

## Staffing Policy Committee

10<sup>th</sup> March 2010**Relocation Expenses & Allowances****1. Purpose**

2. The purpose of this report is to gain approval from members of Staffing Policy Committee to increase the pay element of the existing Relocation Expenses & allowances policy in line with market forces as recommended by this report.

**3. Background**

4. The existing Wiltshire Council policy was last reviewed by Wiltshire County Council in February 2002 and paid up to a maximum of £5800 for relocation expenses.
5. In April 2009 District staff TUPE transferred in to Wiltshire Council on their existing policies that pay differing allowances. This paper examines the pay elements of the moving home relocation expenses only. It does not remove the existing arrangement for the payment of 2 days annual leave that is currently afforded to some staff from the former Districts. This will be addressed by the Harmonisation project.

**6. Current Arrangements**

7. The current maximum allowance paid by the former Kennet and Salisbury District Councils was £8000 in line with the current HMRC tax free limit. The current limit for Wiltshire Council is £5800. The various rates currently paid by Wiltshire Council & each of the former Districts are set out below:-

**Table of Current Arrangements in £'s**

Allowance	WC	KDC	SDC	NWDC	WWDC
<b>Total upper limit incl vat made up of the following:-</b>	<b>5800</b>	<b>8000</b>	<b>8000</b>	<b>6000</b>	<b>7000</b>
Lodging per month	320	Limit not stipulated as long as max above not exceeded	240	500	
Professional Fees	4700		2500		
Incidental Expenses	1100		500	450	750
Additional leave allowance	0	2 days		2 days	0

8. Comparator information has been sourced from other local government organisations in order to establish a benchmark ,which is set out below:-

**Comparator Table with a Range of Other Authorities**

Allowance	Hertfordshire	Kent	Derbyshire	Hants
<b>Total upper limit incl vat</b>	£	£	£	£
General package	2000	5500	6799	10000
Shortage skills package	6000	7500	0	N/A
Special package	8000	8500	9270	N/A
Lodging per month	671	400	600	368
Incidental Expenses	950	1000	1000	950
Separation Allow				220
Leave	2 days	0	2 days	1 day

9. As indicated above the “General Package” varies between £2000 & £10000 with an average of £6075. The “Special Package” allowance varies between £8000 & £9270 with an average of £8635.

**10. Lodging Allowance**

11. Current market research shows that Wiltshire’s allowance for rent is currently not in line with the rentable rates payable for property in the County of Wiltshire: - The table below shows that rental amounts vary considerably across the County with an average cost of £645 per month.

**Monthly Cost of Renting a Two Bedroom Property in Wiltshire**

Area	Accommodation	Rate payable per month	Average per Town
Chippenham	2 Bedroom	£495 - £1000	£747
Trowbridge	2 Bedroom	£500 - £625	£562
Salisbury	2 Bedroom	£595 - £795	£695
Devizes	2 Bedroom	£525 - £625	£575
		<b>Average for County</b>	<b>£645</b>

**12. Conclusions**

13. That the level of £8000 currently paid to ex Kennet & Salisbury staff is in line with the packages available to staff of other local government organisations.
14. That the overall allowance for reclaiming legal & incidental expenses should be increased in line with HMRC tax free limit of £8000.
15. This report has not examined the possibility of affording any additional leave to staff as a consequence of moving home. This will be explored as part of the Harmonisation project

16. That Wiltshire Councils existing policy for lodging allowance is currently out of line with the market rates expected for renting property within the County of Wiltshire as illustrated by the table above.

#### **17. Recommendation to Staffing Policy**

- a. To agree to increase the maximum moving home allowance for all staff from £5800 to £8000. This is equitable to that paid to former SDC & KDC employees and is in line with tax free limit of £8000 set by the HMRC.
- b. To increase the lodging allowance up to a maximum of £600 per month, payable for up to a maximum of 24 months. This is reflective of the current average rental cost for a two bedroom property across Wiltshire when the overall volume of properties is taken into account
- c. That the amended policy reflecting the above, which is attached as Appendix A is adopted.

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