

RELOCATION EXPENSES SCHEME

This document applies to all Council employees except:

- Employees on Teachers' Terms & Conditions

This document may not be applicable to employees who transferred into LCC under TUPE legislation and remain on the terms and conditions of their previous organisation.

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RELOCATION EXPENSES

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INTRODUCTION

The relocation expenses scheme aims to support the Council's recruitment process by offering financial assistance to newly appointed and existing employees who are required to move home in order to take up a post with the Council.

Relocation expenses are a discretionary benefit and not an automatic entitlement, and where paid, are funded from Director/Service Area budgets.

AIMS OF SCHEME

To encourage applicants to apply for particular posts.

To assist employees newly appointed in a post to move close to their new work base quickly.

To contribute towards additional travel costs and/or costs of moving home where a change of work base for an employee is required.

PRINCIPLES

Relocation expenses will only be paid:

- as a recruitment incentive
- to enable employees taking up an appointment with the council to move into a suitable residential area for the new appointment as quickly as possible.

The maximum amount claimable under the Relocation Expenses Scheme is **£8,000** and claims must be incurred within **12 months** of the employee's appointment.

The job advertisement and further particulars for the vacancy will state if relocation expenses are offered and details of the Relocation Expenses Scheme, if applied, must be sent out as part of the further particulars for the vacancy.

The employee's contract of employment must include references to the Relocation Expenses Scheme and its conditions and confirmation of the maximum figure of **£8000** must also be included.

The employee's Manager will ensure that the employee has received a copy of the Relocation Expenses Scheme and provide the employee with a covering letter along with the Relocation Agreement document.

Before any claims can be made under the Scheme, the manager will ensure the signed copy of the Relocation Agreement is returned and placed in the employee's personal file.

Where employees are offered relocation assistance they will be required to sign an agreement, which details the amount to be paid in the event that their employment terminates for whatever reason within 2 years from the date they were appointed. The amount payable is reduced proportionally. Further details of the reduction scale can be found at the Reclaiming Relocation Expenses section of this document.

Consideration will be given to individual circumstances, and the Executive Director/Assistant Director may, in exceptional circumstances, use their discretion to agree to extend the 12 month period.

Employees should be aware that expenses paid after the **12 month** period may be subject to income tax and national insurance contributions.

ELIGIBILITY CRITERIA

To be eligible to receive relocation expenses, the employee must be:

- A newly appointed employee who is required to move to a home that is within a reasonable daily travelling distance of their new workplace.
- An existing employee who has been appointed to a new post with the council and is required to move to a home that is within a reasonable daily travelling distance of their new workplace, or
- An existing employee whose workplace has been changed by the council and is required to move to a home that is within a reasonable daily travelling distance of this new location.

In normal circumstances anything beyond a travelling distance of 45 miles from home to the new work base would be considered to be unreasonable.

Employees are not eligible to claim relocation expenses if:

- Relocation is not due to their appointment with the council.
- Another member of their household receives relocation expenses from either the council or another organisation.
- They fail to relocate within 12 months of commencing employment with the council and have not received an extension of time from the Director or Assistant Director, as set out above.

Detailed information on what employees can claim can be found in [Appendix 1](#).

PAYMENT OF ALLOWANCES

Before relocation expenses can be claimed employees are required to sign their acceptance of the terms of the scheme. Payment is subject to agreement of the employee to repay any relocation expenses within 2 years as described in the section [Reclaiming Relocation Expenses](#) below.

Employees are also required to declare that they will positively commit to relocation and certify that expenses have actually been incurred and that no claim has been made from another source.

The employee must submit all claims for expenses within **12 months** of taking up appointment. However, if there are any difficulties in relation to this (e.g. because of abnormal delays in selling a home) they may ask their Executive Director/Assistant Director to consider an extension to this period. This should be done no later than the tenth month after taking up appointment.

HOW TO APPLY

The spreadsheet to use to claim relocation expenses is available on [George](#).

In some circumstances, arrangements can be made to have some of employee relocation costs paid direct (i.e. invoices for larger amounts). An employee should check with their line manager if they would like this to be done. If direct payment is to be arranged a separate form for each payee will need to be completed:

- indicating clearly that direct payment is required
- with original invoices attached.

RECLAIMING RELOCATION EXPENSES

If an employee fails to comply with the terms of the Relocation Expenses Scheme, such expenses must be reclaimed. Employees will normally be required to repay any relocation payments they have received if within 2 years:

- they resign from the post to which relocation expenses applied
- they move outside the residential area agreed by the Executive Director/Assistant Director whilst still in the post for which relocation expenses were paid
- their employment terminates for whatever reason.

The amount of the payment will be reduced by 1/24th for each completed month up to 2 years after the date they were appointed.

Costs will be met from Director/Service Area budgets.

RESPONSIBILITIES

EXECUTIVE DIRECTOR AND ASSISTANT DIRECTOR LEVEL

Management of the scheme within their Director Area.

