# Relocation Policy and Procedure

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<th>Policy Author:</th>
<th>HR Officer</th>
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<td>Policy Owner (for updates)</td>
<td>Head of HR Services</td>
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<td>Engagement and Consultation Groups:</td>
<td>Joint Staff Negotiating Committee; Partnership Forum; Staff Governance Committee</td>
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**Post holders names at last review**

| Head of HR Services | Julie Nicol |
| HR Officer | Katie Harvey |
Amendments to the Relocation Policy and Procedure – 10/02/14
The following amendments have been made to the numbered sections from the Relocation Policy and Procedures. Sections have been renumbered in the amended policy

1. Policy Statement (addition - point clarified)

Expenditure incurred by a new employee who is required to relocate to Orkney as a result of appointment by NHS Orkney.

3. Benefits (amendment in line with HMRC)

All expenses must be claimed by the end of the tax year after the employee starts their new job. (Amendment)
HM Revenue and Customs has powers to extend this period on application. Employees should therefore ensure they take such action, as they consider necessary to extend the period if appropriate. (Addition)
In the case of miscellaneous expenses Income Tax Relief applies where domestic goods intended to replace items used in the old home, which are not suitable for use in the new home are purchased. When submitting a claim for miscellaneous expenses the employee should certify whether or not they received a sum in payment of the goods, which are not suitable for use in their new home. (Addition)

Junior Doctors Relocation Expenses (section removed)
A was a repeat of section 8 - General Practitioner Specialty Training Placements.

6. Travel Costs (amendments and addition)

‘To arrange and supervise the removal if necessary’ removed to allow more flexibility on reasons for a further trip home. (Amendment to mileage rates and addition regarding car leasing scheme) We cannot reimburse fuel receipts but we can pay for the mileage. This is currently calculated at £0.33 pence per mile. If the employee is leasing a vehicle through NHS Orkneys car leasing scheme they will only be entitled to £0.16 pence per mile. (Amendment)

6. Removal Costs (addition)

Removal expenses include costs for packing household items but not for unpacking.

6. Temporary lodging allowance (addition - point clarified)

In order to claim temporary lodging allowance proof of ongoing expenditure in the old area will be required for the month being claimed for along with proof of payment of the temporary accommodation.

Legal and Estates Agent Costs (addition and point clarified)
Legal and Estate Agent expenses to purchase a property can only be claimed if the employee is changing their sole or main residence to Orkney. (Point clarified)
Bridging Loans (addition)
Domestic Goods for New Premises (section inserted)
Domestic goods intended to replace items used in the old home, which are not suitable for use in the new home. When submitting a claim for miscellaneous expenses the employee should certify whether or not they received a sum in payment of the goods, which are not suitable for use in their new home.

Payment of claims (amendment, additions and points clarified)
Claims should be made on the Travel and Associated Expenses Claim form and should be submitted to the Human Resources Department by the last day of every month (amendment)
Any claims made after this date will be carried over to the following month. (Addition – point clarified)
On completion of the Expenses Claim Form, employees are required to include their payroll number, a summary of the claim and their signature at 'employee certification'. (Addition - point clarified)
All claims will be paid through the Payroll Department along with the employee’s salary with the exception of fixed term employees who wish to reclaim their return trip to leave Orkney following their contract end date. (Addition - point clarified)
In exceptional circumstances one off payments can be made directly by NHS Orkney to the company requesting the payment, for example if the employee is having difficulty paying the full amount. The employee would need to seek approval from the Human Resources Officer prior to this agreement being made with the company (Addition).
All claims must have evidence of receipt or if not possible, evidence of payment with their completed form. No expenses will be paid without proof of payment, the absence of the employee’s signature or before the first salary payment. (Addition – point clarified).
Updates to the relocation policy are as follows:
1. Under the ‘Temporary Lodging Allowance’ section the change is to clarify that a payment of rent equivalent to the local market level or up to a maximum of £500 will be paid.

