

3.9 Day subsistence and night subsistence for you, your partner and dependant children will be limited to a maximum of 5 days (and a further 3 in exceptional circumstances). During this time, you may also claim the incidental expenses allowance for yourself, but not for your family.

3.10 You can be reimbursed day subsistence and night subsistence, in accordance with Part A of this Staff Handbook, Travel, Subsistence and Re-location, subject to the following limits:-

- a) for yourself; up to the relevant set rates,
- b) for your spouse/partner and for each child of 12 years and over; a maximum of 2/3 of the applicable rates, and, for children under 12 years of age; a maximum of 1/2 of the applicable rates.

3.11 If you stay with friends or relatives, the staying with friends or relatives rate set out in [Annex B](#) to Chapter 9 will be paid together with the proportional rates of 2/3 for your spouse/partner and for each child of 12 years and over and 1/2 the rate for each child under 12 years of age. .

3.12 After the date of your transfer you may claim reimbursement of subsistence for your spouse/partner and for any dependant children up to the limits in paragraphs 3.9 and 3.10 or 3.11 but you may not claim for yourself. In this instance you would already be claiming overnight subsistence or lodging allowance.

3.13 You must certify that you have necessarily incurred any subsistence costs to be reimbursed in the search for new accommodation. A list of the hotels offering special rates can be obtained by contacting HR Reward.

Abortive visits

3.14 If you incur travel or subsistence costs searching for a new home, but, at your initiative, the transfer is subsequently cancelled, you may be reimbursed the abortive expenses providing your grounds for refusing transfer are accepted as reasonable.

Staying at The New Station Before finding a Permanent Home

3.15 If you have accepted a permanent transfer at public expense and you are required to start your new post before you have found a permanent home you will be able to claim allowances to enable you to stay in the new area while maintaining your home at the old location.

3.16 If you have not found permanent accommodation at the new station before your transfer you may claim allowances when you arrive to enable you to live and look for a new home while you still have commitments at the old station. You will be given approval to claim allowances for a period of 3 months from the date of transfer and any extension to this period needs to be agreed with HR Reward before the expiry of the 3 month period otherwise your allowances will cease.

3.17 You may claim night subsistence for up to a maximum of 90 nights if you are staying in an hotel or lodgings within the present financial ceiling for the 24 hr period at the appropriate rate and the incidental expense allowance. If you are staying with friends or family during this time you may only claim the current flat rate.

Absences during the first period, up to a maximum of 90 nights period

3.18 If you return home at weekends and claim your travel costs at PTR the nights of absence will count towards the total, up to the maximum of 90 nights. However, if you are absent during the week the nights of absence will not count towards the total but may extend the nights up to a maximum of 90 nights. No retention of rooms is paid during this period.

3.19 If, after the initial period of up to a maximum of 90 nights, you have not found permanent accommodation at the new location you may claim lodging allowance whilst you are incurring a 'double' housing commitment. Retention of rooms may be claimed during this period if this expense is incurred. This situation will be reviewed after 3 months from date of transfer.

4. Property sale (Householders)

Selling your home

4.1 If you are a householder (see [paragraph 2.7](#)) and have been offered a permanent transfer at public expense, HR Reward will send you details of the tAgency's relocation service which is operated by a contractor.

4.2 You are free to sell your existing home privately but use of the relocation service will help you to dispose of your existing home to become a cash buyer when you buy a new home in the vicinity of your new workplace.

4.3 Under the relocation service, your home will normally be valued by 2 independent local chartered surveyors and the contractor will offer you a Guaranteed Selling Price based on the average of these valuations. If you accept, you can then receive at the appropriate time, an advance of funds up to a maximum of the Guaranteed Selling Price to enable you to secure your new home. The company providing the service will arrange the marketing of your property with a local estate agent and you will be expected to allow viewing of your home by prospective purchasers.

4.4 If you do not participate in the relocation service, you will be expected to try to arrange for completion of sale of your old home to coincide with the completion of purchase of your new home. No assistance with bridging finance is possible and payment of any transfer allowances will be conditional on the provision of evidence that you are making every effort to:-

- a) market your property at a realistic price for a reasonably quick sale and;
- b) obtain accommodation in the new area.

