



RELOCATION EXPENSES POLICY

Document Summary

To provide newly appointed staff with information regarding what assistance with removal expenses is available

DOCUMENT NUMBER	POL/004/023
DATE RATIFIED	July 2018
DATE IMPLEMENTED	July 2018
NEXT REVIEW DATE	February 2019
ACCOUNTABLE DIRECTOR	Director of Workforce and OD
POLICY AUTHOR	HR Business Partner

Important Note:

The Intranet version of this document is the only version that is maintained.





CONTENTS

1	SCOPE	2
2	INTRODUCTION	2
3	STATEMENT OF INTENT	2
4	DEFINITIONS	2
5	DUTIES	3
5.1	Executive Directors and Senior/Appointing Managers	3
5.2	Finance Department	3
5.3	Human Resources	3
5.4	Line Managers (and or Recruiting Manager)	3
5.5	All Employees	4
6	DETAILS OF THE POLICY	4
6.1	Levels of Financial Support	4
6.2	Taxation of Expenses	4
6.3	Criteria for Payment	5
6.4	Payback Agreements	5
6.5	Examples of Assistance Which May Be Made Available	6
7	TRAINING	10
8	MONITORING COMPLIANCE WITH THIS POLICY	10
9	REFERENCES/BIBLIOGRAPHY	10
10	RELATED TRUST POLICY/PROCEDURES	10
	APPENDIX 1 – ‘QUALIFYING’ AND ‘NON-QUALIFYING’ RELOCATION	11
	Qualifying expenses and benefits	11
	Non-qualifying expenses and benefits	11
	APPENDIX 2 – FLOW CHART	12
	APPENDIX 3 – PROVISIONAL AGREEMENT FOR RELOCATION EXPENSES	13
	APPENDIX 4 – EXPENSES CLAIM FORM	14



1. SCOPE

Assistance with removal and other defined expenses shall be granted to employees who need to move home. This policy applies to new staff directly employed by the Trust on all sites (subject to definitions in section 4) and existing employees who are taking up a post which requires relocating or where it is deemed by the Trust as an alternative to redundancy.

2. INTRODUCTION

Cumbria Partnership NHS Foundation Trust [The Trust] wishes to ensure that prospective and existing employees are given appropriate financial support when they are required to change their place of residence as a result of accepting a post within the Trust. Equally the Trust is committed to ensuring that money is spent appropriately.

3. STATEMENT OF INTENT

The purpose of this policy is to outline the conditions of eligibility and the type of expenses that may be paid in full compliance with **HMRC** guidelines. In providing assistance the Trust should ensure equity between one category of staff and another. The terms of this policy may vary in order that any agreement reached between the Trust and prospective and existing employees reflects the circumstances of the appointment. The Trust will require employees to repay all or part of the reimbursement and grants paid if they leave the Trust within 24 months of employment (see 6.4 for fixed term employees). The employee who applies for expenses in relation to temporary accommodation **must** be committed to relocate to the area, and show evidence of this.

4. DEFINITIONS

This policy relates to:

New Employees to the Trust

- a) Who are appointed to Agenda for Change pay scale pay band 5 through to and inclusive of band 9, Executive and Senior Staff and Medical Staff (excluding trainees) in permanent position and/or,
- b) Who are appointed on fixed term contracts of between 12 months and 2 years when:
 - their existing main residence exceeds what is considered to be reasonable travelling distance from the location of the post (for guidance purposes, each single element of the journey must be beyond 50 miles or in excess of 1 hour travelling time by road each way)



Existing Staff

- c) Existing staff in the identified criteria range who are required by the Trust to relocate as a result of organisational change/service provision change and when:
- their existing main residence exceeds what is considered to be reasonable travelling distance from the location of the post (for guidance purposes, each single element of the journey must be beyond 50 miles or in excess of 1 hour travelling time by road each way)

Employees relocating who have an on call commitment must be able to meet the conditions in any local agreements to reach the hospital site within the specified timescale.

To qualify for a relocation package, the employee must be relocating to an area within 30 minutes travelling distance from new residence to new base site. The above, as required, will also be included as essential criteria in the Job Description Person Specification.

This will be subject to agreement with the appropriate Associated Director of Operations (or equivalent) and the Director of Workforce and OD.

