**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 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).

1.3 A designated employee will be as approved by the Director/Assistant Director of the employing Directorate and the Head of HR at which stage Part A of the [Relocation Scheme Eligibility Criteria form](https://medway2.sharepoint.com/:w:/r/sites/Intranet/Shared%20Documents/Our%20teams/RCET/Transformation/HR/Relocation%20Scheme%20-%20Eligibility%20Criteria%20form.doc?d=w28456458e0a843f09ef87f9766d3bfde&csf=1&e=3nhQMh) 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 Gun Wharf (or other designated place of work) or north of the river Thames.
* Their new residence must be located within Medway Council’s boundaries.
* They have entered into a written undertaking to repay any allowances if they leave the Authority within the set time limits.
* 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](https://medway2.sharepoint.com/:w:/r/sites/Intranet/Shared%20Documents/Our%20teams/RCET/Transformation/HR/Relocation%20Scheme%20-%20Eligibility%20Criteria%20form.doc?d=w28456458e0a843f09ef87f9766d3bfde&csf=1&e=3nhQMh) should be completed by the Line Manager and HR Business Partner 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, plus the cost of a return journey home each weekend, made prior to the permanent move, paid at the HMRC public transport 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, the cost of the additional travelling expenses for daily travel at HMRC public transport 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 £8,000 (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 [PMC019 (2000) claim form](https://medway2.sharepoint.com/:w:/r/sites/Intranet/Shared%20Documents/Our%20teams/RCET/Transformation/HR/PMC019%20-%20Relocation%20expenses%20claim%20form.doc?d=we77255cd8fdc48ed85db096602ccce01&csf=1&e=MAHrzO).

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 authorized 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 Payroll Operations Team for payment by the 6th of each month. The claim form will then be scanned into the document library 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 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 eligibility criteria.

**5.0 Repayment of Allowances**

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 In exceptional circumstances, such as ill-health retirement or compulsory redundancy Medway Council will waive the requirement to repay the assistance granted under the Scheme.

**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 £8,000.  Therefore, although Medway Council will not reimburse expenditure on any amount above £8,000, the employee may be able to claim the tax relief on the expenditure between £6,000 and £8,000. The employee should seek the advice of their local tax office on their particular circumstances.