4.5 If you have not received a firm offer within three months of your transfer, you may be asked to re-value the property and/or employ more agents. If it has not been sold by the end of 6 months the Agency will ask the relocation company to arrange a valuation to establish a selling price. The property will have to be marketed at no more than 5% above this valuation and your estate agent will need to provide regular details of the number of viewings and comparative information about similar properties in the area.

4.6 If you do not market your property within the 5% upper limit all transfer allowances will be discontinued.

Solicitor's fees

4.7 Details of a panel of solicitors whose experience and understanding of relocation enables them to give sound and practical advice are available from the relocation contractor. This applies whether or not you are using the relocation service.

4.8 You will be eligible for reimbursement of the reasonable expenses (subject to provision of receipts).

4.9 Should you decide to use the services of a solicitor who is not on the on the panel provided by the relocation contractor, reimbursement of your legal fees for both sale and purchase may not exceed the aggregate limit of £700.

4.10 In Scotland it is sometimes solicitors' practice to do a lot of the work which in England and Wales would be done by an estate agent. If this is so in your case the part of the solicitor's fee which covers "agents" work should be specified when you make your claim.

4.11 Should any part of your property being sold have been used or be intended for other than private residential purposes by you and your partner and family and or dependants (e.g. as a farm, boarding house, business premises or shop), you may not claim for reimbursement of any legal costs associated with this aspect of the sale of your property.

Estate Agents' or Auctioneers fees

4.12 If you place your property with an estate agent you should make it clear that they should not arrange any extra advertising, unless you specifically agree to it; and you should only agree to it if you stand little chance of selling at a reasonable price without advertising.

Feu duty

4.13 In Scotland only you may also be reimbursed within the specified limits the cost of legal work involved in the mandatory redemption of feu duty occurring at the time of sale. (You should note that the redemption money itself is not reimbursable nor are any costs arising from voluntary redemption before the sale.)

Value Added Tax.

4.14 You may be reimbursed any VAT associated with the above fees.

Letting before sale

4.15 If you let your existing home at the time of your transfer you may not claim costs for any legal and other expenses if you later sell it.

Loss on sale/negative equity

4.16 Details of the help available if you are unable to redeem your mortgage fully are in [paragraphs 5.30 to 5.40](#).

Mortgage redemption penalties

4.17 If you are involved in a penalty payment when you redeem the mortgage on your existing home you may claim for it as a separate item. Generally there are two types of penalties:

a) early redemption penalty charged because the mortgage was redeemed early, regardless of notice being given. With a penalty of this type you will need to find out whether or not it is regarded as interest for tax purposes:-

- if the penalty **is** regarded as interest for tax purposes you may claim the charge net of tax but the sum which you claim should not be more than 3 months' interest net of tax on the outstanding part of the mortgage,
- if the penalty is **not** regarded as interest for tax purposes you may claim the charge in full but the sum which you claim should not be more than 3 months' interest on the outstanding part of the mortgage,

b) interest in lieu of notice this is where the building society or bank requires a certain period of notice that the mortgage is to be redeemed, and charges interest if that notice is not given. If you fail to give proper notice you must bear this cost unless you have given the proper notice but find a new home and sell your property before the set period expires. In these circumstances you may claim the interest charge, net of tax, up to a maximum of 3 months interest net of tax on the outstanding part of the mortgage.

4.18 Your building society or bank may either waive the mortgage redemption penalty or refund it later on especially if you take out another mortgage with the same society at the new location. If you claim a penalty charge you will be asked to sign an undertaking to repay some or all of the money if you later receive a refund.

5. Purchase of new home

Solicitors Fees

5.1 Details of a panel of solicitors whose experience and understanding of relocation enables them to give sound and practical advice are available from the relocation contractor. This applies whether or not you are using the relocation service.

5.2 Should you decide to use the services of a solicitor who is not on the on the panel provided by the relocation contractor, reimbursement of your legal fees for sale and purchase may not exceed the aggregate limit of £700.

5.3 You will be also eligible for reimbursement of the incidental expenses (subject to provision of receipts) and stamp duty.

5.4 In Scotland it is sometimes solicitors' practice to do a lot of the work which in England and Wales would be done by an estate agent. If this is so in your case the part of the solicitor's fee which covers "agents" work should be specified when you make your claim.

5.5 Should any part of the property being purchased be used or be intended for other than private residential purposes by you and your partner and family and or dependants (e.g. as a farm, boarding house, business premises or shop), you may not claim for reimbursement of any legal costs associated with this aspect of the purchase of the property.

