

# Relocation allowance Policy

## **1.0 Introduction**

1.1 This policy is a framework to guide managers, job seekers and representatives in matters of making available and applying the Relocation Allowance Scheme.

## **2.0 Employees Covered by this Policy**

2.1 This scheme is provided to assist newly appointed employees in meeting the cost of relocation or additional expenses incurred as a result of taking up their appointment.

## **3.0 Policy Statement**

3.1 Removal and Relocation expenses are not available to a newly appointed employee as of right and will only be made available in limited circumstances.

3.2 If it is requested the decision as to whether the allowance is made available will be communicated to the successful candidate at the point of job offer. Should it not be made available, the job offer must still be made but on the basis that the relocation allowance will not apply.

3.3 When the scheme is to be available the letter of offer of appointment should include reference to this and to the amount of assistance i.e. up to a maximum of £8,000, to be offered in accordance with the guidelines below.

3.4 This policy does not form part of the employee's employment contract with the council.

## **4.0 Scheme Eligibility**

4.1 A newly appointed employee will qualify for consideration under the scheme provided:

- it is specifically requested by the candidate;
- evidence is presented by the recruiting manager that such specialist skills cannot be alternatively sourced from a more local market; and
- in not offering the allowance the council would fail in its duty to attract and appoint the best person to a key role.

This evidence must be presented for consideration to the relevant Executive Director and the Director of People.

4.2 The removal is deemed necessary by the council as a direct result of obtaining employment with the Council; this is to be determined at the offer of employment by the council to the employee and should be evidenced within the letter of offer to the candidate.

4.3 The employee's current home is more than a 50-mile radius from the Oldham Borough boundary and the removal results in the employee's new home being within the Borough boundary and closer to their new place of work.

4.4 If the employee's partner changes employer also, and that employer operates a scheme, the costs of removal and relocation are shared between Oldham council and the

partner's new employer. Applicants under the scheme may expect enquiries of their partner's employers to be made about this.

4.5 The removal is completed within 12 months of taking up employment. Taking up employment in this context means the day on which the employee begins work (This period may be extended in special circumstances at the discretion of the employee's Executive Director).

## **5.0 Entitlement**

5.1 An allowance will only be paid if the employee moves to a residence within the Oldham Borough boundary. The maximum amount any individual can claim is a total of £8,000 to cover any combination of permitted costs, as set out below in paragraphs 6-10.

## **6.0 Removal Expenses**

6.1 The cost of the removal of furniture and effects from the old home to the new home, including insurance of goods in transit. The payment will be based on the lower of at least three quotations and payment will only be made after production by the employee of receipted invoices.

6.2 The cost of storage of household effects, for up to six months. The payment will be based on the lower of at least three quotations and payment will only be made after production by the employee of receipted invoices.

## **7.0 Legal and Other Expenses**

7.1 The following expenses on production by the employee of receipted invoices:

7.2 **Legal Fees:** the legal fees including disbursements but excluding stamp duty (see below) attributable to one purchase and one sale, providing the employee's circumstances necessitate both, will be reimbursed. The employee is expected to exercise due economy in the fee claimed, by obtaining three written quotes. When an employee by choice elects to use a "superior level service", the payment by the Council may be based on the lower amount. The lower amount would be determined by reference to the local (i.e. Oldham) market rate for conveyancing work.

7.3 **Survey Fees and Mortgage Administration Fees** - One survey fee will be paid in relation to the purchase of a new house. One mortgage administration fee will be paid.

7.4 **Estate Agent's Fees** - will be reimbursed up to a maximum of 2% of the sale price of the house, payment will be based on the actual sum expended. Again, employees are expected to exercise due economy in their choice of Estate Agent.

7.5 **Stamp Duty** - stamp duty will be paid only if it has been incurred.

## **8.0 Lodging Allowance**

8.1 General Principles – Lodging refers to overnight stays in temporary accommodation such as hotels or bed and breakfasts. A newly appointed employee who owns their own home may be eligible to receive lodging allowance in that the employee retains ownership of the

home but needs to live temporarily elsewhere and thereby maintains two homes. A lodging allowance may be paid for up to 13 weeks from the week before commencing employment. The temporary accommodation must be located within the Oldham borough boundary.

8.2 Payment of the lodging allowance will cease before the period of 13 weeks has elapsed when the employee ceases to maintain two homes.

8.3 When an employee continues to own the original home but leases the property to a third party, no lodging allowance is payable.

8.4 The lodging allowance is payable at the maximum rate of £300 per week. Such expenses incurred will be reimbursed on production by the employee of receipted invoices.

8.5 Lodging allowance does not include the costs of meals or any other form of subsistence.

## **9.0 Renting of Housing Accommodation**

9.1 When the temporary accommodation in which an eligible employee lives is privately rented housing, the amount payable is a maximum of £150 per week. Payment of rent will cease before the period of 13 weeks has elapsed. Such expenses incurred will be reimbursed on production by the employee of receipted invoices.

9.2 When an employee continues to own their original home but rents the property to a third party, no rent allowance is payable.

## **10.0 Travelling Expenses Payable to those in Receipt of Lodging or Rental Allowance**

10.1 During the eligibility for lodging allowance, travelling expenses for return visits home in accordance with "Local Conditions of Service" will be paid for at the rate of one visit per month, for a maximum of three visits. In this context "Local Conditions of Services" is taken to mean the current scheme for travelling expenses.

## **11.0 Expenses and benefits expressly excluded from this scheme**

11.1 Expenses and benefits excluded are - mortgage or housing subsidies if you move to a higher cost area, interest payments for the mortgage on your existing home, re-direction of mail, council tax bills, the purchase of uniforms for your children's new school, compensation for losses, such as having to give up a part-used season ticket, a penalty for giving insufficient notice of a child's withdrawal from school, the cost of having to join a new sports or social club.

**This list is not exhaustive but is based on guidance from the HM revenues and Customs website. For further information please visit [www.hmrc.gov.uk/guidance/relocation.htm](http://www.hmrc.gov.uk/guidance/relocation.htm)**

## **12.0 Repayment of Assistance under the Scheme**

12.1 Any employee leaving the Council after receiving payment under the policy must repay to the Council as follows:

- |     |   |      |
|-----|---|------|
| (a) | If leaving within 12 months of appointment    | 100% |
| (b) | If leaving within 13/24 months of appointment | 50%  |
| (c) | If leaving within 25/36 months of appointment | 25%  |

12.2 In this context, payments under the scheme are defined as the total sums paid to the employee under any of this scheme's clauses. The reference point from which the elapsed period of time is adjudged or to have begun, is the date on which the employee actually commenced work within the Council.

12.3 In cases where a new employee initially relocates to an address which makes them eligible for payment under this scheme, then subsequently relocates to a new address outside of the borough within three years of commencing employment, they will be required to repay the total expenses in accordance with the criteria set out at 12.1.

12.4 The Council reserves the right to pursue employees for outstanding monies under this scheme through deductions in salary. In cases where an employee resigns or is dismissed, the Council will be entitled to deduct the full amount as outlined above from the employee's final salary payment. Should the final salary payment not be enough to cover the full amount due, the Council will invoice the employee for any outstanding monies.

### **13.0 Determination of Applications**

13.1 Applications under the Scheme are determined by both the Executive Director and the Director of People.

<b>Action</b>	<b>Author</b>	<b>Date of Update</b>
Significant review of policy and allowances	VB People Services	April 2014
General review	VB People Services	February 2018
General review	AMW People Services	March 2019