

## DOUGLAS BOROUGH COUNCIL

### RELOCATION EXPENSES SCHEME (available to off-Island Applicants only)

The Relocation Grant has a maximum amount but a lesser amount can be negotiated paying regard to particular circumstances including the availability of recruits following advertisement.

#### Policy

1. The maximum Relocation Grant payable is £10,000.
2. If the Director of Finance (in this case the Chief Executive or other delegated Director) believes there is sufficient reason to exceed the current maximum, a request must be submitted to the Executive Committee for its approval (Relocation Grants in excess of £10,000 are normally liable for National Insurance and Tax Deductions).
3. Directors and Assistant Chief Officers appointed on a permanent basis or Limited Term basis of 3 years or more, are eligible for the Relocation Grant.
4. The Relocation Grant will be payable in 2 equal instalments. The first instalment on taking up the appointment, the second on completion of three months' service. Payment will be made, via the Payroll, with the first and third monthly salary payments.
5. Payment will only be made to an Officer where an undertaking is signed that any payments so made will be repaid to Douglas Borough Council if the Officer:-
  - i) voluntarily leaves their appointment before completing 3 years' service; or
  - ii) is dismissed for reasons of discipline before completing 3 years' service

The amount to be refunded will be directly proportional to the number of months' **uncompleted** service during the first 3 years.

e.g., an Officer who resigns after completing 11 months and 25 days' service would be required to refund 25/36 of the Relocation Grant paid.

6. Directors/Assistant Chief Officers appointed on a Limited Term of 12 months or more but less than 36 months have no eligibility for the full Relocation Grant but may receive the Recruitment Grant on a pro-rata basis for the period that the contract exists.

e.g., 2 years = 2/3 of the Relocation Grant paid monthly (in this case 24 monthly payments).

7. The Relocation Grant will not be Superannuable nor liable for Income Tax or National Insurance Contributions where **it does not exceed** the normal maximum of £10,000.

## **DELEGATED AUTHORITY**

Authority for determining the payment of a Relocation Grant/Housing Assistance Claim will lie with the Chief Executive (Establishment Officer) or the Executive Committee (where appropriate).

## **PAYMENT OF ENTITLEMENTS**

Payment of all entitlements will be paid via the Payroll and in accordance with the rule of the Scheme.

## **HUMAN RESOURCES SECTION**

The Scheme will be monitored by the Human Resources Section.

## **RECORDS/AUDIT**

Accounting Officers must keep detailed records of all claims passed for payment.

Records should differentiate between the types of payment provided for under the Scheme to enable the total cost of each to be assessed easily and the effectiveness of the Scheme to be monitored on an annual basis.

## **REVIEW OF THE SCHEME**

The Scheme is subject to review as recommended by the Executive Committee.

## **FURTHER ADVICE**

Further advice and guidance is available from the Human Resources Section.

## **EXPENSES COVERED BY THE RELOCATION GRANT**

It is intended that the Relocation Grant will provide some assistance towards the usual expenses (inclusive of VAT) connected with the relocation such as:-

- Buying and selling of property expenses
- Removal of all effects, including storage
- All travel to and from old address, including preliminary visits
- Relocation of dependents (see note below)
- Temporary accommodation costs, during the first 3 months
- Associated miscellaneous expenses (e.g., telephone connection, household connections, etc)

**Note:** Dependents are defined as:-

*'Members of a person's family or household, which includes spouse or partner, children, parents and servants'.*

## **RELOCATION EXPENSES SCHEME INTEREST FREE ADVANCE OF SALARY**

The interest free advance of salary of up to £2,000 is available to assist with unexpected expenses or hardship arising from relocation, e.g., delayed sale of UK property, storage of household effects, etc.

