



Effective from December 2017

## Relocation policy

### 1. Policy statement

We are committed to becoming an excellent council and recognise the importance of recruiting the best people to deliver council services. This relocation policy supports the recruitment process by offering financial assistance to new employees who have to move home to take up a job with the council.

### 2. Employee groups covered by the policy

This policy applies to all employees, except school based employees. Employees within schools may be covered by this policy by specific acceptance of the governing body.

### 3. Communicating the relocation policy

The manager responsible for recruitment will need to decide whether to offer assistance with relocation expenses to potential new employees. If they do, they will need to include the rationale for this when making their business case seeking Approval to Recruit. Relocation expenses may be offered for both permanent and fixed term positions/contracts.

If it is agreed that relocation assistance may be available:

- the recruitment forms submitted for the job should indicate this; and
- the advert or recruitment information pack should let potential applicants know this.

It is likely that relocation will be most commonly applied to:

- senior jobs where there have been significant recruitment difficulties; and
- jobs which are part of a national recruitment campaign.

For further advice on eligibility for relocation expenses, please contact HR Advisory.

### 4. Eligibility for relocation expenses

All offers of relocation are subject to the rules set out in part 4, chapter 7 of the Income Tax (Earnings and Pensions) Act 2003.

There must be:

- a change in main residence as a result of starting a new employment; or
- a change of the place where the duties are normally performed (where a contractual relocation of work base beyond reasonable daily travelling distance occurs – see Section 12)

This can include the cost of renting locally, provided that the local home becomes the employees sole or main residence.

To be eligible to receive relocation expenses the employee must:

- currently live in an area that is not within a reasonable daily travelling distance of their new place of work; and
- be moving closer to their place of employment and to a home that is within a reasonable daily travelling distance of their new place of work.

Reasonable daily travelling distance is defined as:

- a move to within 25 miles of Northampton if their work base is Northampton; or
- a move to within 15 miles of their work base, if their work base is outside Northampton.

The Service Head (or Chief Executive for jobs at Director level / Director for jobs at Service Head level) may agree that an employee can relocate outside the normal distance criteria. This will be dependant on the needs of the business.

The employee will not be eligible to receive relocation expenses if they are moving as a result of their partner having to relocate.

## **5. Timescale for moving home**

Relocation will normally take place and be concluded within six months of the start of employment; therefore expenses should also be claimed within six months from the date the employee starts work with the council. The applicable timescale will be specified in the employee's Relocation Agreement.

If the employee fails to relocate within this time period, without good reason, the council may require reimbursement of expenses paid out. The Service Head (or Chief Executive for jobs at Director level / Director for jobs at Service Head level) will decide on individual cases.

In exceptional circumstances, the Chief Executive and Section 151 Officer may agree to extend the claim period, however any expenses must be incurred before the end of the tax year after the one in which the employee took up his/her new position

## **6. Schedule of relocation expenses**

The relocation expenses that can be claimed will depend on the employee's individual circumstances.

In general terms, the types of eligible expenses that may be claimed are:

- Selling costs
- Buying costs
- Removals and storage costs
- Temporary accommodation costs
- Temporary commuting costs
- House hunting costs
- Rental assistance
- Disturbance allowance

The claim forms and schedule of relocation expenses are available on LGSS Direct.

## **7. Employee obligations**

The intention of the relocation policy is to enable employees to enjoy a similar style of living when they move to the area. It is not intended to provide financial assistance to facilitate an upgrade in property; nor will it support the purchase of a second home.

Before accepting a job with the council, potential employees must:

- consider the financial and personal impact that changing job and relocating may have;
- visit the area to consider the financial implications of purchasing a new property, particularly if moving from a lower to a higher cost area;
- be aware that relocation expenses are reimbursed after expenditure is incurred; and
- contact the recruiting manager if they have any queries about the relocation policy of the council.

After accepting a job with the council, employees must:

- sign a relocation agreement;
- make all efforts to complete their relocation within six months;
- consider relocation expenses in precisely the same way as they would if paying for them themselves; and
- contact their manager before purchasing a new property to ensure it is within reasonable travelling distance of their work base.

## **8. Relocation agreement**

Employees are required to sign a Relocation Agreement which sets out the relevant terms of the relocation agreement with the Council:

- to relocate to take up an appointment with Northamptonshire County Council
- are not moving as a result of their partner having to relocate and that relocation expenses are not being received from any other source
- to relocate within 6 months of starting employment with the Council
- to repay the Council relocation expenses received (or a portion of these) if they voluntarily leave or are dismissed for any reason other than redundancy or the expected end of the fixed term contract if not employed on a permanent basis, within the time period stated in the relevant relocation agreement. The amount to be repaid will reduce proportionally for each completed month of service. See Section 11.

