

## **EMPLOYMENT MATTERS COMMITTEE**

**17 JUNE 2015**

### **REVIEW OF THE RELOCATION SCHEME**

Report from: Tricia Palmer, Assistant Director, Organisational Services

Author: Carrie McKenzie, Head of HR and Organisational Change

#### **Summary**

The report seeks agreement to the revised Relocation Scheme

#### **1. Budget and Policy Framework**

- 1.1 The Policy lies within the Council's policy and budget framework and the Committee's terms of reference. Therefore, this is a matter for the Employment Matters Committee.

#### **2. Background**

- 2.1 The Policy has been revised to update post titles, provides clarification of eligibility criteria and makes minor amendments to the reclaim procedures.

#### **3. Advice and analysis**

- 3.1 This Policy applies to newly appointed permanent staff who are required to move house as a result of their appointment.

The policy does not apply to the following employees:

(1) The Chief Executive, the Section 151 Officer or the Monitoring Officer who are subject to statutory regulations

(2) School based staff and centrally employed teachers

#### **4. Consultation**

- 4.1 Consultation on these changes has taken place involving the trade unions and the employee forums using the agreed consultation protocol.

- 4.2 At the time of writing this report we have received no comments

## **5. Risk Management**

- 5.1 It is important that all eligible staff are made aware of this Policy and their responsibilities within it.
- 5.2 Failing to implement the Policy in a fair and consistent manner may result in successful legal challenges.
- 5.3 Failing to adhere to the Council's responsibilities could pose a legal challenge at employment tribunal.
- 5.4 It is therefore necessary for the new Policy, included at Appendix 1 to the report, to be shared with future eligible staff within the Council.

## **6. Diversity Impact Assessment (DIA)**

- 6.1 A Diversity Impact screening has been undertaken and it is considered that a full DIA is not required. The DIA is attached at Appendix 2 to the report.

## **7. Financial and legal implications**

- 7.1 It is not envisaged that there will be any additional financial implications with the implementation of this Policy.
- 7.2 Implementation of this Policy enables the Council to comply with its various statutory obligations. Implementation of the Policy is within the council's powers. In the application of this Policy it is essential that a fair and consistent approach is to be applied to all staff in order to minimise successful legal challenges. The council must ensure that in the application of the policy due regard must be given to all relevant legislation.

## **8. Recommendations**

- 8.1 That the Employment Matters Committee approves the revised Policy as set out in Appendix 1 to the report.
- 8.2 That this Policy is reviewed in two years time and any proposed changes are referred to this Committee.

### **Lead officer contact**

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### **Background papers**

None

### **Appendices**

Appendix 1 - Revised Relocation Scheme  
Appendix 2 - Diversity Impact Assessment

# Medway Council Relocation Scheme

**Issued: June 2015**

**Review Date: June 2017**

**Lead Officer: Carrie Mckenzie, HR and Organisational Change**



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# Medway Council Relocation Scheme

## 1.0 Introduction

- 1.1 Medway Council's Relocation Scheme is intended to provide assistance in approved cases to newly appointed permanent staff ~~of the Authority~~ who are required to move house as a result of their appointment.
- 1.2 As there is no automatic entitlement to assistance under the Scheme, candidates for appointment should ensure they qualify for assistance at the appointment interview. Entitlement will be based on the demonstrated difficulty in recruiting to the post (i.e. all internal and local external advertising mechanisms should have been exhausted).

A designated employee will be as approved by the Director/Deputy Director of the employing Directorate and the Assistant Director, Organisational Change ~~Head of Corporate Personnel~~ at which stage Part A of the [Relocation Scheme Eligibility Criteria form](#) is to be completed.