Survey Fees

5.6 You are entitled to be reimbursed the costs of the property survey together with any other relevant survey, e.g. to test electrical wiring or drains.

Mortgage

5.7 Subject to paragraphs 5.8 to 5.12 you will normally be expected to finance the purchase of your new home using the capital from your existing home and with a mortgage from a mortgage lender.

Advance of salary

5.8 If you are moving to a higher priced area or have difficulty in buying a similar property to your existing home in the vicinity of your new workplace because you do not have enough capital, you may apply for an interest free lump sum advance which is paid back from your salary over a period of not more than 12 years. You should not commit yourself to a purchase dependant on a salary advance until you have received formal notice from the HR Reward Team that an advance will be given.

5.9 Before any salary advance is agreed you must have made every reasonable effort to get the largest mortgage available to you which is appropriate to your salary level and personal circumstances (including mortgage guarantee) at the normal rates of interest charged by banks and building societies.

5.10 Should you decide to obtain a larger mortgage at a higher rate from other than normal commercial sources, the higher mortgage will be taken as being the maximum mortgage although no additional associated expenses e.g. brokers' fees will be reimbursable at public expense.

5.11 You will not be given a salary advance if:-

- a) you intend to use it for betterment as opposed to covering the cost of moving to a more expensive housing area;
- b) the property you intend to purchase is not going to be your main residence;
- c) you are already in receipt of the maximum advance to which you are entitled.

5.12 You must normally apply for an advance within 12 months of the date of transfer.

Calculation of Advance

5.13 The maximum salary advance is 6 months of your gross pay immediately after the date of your transfer or £10,500 whichever is the greater, though in exceptional circumstances this period may be extended to 12 months of your gross pay. For the purposes of this calculation, the following pay supplements are regarded as part of your gross pay:

- a) any pensionable allowance being paid to you at the time.
- b) rostered overtime payments
- c) Recruitment and Retention Allowance

5.14 Your salary advance will not be more than the difference between:-

- a) the purchase price of the new property: and
- b) the amount you will raise on your new mortgage plus the net

proceeds from the sale of your former home - i.e. the amount of the selling price which is left after the outstanding mortgage and any expenses connected with the sale.

5.15 Exceptionally, consideration may be given to allow the following costs to be added to the purchase price in assessing the amount of the advance:-

- a) the cost of the provision, repair or replacement of electricity, gas, water and drainage services and the cost of essential structural alterations necessary to make the property habitable;
- b) central heating installation costs provided that you had a full central heating system built into the fabric of your old house (this provision does not allow for the cost of purchasing storage heaters or other portable appliances to be included in the calculation);
- c) the cost of installing special wiring for off-peak electricity supply provided that your old home was equipped with such special wiring, or had some other type of full central heating installed.

5.16 If you make an application under paragraph 5.15 it must be supported by a professional report, obtained at the time of purchase, indicating that the alterations are essential to make the property habitable. An indication of the likely cost of the works should also be provided. You should note that the cost of decorations cannot be included.

5.17 If your application is made under sub paragraphs 5.15(b) or (c), you must give notification at the time of your application for an advance of salary of your intention to have the installation carried out and the operation must be completed within 6 months of your occupation of the property at the new location. You will be required to provide evidence of this.

5.18 Each application will be considered on its own merits and in all cases the overriding limits detailed in paragraphs 5.13 and 5.14 will be observed.

Applying for an advance of salary

5.20 Your application should be submitted to HR Reward in good time and you should note that you will be required to provide an indication of the likely date when the advance is to be paid into your account.

5.21 Where possible your application should be supported by letters from at least one bank/building society or local Authority indicating the maximum mortgage (including mortgage guarantee) which is available.

5.22 Prior to payment of the advance you will be asked to sign a form acknowledging the debt and to give specific authority for the appropriate deductions from your pay as well as an undertaking to repay any outstanding amount of the advance on demand.

5.23 When seeking payment of the advance, a letter from your solicitor confirming that contracts have been exchanged and specifying the completion date will be necessary a week to ten days before you require payment of the advance.

5.24 You should note that the advance may only be paid into your bank/building society account. You will be able to draw on the advance on the day it is paid into your account.

