

Relocation Policy and Scheme for new employees –April 2005.

### **1. Purpose of the Scheme.**

Luton Borough Council has adopted a relocation scheme in recognition of the need to attract and retain employees

Departments must ensure that they have adequate funding to cover the costs associated with offering this scheme to any posts being recruited to.

### **2. The scheme applies to:**

This scheme applies to all full-time, part-time and job share posts of an indefinite nature above spinal column point 30. In addition the scheme can be offered posts below spinal column point if prior permission is obtained from the Head of Human Resources on the basis that this is a hard to fill post as determined by the Pay Panel.

This scheme does not apply to employees on teacher's conditions of service for whom there are separate arrangements.

The scheme only applies to new recruits to Luton Borough Council who need to move their main residence to within 25 miles of Luton to take up their appointment.

The employee must certify that the removal has occurred solely as a result of the new appointment and would otherwise have not occurred.

New Recruits cannot claim any part of this allowance if their partner/other immediate family member is claiming an allowance or part allowance from any other organisation to assist with relocation.

The employer needs to be advised prior to or immediately upon commencing employment that an application will be submitted for assistance in relocation. Relocations under the scheme would usually take place within 1 year of the date of commencement of employment. Any extensions to the 1-year rule have to be obtained in writing from the appropriate Corporate Director.

The council will only make payments to the applicant for expenditure actually incurred and supported by receipts.

### **3. Scheme Details**

The maximum amount that can be claimed under this scheme will be restricted to the maximum permissible for tax-free expenses under the Inland Revenue Regulations, which currently is £8500 inclusive of VAT.

This includes:

- a) Removal expenses and transit insurance from main residence to a residence within 25-mile radius of Luton. This is only payable on one occasion and so if an applicant moves from main residence to temporary accommodation, removal expenses will not also be payable from the temporary accommodation to new permanent accommodation. The amount paid will not exceed the lower quotation. Vehicle hire and fuel will be paid for “DIY” removals.
- b) Professional fees incurred in the sale and purchase of a property e.g. estate agents fees, solicitors. Search fees, valuation fees and mortgage indemnity insurance. Such payments will not be refunded for aborted sales and/or purchases.
- c) Lodging expenses up to a maximum of £140 per week/ £20 per day and travelling expenses (based either on 2<sup>nd</sup> class public transport rates or car mileage rate of 31.7 per mile) for 2 preliminary visits to the new location prior to the commencement of work, up to a maximum of £5000.

Or

- Travel assistance prior to relocation can be paid on the basis of home to work mileage minus 50 miles return journey on days on which actual travel to work takes place based on 31.7p per mile (middle band of essential user rate). This is only payable if the employee relocates. (Lodging expenses or excess travel will only be paid where the employee has a main residence to sell elsewhere.)
- d) Allowance for replacement domestic goods (curtains, cooker and curtains, reconnection charges up to £1500 (including VAT) to be included in the £8500 total, because the goods used in the applicants old home are unsuitable, less any amount received for replacement goods.

#### **4.Overseas resettlement**

- Travel from/to the UK – Luton Borough Council will pay for one flight (for the employee only) to the UK at the commencement of employment. In addition during the first 6 months, where two homes are being maintained (evidence is required), the Council will pay for one return flight to the employees country of origin. All flights will be standard/economy class. Where employment is being arranged via an agency, the agency may invoice the Council for the costs.
- Cash salary advance – overseas workers employed during an overseas recruitment campaign are entitled to £200 cash advance on their first day

employment. This amount will automatically be deducted from the first salary payment.

### **5.Method of payment**

Employees must submit completed claim forms with written receipts attached. After the claim has been verified payment will be made by bank credit.

Claim forms are available from departmental HR units.

### **6. Repayment**

If an employee leaves the Council, payments made under this scheme will be repaid on the following basis:

- 100% of the total sum if leaves the Council's service within 1 year of the commencement of service
- 50% of the total sum if leaves the council's service after 1 year and within 18 months of the commencement of service
- 25% of the total sum if leaves the Council service after 18 months and within 2 years of the date of the commencement of employment.
- Any monies owed to the Council will be recovered from the final salary payment and the balance invoiced to the employee.

Monies will not be recovered if the employment is made redundant, is ill health retired or dies within service within this timescale.

The employee's signature on the claim form will be taken to represent their acceptance of the conditions and in particular their liability to repay as set out in this section.