR &amp; OD) colleagues, managers and trade unions.</p> <p>Budget:</p> <p>The proposed changes will not affect the overall maximum value of the package available but could potentially result in some increased costs, e.g. if the changes result in increased take-up.</p> <p>However, the number of cases of relocation expenses being offered by the Council are fairly low (9 cases in the past 12 months) and therefore although difficult to quantify with any certainty, the financial implications are considered to be low. Moreover, costs of failing to recruit, re-advertising and covering key vacancies with expensive interim staff are potential costs saved if improved relocation results in more successful recruitment.</p> <p>It is important to note that the cost of any agreed relocation expenses is met by the recruiting service. It will therefore be for managers making recruitment decisions to manage the cost implications of any approval of relocation expenses, and the flexibility given to them, in the same way that they would any other part of their budget decision making.</p> <p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as:  Current Risk: Low  Residual Risk: Low</p> <p>Other implications: None.</p>
<p>Recommendation</p>	<p>It is recommended that the Staffing Committee approve the revised relocation expenses provision/guidance which would be available for managers to use with immediate effect for any new appointments to eligible roles.</p>
<p>Reason for Recommendation</p>	<p>To assist the Council to recruit to its hard-to-fill roles that meet the eligibility criteria.</p>
<p>Appendices</p>	<p>Appendix 1: Proposed Relocation Expenses Guidance and Provisions  Appendix 2: Equality Impact Assessment</p>
<p>Background Papers</p>	<p>None</p>

Report Originator and Contact	Name: Sam Dewar, Principal HR & OD Adviser, Organisational Development, Engagement & Strategy Tel: 01305 221128 Email: <a href="mailto:s.dewar@dorsetcc.gov.uk">s.dewar@dorsetcc.gov.uk</a>
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## **1. Introduction**

- 1.1. This report summarises the rationale for reviewing the current provisions and guidance in respect of relocation expenses. Proposed updated guidance and provisions are attached at Appendix 1.
- 1.2. Feedback about the practical application of the existing provision has been received from HR & OD Service colleagues and from recruiting managers. Their views have been reflected in the revised guidance and provisions.

## **2. Background**

- 2.1 The existing provisions provide that relocation expenses are paid in approved cases for roles that are hard to fill, where the recruiting manager is satisfied that all of the following applies:
  - The post is difficult to fill (usually this will mean that it has been advertised two or more times), or that recent previous attempts to fill similar posts have failed.
  - Relocation costs arise solely as a result of the person taking up an appointment with the county council.
  - The potential employee is required to change their main residence as a result of the employment (the new residence must be within reasonable daily travelling distance of the normal place of work and the original residence must be outside of this reasonable daily travelling distance. The properties involved must either be owned by or subject to tenancy by the potential employee)
  - Resettlement must be within twelve months of taking up the appointment in order to qualify for relocation expenses except in special circumstances.
  - Removal expenses are subject to the employee concerned remaining employed by the county council for a minimum of two years. Repayment in full is required if this is not honoured.
- 2.2 Expenses of up to £8,000 (inclusive of VAT) are free of tax (provided that they meet with HMRC guidelines). Any expenses in excess of £8,000 or which do not fall within the HMRC rules are considered to be taxable and need to be declared. We do not formally impose an upper limit on the total amount of expenses payable as the scheme is presently shaped.
- 2.3 The current provision has been in place for some time and is heavily biased towards those who are buying and/or selling a property. This is outdated and not reflective of today's society where an increased percentage of the population are in rented accommodation.
- 2.4 The current provisions are also based totally on a reimbursement, with the initial outlay being made by the individual, and later reimbursed and on the production of receipts. For some individuals, having to fund in totality all of the initial expenses associated with relocating, this may be prohibitive and deter them from seeking or accepting employment with the Council.

## **3. Other Council Approaches**

- 3.1 Comparisons have been made to the relocation provisions offered by other neighbouring authorities, which are currently considered to be broadly comparable, although some authorities do apply a maximum overall cap to the amount payable.
- 3.2 There is evidence that some neighbouring authorities (e.g. Somerset) are already offering advance payments, and several examples nationally (e.g. Poole BC, Woking

BC, Reading BC, Chichester DC and Bracknell DC) where various forms of mortgage/rent subsidy/allowances are being offered. It is felt that, if agreement is given to amend our provisions, this will help to make our offer of employment more attractive than those of some of our immediate neighbours who do not all offer such provisions.

