

**BRACKNELL FOREST COUNCIL'S  
RELOCATION AND MORTGAGE SUBSIDY SCHEMES**

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## **BRACKNELL FOREST COUNCIL'S RELOCATION AND MORTGAGE SUBSIDY SCHEMES**

### **PURPOSE OF THE SCHEME**

The Relocation Scheme provides assistance to people moving house in order to take up an appointment with the Council. The scheme will not necessarily cover the full expenses of moving and is not intended to do so.

The need for removal must be a direct consequence of the employee taking up a post with the Council, and claims will not be considered for employees who move because of a change in their spouse's place of employment.

### **ELIGIBILITY**

This scheme applies to all employees of Bracknell Forest Council except teachers and support staff in schools, but not for all advertised roles, only those where it is deemed by the Director that there is less likelihood of recruiting suitable staff locally. Please contact your local HR team to find out if your role qualifies for assistance.

In order to qualify for the scheme the following conditions will need to be met:

- (a) the appointment must normally be expected to last at least three years (i.e. no temporary or fixed term contract appointments of less than this period). However, the Director or Chief Executive may exercise special discretion to offer the Scheme to a candidate for a fixed term contract of at least one year's duration, with appropriate changes in writing to clauses on repayment on leaving.
- (b) the employee must live more than 40 miles (by the most direct route) from his/her place of work and it must be considered necessary by the Council to move house in order to take up an appointment. Employees who live within a 40 mile radius who believe they are not within a reasonable daily commuting distance (perhaps because of the total travelling time or the difficulty of the route) can approach the Chief Officer: HR for guidance on their eligibility. References to the 40 mile limit throughout this policy and associated documentation should be read in conjunction with this paragraph.
- (c) the employee must move to within a 15 mile radius of their place of work (by the most direct route).
- (d) in order to qualify for all parts of the scheme the employee must be a current owner-occupier. Parts of the scheme will be made available to employees required to live in tied accommodation and those moving from rented accommodation.
- (e) the employee or their partner should not be receiving relocation assistance from another source.

- (f) the employee will normally be expected to move house within one year of taking up their appointment. However, the Director or Chief Executive has special discretion to agree in advance that an extended period of up to two years may be applicable in appropriate cases. An offer of mortgage subsidy can only be extended beyond this 2 year period at the special discretion of the Director or Chief Executive.
- (g) the property the employee is selling and their new home must be the main residence; the scheme cannot be used to purchase a second property.
- (h) There may be occasions when the employee's family home is outside the 40 mile radius, and they wish to apply for relocation assistance to be living within 15 miles of Bracknell in order to take up the appointment, but it is not immediately possible to relocate the rest of the family. The individual may therefore need to rent accommodation in Bracknell for an extended period that can be used during the working week. (This may occur if for example it is difficult to relocate a child during key points in their schooling). In such cases the Director or Chief Executive has discretion to offer lodging assistance in accordance with paragraph d of the lodging/travelling expenses section below, but other allowances would not apply unless the family house was sold. In such cases any mortgage subsidy can only be offered if a house sale and purchase is completed within a 2 year period or with the agreement of the Director or Chief Executive.

## CONDITIONS OF THE SCHEME

- (a) Evidence of circumstances (e.g. current home ownership, location of new property, cost of rent paid etc.) will be required prior to any payments being made under the scheme. Employees must have their application - including the use of any special features available at the Director's or Chief Executive's discretion - approved at Chief Officer level or above before embarking on any expenditure.
- (b) A declaration form must be signed agreeing to repay monies granted under the scheme should the employee leave within the pre-determined period.
- (c) Claims will only be paid if invoices are made out to Bracknell Forest Borough Council. In exceptional cases, and with prior approval, payment will be made to an employee direct (subject to the claim being accompanied by a VAT receipt).
- (d) In order to qualify, the relocation package must have been advertised as part of the terms and conditions of the post
- (e) In order to qualify, the employee must have been offered the scheme at the time they were appointed
- (f) In order to qualify, the employee must have the offer confirmed in their letter of appointment or Statement of Terms and Conditions.

- (g) An application under the scheme should normally be made within four weeks of an employee's start date even if all expenses are not to be paid out immediately. Employees must use the "Application for Relocation Expenses" proforma.
- (h) There is an overall maximum grant figure of £8,000 (not including Mortgage Subsidy).
- (i) No additional time off will be given for moving house.