- i) The advance may only be claimed during the 12 months following the Director/Assistant Chief Officer appointment.
- ii) It is repayable within 2 years of the date of the advance. Repayments will commence 6 months after the date of the advance and minimum monthly repayments will be 1/18 of the total advanced. Repayments will be deducted monthly from the Director/Assistant Chief Officer's salary. The advance may be repaid earlier by agreement.
- iii) In the event of the Director/Assistant Chief Officer leaving employment before the advance has been repaid, the remaining amount due will become payable on or before the last day of service.
- iv) The Director/Assistant Chief Officer **must** sign an undertaking to that effect before the advance is made.
- v) The advance is only available to a Director/Assistant Chief Officer appointed on a 'without term' basis or for a limited term of 3 years or more.
- vi) The payment of the advance will be made with the Director/Assistant Chief Officer's salary.

## **HOUSING ASSISTANCE SCHEME FOR DIRECTORS/ASSISTANT CHIEF OFFICERS RELOCATING TO THE ISLE OF MAN**

The Housing Assistance Scheme provides financial assistance towards accommodation costs for Directors/Assistant Chief Officers who are relocating from the UK to the Isle of Man and who as a result of this are incurring higher costs on the Island, which in the short term could lead to financial difficulties.

The Relocation Expenses Scheme exists separately from the Housing Assistance Scheme. It covers all other expenses associated with removal from the UK and all accommodation costs incurred within the first 3 months of employment.

As the Relocation Expenses Scheme provides an element in respect of temporary accommodation costs, claims for Housing Assistance cannot be made during the first 3 months of a Director/Assistant Chief Officer appointment.

Applications for Housing Assistance will be considered at any time within the 6 month period immediately following the third month of employment, i.e., between the fourth and ninth months of employment.

The authorisation of financial assistance under the Housing Assistance Scheme will be determined by the Chief Executive, or delegated Director/Assistant Chief Officer, where the provisions of the Scheme are met. The Housing Assistance Scheme will be funded by the relevant Department.

A Director/Assistant Chief Officer granted assistance under this Scheme will not be required to repay any of the amount granted under the Housing Assistance Scheme on resigning from post even if that is less than 3 years.

## **ELIGIBILITY TO CLAIM**

The Housing Assistance Scheme can only be applied where it has been agreed to offer a Relocation Grant with the post, which would have been agreed before the post was advertised. Housing Assistance will normally only be paid to one person in respect of each property.

e.g., two Council employees living together and both eligible to claim Housing Assistance, only one person should submit the application. If both submitted a claim, their individual entitlement would be 50% of the amount that would have been paid if only one of them had made a claim.

Where financial assistance in respect of housing costs has been granted from another source (i.e., a partner's employer), this should be declared on the application form and will be taken into consideration. Any income received from a property for which Housing Assistance is being paid, must be declared and will be fully taken into consideration when determining the amount to be paid.

## **CALCULATION OF PAYMENTS**

The amount of assistance will be dependent on the Director's/Assistant Chief Officer's personal circumstances and should be calculated on the following basis:-

### **Example A - Director/Assistant Chief Officer still paying UK Mortgage**

Director/Assistant Chief Officer who still has a UK mortgage property which is for sale and for which he receives no rental income, and is still paying either rent or mortgage on an Isle of Man property:-

UK mortgage	£400 per month
IOM rent/mortgage	£550 per month
Housing Assistance	£400 per month, lower figure, can be granted

There is a maximum limit of £500 per month and the assistance will only be paid whilst the UK property remains unsold or up to a maximum of 2 years. The Director/Assistant Chief Officer will be required to provide proof that efforts are being made to sell the property and of the actual mortgage/rent payments made.

### **Example B – No UK Property - higher accommodation costs on the Isle of Man**

Directors/Assistant Chief Officers who previously owned/rented a UK property for £450 per month immediately prior to relocation and is now either paying rent or mortgage on the Isle of Man of £600 per month. An allowance of £150 per month calculated on the difference between the two costs can be granted. The maximum amount which can be paid in these circumstances is £250 per month for a maximum of 2 years.

## **TREATMENT OF PAYMENTS MADE UNDER THE SCHEME**

Any payments made under the Housing Assistance Scheme will be paid on a monthly basis with normal salary for a maximum of 2 years. Such payments are not liable to Superannuation contributions but are liable to National Insurance contributions. Housing Assistance payments will not be liable to Income Tax deductions at source, however Directors/Assistant Chief Officers will be required to declare the full amount of any Housing Assistance received as a 'benefit in kind' on their Income Tax Assessment form each year.