- 3.3 Consideration has also been given to the relocation packages currently being offered by Christchurch & East DC, Dorset Councils Partnership and Purbeck DC. Although they have packages that are broadly similar to those currently offered by Dorset, they are very rarely offered or take-up is low.

#### **4. Summary of Proposed Changes**

- 4.1 The changes that are being proposed are not significantly increasing the overall costs for the Council, but aim to make better/more flexible use of the existing provisions so that they are beneficial/attractive to more people (e.g. those who relocate from a cheaper area and/or do not own/cannot afford to purchase a property). As mentioned in the above Impact Assessment (see 'Budget), it is feasible these measures could in fact reduce the overall scale of associated costs.

- 4.2 Full details of the updated guidance and provisions can be found at Appendix 1. The main changes are:

- The introduction of an advance payment of up to £2,500 to help with the initial costs of relocation which will be offset against future receipted expenses (no additional cost to the Council);
- The introduction of the option of mortgage/rent subsidy for a two-year period (in place of claiming fees which are mostly associated with buying/selling a property) for those looking to relocate from a generally cheaper area of the country.

#### **5. Trades Unions View**

- 5.1. The proposed changes have been shared with the trades unions, who have given their general support to the changes.

#### **6. Next Steps**

- 6.1 Once agreed, the new provisions will be available immediately for use by recruiting managers to assist them in recruiting to eligible hard-to-fill roles.
- 6.2 The rewards and benefits information available on Dorsetforyou will be updated to reflect the new provision.
- 6.3 The new provisions will be promoted in advertisements and form part of the offer for eligible posts.
- 6.4 Additionally the guidance and provision information will be updated on SharePoint to reflect the agreed changes.

**Jonathan Mair**  
**Head of Organisational Development**

**9 April 2018**

## Appendix 1

### **Relocation Expenses Guidance (Proposed)**

#### Entitlement and Approval Process.

Managers, in accordance with the scheme of delegation and scheme of financial management, can agree the payment of relocation expenses. If the manager is satisfied that **all** of the following criteria are met:

- The post is very difficult to fill (usually this will mean that it has been unsuccessfully advertised externally two or more times or where there are recognised continuing recruitment and retention issues, e.g. Social Workers);
- Relocation costs arise solely as a result of the person taking up an appointment with the county council;
- The potential employee is required to change their main residence as a result of the employment (the new residence must be within reasonable daily travelling distance e.g. approximately 35 miles or an hour's commute) of the normal place of work and the original residence must be outside of this reasonable daily travelling distance (e.g. in excess of 35 miles). The properties involved must either be owned by or subject to tenancy by the potential employee);
- Resettlement must be within twelve months of taking up the appointment in order to qualify for relocation expenses except in exceptional circumstances.
- Removal expenses are subject to the employee concerned remaining employed by the county council for a minimum of two years. Repayment in full is required if this is not honoured. Therefore, the appointment must normally be expected to last at least two years (i.e. not applicable for temporary or fixed term contract appointments of less than this period).

The full cost of any agreed relocation expenses is met by the recruiting service/directorate.

The appropriate manager should complete and sign the approval of relocation expenses form and submit it to HR Support. If managers have any queries, these should be raised with the HR Business Partner or the HR Helpdesk.

Please note: payment of relocation expenses **MUST NOT** be approved if the potential employee:

- is intending to move into the area in any case, or
- is joining another family/household who has already moved, or decided to move to the area whether to take up an appointment with the county council or for some other reason. This policy will not be altered to compensate where the other member of the family/household is not entitled to removal and disturbance allowances from the county council or any other employer.

HR will confirm in writing to the employee (or potential employee) that they are eligible to receive relocation expenses and that the correct approvals are in place.

#### Claims and limits

Removal expenses, once confirmed, should be claimed using the approved relocation expenses claim form.

