

Summary of changes to the Relocation policy

- The revised policy has a maximum amount claimable of £8000, excluding VAT. This is the current maximum allowed in respect of a relocation package under HMRC rules for exemption from the payment of tax and National Insurance. This compares to £7500 including VAT (or 10% of salary whichever is greater) under the existing policy. The maximum amount an employee can claim under the package therefore increases by £500 and also it now excludes VAT.
- Under 'scope' a paragraph has been added indicating that the policy is designed to help ensure that the Council has an adequate supply of employees at all levels of the organisation and that it only applies to specific posts as pre-determined by the appropriate Directorate in conjunction with the HR Service. This change may mean that the policy is applied in fewer instances going forward, with the policy being used in a more targeted way to attract prospective employees to posts which, in the main, are harder to fill.
- Also under 'scope' a change has been made in relation to fixed term appointments. The policy has been slightly widened in relation to eligible fixed term appointments. The current policy states that it applies where the appointment is permanent or is for a non-permanent period of 3 years or more. The revised policy indicates that it applies to eligible permanent appointments or to eligible fixed term appointments of 2 years or more. It also mentions that in the case of fixed term appointments of more than 12 months but less than 2 years a proportion of the total allowances covered by the policy may be paid in exceptional circumstances, to be determined by the appropriate Head of Service in consultation with the Head of HR. This provision was carried over from the existing policy but with 3 years changing to 2.
- The format of the policy document has changed to mirror that of other Council HR related policies. It also includes a list of qualifying relocation expenses, a section on the repayment condition and a new section detailing non-qualifying expenses to make it clear what cannot be claimed.
- The administrative process (including standard letters and forms), which had been contained in the existing policy, has been moved to a guidance document which will also contain full details of each of the qualifying expenses. The policy document itself will only contain headings of the expenses claimable. The policy document has therefore been streamlined.
- The repayment condition has been changed from the employee having to complete 3 years' service from the date of appointment to 2 years. The current policy states that if an employee receives a relocation allowance and leaves within 3 years of their appointment they are required to reimburse the allowance. The purpose of this change is to make the arrangements in relation to the package fairer and more attractive to potential employees. The current 3 year repayment period was considered to be too long. The percentages to be repaid and the periods of service over the new 2 year

period have also required a change to fit in with the revised repayment condition (for both permanent and appropriate fixed term appointments).

- Under the existing policy the Settling in Allowance is stated as a payment not exceeding £500 including VAT. The ceiling on this particular expense has been removed with the employee now able to spend whatever proportion of the overall package on any of the relocation expense headings. This should provide employees with more flexibility in how they choose to spend the package to meet their own needs when relocating under the 6 expense headings in the policy. The 6 headings are: Pre-employment visit to the city and surrounding area, lodging/commuting expenses, legal/estate agents and mortgage fees, removal expenses, bridging loan interest and settling-in allowance.
- A core principle has been added indicating that relocation expenses are normally only payable from the port of entry to the UK.
- Any queries regarding eligibility for any part of the policy are now referred to the Head of Service rather than the Corporate Director. This should help to speed up decision making in respect of any queries that arise. Also, the authorisation of relocation expense claims will now be undertaken by the Head of Service rather than by the Director. This will be reflected in the policy as well as the accompanying guidance notes.