5. DUTIES

5.1 Executive Directors and Senior/Appointing Managers

Executive Directors and Appointing/Senior Managers are responsible for ensuring that this policy is applied fairly and equitably.

5.2 Finance Department

The finance department is responsible for calculating any repayments as defined in section 6.4

5.3 Human Resources

The Human Resources Department will be responsible for offering advice and guidance to Managers, as defined in this policy. The Human Resource Department will also hold a central spreadsheet of all relocation agreed and monitor the expense forms received against the amount allowed. The HR Department will also be responsible for alerting payroll if an employee who has claimed relocation has left in the circumstances described in 6.4, and is responsible for detailing the amount to be repaid.

5.4 Line Managers (and or Recruiting Manager)

All line managers **are responsible to be clear at the point of recruitment** on whether relocation package will be offered. They are also responsible for approving each claim, monitoring the amounts claimed and that items claimed to meet with the defined criteria.



5.5 All Employees

All employees are expected to comply with this policy, in particular with the completion of claim forms, and seek guidance as defined. If an employee seeks assistance for temporary accommodation, the employee must show evidence of commitment to relocating to the area (with the exception of fixed term offers). Receipts must be provided in order to reimburse expense and comply with items to be claimed as defined within this policy.

All employees should complete Appendix 3 within 3 months of joining the Trust or being offered relocation. Claims can be submitted at any time before the end of the tax year after the one in which the employee's circumstances changed. For example, for an employee commencing employment in April 2018, the expenses must be claimed before March 2020.

All employees who receive relocation expense agree to pay all or part thereof expenses paid should they leave the Trust's employment within the first 24 months (see 6.4 for fixed term employees).

6 DETAILS OF THE POLICY

This section details the criteria for payment of removal expenses, and gives examples of assistance which may be made available.

6.1 Levels of Financial Support

The level of relocation expenses will be agreed on an individual basis up to a maximum of £8,000. The agreed amount will only be paid for eligible expenses (as detailed in this policy) supported by receipts and quotations as appropriate.

The maximum amount which can be claimed will be determined by the new employee's housing status as defined by the table below with payments made on a pro rata basis for those appointed to fixed term contracts of between 12 months and 2 years:

From owned property to owned property	Up to £8,000 in total
From rented accommodation to owned property	Up to £4,000 in total
From owned property to rented accommodation	Up to £4,000 in total
From rented accommodation to rented accommodation	Up to £1,500 in total

6.2 Taxation of Expenses

Current Inland Revenue regulations state that eligible expenses in accordance with this policy may be paid free of tax providing;

- The total amount does not exceed £8,000;



- The employee's home in the old area is not a reasonable travelling distance from the new base;
- The employee relocates within a reasonable travelling distance from the new base.
- In the case of assistance with temporary accommodation, the employee must show evidence that they are attempting to move to the area. Assistance with temporary accommodation will not exceed payment over 12 months, and will adhere to the final point below;
- Relocation expenses **must** be claimed before the end of the tax year after the one in which the employee's circumstances changed. For example, for an employee commencing employment in April 2018, the expenses must be claimed before March 2020.
- For employees on a 12 month fixed term contract, relocation must be claimed in the current year of their employment. For example, an employee commencing employment in April 2018, the expenses must be claimed before March 2019.

The Trust may therefore approve assistance with relocation. However if the above criteria does not apply, the Trust will require the employee to reimburse any sums to the Trust and the employee, by making an application for assistance, agrees to this condition.

Appendix 1 shows an excerpt of "Qualifying" and "non-qualifying" relocation expenses and benefits from the Inland Revenue. For full details, please refer to www.hmrc.gov.uk and search expenses and benefits – relocation.

6.3 Criteria for Payment

Assistance with relocation expenses may be given in the circumstances detailed below.

- Where the employee is required to relocate to the area in order to take up an offer of employment with the Trust and where the post is one which has been designated as attracting support with relocation.
- Employees, who have to move home on taking up a post which is regarded as suitable alternative employment for the purpose of excluding them from redundancy, they shall be reimbursed their removal expenses up to the maximum receipted expenditure. This provision applies only where a redundancy payment has not been made; former employees taking up a post in the National Health Service after receiving a redundancy payment will not be eligible for the special provision.

6.4 Payback Agreement

In the event of any employee leaving and serving less than twenty-four months from the date of commencement, repayment will be on the following basis.

Period after appointment	Percentage repayable
Less than 12 months	100%
12 – 18 months	75%
18 – 24 months	50%



Those on fixed term contracts do not have to repay any expenses received provided they have fulfilled the length of their contract. In the event of any employee leaving and serving less than the fixed term contract, repayment will be made as above (up to 24 months contract) or on the following basis.

Period after appointment	Percentage repayable
Less than 6 months	100%
6 – 9 months	75%
9 – 12 months	50%

The HR Department will check whether an employee who is leaving has received relocation expenses and whether they are required to repay this. Finance will calculate the amount owed. HR will alert payroll the amount that needs to be reimbursed via the last pay date, and will inform the employee in writing that this will be claimed back. By signing the form in Appendix 3, the employee is agreeing to pay back the amount in the final salary before leaving the Trust.

All employees must sign the payback agreement prior to any reimbursement and return to HR.Systems@cumbria.nhs.uk.

6.5 Examples of Assistance Which May Be Made Available

Reimbursement

Employees may be reimbursed reasonable vouched expenses incurred in relocation, for example, legal costs incurred in the purchase and sale of a property, the removal of furniture and effects and storage, house agents or auctioneers fees, survey fees, stamp duty, etc. subject to the maximum amounts as described above (or as agreed).

Search for Accommodation

Reasonable expenses may be payable during the search for accommodation. These will be travelling expenses at public transport rate and subsistence limited to £55 per night when travelling alone or up to £100 per night when travelling with partner and children who will also be relocating.

Preliminary Visit:

Employees who make a preliminary visit to the area of their new appointment in order to obtain accommodation will be paid travelling expenses and subsistence allowances for the employee providing;

- The night subsistence allowance shall not be paid for more than four nights;
- Where an employee uses a private car to make the visit, reserve or lower mileage rate will normally be appropriate.

Removal and Storage of Furniture

Employees may be reimbursed reasonable costs connected with (based on the lowest of three competitive quotes):



- Removal of furniture and effects from the old to the new home, including insurance of goods in transit;
- Storage of furniture and effects for a reasonable period;
- Travelling and subsistence expenses for the employee, spouse and children, to the new area.

Bridging Loans

Interest charges (net after income tax relief where available) on a bridging loan not exceeding the estimated selling price of the old property may be reimbursed.

Advance of Salary

The Trust may make an advance, recoverable from salary, to assist with house purchase or with the initial vouched cost of legal and other expenses, including VAT, associated with the purchase or renting of privately furnished or unfurnished accommodation.

Continuing Expenses in the Old Area

The Trust may reimburse reasonable continuing commitments in the old area. The employee may be required to show evidence of this.

Excess Daily Travelling Expenses

Employees, who cannot find suitable accommodation to move into but would otherwise qualify for the reimbursement of removal expenses, may be reimbursed the extra daily travelling expenses from their home to their new base location on the following conditions:

- The reimbursement shall not exceed the extra cost incurred on the basis of bus fares or second class rail fares, and where appropriate to the situation, at season ticket or contract rates on a quarterly or shorter period basis most economical in the particular circumstances; the allowance shall be reassessed following any changes in fares at either the old or new base location;
- If they travel by private motor vehicle the allowance shall be based on the reserve or lower mileage rate;
- Reimbursement shall continue only for as long as the Trust are satisfied at regular intervals that the employee is making every effort to find suitable family accommodation and shall not continue in any case for more than two years, or one year for an employee who normally lives in rented accommodation.

Travelling Expenses for Visits Home

Married employees or employees with equivalent responsibilities, who have not found family accommodation, may be reimbursed, at weekly intervals, the cost of their fares home to the old area at weekends. Second class rail fares or alternatively motor coach fares within the same cost should be allowed. Employees who use their private motor vehicle may be paid at the reserve or lower mileage rate.



NB: Travel expenses rates payable will be those applicable under the appropriate terms and conditions of employment

Vouched Legal and Other Expenses

When householders buy a house because of the new appointment and it is the first permanent unfurnished accommodation occupied in the new area, or sells a house in which they were living immediately before the new appointment, they are entitled to reimbursement of all reasonable vouched legal and other expenses, including VAT. Such expenses may include:

- House purchase: Solicitors fees
- Stamp Duty
- Land registration fees
- Incidental legal expenses
- Expenses in connection with mortgage or loan, including guarantee and survey fees (but excluding interest)
- The cost of a private survey Electrical wiring test
- Drains test
- House sale: Solicitors fees, including legal expenses incurred on the redemption of a mortgage
- House agents or auctioneers fees
- Reconnection of electricity, gas and water.

Where employees do not employ a house agent, solicitor or auctioneer, they may be reimbursed their reasonable expenses of advertising costs and other incidentals (telephone calls, postage, etc.) up to £125. No compensation can be paid for any loss on the sale of a house consequent upon transfer.

If employees let their house in circumstances in which they would be entitled to legal expenses for house sale, they may be reimbursed their legal expenses in connection with the letting. If they receive these expenses they will not be eligible to claim reimbursement of legal expenses in connection with the sale of that house until the occurrence of circumstances which render them eligible for removal expenses once again.

Abandoned Purchase

If an employee incurs expense by way of legal costs, survey fees, etc., in relation to a proposed purchase which does not take place, such expenses may be reimbursed at the Trust's discretion. The Trust should be satisfied that the costs for which reimbursement is claimed are reasonable in relation to the work done and the stage which was reached before the purchase was abandoned. In exercising their discretion as to whether to reimburse such expenses, employing authorities should be satisfied that the employee was in no way responsible for the abandonment of the transaction, (e.g. the house having been withdrawn from the market by the vendor for his or her own reasons), or that the employee's reasons for withdrawal were entirely reasonable having regard to the difficulties encountered.



Travel Expenses at the point of Relocation

Journey from the old to the new home

The cost of one journey from the old to the new home should be met for employees and their dependants at the appropriate reserve or lower mileage rate.

Return visit to superintend removals

Where it is necessary for employees to make a return visit to superintend removal from their home, they should be allowed travelling expenses at the appropriate reserve or lower mileage rate.

Expenses of Actual Removal

Removal of furniture and effects:

Before the removal of the employee's furniture and effects, an estimate of the cost of the removal should be approved by the employing authority. When furniture is to be removed by contractors, three competitive tenders in writing should be obtained wherever possible and submitted to the authority. While employees are at liberty to accept a tender other than the lowest, reimbursement should be restricted to the amount of the lowest tender except for good reasons to the contrary. The tenders should be subject to the conditions under which removals are ordinarily undertaken by contractors and should not cover special services, e.g., taking down or putting up fixtures, relaying or fitting carpets, for which provision is included within the Miscellaneous Expense Grant.

The approved expenditure to be reimbursed is:

- The cost of removal from the old home to the new one of furniture and effects belonging to employees or to dependent members of their household at the time of transfer. If the removal of some items involves special arrangements, the extra expense of the arrangements should be met by the employee
- The cost of removal from the old home to store locally and then to the new home or of piecemeal removal (where housing difficulties necessitate it or where items are wanted for immediate use in furnished temporary accommodation)

Storage of furniture and effects:

Charges for the storage of such articles that are covered by the policy for removal should be reimbursed where the necessity for storage arise.

Where temporary unfurnished accommodation is occupied at the new location and part of the furniture has to be left in storage until more suitable accommodation can be found, the storage charges should only be paid in full when the rent in the new area exceeds that of the old; otherwise payment should be restricted to the amount by which the rent of the new accommodation, plus the storage charges, exceeds the rent of the old.



Temporary Accommodation:

In exceptional circumstances, where the employee is waiting to sell their home out of area, the Trust can agree that the relocation package can be used towards payment of temporary accommodation. However, the employee must provide evidence that their house is on the market for purchase, and in any case the payment will not be made longer than 12 months, or by the end of the following tax year. For further advice on this, please refer to; <http://www.hmrc.gov.uk/guidance/480.pdf>

7 TRAINING

There is no training associated with this policy

8 MONITORING COMPLIANCE WITH THIS POLICY

The table below outlines the Trusts" monitoring arrangements for this policy/document. The Trust reserves the right to commission additional work or change the monitoring arrangements to meet organisational needs.

Aspect of compliance or effectiveness being monitored	Monitoring Method	Individual department responsible for the monitoring	Frequency of the monitoring activity	Group/ committee which will receive the findings/ monitoring report	Group/ committee / individual responsible for ensuring that the actions are completed
To ensure policy is being implemented consistently across the Trust	Sample of 5 relocation applications audited	Head of Workforce Services	Annual	Workforce & OD SMT	Director of Workforce and OD
To ensure that agreed expenses are monitored in accordance with policy	Sample of 5 relocation applications audited	Head of Workforce Services	Annual	Workforce & OD SMT	Director of Workforce and OD

9 REFERENCES/ BIBLIOGRAPHY

None

10 RELATED TRUST POLICY/PROCEDURES

Business Mileage Policy



APPENDIX 1 – ‘QUALIFYING’ AND ‘NON-QUALIFYING’ RELOCATION

EXPENSES AND BENEFITS

Below is an extract only. For full details, please refer to <http://www.hmrc.gov.uk>
*expenses and benefits - relocation

Qualifying expenses and benefits

There’s a partial tax, NICs and reporting exemption if you provide an employee with relocation expenses or benefits that meet all four sets of qualifying conditions set out below. These are known as “qualifying” expenses and benefits.

First, the employee’s **reason for relocation** must be one of the following:

- the employee starting a new job with you
- a change in their employment duties
- a change in the place where their employment duties are normally carried out

Second, the expenses and benefits must **fall into one of the six categories below**:

- The employee’s sale of their old residence
- Their purchase of a new residence
- Transporting the employees belongings to the new residence
- Associated travel and subsistence costs
- Domestic goods for the new premises
- Bridging loans

Third, there is a **time limit**. To qualify, the expenses must be incurred or the benefits must be provided before the end of the tax year after the one in which the employee’s circumstances changed (as outlined in the first step of this list).

Fourth, the employee’s new residence must be within reasonable daily **travelling distance** of their new normal place of work, and their old residence must not be within reasonable daily travelling distance of the new normal place of work.

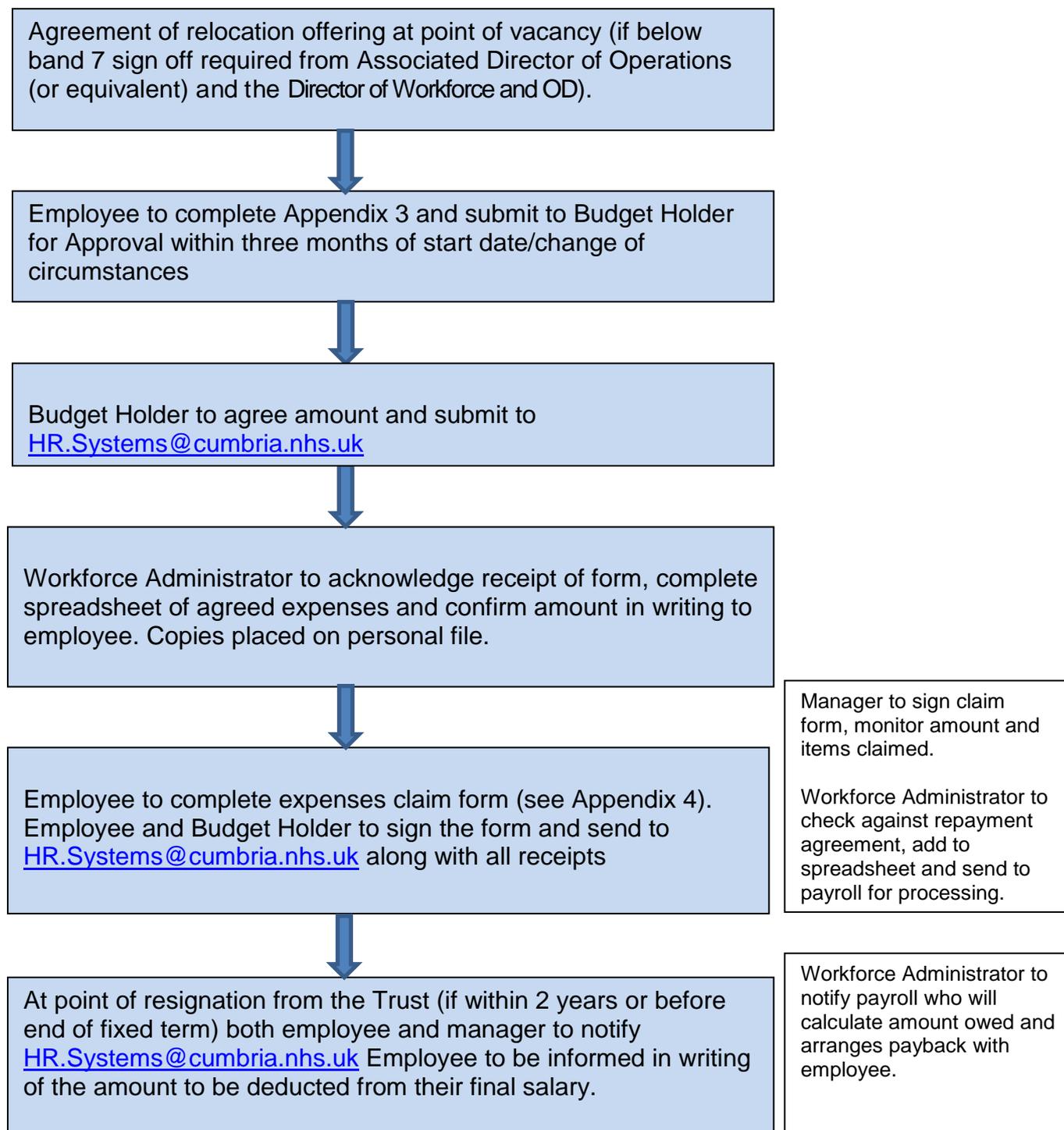
A number of additional criteria apply to bridging loans. For details, see the later section “Bridging loans”.

Non-qualifying expenses and benefits

A relocation expense or benefit is “non-qualifying” if it doesn’t meet the four sets of qualifying conditions outlined above.



APPENDIX 2 - Flow Chart





APPENDIX 3: Provisional Agreement for Relocation Expenses

This form is to be used to agree the total amount to be reimbursed to the Claimant.

Please note completion of this form **will not** generate the payment, to reclaim the monies, please complete an expenses claim form and submit to:

HR.Systems@cumbria.nhs.uk

Please provide estimates for all anticipated costs you may wish to claim

Personal Details	
Name:	New Post Title:
Old Address:	New Address:
Costs	
Removals: £.....	Storage Costs: £.....
Stamp Duty: £.....	Solicitors: £.....
Surveys: £.....	Estate Agent: £.....
Bridging Loan: £.....	Other: £.....
*Temporary Accommodation: £.....	
*The employee understands that temporary accommodation payments will be paid for a maximum of 12 months. By signing this form the employee confirms that they are committed to relocating to the area and show evidence this.	
Travel Expenses	
From:	To:
Daily Travel Expenses (duration):	
Weekly Travel Expenses (duration):	
(Mileage to be claimed and approved at appropriate reserve or lower rate)	



Total Estimate of Relocation Expenses to be reimbursed: £
Budget Holder Name:
Budget Holder Signature:
Further approval required if below Band 7 Associate Director of Operations (or equivalent) Name Signature Director of Workforce & OD Name Signature
The Trust requires all employees to repay all or part of the reimbursements paid if they leave the Trust within 24 months (or before the end of the fixed term contract) of the appointment which gave rise to the expenses made on a basis of repayments by 24 month (or the fixed term contract). By signing this form, the employee agrees to repay this via the final monthly salary payment if they leave before 24 months (or before the end of the fixed term contract).
I hereby declare that I am not in receipt of reimbursement in association with relocation from any other source and agree to repay the expenses on a pro-rata basis if I leave the Trust within 24 months (or before the end of the fixed term contract).
Employee Signature:
Date:

APPENDIX 4 – RELOCATION EXPENSES CLAIM FORM

[Click here to access the Relocation Expenses Claim form](#)

Relocation Policy

