

Human Resources

Policy & Procedures

Relocation

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Purpose

The relocation policy is applicable to employees who have been newly appointed and will be required to move home to a location nearer to their workplace in Newham and where they need to do this Newham will assist and support them financially with that move.

Related Policies

- Recruitment Policy & Procedure
- Probation Policy & Procedure

Who is governed by this policy

Newly appointed employees who will be required to relocate as a result of accepting employment with Newham Council.

Executive Summary

Newham has a Relocation Scheme that is intended to provide assistance (in approved cases) to newly appointed permanent staff (and fixed term staff of 2 years or more) who are required to move house as a result of their appointment.

However, this is not an automatic entitlement and applicants for appointment should be notified of the details of, and the criteria for, the scheme during the recruitment process. Entitlement will be based on the criteria detailed within this policy but generally assistance can be sought for removal costs, temporary lodgings, transport fares, legal fees, survey fees, agent fees, stamp duty, etc. The maximum amount any newly appointed employee may qualify for is £7,000.

1 Eligibility Criteria

1.0 In order to be eligible for assistance under the relocation scheme, employees must satisfy the following criteria:

- Be appointed to a post graded at PO1 or above. Where there is a demonstrable business case for applying the scheme to posts graded lower than PO1, it may, in exceptional circumstances, be considered.
- They have accepted a permanent position/limited-term contract of at least two years duration with Newham Council.
- Their current residence does not have a London post code, and is at least 25 miles in distance from the borough boundaries OR they currently live at a distance that would not be regarded as commutable to the new place of work.
- The new chosen permanent residence must be located within a commutable distance, within 1.5 hours train travel time from the place of work.
- They have entered into a written undertaking (within the application form) to repay any allowances if they leave the authority within the set time limits.

The Relocation Application Form (Appendix 2.A) should be completed by the applicant. Part B of the relocation application form should be completed by the panel chair and a Human Resources staff member to confirm that the employee meets the criteria and then signed by the service Executive lead.

2 Allowable Expenses

2.0 The scheme allows employees to claim the expenses involved in obtaining new accommodation and usually this will be similar accommodation to that which they vacate although this may not always be possible. Therefore, generally employees whose old residence was rented can claim the expenses involved in moving to another rental property, whilst employees who are owner-occupiers may claim expenses involved in both selling their old home and buying a new home. Employees cannot claim expenses that are involved in buying a new property if their old residence was rented but can claim to rent property where they are unable to sell their home.

2.1 The following expenses can be claimed for reimbursement:

a) 100% of removal costs, based on the lowest of two quotes, including the cost of insuring the items in transit. If the employee prefers to hire the contractor of their choice they will pay the difference in cost between that and the lowest quote.

b) The cost of any temporary lodgings, plus the cost of a return journey home each weekend, made prior to the permanent move, paid at public transport equivalent rate (2nd class rail fare) for a maximum of nine months.

or

Where an employee chooses not to take temporary lodgings the cost of the additional

travelling expenses for daily travel at public transport equivalent rates, made prior to the move, for a maximum of nine months. Please note that this will be subject to deductions for both tax and national insurance.

c) The cost of any non-domestic goods needed to replace items at the new home.

d) Survey fees.

e) Agents fees.

f) Solicitors fees.

g) Building Society fees.

h) Estate Agents fees on sale.

i) Land Registry fees.

j) Stamp duty.

k) Storage.

2.2 The full cost of assistance provided must be paid from the approved budget of the employing service.

2.3 The total amount claimed must not exceed £7,000.

3 The Procedure

In the first instance the Relocation Application Form should be completed and authorised to apply the relocation scheme to the relevant, recruiting post. Upon this authorisation the employee may submit the appropriate expenses as and when incurred (on a once a month basis) using the Relocation Expenses Claim form (Appendix 3.B).

3.0 All claims must be made within one year of commencing employment.

3.1 All expenditure incurred by the employee in accordance with the allowable expenses must be supported by the original receipts.

3.2 All claims must be made on a monthly basis, with all receipts attached, each authorised and countersigned by the line manager. At this time the line manager must ensure that the claims are valid and that the cumulative total does not exceed the total amount allowed. The line manager should then forward the claim form, with receipts attached, to HR/Employee Services. Once processed the claim form will then be placed on the employee's personal file for audit purposes.

3.3 Claims for lodgings should be signed and dated with receipts attached or a current tenancy

agreement inspected.

- 3.4** The line manager holds responsibility for ensuring that full and accurate records are kept in support of all payments and that all claims are allowable expenses and that the employee meets the eligible criteria.

4 Repayment of Allowances

- 4.0** If the employee leaves LBN's service within one year of taking up their appointment, they will be required to repay in full all the financial assistance granted under the scheme.

If the employee leaves LBN's employment within their second year of service, they will be required to repay 1/12th of the total received for each month that they are short of two years' service.

- 4.1** If subsequent to being afforded financial assistance under the scheme the employee fails to meet the eligibility criteria in any way (for example they fail to relocate within one year of commencing employment, they will be required to repay in full the financial assistance granted under the scheme (regardless of length of service).
- 4.2** Only in exceptional circumstances such as ill-health retirement or redundancy will LBN consider waiving the requirement to repay the assistance granted under the scheme. This decision will be taken by the Divisional Director of Human Resources and the relevant officer in consultation with the Executive Director – Resources.

5 Tax Implications

- 5.0** Current tax regulations are that any payments made under LBN's relocation scheme are non-taxable, with the exception of home to work travel costs which are subject to statutory deductions. However, strict time limits apply, in that the employee should either have actually incurred the expenditure or have been reimbursed before the end of the tax year following that in which their employment commenced.
- 5.1** Tax relief is available on relocation expenses up to a maximum of £8,000. Therefore, although LBN will not reimburse expenditure on any amount between £7,000 and £8,000, the individual may be able to claim tax relief. Individuals should seek advice from their local tax office on their particular circumstances.

Exceptions

There may be occasions that require further flexibility and necessitate offering additional finances to senior officers to support them taking up their employment with LBN. In these cases decisions will be taken jointly by the service executive lead and Human Resources as to the nature of payments and rationale. An example of such circumstances is Executive Recruitment.