   This previously stated “an allowance equivalent to the local market level or up to a maximum of £500 would be paid.” The update is to provide clarity that it is rent only to be paid.
2. An addition was made under the ‘Temporary Lodging Allowance’ – last paragraph.

   “The Human Resources Department are able to provide details of local accommodation providers and leasing agencies upon request.”

8 – Employees leaving (additions – points clarified)
Leaves employment or is dismissed within two years of taking up the appointment or before their fixed term contract end date
Any monies will be deducted from their final payment on termination and if required will be invoiced for the remaining amount.

9 – Fixed Term Appointments (addition)
After taking up an appointment, the employee only will also be allowed the cost of their travel costs only for up to one further trip home.
If the employee is leasing a vehicle through NHS Orkneys car leasing scheme they will only be entitled to £0.16 pence per mile.
General Practitioner Speciality Trainee Placements (addition)
General Practitioner Speciality Trainee or Trainee Doctor Placements are a taxable benefit.
Orkney Removal Firms (addition)
Both local companies and contact details added
If you require this publication in an alternative format (large print or computer disk for example) or in another language, please contact the Policy Author:

Telephone: (01856) 888102 or
Email: maggie.berston@nhs.net
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1 Policy Statement

The purpose of the Relocation Policy is to compensate, as far as practicable within Inland Revenue rules, reasonable expenditure incurred by a new employee who is required to relocate to Orkney as a result of appointment by NHS Orkney, in order to take up their duties.

2 Objectives

The objectives of this Policy are to enable an employee to;

(i) begin a new job with the minimum cost and disruption to home life and,
(ii) assist towards reimbursement of expenses attributable to the move

3 Tax and HM Revenue and Customs Limits

Currently, in order to qualify for tax relief, qualifying removal expenses must normally be incurred or the benefits have been provided before the end of the tax year following the tax year in which the employee commenced employment with the organisation which is contributing to their removal/relocation expenses (a tax year runs from 6 April - 5 April). HM Revenue and Customs has powers to extend this period on application. Employees should therefore ensure they take such action, as they consider necessary to extend the period if appropriate.

The first £8,000 of qualifying relocation expenses are currently exempt of tax. Any relocation expenses or benefits in excess of the HM Revenue and Customs £8,000 limit are subject to tax and will be reported by NHS Orkney to the HM Revenue and Customs on the employee’s Form P11D – Return of Expenses and Benefits.

In the case of miscellaneous expenses Income Tax Relief applies where domestic goods intended to replace items used in the old home, which are not suitable for use in the new home are purchased. When submitting a claim for miscellaneous expenses the employee should certify whether or not they received a sum in payment of the goods, which are not suitable for use in their new home.

4 Eligibility

i. Advertisements and/or information packs for jobs will clearly state whether a post is eligible for relocation expenses. The grades that currently attract relocation expenses have a salary base level equal to, or in excess of, Band 5. Bank or locum employees are not eligible for relocation expenses.
ii. There may be special circumstances where relocation expenses will be paid to other grades or bands but these will require authorisation from the Chief Executive preceded by consultation with the Head of Human Resources Services.

iii. The offer of appointment letter issued from the Human Resources Department will include all necessary documentation with regards to relocation expenses and benefits.

iv. For all claims, the employee must be changing their sole or main residence to Orkney and no payment will be paid to anyone commuting back and forth to Orkney.

v. Where relocation to Orkney is necessary for short-term, time-specific or fixed term appointments, reasonable individual assistance pro rata will be offered at the discretion of NHS Orkney for example a full-time 1 year fixed term post would attract a relocation amount of £4,000. See section 10 on Fixed Term Appointments.

vi. For appointments of individuals based abroad then relocation expenses will be paid from the United Kingdom (UK) port of entry only.

vii. Part-time employees will receive assistance under this policy pro rata to their hours of work. For example, an employee who works half the full-time hours of their grade/band would be entitled to a maximum level of £4,000 assistance under this scheme.

viii. Any expenses claimed must have been incurred as a result of the change of home and must not be recoverable in full or part from any other source. This will be treated as fraud and be subject to disciplinary action. NHS Orkney cannot reimburse Council Tax under any circumstances.