The approving manager should ensure the amounts claimed meet the criteria for the type of expense in the table on the attached guidance.

Expenses of up to £8,000 (inclusive of VAT) are free of tax (provided that they meet with HMRC guidelines). Any expenses in excess of £8,000 or that do not fall within the HMRC rules are considered to be taxable.

By claiming relocation expenses, employees are agreeing to repay Dorset County Council all relocation expenses received if they voluntarily leave or are dismissed from the service of the Council for any reason other than redundancy (or TUPE transfer) within two years of starting employment. In such cases all the relocation expenses received will be recovered including any advance, receipted expenses and rent/mortgage subsidy allowance that may have been payable, with deduction of all or part of the amount to be repaid will be made from the final salary and any remainder sought by invoice.

Details of Expenses Claimable

Type of Expense	Existing maximum amount to be claimed	Conditions and Guidance Notes
Removal expenses (transport of belongings)	Full cost based on lowest of 3 quotes.	<ul style="list-style-type: none"> <li>Removal expenses are only payable from port of entry to the UK, where applicable.</li> <li>The cost of a second removal may be reimbursed where furniture is put into storage or temporary accommodation is taken for a short period. The cost of storage of furniture may be claimed but must be offset against and not exceed the disturbance allowance (see below).</li> <li>To assist with immediate costs incurred in moving, an advance of up to £2,500 out of the relocation expenses/fees allowance can be agreed by the appointing manager (which is paid within 5 working days of commencing employment). Where there is an additional charge for making this advance payment, this will be met by the employing service. The 'advance' must be accounted for by the individual by the production of receipts for expenses claimable under the scheme. If after six months the employee's receipted expenses (for elements allowable under the scheme, e.g. removals, fees etc.) are less than the advance or employees are unable to account for it, any excess will be reclaimed. <b>It will be the appointing manager's responsibility</b> to decide whether an advance is needed and how much of an advance is appropriate given the individual circumstances (up to the £2,500 limit), to monitor the submission of receipts and arrange for any reclaim (where sufficient receipts aren't submitted) if that should be necessary. In agreeing to an 'advance', managers are accepting responsibility for closely monitoring receipts and requesting any repayment.</li> </ul>
Fees on disposal and acquisition	Up to a maximum of £6,533	<ul style="list-style-type: none"> <li>For the sale and/or purchase of reasonably similar residences, excluding fees for work for sales/purchases that do not complete.</li> </ul>

<p>(legal, estate agent, survey fees etc)</p>		<ul style="list-style-type: none"> <li>• Fees can be reimbursed where a person has a property to sell but moves into a county council property as a condition of their employment.</li> <li>• See details on 'advance' payment above.</li> <li>• The Council is aware that newly appointed employees can experience difficulty in affording the relatively high cost of housing when relocating to take up an offer of employment. Therefore, <b>as an alternative to claiming fees</b> (where they are claimable), those individuals relocating from an area where house prices/rental rates are generally lower and that this might prevent them from moving, they can choose to receive Mortgage/Rent subsidy for a 2 year period (instead of fees):  Year 1 - £250 per month~  Year 2 - £150 per month~  Total cost: £4,800 (+ normal employer on costs)</li> </ul> <p>(NB ~These payments will be subject to Tax and NI at source and are reclaimable should the employee leave the Council within 2 years of appointment)</p> <p>It will be for the appointing manager to assess eligibility and be satisfied that the criteria for rent/mortgage subsidy payments are met.</p>
<p>Disturbance allowance (domestic goods and facilities for the new residence)</p>	<p>up to £935</p>	<ul style="list-style-type: none"> <li>• In respect of reasonable disturbance and/or settling in expenses from moving house (replacement curtains, carpets etc where items used in the old house aren't suitable in the new home, and for disconnection/reconnection of electricity, water, gas and phone service charges). As stated above, the cost of storage of furniture may be claimed as part of this allowance.</li> <li>• See details on 'advance' payment above.</li> </ul>
<p>Return visits to family (travel and subsistence)</p>	<p>Travel costs paid at petrol reimbursement rate of 12p per mile, for a period not exceeding 6 months</p>	<ul style="list-style-type: none"> <li>• For travel between the old home and temporary accommodation, and is applicable for married or single officers who are separated from partners or dependant relatives with whom they live and/or while two homes are maintained.</li> <li>• (Maximum period extendable in line with any agreement to extend two homes allowance)</li> </ul>
<p>Separation/ two homes allowance</p>	<p>Maximum of £97 per week for a period not exceeding 6 months (this can be</p>	<ul style="list-style-type: none"> <li>• This allowance is payable in respect of rent (but not any separate charge for gas/electricity) OR the cost of bed and breakfast plus evening meals (but not alcoholic beverages) or bridging loans up to the maximum weekly amount payable.</li> </ul>