## **9. Claiming and authorising relocation expenses**

Before any relocation expenses can be authorised, the manager must ensure that the employee has signed the relevant relocation agreement. This should be forwarded to HR Advisory to be retained on the employee's personnel file.

Employees must complete the relevant Relocation Expenses Claim Form to claim their relocation expenses.

Where a loan to cover the initial deposit for rented accommodation is being claimed, (Schedule of Relocation Expenses – Rental Assistance), a separate loan agreement must also be entered into. The manager with budget accountability for the service area is responsible for authorising the employee's Relocation Expenses Claim Form. Relocation expenses for the Chief Executive or jobs at Director level must be approved by the relevant manager and be monitored by the Section 151 Officer.

The authorised form must be sent to LGSS HR Transactions via Lets Go Direct. Original VAT receipts must be submitted with each claim before they can be reimbursed.

A Relocation Expenses Record Sheet / SCS only Relocation Expenses Record Sheet is available to help managers and HR Transactions monitor the amounts claimed.

The authorising manager and HR Transactions are responsible for monitoring the application of the relocation policy and maintaining a record of relocation expenses.

Employees will be reimbursed for relocation expenses via payroll. No direct payments to service providers will be made.

A flowchart outlining the claiming and authorising process is available.

## 10. Relocation expenses and tax

### Income Tax

Relocation expenses up to the value of £8,000 are not taxed. HMRC will be notified where relocation expenses paid over the value of £8,000 have been made over two financial years.

### VAT

Employees must submit original VAT receipts with their completed Relocation Expenses Claim Form. The employee is responsible for ensuring that the VAT amount on the invoice is recorded correctly on the Relocation Expenses Claim Form

## 11. Employees who leave after receiving relocation expenses

If an employee voluntarily leaves or are dismissed for any reason other than redundancy within the specified recovery period set out in their Relocation Agreement following their start of employment (normally 3 years), they will be required to reimburse the Council for any relocation allowances received. This will be calculated on a monthly reducing basis. The relevant Relocation Agreement explains the terms that apply. Once the employee has completed the specified number of year's employment, no repayment is required.

For example, where the recovery period is 3 years the formula for calculating the amount to be reimbursed is:

$$\frac{\text{Amount of expenses received} \times (36 - \text{completed months of service})}{36}$$

If an employee is appointed on a **fixed term contract for less than 3 years**, they will be required to reimburse the Council for any allowances received if they voluntarily leaves or are dismissed for any reason other than redundancy before their contract expires. This will be calculated on a monthly reducing basis, based on the length of their fixed term contract. The standard Relocation Agreement would need to be amended to reflect the length of the fixed term contract. Once the employee has completed their fixed term contract, then no repayment is required.

The formula for calculating the amount to be reimbursed is:

$$\frac{\text{Amount of expenses received} \times (\text{mths in fixed term contract} - \text{completed months of service})}{\text{months in fixed term contract}}$$

## 12. Relocating existing employees

This relocation policy can also be applied where the council has to redeploy an employee to a work base that is more than 15 miles travelling distance from their home (25 miles if the new work base is Northampton). In this situation the Assistant Director needs to agree the application of the relocation policy with the LGSS Director of HR.

If the employee is currently employed by the Council and subsequently gains a job that offers assistance with relocation, then expenses can be claimed for up to six months from the date the employee starts work in the new job. The employee must be eligible to receive relocation expenses, as detailed above.

## 13. Varying the relocation scheme

In some circumstances, a relocation scheme may be applied that is different to the one outlined in this policy, for example when recruiting from overseas. However, the level of payment must not exceed the amount which would otherwise have been granted. The recruiting manager must to agree any variations with the LGSS Director of HR.

There is currently a relocation scheme in place for specific groups within Safeguarding and Children's Services; the specific terms are detailed in the relevant Relocation Agreement and related documents.

#### **14. Policy Data Protection, Monitoring and Review**

Any data collected as part of employing and managing employee's is held securely. It is accessed by, and disclosed to, individuals only for the purposes of completing that specific procedure; process or activity.

Records are retained and destroyed in accordance with the organisations Retention Schedule.

Inappropriate access or disclosure of employee data constitutes a data breach and should be reported in accordance with the organisation's Data Protection Policy immediately. It may also constitute a disciplinary offence, which may be dealt with under this Disciplinary Procedure

The Council will monitor the application of this policy and has discretion to review it at any time. Rates of relocation expenses will be reviewed by the LGSS Director of HR annually.

#### **15. Relevant Forms**

The following forms can be found on LGSS Direct:

- Schedule of relocation expenses
- SCS schedule of relocation expenses
- Flow chart on claiming and authorising relocation expenses
- Relocation agreement
- SCS relocation agreement
- Relocation expenses claim form
- Relocation expenses record sheet
- SCS relocation expenses record sheet