5 Dual Appointments

i. Where the employee’s spouse/partner is also taking up appointment with NHS Orkney and receiving assistance with the relocation, NHS Orkney will restrict the package in order that a maximum total package of £8,000, pro rata as per section 4.v, will be provided between partners.

ii. Should the employee’s spouse/partner also take up an appointment with another employer in Orkney and receives assistance with the relocation from that employer, then NHS Orkney will also restrict the package in order that a maximum total package of £8,000, pro rata as per section 4.v, will be provided between partners. We expect the employee to keep us informed on what relocation package is paid. Disciplinary action will be taken on any employee who fails to notify NHS Orkney as well as claiming back this money.
6 Expenses that are eligible for assistance within £8,000 limit

Preliminary Visit – We will pay the cost of one preliminary visit for the employee and their immediate family (all of whom must be relocating to Orkney as well as living with them).

Travel Costs – Direct travel costs of the appointee, partner and dependent family members living with the employee in the new residence from their old home to Orkney. After taking up an appointment, the employee only will also be allowed the cost of their travel costs only for up to one further trip home.

*Please note that we will only pay for Bed and Breakfast accommodation to a maximum of 3 nights if you are required to stay over night while travelling/visiting from your old area to Orkney or Orkney to your old area. Lunches and evening meals cannot be claimed for.*

We cannot reimburse fuel receipts but we can pay for the mileage. This will be reimbursed at the current mileage rate per mile. If the employee is leasing a vehicle through NHS Orkneys car leasing scheme they will only be entitled to £0.16 pence per mile.

Removal Costs – Removal of household effects from the old home to Orkney. Three quotes must be obtained and the lowest quote will be paid. One of these quotes must be from an Orkney firm (see end of policy for supplier details). The quotes must be submitted in writing to the Human Resources Department for authorisation prior to expenditure being incurred. NHS Orkney will not reimburse the cost of lifting and relaying carpet, or for moving special items such as piano or a boat. Removal expenses include costs for packing household items but not for unpacking.

If the employee prefers to make their own arrangements for the transit of their belongings they will be eligible for reimbursement of the hire costs for a van or other suitable transport assuming this is the lowest quote, documentary evidence of the quote must be submitted in writing to the Human Resources Department for authorisation prior to expenditure being incurred.

Storage Cost – The costs of storage for furniture where the employee has moved into temporary furnished accommodation, will be paid for a maximum of one year or until the £8000 limit is reached. The employee will be required to demonstrate that they are actively looking for permanent accommodation. A review will be made every three months with the Head of Human Resources Services.

Temporary Lodging Allowance – Employees who unavoidably incur accommodation expenses (mortgage or rent) in the old area at the same time as having moved to Orkney will be eligible for a three-month period of rent-free accommodation in NHS Orkney accommodation, if available. If NHS Orkney accommodation is not available or is unsuitable payment of rent equivalent to the local market level, or up to a maximum of £500, will be paid. This facility is included in the £8,000 relocation allowance.

In order to claim temporary lodging allowance proof of ongoing expenditure in the old area will be required for the month being claimed for along with proof of payment of the temporary accommodation. For example, bank statement
showing mortgage/rent payments etc. These should be supplied every month to Human Resources Department.

The Human Resources Department are able to provide details of local accommodation providers and leasing agencies upon request.