## **CHANGE IN CIRCUMSTANCES – REVIEW**

A Director/Assistant Chief Officer who is receiving financial assistance under the Housing Assistance Scheme will be required to sign a declaration confirming the actual costs involved and agreeing to notify Douglas Borough Council of any change in circumstances. Failure to provide timely notification of changes may lead to the withdrawal of assistance. A copy of this form is attached.

## **RECORDS OF PAYMENTS MADE UNDER THE SCHEME**

The Payroll Section is required to keep a full record of all payments made under the Scheme including details relating to the initial and any subsequent assessments, in line the Financial Regulations.

## HOUSING ASSISTANCE SCHEME – APPLICATION FORM

### 1. PERSONAL DETAILS

<b>Full Name:</b> _____	<b>Payroll No:</b> _____
<b>Department/Section:</b> _____	<b>Job Title:</b> _____
<b>AMOUNT OF RELOCATION GRANT AWARDED:£</b> _____	

### 2. ACCOMMODATION DETAILS – ISLE OF MAN

Address

\_\_\_\_\_

\_\_\_\_\_

Owned or rented? \_\_\_\_\_ Rent/mortgage per month: £ \_\_\_\_\_

Income from this property? \_\_\_\_\_ If yes, please state monthly amount \_\_\_\_\_

Do you or your partner receive any other financial assistance in respect of this property? (e.g., from another employer)

\_\_\_\_\_

### 3. ACCOMMODATION DETAILS – UK

Address

\_\_\_\_\_

\_\_\_\_\_

Rented or owned? \_\_\_\_\_ Rent/mortgage per month: £ \_\_\_\_\_

**Please complete this section if the UK property is still owned by you**

Do you receive any rental income? If yes, please state how much per month. £ \_\_\_\_\_

How long has the property been up for sale? \_\_\_\_\_

Current sale price? £ \_\_\_\_\_

How is the property being advertised? \_\_\_\_\_

(Please provide a copy of the Estate Agents contract or other information to confirm that the property is being actively marketed). If your UK property is not for sale, please explain your intentions with regard to the property.

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#### **4. SUBMITTING A CLAIM**

Will any other person be making a claim for Housing Assistance in respect of the property listed at 2 above?

YES

☐

NO

☐

Should both claimants be engaged by Douglas Borough Council both will be eligible to submit a claim for Housing Assistance, entitlement would then be paid separately, i.e., 50% each.

If Housing Assistance is to be paid to both employees, both should complete and sign the form.

#### **5. ADDITIONAL INFORMATION**

Please detail any other information that may be relevant to this application.

#### **6. AMOUNT OF HOUSING ASSISTANCE CLAIMED (per month)**

The completed form should be submitted to the Payroll Section during the third month of employment. Financial assistance granted will be payable from the fourth month of employment.

Please ensure you have submitted documents (e.g., rental contract/certified copies of a mortgage agreement/Estate Agents contracts), relating to:-

Accommodation costs – Isle of Man

Accommodation costs – UK

*Please ensure you have read and understood the provisions of the Housing Assistance Scheme prior to submitting an application. Any queries should be directed to the Payroll Section or the Human Resources Department.*

I make this claim in respect of (please tick (✓) the relevant box):

UK mortgage

☐

IOM rent/mortgage

☐

Housing Assistance

☐

## DECLARATION

I/We can confirm that I/we have read and understood this form and that the information which I/We have given is true and correct. I/We understand that should any of the details change which may affect the amount of assistance paid, I/We will inform the Human Resources Department within 5 working days and that failure to do so may result in the assistance being permanently withdrawn and any overpayment being fully recoverable.

<b>SIGNED (1)</b>	<b>DATE</b>
<b>(2)</b>	<b>DATE</b>
<b>ESTABLISHMENT OFFICER</b>	<b>*APPROVED/NOT APPROVED</b>
<b>SIGNED</b>	<b>DATE</b>

Applicants should submit claims on a monthly basis as costs are incurred or until the limit set has been reached.

CC      Payroll Section/Human Resources Section