	extended in exceptional circumstances)	<ul style="list-style-type: none"> <li>• Expenditure incurred on other meals will not be reimbursed.</li> <li>• Additional insurance, maintenance or council tax costs incurred will not be reimbursed.</li> </ul>
Search for new accommodation	One or two days leave will be granted where appropriate, plus one return journey (normal rail fares), subsistence and one overnight stay for the officer and spouse (and children up to 16 years of age if necessary)	<ul style="list-style-type: none"> <li>• The actual cost of up to the county council subsistence rates and HMRC mileage rate will be reimbursed subject to acceptable receipts being submitted.</li> </ul>

<b>Equality Impact Assessment</b>			
<b>Title</b>	<b>Relocation Expenses</b>		
<b>Release</b>	<b>Date: 9 March 2018</b>	<b>Version No.</b>	<b>1</b>
<b>Revision History</b>	<i>To provide an audit trail please provide previous version dates and numbers</i>		
	<b>Not applicable</b>		
<b>Type of strategy, policy, project or service</b>			
<b>Existing</b>	<b>Relocation Expenses.</b> <b>Internal provision/guidance which is under review.</b>		
<b>New or proposed</b>			
<b>Changing, update or revision</b>			
<b>Other</b>			
<b>Is this an internal or external Equality Impact Assessment (EqIA)</b>	<b>Internal</b>		
<b>Officers involved in the screening</b>	<b>Sam Dewar, Principal HR&amp;OD Advisor</b>  <b>Natalie Adam, HR&amp;OD Service Manager</b>		

<b>This report was created by</b>	
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<b>Directorate or Service</b>	<b>Chief Executive's – Organisational Development</b>
<b>Version No</b>	<b>1</b>

<b>Aims</b>
<b>What are the aims of your strategy, policy, project or service?</b>
<p>Relocation Expenses are paid in approved cases for hard to fill roles where the manager is satisfied that all of the eligibility criteria have been met:-</p> <ul style="list-style-type: none"> <li>• The post is very difficult to fill.</li> <li>• Relocation costs arise solely as a result of the person taking up an appointment with the county council</li> <li>• The potential employee is required to change their main residence as a result of the employment (the new residence must be within reasonable daily travelling distance e.g. approximately 35 miles or an hour's commute) of the normal place of work and the</li> </ul>

original residence must be outside of this reasonable daily travelling distance (e.g. in excess of 35 miles).

### **What is the background or context to the proposal?**

The current relocation package has not been reviewed for some time and is heavily weighted towards those who are buying/selling a property. It offers very little assistance to those who are in rented accommodation and/or looking to relocation from an area where property prices/rent is cheaper than in Dorset.

The proposed changes will offer more flexibility to managers, and be more attractive to those in rented accommodation, which it is hoped will help us to attract applicants from out of the local area to some of our hard to fill roles (e.g. Social Workers – Children’s currently have c50 FTE vacancies).

The main changes are:-

- The introduction of an option to claim a rent/mortgage subsidy payment for a two year period instead of claiming the existing relocation fees.
- The option for the manager to agree an ‘advance’ payment of up to £2,500 to assist with the initial costs of relocation. The 'advance' is accounted for by the individual by the production of receipts for expenses claimable under the scheme.

The relocation expenses are only payable in a small number of approved cases (there were 9 cases across the whole of DCC in the last 12 months).

Removal expenses are subject to the employee concerned remaining employed by the county council for a minimum of two years. Repayment in full is required if this is not honoured.