**Legal and Estate Agent Costs** – Legal fees and other associated expenses will be reimbursed within the £8000 limit when the employee sells the house they were living in immediately before taking up the new appointment and when they buy a house in Orkney. Such expenses can include:

- Estate Agent Fee
- The cost of one survey fee on the property purchased
- Solicitor’s fees for selling and buying the employees permanent residence
- Stamp Duty and Land Registration Fees
- Expenses in connection with either arranging or redeeming one mortgage or loan
- Reconnection charges for electricity, gas, water and telephone services
- Bridging Loans

Legal and Estate Agent expenses to purchase a property can only be claimed if the employee is changing their sole or main residence to Orkney.

**Domestic Goods for New Premises** – Domestic goods intended to replace items used in the old home, which are not suitable for use in the new home. When submitting a claim for miscellaneous expenses the employee should certify whether or not they received a sum in payment of the goods, which are not suitable for use in their new home.

### 7 Payment of Claims

Claims should be made on the Travel and Associated Expenses Claim form and should be submitted to the Human Resources Department by the last day of every month for certification along with all necessary receipts, in order to be included in the following month’s salary. Any claims made after this date will be carried over to the following month.

On completion of the Expenses Claim Form, employees are required to include their payroll number, a summary of the claim and their signature at ‘employee certification’.

All claims will be paid through the Payroll Department along with the employee’s salary with the exception of fixed term employees who wish to reclaim their return trip to leave Orkney following their contract end date.

In exceptional circumstances one off payments can be made directly by NHS Orkney to the company requesting the payment, for example if the employee is having difficulty paying the full amount. The employee would need to seek approval from the Human Resources Officer prior to this agreement being made with the company.

Human Resources Department will be responsible for keeping a record of all claims to ensure compliance with the Policy and Inland Revenue requirements.
All items of expenditure claimed must be supported by verifiable valid Value Added Tax invoices, which clearly show the nature of the expenditure and submitted to Human Resources Department for approval. No direct payments will be made on invoice from the supplier without prior written approval.

Claims should be sent to the Human Resources Department and will normally be paid via the employee’s salary. All claims must have evidence of receipt or if not possible, evidence of payment with their completed form. No expenses will be paid without proof of payment, the absence of the employee’s signature or before the first salary payment.

The total cost of the relocation will be monitored and should the employee approach the £8,000 limit they will be notified as to what expenses might be payable.

8 Employees Leaving

If an employee voluntarily leaves the employment of the Health Board, is dismissed within two years of taking up the appointment or before their fixed term contract end date, they will be required to repay the relocation expenses received pro rata to the length of time they have worked for the Board. The Human Resources Officer will confirm the amount to be repaid with the employee in accordance with the table as below.

Prior to any claims being paid, the employee will be required by NHS Orkney to sign an undertaking that they will repay relocation expenses if they leave within two years or before their fixed term contract end date. Any monies to be repaid will be deducted from the final salary payment on termination and if required they will be invoiced for the remaining amount. The amount to be repaid is detailed below:

Leaves within 6 months – repay 100%
Leaves within 12 months – repay 75%
Leaves within 18 months – repay 50%
Leaves within 24 months – repay 25%

Any variation to the terms set out in the policy will require approval of the Chief Executive preceded by consultation with the Head of Human Resources Services.

The policy will be reviewed on an annual basis.

9 Fixed Term Appointments

Where an employee is appointed by NHS Orkney on a Band 5 salary or above from 3 months to 23 months this section will apply.

Entitlement is Limited to (this will be pro rata to the employees hours of work as per section 4.vii)
3 month contract £1000  
6 month contract £2000  
12 month contract £4000  
18 month contract £6000  
19-23 month contract up to £7666

If an employee leaves within one month of their employment 100% of the relocation expenses will be reimbursed to NHS Orkney. After one month it is calculated on a pro rata basis for example 6 month contract, leaves after 4 months of employment having claimed £2000 will have to pay back £666.66

**Travel Costs** – Direct travel costs of the appointee, partner and dependent family members living with the employee in the new residence from their old home to Orkney can be claimed within the stated limits. After taking up an appointment, the employee only will also be allowed the cost of their travel costs only for up to one further trip home. The return trip can also be claimed if the employee leaves Orkney after the fixed term contract has come to an end on the provision that they have the funds available to claim.