## **OBLIGATION TO REPAY**

An employee receiving relocation assistance and/or mortgage subsidy will be required to enter into a prior undertaking to make a refund if they leave the Council's service within three years in accordance with the following conditions:

- (a) within one year of the removal date - 100% refund of total monies received.
- (b) over one year but within two years of the removal date - 66% refund of total monies received.
- (c) over two years but within three years of the removal date - 33% refund of total monies received.

This repayment will not be pro-rata for completed months' service with the Council – whole years only will apply. If an amended schedule is agreed (eg for those on less than a three year contract), changes to the repayment schedule will be confirmed in writing by the Director of the department or Chief Executive.

If the circumstances of leaving are beyond the employee's control, no refund is payable (e.g. redundancy, termination on grounds of ill health etc).

## **CEASING MORTGAGE SUBSIDY**

Mortgage subsidy will terminate if the employee ceases to reside at the property on which the subsidy is paid or leaves the Council's employment.

Mortgage subsidy payments will continue whilst an employee is on additional maternity leave.

## **THE SCHEME IN PRACTICE**

### **Lodging/Travelling Expenses**

For current house-owners:

- (a) Where an employee has to commute a distance exceeding 40 miles or alternatively has to take up short-term lodgings, for a period of six months, they can receive:

- (i) the payment of up to £80 per week lodging allowance. In addition either the cost of second class return rail fare or petrol expenses equivalent to 5.5 miles per litre for a trip home once per four week period (to a maximum of £40 per trip)

OR

- (ii) travelling expenses on a daily basis which covers actual cost of either second class rail fare or petrol expenses equivalent to 5.5 miles per litre (to a maximum of £80 per week).
- (b) The Director or Chief Executive has the discretion to agree that lodging allowance of up to £80 per week may be paid, in the case of an employee who rents out their home in another area and takes up rented accommodation in the Bracknell area. This feature is at the Director's discretion to agree but will only apply if the cost of renting in Bracknell exceeds the income of rents from their old home, and will not exceed the actual difference in rents.

For those who are not current homeowners:

- (c) If an employee is moving from one rented accommodation to another, or from rented accommodation to owner accommodation, EITHER a "start up" lodging allowance, OR travelling allowance, of up to £80 per week for an 8 week period can be paid. (Travelling expenses on a daily basis would cover actual cost of either second class rail fare or petrol expenses equivalent to 5.5 miles per litre to a maximum of £80 per week).

For those who are current homeowners but are maintaining their family home outside the area:

- (d) The Director or Chief Executive has the discretion to agree that lodging allowance of up to £80 per week may be paid, in the case of an employee who has to maintain a family home in another area and takes up rented accommodation in the Bracknell area for themselves. This feature is at the Chief Executive or Director's discretion to agree and the period for which it is available will be agreed and regularly reviewed in line with the circumstances of the case. The total lodging allowance paid must in any case not exceed the £8000 maximum for the package. In such cases mortgage subsidy cannot be offered if a house sale and purchase has not been completed within 2 years, unless with the specific permission of the Chief Executive or Director.

### **Removal/Storage/Preliminary Expenses**

- (a) These allowances apply to all employees who are required to move as a result of taking up a job with the Council i.e. those moving into tied or purchased accommodation.

- (i) The cost of one removal will be paid based on the lowest of three quotations up to a maximum of £1,000. If the employee chooses to use a more expensive removal company, they must meet the difference themselves. If the employee chooses to move their household effects themselves, reimbursement based on one move will be given for the vehicle hire charge, fuel costs and insurance.
- (ii) In exceptional cases, temporary storage of furniture will be paid for a period of up to six months. Two estimates must be submitted and approval for the lower amount obtained.
- (iii) The cost of two trips for an employee and partner to look for houses may be paid. This will include either second class rail fare or petrol costs based on 5.5 miles per litre, plus a contribution towards two nights' accommodation of up to £150 per trip.

### **Professional Fees**

- (a) For employees who have a property to buy and sell:

The cost of legal and professional fees for selling and buying a property will be reimbursed up to a maximum of £4,000. These fees include Estate Agent fees, legal costs, stamp duty, land registry and one mortgage survey fee (all full survey fees are the responsibility of the employee).

- (b) For an employee who is not currently a home-owner but who is becoming a first time buyer:

The cost of the fees listed above will be reimbursed up to a maximum of £2,000.

- (c) For a non home-owner seeking rented accommodation:

Security deposits or any finding/letting agency fees will be reimbursed up to a maximum of £2,000. This amount will not, however, cover rent payable in advance.

### **Disturbance Allowance**

- (a) For employees who have a property to buy and sell:

A contribution of up to £750 towards disconnection/reconnection of gas and electrical appliances and telephone, and essential carpets/curtains may be claimed. Examples of items which cannot be claimed includes electrical goods, crockery, linen and other basic domestic goods.

- (b) For first time buyers or for non home owners seeking rented accommodation :

A contribution of up to £375 towards the items listed in (a) above.

### **Mortgage Subsidy Scheme**

The scheme has been set up to help people moving from an area of lower house prices and is based on the six monthly Nationwide survey of house prices. The following criteria apply;

- (a) Employees who sell a house in an area of lower house prices (over 40 miles from Bracknell) to buy within a 15 mile radius of their place of work, may be eligible for Mortgage Subsidy.
- (b) The scheme pays a monthly allowance for up to four years from the removal date from the old property or the date of completion of the new house purchase. The payment is based on a sliding scale over the 4 year period.
- (c) The allowance is regarded by the Inland Revenue as part of an individual's assessable income and is therefore subject to tax and National Insurance contributions.
- (d) The general conditions of the Relocation Scheme (including repayment obligations) will apply.
- (e) The basis of the scheme is attached as Appendix A.
- (f) Employees who have moved from rented accommodation more than 40 miles from Bracknell and who are buying for the first time within a 15 mile radius of their place of work, may be eligible for 50% only of the amount applicable for the South West area in the standard scheme.
- (g) Employees moving from outside the UK, if eligible for Mortgage Subsidy, receive the appropriate amounts based on the rates for the South West area (50% of that amount if a first time buyer.)

### **CONCLUSION**

- (a) The scheme provides for most situations which are expected to arise when a new employee starts. However, should any items arise which are not strictly covered by the scheme, but are in the spirit of its provisions, the Chief Officer: HR has the discretion to agree with the appropriate Director or Chief Executive, any variations to the scheme. This will apply for example where there is any uncertainty over qualification criteria or time limits.
- (b) The relocation amounts payable under the scheme are reviewed periodically. Employees will be entitled to the level of reimbursement which applies on their date of commencement of employment with the Council.
- (c) Any questions relating to interpretation of the scheme should be referred to the Chief Officer: HR.

**BRACKNELL FOREST COUNCIL**

**MORTGAGE SUBSIDY SCHEME**

The scheme is intended to help new employees living outside reasonable commuting distance (40 miles from Bracknell), who, due to house prices in the Bracknell area, may experience difficulties in purchasing a suitable property.

The mortgage subsidy allowance is paid for a period of four years on a sliding scale. The figure is based on the difference between house prices in the area of the country from which the employee is moving, and those in the Outer Metropolitan Area (as defined by Nationwide in its list of regional districts) in which Bracknell is situated.

The current allowances payable in respect of property in the various regions of the country are shown on the attached map. The first figure is the amount payable for the first two years and the figures in brackets are the amounts payable for the third and fourth years.

Where employees are moving from rented accommodation at least 40 miles away and are buying their first property in the Bracknell area, 50% of the amounts quoted for the South West area in this document are applicable.

Where an employee is moving from outside the UK, the amounts for the South West area are applicable (50% of that amount if a first time buyer.)

**BASIS OF MORTGAGE SUBSIDY FIGURES**

The allowance paid is based on the difference in cost between the repayments for a typical modern semi-detached property in the Outer Metropolitan Area, in which Bracknell is located, and other regions of the country.

**Regional House Prices**

These are taken from the Index of House Prices published by the Nationwide Building Society.

**Mortgage Interest**

The rate of mortgage interest is that charged by the Council for house purchase loans under the Housing Act 1985.



## **Review of Allowances**

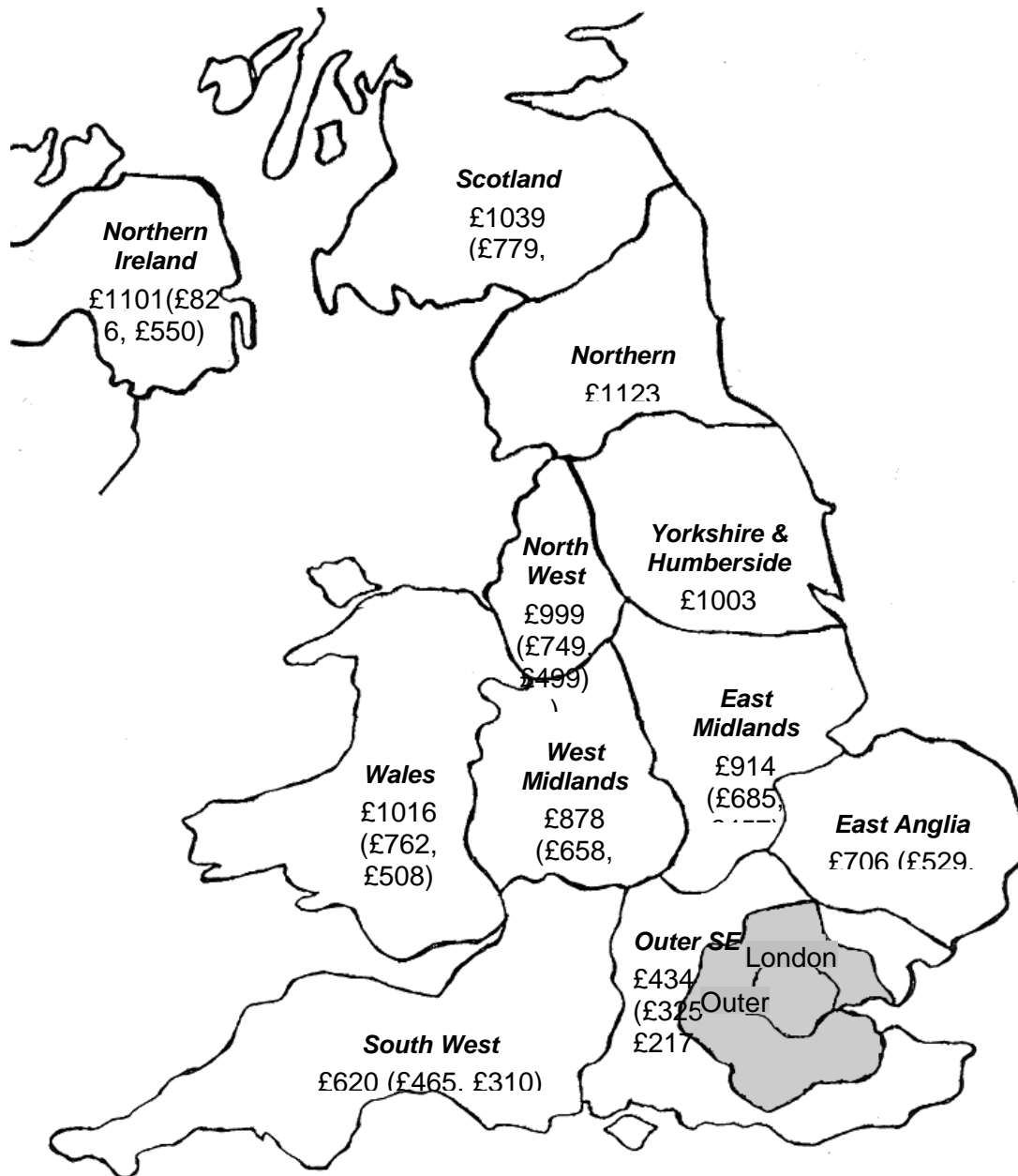
Allowances are reviewed twice a year on 1 February and 1 August. They are adjusted in the light of prevailing house prices and interest rates as follows:

- (a) employees who have been accepted into the scheme and are receiving an allowance have the amount adjusted according to current interest rates.
- (b) employees who have not yet purchased a house have the amount adjusted according to both prevailing house prices and interest rates. They will be sent an updated map indicating the new allowances that apply for each area.

# MORTGAGE SUBSIDY SCHEME

## MONTHLY ALLOWANCES

1 AUGUST - 31 JANUARY 2017



The first figure shows the monthly allowance payable in the first two years  
The figures in brackets indicate the monthly allowance payable in the third and fourth years

The mortgage subsidy payments for first-time buyers is based on 50% of the figures for home owners from the **South West** area, regardless of which area they are moving from. Therefore all first-time buyers will receive the following payments **£310 (£232.50, £155)**

Any employees moving from outside the UK who are eligible for mortgage subsidy will receive payments based on the **South West** area (or 50% of that amount if a first time buyer)