## **Intelligence and Communications**

### **What data, information, evidence and research was used in this EqIA and how has it been used to inform the decision making process?**

It is acknowledged that data from new employees who have claimed relocation expenses in the past will not necessarily be reflective of the new employees who are eligible to claim relocation expenses in the future.

Additional the data set (9 people in the last 12 months) is very small and therefore bring into question the statistical validity or any results.

### **What data do you already have about your service users, or the people your proposal will have an impact on?**

Overall workforce profile data.

Workforce data for new starters.

<b>What engagement or consultation has taken place as part of this EqIA?</b>	
Discussions with the Trade Unions, HR Business Partners and the Directorates/Service areas who have roles that are most likely to meet the eligibility criteria.	
<b>Is further information needed to help inform this proposal?</b>	
No.	
<b>How will the outcome of consultation be fed back to those who you consulted with?</b>	
<p>The trade unions will be updated at future Green Book/Soulbury meetings.</p> <p>The updated guidance will be available for managers on SharePoint and the update provisions will be used in advertisements for eligible roles.</p>	
<b>Assessment</b>	
<b>Who does the service, strategy, policy, project or change impact?</b>	
New employees recruited to eligible roles.	
<b>Age</b>	Neutral or Positive Impact depending on individual circumstances
<b>What age bracket does this affect?</b>	All age groups - the revised provision will be applied to all eligible applicants irrespective of age.
<b>Please provide details</b>	<p>The updated provisions are more favourable than the existing provisions in that they offer more benefit to those who are in rented accommodation.</p> <p>This may therefore be of more benefit to younger applicants who are less likely to own their own property.</p>
<b>Disability</b>	Neutral
<b>Does this affect a specific disability group?</b>	No - The revised provision will be applied to all eligible applicants irrespective of disability group.
<b>Please provide details</b>	N/A

<b>Gender Identity</b>	Neutral
<b>Please provide details</b>	The revised provision will be applied to all eligible applicants irrespective of gender identity.
<b>Pregnancy and maternity</b>	Neutral
<b>Please provide details</b>	The revised provision will be applied to all eligible applicants irrespective of pregnancy or maternity.
<b>Race and Ethnicity</b>	Neutral
<b>Please provide details</b>	The revised provision will be applied to all eligible applicants irrespective of race and ethnicity.
<b>Religion or belief</b>	Neutral
<b>Please provide details</b>	The revised provision will be applied to all eligible applicants irrespective of religion or belief.
<b>Sexual orientation</b>	Neutral
<b>Please provide details</b>	The revised provision will be applied to all eligible applicants irrespective of sexual orientation.
<b>Sex</b>	Neutral
<b>Please provide details</b>	The revised provision will be applied to all eligible applicants irrespective of sex.
<b>Marriage or civil partnership - Neutral</b>	
<b>Please provide details</b> The revised provision will be applied to all eligible applicants irrespective or their marital status.	
<b>Other Socially Excluded Groups</b> For example: Carers, rurally isolated, low income, economically disadvantaged, single parents, armed forces.	Neutral or positive depending on individual circumstances.  The revised provision will be applied to all eligible applicants irrespective of their Grade.
<b>Please provide details</b>	The introduction of the option of an 'advance' payment and/or rent/mortgage subsidy is likely to have a positive impact on those on low income.

<b>Action Plan</b>			
<b>What plans do you have in place, or are developing, that will mitigate the likely identified negative impacts?</b>			
<b>Objective/Outcome</b>	<b>Action to be taken</b>	<b>Lead Officer</b>	<b>Deadline</b>
Ensure that the proposed changes meet the business objective of attracting applicants too hard to fill roles from outside the local area to very hard to fill roles.	The success and application of the revised scheme will be monitored regularly.	The HROD, Engagement & Strategy Team in conjunction with the HR BP's and the Directorates/Services	Annual review

<b>EqIA Signatories</b>		
<b>EqIA role</b>	<b>Name</b>	<b>Date</b>
<b>Lead Manager / Project Sponsor</b>	<b>Sam Dewar</b>	<b>08.02.2018</b>
<b>Directorate Chair on behalf of the Directorate Diversity Action Group</b>		