Applying the scheme to employees in their Director Area.

Ensuring that payments are made to employees within scope.

Variation to the scheme within delegated responsibilities.

SERVICE MANAGER – PEOPLE

Reviewing and updating of the policy.

HR ADVISER

Provide support and advice to managers in the correct application of the scheme.

FURTHER INFORMATION

HR Adviser

ADDITIONAL DOCUMENTS

[Relocation Agreement](#)
[Relocation Letter](#)

APPENDIX 1 - WHAT CAN BE CLAIMED

The amount an employee may claim will vary according to their personal circumstances, as follows:

Buying and Selling

Entitlement is to claim for reimbursement of actual expenditure up to the full amount of the allowance of **£8000** as stated in the contract of employment.

(NB: See also paragraph on 'Late Purchase of Property')

Buying Only or Selling Only

Entitlement is to claim reimbursement of actual expenditure up to 65 % of the **£8000** allowance.

(NB: See also paragraph on 'Late Purchase of Property')

Rented Accommodation

Entitlement is to claim the actual expenditure based on a percentage of the allowance as follows:

SITUATION	% OF £8000 ALLOWANCE
Move from rented unfurnished to rented unfurnished	30%
Move from rented unfurnished to rented furnished	30%
*Move from rented furnished to rented unfurnished	20%
*Move from rented furnished to rented furnished	20%

*This figure will also apply if the employee is moving from the family home into rented accommodation.

Late Purchase of Property

If the employee decides to buy a property subsequent to their appointment, they may qualify for reimbursement of the relevant costs provided that they have made a firm commitment to buy within six months of their date of appointment.

This is nine months in the case of new employees who are required to complete a six month probationary period. This means that they may make a temporary move into rented accommodation, and then claim towards the cost of moving into a purchased property at a later date. In these circumstances the full entitlement less any previous claims will apply.

The employee may decide how to use their Relocation Expenses within the headings listed below.

This is subject to:

- Expenditure actually being incurred.

Provision of valid original receipts. If the employee wishes to reclaim the VAT element the VAT number and rate of VAT must be shown on the receipt. The

total value of any claim including VAT must not exceed the relocation expenses entitlement.

The claim being restricted to any or all of the items set out in the paragraphs below.

Where an employee accepts relocation to move home because of their job with the council, any reimbursements are treated as part of the employee's earnings for tax and NIC's purposes.

To qualify for the tax and NIC exemption against the £8,000 HMRC limit, the employee must meet the following conditions as below.

The employee has to move home to:

- Take up a new job with the council , or
- Continue employment with the council but at a new location

and

- The employee's existing home is not within reasonable daily travelling distance of their new workplace.
- The new home the employee moves to is within reasonable daily travelling distance of their new workplace.
- The council agrees to reimburse the employee's relocation expenses.

Investigatory Visits

The employee and their spouse, civil partner and/or direct dependents may claim travelling and meal allowances **for up to four visits** to the area to select accommodation and, where necessary, schools.

Details of travel rates are given in the paragraph on "Interim Travel".

Removal Costs

These are to cover removal of furniture and personal effects from the old property to the new, or into and out of storage.

Storage Costs

This covers the cost of storage of furniture, etc., if completion dates cannot be synchronised.

Legal Fees

These include conveyance costs, solicitors, disbursements, stamp duty, land registry fees, etc.

Sales Costs

This covers estate agents' fees or, where no agent is used, advertising costs.

Survey Fees

This includes standard mortgage surveys, full property surveys and any specialist property survey.

Lodging Costs

Entitlement is to claim the cost of interim lodging in the new residential area if the employee has to maintain two homes. A return journey home at weekends at the rates set out below may also be claimed.

Interim Travel

If the employee is entitled to make a claim under the relocation expenses scheme but wishes to claim interim travel instead of lodging allowance, they may do so if the journey enables them to get to work reasonably and to work effectively.

In normal circumstances anything **beyond a travelling distance of 45 miles** from home to the new work base would be considered to be unreasonable.

However, Executive Directors/Assistant Directors may agree to a longer journey following consideration of the employee's circumstances.

Employees may claim travel as follows:

- If the employee travels by car, the HMRC AMAP rate will apply (NB: If the employee uses a contract hire car the above rate must be used. This mileage will be counted as 'private mileage' for the purposes of the annual charge), or
- If the employee uses public transport, the actual cost will be reimbursed (NB: Daily travel costs will be reimbursed **for a period of thirteen weeks** only).

General Disturbance

The purpose of this allowance is to offset loss. Provided no gain will result which would render the payments liable to taxation, claims will be considered for items including:

- relaying or fitting of carpets
- alteration or replacement of curtains, rails/tracks and fittings
- disconnection and connection of gas and electrical appliances.

Claims will not be considered for costs incurred by replacing items sold with, or forming part of the value of the old property (e.g. carpets, sheds or greenhouses, fitted furniture, double glazing).