## 2.0 Eligibility Criteria

- 2.1 In order to be eligible for assistance under the Scheme employees must satisfy the following criteria:
  - They have accepted a permanent position with Medway Council on terms which require them to move house.
  - Their current residence must be at least 20 miles distance from ~~Chatham~~ Gun Wharf (or other designated place of work) and/ or north of the river Thames.
  - Their new ~~permanent~~ residence must be located within Medway Council's boundaries.
  - They have entered into a written undertaking (~~section one – appendix 23~~) to repay any allowances if they leave the Authority within the set time limits [Relocation Allowance – New Employee's Undertaking](#).
  - No claim for relocation expenses is being made by their spouse or partner sharing their home from another employer or any other source.
- 2.2 Part B of the [Relocation Scheme Eligibility Criteria form](#) should be completed by the Line Manager and HR Business Partner ~~Personnel Adviser~~ to confirm that the employee meets the criteria at 2.1.

### 3.0 Allowable Expenses

3.1 The scheme allows employees to claim the expenses involved in obtaining similar accommodation to that which they vacate. Therefore, employees whose old residence was rented can claim the expenses involved in moving to another rental property. Where the employee was an owner-occupier, the expenses involved in both selling their old home and buying a new home can be claimed. Employees cannot claim expenses that are involved in buying a new property if their old residence was rented. Evidence of owner/occupier/tenant status will be required.

3.2 The following are expenses which can be claimed for reimbursement:

- 100% of removal costs, based on the lowest of two tenders to include 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 costs between that and the lowest tender.
- The cost of any temporary accommodation lodgings, plus the cost of a return journey home each weekend, made prior to the permanent move, paid at the HMRC public transport equivalent rate (2nd class if by rail) for a maximum of 52 weeks.
- The cost of any domestic goods needed to replace items used at the old home which are not suitable for use in the new home.
- Survey fees
- Agents fees
- Solicitors fees
- Building Society fees
- Estate Agents fees on sale
- Land Registry fees
- Stamp Duty.

or

3.3 Where an employee chooses not to take temporary accommodation lodgings the cost of the additional travelling expenses for daily travel at HMRC public transport equivalent rates made prior to the move for a maximum of 52 weeks. Please note that this will be subject to deductions for both tax and national insurance.

3.4 The full cost of assistance provided must be paid from the approved budget of the employing Directorate.

3.5 The total amount of reimbursement by Medway Council will not exceed £6,000 (see also Section 6.2)

## 4.0 Reclaim Procedures

- 4.1 All claims must be made within one year of commencing employment by using the appropriate claim form (PMC 019 (2000)) ~~should be.~~
- 4.2 It is a condition of the Scheme that all expenditure incurred by the employee in accordance with the allowable expenses (see Section 3) must be supported by ~~the~~ original receipts.
- 4.3 All claims must be made on a monthly basis, with the receipts attached and each receipt having been 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 the ~~Personnel~~ Payroll Operations Team for payment by the 6<sup>th</sup> of each month. The claim form will then be scanned into the document library ~~placed on the employees personal file~~ and retained for audit purposes.
- 4.4 VAT can be reclaimed on invoices made out and sent direct to Medway Council in which case, only the net total will be debited against the employee's allowances. VAT is not always reclaimable where invoices are not addressed to the Council, thus unless agreed by the Council VAT Officer, the gross total should be debited against the employee's allowance. Invoices addressed to the employee AND Medway Council are eligible for VAT claims by the Council in the event of the contractor insisting on the name of the employee being on their invoices. As there are tax advantages in the first option, employees are encouraged to use it. The employing Directorate must ensure that any items where the VAT can be reclaimed by the Council are correctly coded on a Pro Forma Invoice, supported by valid VAT receipts before passing to creditors section for payment.
- 4.5 Claims for temporary accommodation lodgings should be signed and dated with receipts attached or a current rent book inspected.
- ~~4.6 Prior approval must be obtained from the line manager before any claim for removal costs is made and must be based on the lowest of two tenders.~~
- 4.6 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 eligibility criteria.