*Please note that we will only pay for Bed and Breakfast accommodation to a maximum of 3 nights if you are required to stay over night while travelling/visiting from your old area to Orkney or Orkney to your old area. Lunches and evening meals cannot be claimed for.*

*We cannot reimburse fuel receipts but we can pay for the mileage. This is currently calculated at £0.33 pence per mile. If the employee is leasing a vehicle through NHS Orkneys car leasing scheme they will only be entitled to £0.16 pence per mile.*

**Removal Costs** – Removal of household effects from the old home to Orkney. Costs of up to £500 removals can be claimed on the condition that a local Orkney firm is used (see end of policy for supplier details).

Anything above £500 requires 3 quotes and only the lowest quote will be paid. One of these quotes must be from an Orkney firm. The quotes must be submitted in writing to the Human Resources Department for authorisation prior to expenditure being incurred. NHS Orkney will not reimburse the cost of lifting and relaying carpet, or for moving special items such as piano or a boat.

If the employee prefers to make their own arrangements for the transit of their belongings they will be eligible for reimbursement of the hire costs for a van or other suitable transport assuming this is the lowest quote, documentary evidence of the quote must be submitted in writing to the Human Resources Department for authorisation prior to expenditure being incurred.

**Accommodation** - If incurring accommodation expenses in the old area at the same time as having moved to Orkney, employees will be eligible for a period of rent-free accommodation in a NHS Orkney accommodation (this can only be for a maximum of 6 months), if available. If accommodation is not available or is unsuitable an allowance equivalent to the local market or up to a maximum of £500 level of rent will be paid. This facility is included in the employee’s relocation allowance until the maximum limit is reached.
In order to claim temporary lodging allowance proof of ongoing expenditure in the old area will be required for the month being claimed for along with proof of payment of the temporary accommodation. For example, bank statement showing mortgage/rent payments etc. These should be supplied every month to Human Resources Department.

**General Practitioner Specialty Training Placements** – If Orkney is deemed to be their Host Board (if they spend more than 50% of their 3 year training time in Orkney then the full relocation entitlement of £8000 is payable)

It is not normal for General Practitioner Specialty Trainee to spend more than 6 months in Orkney and therefore are only entitled to the fixed term entitlement.

General Practitioner Specialty Trainee or Trainee Doctor placements are a taxable benefit.

*If an employee’s contract is extended or made permanent during the duration of the contract they were employed by NHS Orkney then they must arrange to meet with the Human Resources Department to discuss their entitlement.*
Orkney Removal Firms

Littlejohn Removals
Unit 2, Scott’s Road
Hatston Industrial Estate
Kirkwall
KW15 1GR

Tel: 01856 879985
Email: admin@littlejohnremovals.co.uk
http://www.littlejohnremovals.co.uk/

McAdie and Reeve
Crowness Road
Hatston Industrial Estate
Kirkwall
KW15 1GR

Tel: 01856 872101
Email: See ‘Contact us’ page on website
http://www.mcadie-and-reeve.co.uk/
### Positive Impacts (Note the groups affected)

For staff:

- By making accessible to disabled people and others with specific needs
- Applies equally to all sections of society
- Enables temporary accommodation for new staff and facilitates a move to a permanent new home.
- By enabling the best person for a post to be appointed where they might not otherwise have afforded the move

### Negative Impacts (Note the groups affected)

None identified

### Additional Information and Evidence Required

None required

### Recommendations

None required

### From the outcome of the RIC, have negative impacts been identified for race or other equality groups? Has a full EQIA process been recommended? If not, why not?

No negative impacts identified. Full EQIA not required

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Names and Signature(s) of Level One Impact Assessor(s)

Name: Maggie Berston  
Date: 25 February 2014