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# Relocation Policy

SHARED SERVICES



Council of the  
ISLES OF SCILLY

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September 2015

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## REVISIONS TO SOURCE DOCUMENT

Version		Approving Committee	
Date		Ratified by Council	
Responsible Officer		Review Date	

## VERSION HISTORY

Date	Version	Author/Editor	Comments
2011	1.0	HR+OD Manager	Current policy
04/09/15	2	Senior Officer: Shared Services	Draft of new version of policy
26/09/15	2.1	TJW	
05/10/15	2.2	SO: SS	Amendments following SCG

## EQUALITIES IMPACT ASSESSMENT RECORD

Date	Type of Assessment Conducted	Stage/Level completed (where applicable)	Summary of Actions Taken Decisions Made	Completed by.	Impact Assessment Review date

## DOCUMENT RETENTION

Document retention period	
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## CONTENTS

Revisions to Source Document .....	1
Version History.....	1
Equalities Impact Assessment Record .....	1
Document retention .....	1
Contents.....	2
Introduction .....	3
Eligibility.....	3
Amount Available to Claim .....	3
Application to couples .....	4
Taxation.....	4
Repayment of Relocation Assistance.....	5
Viewing Accommodation and School on the Islands.....	5
Buying and selling property .....	6
Rented to rented accommodation .....	6
Rented to purchased accommodation .....	7
Temporary accommodation .....	7
Travel Expenses.....	7
Authorisation .....	8
Claim Procedure.....	8
Annex 1. Interview & Relocation Costs Template .....	9

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### **Law relating to this document**

Employment Rights Act 1996

Income Tax (Earnings and Pensions) Act 2003

## INTRODUCTION

- 1.1 This policy sets out the Council's provisions regarding relocation. Relocation assistance may be given by the Council of the Isles of Scilly to help with out-of-pocket expenses incurred when an employee relocates as a result of a new appointment with the Council. This can take place either on commencing employment with the Council or during employment if an employee changes work location.
- 1.2 To qualify for relocation assistance, the employee must be moving to a new base because of accepting an offer of employment with the Council that is outside the area in which the employee is currently living or working.
- 1.3 Relocation expenses are judged on a case-by-case basis and each employee's situation and circumstances will be unique. The Council therefore retains discretion to tailor the relocation package to suit the particular circumstances and needs of each employee. However, the Council will always act fairly and in a non-discriminatory manner.
- 1.4 Relocation assistance is discretionary. It is not a contractual entitlement and the Council reserves the right to withdraw it at any time. Where relocation assistance is offered, this, and the caveats around the assistance package, will be detailed in the letter of appointment.

## ELIGIBILITY

- 2.1 To be eligible for relocation assistance, the successful applicant to a job of grade 4 or above, may be offered assistance with their relocation if currently living more than a reasonable daily travelling distance away from the new work location.
- 2.2 The employee must be moving to a permanent residence on the islands that will be the main residence for the purpose of taking up work with the Council, rather than acquiring a second home. The property can be either purchased or rented.

## AMOUNT AVAILABLE TO CLAIM

- 3.1 The maximum sum of relocation assistance provided by the Council will not exceed £6,000 in any one case, inclusive of VAT plus stamp duty of 1% based on a maximum property value of £250,000. This amount is not a lump sum but can be reimbursed for eligible expenditure as set out below against valid receipts and invoices.
- 3.2 There will be a lower rate of assistance for fixed term contracts of three years or less. New employees to appointments for an initial fixed term of up to and including one year are not eligible for relocation assistance.

Length of Contract	Amount of Relocation Assistance
Fixed term of up to and including one year	Not eligible for relocation expenses
Fixed term contracts of more than one year and up to two years	Up to 10% of annual starting salary
Fixed term contracts of more than two years and up to three years	Up to 12.5% of annual starting salary
Permanent open contracts or fixed term contracts of more than three years	Up to 15% of annual starting salary or £6,000 (whichever is lower)

- 3.3 Employees are required to mitigate all expenses involved in their relocation and expenses will be reimbursed only if they are deemed to be reasonable. This may include travel expenses. This policy provides for a contribution to the cost of relocation only and is not intended to meet fully all costs associated with relocation, although it may do so in some circumstances.

#### APPLICATION TO COUPLES

- 4.1 The HM Revenue & Customs rules restrict the allowance to the move of one home. Consequently, where a couple (whether married, in a civil partnership or cohabiting) are both appointed to positions at the Council, only one will be entitled to relocation assistance under this scheme. Where this applies, the new appointees should confirm with Human Resources which partner is to be covered by this scheme.

#### TAXATION

- 5.1 All offers of relocation are subject to HM Revenue & Customs regulations. The employee is responsible for any statutory income tax and national insurance liability incurred as a result of receiving relocation expenses. As the relocation is job related, the first £8,000 is exempt from tax provided that certain conditions are met, including that the new property is the employee's main residence. Relocation costs above £8,000 are a taxable benefit.
- 5.2 HM Revenue & Customs has also set a time limit on relocation and must be completed before the end of the tax year (5 April) following the commencement of the new appointment. For example:
- A new employee commencing employment on 1 July 2013 must submit their final claim by the end of the 2014/15 tax year, ie 5 April 2015.

- A new employee commencing employment on 1 March 2014 must submit their final claim by the end of the 2014/15 tax year, ie 5 April 2015.

5.3 At the time of being offered relocation assistance, the employee will be advised of the date by which the relocation claim must be completed.

## REPAYMENT OF RELOCATION ASSISTANCE

6.1 In view of the significant costs involved in providing relocation assistance, any employee who resigns from their post within the first three years of commencing their appointment, or is dismissed through reasons of discipline or capability, will be required to repay a percentage of the money that they have received.

6.2 Those offered relocation assistance will be required to sign an agreement to this effect. The amount payable is reduced proportionally and is as follows:

Period of service (from date of payment of expenses)	Amount to be repaid (as % of total expenses)
Resignation during the first year	100%
Resignation within the second year	50%
Resignation within the third year	25%

6.3 Repayment will not, however, be required if the reason for termination of the employee's employment is redundancy, or exceptional circumstances at the discretion of the Section 151 Officer.

6.4 The above timescale starts from the date of commencement of employment.

6.5 In the event that the employee latterly decides to take up employments with the Council but not relocate, they will repay all of the relocation assistance provided.

6.6 Any repayment sums due to the Council will be deducted from the final salary payment. In the event that this the final salary payment is insufficient to cover the outstanding debt, reimburse must be received by the Council immediately by some other means acceptable to the Council.

## VIEWING ACCOMMODATION AND SCHOOL ON THE ISLANDS

7.1 The Council may reimburse reasonable travelling and accommodation costs incurred by the employee in respect of a maximum of two visits to the area.

## BUYING AND SELLING PROPERTY

8.1 If relocation expenses are approved, the Council will reimburse the following costs reasonably incurred by the employee in the selling and buying of property to relate:

- The estate agency, auctioneer and advertising fees associated with selling the employee's existing property.
- The legal and conveyancing fees associated with selling the employee's existing property.
- A contribution towards any mortgage redemption penalty payable as a result of early redemption of the mortgage loan in relation to the employee's existing property.
- Any charges for disconnection of public utilities and white goods (such as washing machines) serving the employee's existing property.
- The legal and conveyancing fees including survey, Land Registry, search and mortgage arrangement fees associated with the purchase of a new property.
- The stamp duty incurred in connection with the purchase of a new property up to 1% based on a maximum property value of £250,000.
- Any charges for connection of public utilities and white goods serving the new property.
- The costs of moving the employee's furniture, domestic goods and personal possessions from existing property to the new property, including insurance taken out to cover goods in transit. Three quotations should be obtained from removal companies and the cheapest one accepted by the Council beforehand, unless there is a valid reason not to do so.
- The costs of temporary storage and insurance of the employee's furniture, domestic goods and personal possessions if not moving directly from the existing property to the new property, for a maximum of 26 weeks.
- A contribution towards the cost of curtains and relaying carpets required for the new property.

## RENTED TO RENTED ACCOMMODATION

9.1 If the newly appointed employee is living in rented accommodation and intends to live permanently in rented accommodation on the Islands, the relocation allowance is limited. If they are approved, the Council may reimburse the following costs reasonably incurred in moving from rented to rented accommodation:

- Any charges for disconnection of public utilities and white goods serving the existing rented property.
- The deposit payable to the landlord for the new rented property. The deposit must be reimbursed to the Council within three months of the employee moving to the new rented property.

- Any associated administration costs from the letting agent or agents (including check-out fees, penalty clauses and lease arrangement fees).
- Any charges for connection of public utilities and white goods serving the new rented property.
- Any overlap in rental payments.
- The costs of moving the employee's furniture, domestic goods and personal possessions from the existing property to the new property, including insurance taken out to cover goods in transit. Three quotations should be obtained from removal companies and the cheapest used, unless there is a valid reason not to do so.
- The costs of temporary storage and insurance of the employee's furniture, domestic goods and personal possessions if not moving directly from the existing property to the new property, for a maximum of 26 weeks.