## **5.0 Repayment of Allowances ~~Expenses~~**

- 5.1 If the employee leaves Medway Council'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.
- 5.2 If the employee leaves Medway Council'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.
- 5.3 If subsequent to being afforded financial assistance under the Scheme, the employee fails to meet the eligibility criteria in any way (e.g. their new home is outside Medway Council's boundaries) they will be required to repay in full the financial assistance granted under the Scheme (regardless of the length of service).
- 5.4 Only in exceptional circumstances such as ill-health retirement or compulsory redundancy will Medway Council consider ~~waiving~~ waiving the requirement to repay the assistance granted under the Scheme. This decision will be taken by the Assistant Director, Organisational Services in consultation with the relevant Director/Deputy Director. ~~Personnel and Development and the relevant Director in consultation with the Director of Resources.~~

## **6.0 Tax Implications**

- 6.1 Current tax regulations are that any payments made under Medway Council's Relocation Scheme are non-taxable, with the exception of home to work travel costs which are subject to deductions for tax and national insurance. 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.
- 6.2 Tax Relief is available on Relocation Expenses up to a maximum of £8000. Therefore, although Medway Council will not reimburse expenditure on any amount above £6000, ~~between £6,000 – £8,000~~ the employee individual may be able to claim the tax relief on the expenditure between £6000 and £8000. The employee ~~Individuals~~ should seek the advice of their local tax office on their particular circumstances.

## **7.0 Further information**

- 7.1 Further information about the Scheme is available from the hradvice via [hradvice@medway.gov.uk](mailto:hradvice@medway.gov.uk) or 01634 334499



# Diversity impact assessment

<b>TITLE</b> <i>Name/description of the issue being assessed</i>	<b>Relocation Scheme</b>
<b>DATE</b> <i>Date the DIA is completed</i>	<b>26 May 2015</b>
<b>LEAD OFFICER</b> <i>Name of person responsible for carrying out the DIA.</i>	<b>Carrie Mckenzie Head of HR and Organisational Change</b>
<b>1 Summary description of the proposed change</b> <ul style="list-style-type: none"> <li><i>What is the change to policy/service/new project that is being proposed?</i></li> <li><i>How does it compare with the current situation?</i></li> </ul>	
<p><b>The policy has been revised to update post titles, provide clarification of eligibility criteria and makes minor amendments to the reclaim procedures.</b></p>	
<b>2 Summary of evidence used to support this assessment</b> <ul style="list-style-type: none"> <li><i>Eg: Feedback from consultation, performance information, service user records etc.</i></li> <li><i>Eg: Comparison of service user profile with Medway Community Profile</i></li> </ul>	
<p><b>The revisions are minor and do not change the main elements of the scheme.</b></p>	
<p><b>Consultation was invited from the Trade Unions and Staff Forum's between the period April to May 2015, no comment was received.</b></p>	

# Diversity impact assessment

### 3 What is the likely impact of the proposed change?

*Is it likely to :*

- *Adversely impact on one or more of the protected characteristic groups?*
- *Advance equality of opportunity for one or more of the protected characteristic groups?*
- *Foster good relations between people who share a protected characteristic and those who don't?*

*(insert ✓ in one or more boxes)*

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age			X
Disability			X
Gender reassignment			X
Marriage/civil partnership			X
Pregnancy/maternity			X
Race			X
Religion/belief			X
Sex			X
Sexual orientation			X
Other (eg low income groups)			X

### 4 Summary of the likely impacts

- *Who will be affected?*
- *How will they be affected?*

**The policy revisions do not change the current eligibility criteria.**

# Diversity impact assessment

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**5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?**

- *Are there alternative providers?*
- *What alternative ways can the Council provide the service?*
- *Can demand for services be managed differently?*

**Not applicable**

**6 Action plan**

- *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
Not applicable		

# Diversity impact assessment

## 7 Recommendation

The recommendation by the lead officer should be stated below.  
This may be:

- to proceed with the change implementing action plan if appropriate
- consider alternatives
- gather further evidence

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

**Not applicable**

## 8 Authorisation

The authorising officer is consenting that:

- the recommendation can be implemented
- sufficient evidence has been obtained and appropriate mitigation is planned
- the Action Plan will be incorporated into service plan and monitored

**Assistant  
Director**

**Date**

Contact your Performance and Intelligence hub for advice on completing this assessment

RCC: phone 2443 email: [annamarie.lawrence@medway.gov.uk](mailto:annamarie.lawrence@medway.gov.uk)

C&A: phone 1031 email: [paul.clarke@medway.gov.uk](mailto:paul.clarke@medway.gov.uk)

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Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication