

# Relocation Allowance

## A Guide for Applicants and Hiring Managers

This allowance can be used to assist either new employees who are required by the organisation to move home in order to take up a new appointment, or existing employees who are required to move home as a result of appointment to another post within the organisation.

The allowance is designed to help offset expenses involved in relocation, such as removal, legal and estate agents fees, temporary lodgings etc and should be reimbursed only to reflect actual expenditure. The levels of allowance provided for are maximum payments and it is open to Heads of Service to pay a lower level where, in their judgement, that would be sufficient for recruitment purposes.

### Eligibility & Conditions

- The Hiring Manager must decide whether a post is eligible for relocation expenses prior to advertising. It is good practice to mention this in the advertisement for the post.
- Relocation must have formed part of the offer of appointment.
- The Hiring Manager must be satisfied that the proposed new address is sufficiently close to the workplace to enable the employee to effectively undertake the duties of the post, having regard to the nature of the post.
- Staff appointed on short-term or fixed-term contracts may be paid a relocation allowance where the contract on which they have been appointed is for a minimum of 2 years.
- An allowance will not be paid where a new employee is taking up employment with the Council as a direct result of a spouse or partner moving home to take up employment other than with the Council.
- Where a spouse or partner is also taking up employment with the Council, either jointly or separately, the allowance will only be paid in respect of one appointment.
- Relocation allowances will not be available for staff whose salaries are funded by external grants.
- Payment of the allowance shall be subject to the employee producing all original documentary evidence to support their claim (e.g. contracts, receipts etc).

The allowance will normally only be paid in the event of the employee moving home within one year of their appointment. However, in exceptional circumstances the Head of Service may agree to extend this period where the employee has been unable to sell their existing property, despite making all reasonable efforts to do so.

If the employee subsequently moves home again within the two-year period to an address which the Hiring Manager considers does not enable them to effectively undertake the duties of the post, repayment will be made on a similar basis.



## Financial Assistance

The maximum total allowance is described below. Within this total the allowance can be used to reimburse actual expenditure on professional fees (estate agents, surveyors, solicitors etc.) and also Stamp Duty. If there remains sufficient of the total allowance once these costs have been reimbursed, actual expenditure on fixtures, carpets, curtains, etc. may also be reimbursed.

Category	Conditions	Maximum Allowance
One	Relocation involves both the sale and purchase of property	20% of starting salary or 20% of the minimum of Scale J whichever is the greater
Two	Relocation involves either the sale or purchase of property but not both	15% of starting salary or 15% of the minimum of Scale J whichever is the greater
Three	Relocation involves a change of rented accommodation	10% of starting salary or 10% of the minimum of Scale J whichever is the greater
Four	An advance of up to 50% of the settling-in allowance to which the applicant will eventually be entitled may be paid on the authority of the Strategic Director where a new employee is unable through reasons beyond their control to move house immediately and can show that, as a result, he/she is involved in additional expenditure in maintaining two homes and in additional travelling expenses.	
Additional Allowances (deducted from the total agreed category amount)		
Removal Costs	Up to £1,000 may be paid to reimburse removal costs.	
Temporary Accommodation Allowances	Up to £1,300 towards temporary lodging costs for the first 13 weeks and up to a further £1,300 towards lodging costs, at the Head of Service's discretion. Temporary accommodation allowances only apply when a new employee who is moving to the local area, incurs additional costs whilst maintaining a home elsewhere and is renting temporary accommodation in the local area pending the sale of their property.	

## Repayment of Expenses

All relocation expenses are subject to repayment on a sliding scale dependant on length of service, except in the case of a redundancy situation.

Length of Service	Amount Repayable
Less than 12 months	100%
More than 12 months but less than 2 years	50%
Over 2 years	0%



## Tax Rules & Implications

Sums reimbursed under the relocation allowance scheme, up to and including £8,000, are paid tax-free subject to certain conditions. Tax details on the rate of eligible expenses and benefits, non-eligible expenses and benefits, employers Class 1A National Insurance Contributions (NICs) and tax relief are published on the HMRC website [hmrc.gov.uk](http://hmrc.gov.uk)

## Hiring Manager Responsibilities

Hiring Managers will almost certainly be the point of contact with the prospective applicant in discussion about the use of the allowance. It is important that in the recruitment process it is made clear to candidates whether or not they would be required to move home if appointed to the vacancy and, if they are, the level of allowance that would be payable. You also have a responsibility for ensuring that the employee does not claim over the specified amount set out in the Relocation Allowance Scheme and produces all original documentary evidence to support his/her claim.

### **We are here to help**

Further information and assistance can be obtained by contacting us;  
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