#### RENTED TO PURCHASED ACCOMMODATION

- 10.1 If the employee is living in rented accommodation but intends to purchase a property in the Islands, relocation allowance is limited to the costs reasonably incurred in moving from the rented accommodation as set out above at 9.1 and no contribution will be made towards the purchase of the new property.
- 10.2 Property purchase expenses will be paid only where an existing property has been sold. This is because employees should not gain financially as a result of the relocation.

#### OWNED TO RENTED ACCOMMODATION

- 11.1 If the employee is living in owned accommodation but intends to rent a property in the Islands, relocation allowance is limited to the costs reasonably incurred in moving from the owned accommodation as set out above at 9.1.

#### TEMPORARY ACCOMMODATION

- 12.1 Where the employee has not been able to move to a new permanent property (whether purchased or rented) by the time of starting work in the new work location, the Council will give consideration to the reimbursement of the costs of temporary hotel, bed and breakfast or rental accommodation.
- 12.2 Temporary hotel or bed and breakfast accommodation will be allowed up to a maximum of two weeks and a maximum cost of £70 per night including VAT. To extend beyond these limits, the employee must obtain prior agreement from his/her line manager.

#### TRAVEL EXPENSES



- 13.1 If the employee is travelling from their existing property to the Isles of Scilly, rather than staying in temporary accommodation prior to relocating, the mileage and travel costs to the islands from the mainland can be claimed from the relocation allowance and will be paid at normal rates. Likewise, if the work move is after the home move, mileage can be claimed at normal rates from the relocation allowance for travelling between the new property and the old work location. Until relocation has been completed, mileage can also be claimed at normal rates from the relocation allowance for the cost of travelling between the temporary accommodation and the property being sold.
- 13.2 Mileage from temporary accommodation to the new work location is not eligible for reimbursement.

## AUTHORISATION

- 14.1 All employees applying for financial assistance with relocation should obtain the prior written agreement of Human Resources before committing to any spend. Any offer of assistance will be confirmed in the letter of appointment.
- 14.2 The maximum amount of financial assistance for relocation that the newly appointed employee can receive in respect of any one case is £6,000.
- 14.3 All expense claim forms containing relocation expenses, and supported by valid receipts, should be countersigned by the employee's line manager and submitted in accordance with the relevant expense claim procedure.
- 14.4 Invoices may be able to be paid directly by the Council. However, the employee must discuss this with Human Resources or the Line Manager prior to making this arrangement with the relevant supplier.
- 14.5 All relocation expenses must be claimed within a timeframe of six months from the date of relocation.

## CLAIM PROCEDURE

Individuals are required to sign and return the declaration and agreement to the Council's Interview and Relocation Policies (see Annex 1).

Claims should be on the Reimbursement of Costs Claim form (which can be obtained from the Finance office by email [finance@scilly.gov.uk](mailto:finance@scilly.gov.uk) ) and submitted to the Human Resources office by email to [humanresources@scilly.gov.uk](mailto:humanresources@scilly.gov.uk) or by post to Human Resources, Council of the Isles of Scilly, Town Hall, St Mary's, Isles of Scilly, TR21 0LW.

To meet HM Revenue & Customs regulations, which allow the payment of relocation expenses without taxation being incurred, all claims for payment must be accompanied by proof of expenditure (i.e. VAT invoice/receipt).



## COUNCIL OF THE ISLES OF SCILLY

### INTERVIEW AND RELOCATION COSTS DECLARATION

I,  
, agree to the following interview and relocation costs policy:

#### Interview Costs

I understand that interview expenses may not be paid if I:

1. Visit the islands and then decline to be interviewed or,
2. Am offered the position and turn it down.

#### Relocation Costs

If I am offered and accept the position I agree that if I resign from my post within the first three years of commencing the appointment, I will repay a percentage of the monies received as set out in the table below:

Period of service (from date of payment of expenses)	Amount to be repaid (as % of total expenses)
Resignation during the first year	100%
Resignation within the second year	50%
Resignation within the third year	25%

I agree that the above repayments may be deducted from my salary.

Signed:

Date:

Please complete and return this form to Human Resources, Council of the isles of Scilly, Town Hall, St Mary's, Isles of Scilly TR21 0LW or email: [humanresources@scilly.gov.uk](mailto:humanresources@scilly.gov.uk)

