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# Relocation Expenses Scheme

February 2004

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## 1 Policy

- 1.1 The City Council's Relocation Expenses scheme is intended as an aid to recruitment and is not to be regarded as automatically available to all new employees of the City Council.
- 1.2 Managers must ensure that careful consideration both at the point of advertisement and at the time an offer of appointment is made, as to whether it is necessary to offer removal expenses.
- 1.3 The scheme is intended to assist applicants who need to move their homes to take up appointments with Coventry City Council. It is not the intention that the scheme will enable applicants to move their home where they already live in the environs of Coventry.
- 1.4 Under the scheme candidates for an appointment may be offered a conditional grant of up to £8000 towards the costs incurred where he/she has moved home into the Coventry area to take up an appointment with Coventry City Council.
- 1.5 The scheme is subject to the overall condition that the grant remains a loan for the first two years from the date on which the loan is made and is repayable in full if the employee leaves the service of the Authority within two years of taking up the loan. The condition of the repayment is rigorously enforced.
- 1.6 Once an employee has completed two years qualifying service the loan ceases to be repayable.

## 2 Authority

- 2.1 HR Managers have delegated responsibility for approving the offer of relocation expenses to specific candidates as recommended by Managers.

### **3 Scope**

- 3.1 The loan would normally only be granted to employees appointed to posts graded at spinal column point 22 and above. It does not apply to teachers or lecturers and only applies in special circumstances to professional trainees.

### **4 Operating Principles**

- 4.1 Relocation expenses will not be paid where an applicant already lives within a 15-mile radius of the centre of Coventry.
- 4.2 To qualify for a relocation expenses grant the applicant should be moving from outside a 30-mile radius of the centre of Coventry and will normally be expected to move to a property within a radius of 10 – 15 miles of Coventry City Centre.
- 4.3 These provisions do not preclude a requirement, where this is justified by the duties of the post, for an applicant to live nearer than 10 miles from Coventry City Centre as a condition of offering assistance under the scheme, but any such requirement, of course, must be carefully documented.

### **5 Advice to HR Managers**

- 5.1 The use of relocation expenses as an incentive for recruitment purposes should be given careful consideration at the time of advertising a post in order to attract applicants to the City Council. The Relocation Expenses Scheme: Guidance for Applicants should be included in any candidate information pack to ensure that applicants are clear on the conditions of the scheme.
- 5.2 The offer of relocation expenses to individual applicants must be made at the time of the offer of appointment and before the offer of appointment has been accepted. Changes in an employee's circumstances after accepting an offer of employment should not subsequently be taken into account in deciding the principle of whether removal expenses should be paid.
- 5.3 Applications for grants should be submitted within six months of the employee taking up appointment. If a delay outside the control of the employee occurs, which means they will not be able to make an application within this period they should inform their HR Section without delay. The relevant Director should consider any request for an extension to this period, up to a maximum of 18 months from the date of starting. Any extension beyond that date should only be made with the approval of the Head of Human Resources (or nominee) after appropriate consultation.

### **6 Payments Under the Scheme**

- 6.1 Applicants may apply for payment of the following expenses up to a maximum grant of £8,000. This maximum grant is conditional on the maximum level for each individual item not being exceeded. Directors are authorised to alter the maximum levels for each individual item up to a maximum of 20% so long as the maximum figure allowed is not exceeded.

6.2 Estate Agents Commission

Up to £3,500 will be paid towards the actual Estate Agents Commission incurred, including VAT.

6.3 Legal and other fees, (including stamp duty)

Up to £2,500 will be paid towards the actual costs of legal and other relevant fees and expenses incurred in the purchase and sale of housing.

6.4 Removal Expenses

Up to £1,250 will be paid towards the removal expenses of moving the employee's household furniture and possessions to Coventry. This must be based on the lowest of three tenders or the actual cost whichever is the lower.

6.5 Incidental Expenses

Up to £750 may be paid towards incidental resettlement expenses, which are actually incurred. (Expenses envisaged under this heading include alteration or replacement of curtains, fixtures and fittings, relaying of floor covering, conversion and installation of electrical appliances, etc.)

Applicants wishing to claim under this heading must be advised to clear, through their HR Adviser, in advance of actually incurring the expenditure whether any particular type of expenditure is eligible for payment.

6.6 Lodging Allowance

A lodging allowance of £52 for up to eight weeks is available subject to the overall limit not being exceeded.

6.7 Interest on Bridging Loans

A grant may be available towards the cost of interest on a bridging loan for a limited period where employees have difficulty selling their existing property. Normally, bridging loan interest will only be paid during the first six months following the employee's date of appointment. The interest payable is subject to the maximum payment claimed not exceeding £8,000.

As interest on bridging loans for house purchase ranks for tax relief, the amount of the grant will be calculated net of tax. The employee will claim the tax relief due to them from the Inland Revenue in the normal way.

Any claim under this heading must be supported by evidence from the bank or other source, which advanced the loan, certifying the amount of interest paid and that the loan is purely for the house purchase.

To claim under this heading, applicants must satisfy the relevant Director that they have not unnecessarily delayed selling their existing property.



## **7 Procedures for Approval of Relocation Expenses**

- 7.1 An offer of Relocation expenses should be included in the formal letter offering an appointment to a candidate and should be accompanied by a Relocation Expenses application form.
- 7.4 Once a completed application form is returned, the HR Section should confirm that the employee has received an offer of relocation expenses and that the application form has been completed accurately. This will include the signing of the undertaking to repay the conditional grant in the event of leaving Coventry City Council within two years of the date on which the loan was made.
- 7.5 An employee may submit a claim for approval as each category of expense is incurred.
- 7.5 On receipt, claims for Relocation Expenses will be checked in terms of:
- (i) the sums claimed;
  - (ii) the property purchased being located within the required radius of Coventry City Centre; and
  - (iii) the appropriateness of the items claimed.
- 7.6 In the case of Removal Expenses the HR Section will authorise payment based on the lowest of the three tenders submitted (copies of these must be supplied by the applicant) or the invoice if this is lower. If employees wish to employ other than the removal firm submitting the lowest tender, they may do so if they wish, but must then meet the difference themselves.
- 7.6 Claims for legal expenses, etc. must be supported by invoices and the payment will be the actual expenditure incurred or the upper limit set out in the scheme, whichever is the lowest figure.
- 7.7 Claims for incidental expenses must be supported by invoices, which clearly set out the nature of the expenditure. Payment should not be authorised unless it is supported by the necessary documentation.
- 7.8 After final clearance, the documents will be forwarded to the Finance & ICT Directorate for payment. It will be necessary to maintain a cumulative total of payments to any individual both in aggregate and under each particular heading to ensure that claims remain within the limits laid down by the scheme.
- 7.9 In the event of employees leaving the employment of the City Council during the period of two years after the loan has been made, then the whole of the grant must be reclaimed. If a claim has been made in instalments then the repayment applies to any instalment paid within the two-year period, but not any instalment in respect of which the two year period has already expired.
- 7.10 Directors do not have authority to agree to any waiving of the requirement to repay a conditional grant if the employee leaves within the two-year period. Any special circumstances must be discussed with the Head of Human Resources (or nominee) in order that the case can be raised with the Cabinet Member (Service Performance and Support).

## 8. Monitoring

Expenditure on relocation expenses should be monitored on a regular basis by Directorates. A six monthly report will be presented to the Cabinet Member (Service Performance and Support) by the Head of Human Resources.

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