Repayment of advance

5.25 Before an advance of salary is made, the [HR Reward](#) will inform you in writing:-

- a) that the advance will be repayable on demand but that, without prejudice to the Agency's right to demand payment at any time, the intention is to allow repayment to be made over the periods described in [paragraph 5.22](#) ;
- b) that if you cease to be a Crown employee, recovery of any outstanding balance of the advance will be required at once, and that - if necessary - recovery will be made from any pay or allowance or other money due to you from public funds, including any death gratuity or other pension benefit payable to or in respect of you; and
- c) that the advance will be given on the understanding that you have contributed the maximum amount available from the net proceeds of the sale of your property (if any) at the old station.

5.26 The repayment of your advance will be made over a predetermined period not exceeding 10 years. Repayment will normally be achieved by deducting from your net salary equal monthly amounts during the effective period of repayment. This period begins immediately you receive the advance but if you wish you may defer beginning your repayment for any period up to 2 years, making a total time from receipt of advance to completion of repayment of no more than 12 years.

5.27 In exceptional circumstances approval may be given for you to defer repayment for an extended period of up to 4 years. You should note that in these circumstances the maximum repayment period would be 8 years, thus maintaining the maximum period of 12 years from receipt of the advance to completion of repayment.

5.28 Before an advance of salary is made, you will have to sign a form acknowledging the debt and give an undertaking that:

- a) you will repay the advance on demand,
- b) you have contributed the maximum amount available from the net proceeds of the sale of your property (if any) at the old workplace;
- c) if you leave before repayment is completed, any outstanding balance is to be deducted from pay, allowance or any other money from the public purse, including superannuation benefits that may be due;
- d) if the deduction is to be made from a superannuation benefit, confirm that at the time of termination you will acknowledge the outstanding debt and state the balance that is to be deducted.
- e) 5.29 The undertaking also requires that you repay the outstanding balance of the advance of salary at once if:-
- f) you do not complete the purchase to which the advance relates; or

- g) you sell or you/your family no longer reside in the property you purchased with the aid of the loan (but see [paragraph 5.28](#)); or
- h) you sell as a result of a further permanent transfer at public expense involving a move of home but you do not purchase a property at the new location; or
- i) you are given a voluntary transfer involving a move of home before you have completed repayment of an advance; or
- j) you are dismissed, retire prematurely, resign or are transferred to employment outside the Civil Service; or
- k) if you die. In these circumstances special arrangements will be made with your executor/administrator to obtain immediate repayment of the outstanding balance which can no longer be recovered by deduction from your salary. Your superannuation benefits will normally be sufficient to repay the outstanding balance but, if not, pay or allowances due will be used to offset the outstanding balance.

5.30 If the funds referred to in [paragraph 5.8](#) are

- a) insufficient; or
- b) in the case of frozen superannuation awards, not immediately available; and
- c) if you or your executor cannot provide any capital to pay off the debt; and
- d) it is not possible for a second mortgage to be raised on the property,

suitable arrangements will be made for the recovery of the balance as soon as possible. In certain circumstances legal action may be necessary to protect the interests of the Agency and to recover any outstanding amount.

5.31 Where premature recovery of an advance is necessary because you transfer to other employment outside VOSA but still within the Civil Service it will be necessary for the new Agency/Department to reimburse VOSA with the balance outstanding at the date of transfer. Your repayments will then continue to be deducted from your salary from the new Agency/Department. In exceptional circumstances arrangements can be made to continue repayment by standing order.

5.32 If you are seconded to another Department/Agency, VOSA will continue to recover the advance from your salary unless you are being paid by the receiving organisation, in which case alternative arrangements will be made.

5.33 If you have less than 10 years to serve before retiring you may repay the advance at the same rate as if you had 10 years' service in prospect, provided that:-

- a) it is clear that any eventual lump sum superannuation benefits, which would become payable in the event of your service terminating before full repayment has been made, would be sufficient to meet the balance; and
- b) you provide written authority for any outstanding balance to be deducted from the superannuation benefits as set out in [paragraph 5.28](#).

5.34 If you have received an advance and you subsequently move from the house to which it relates you will normally be required to pay the outstanding balance immediately. However, each case will be considered on its own merits, and, you may be allowed to continue to repay the outstanding amount by instalments providing you notify HR Reward of your change in circumstances

Mortgage shortfall/negative equity

5.35 Compensation will not normally be granted for any loss of equity incurred on sale but if you are unable to redeem your mortgage fully from the proceeds of sale you may apply for assistance to cover the shortfall by way of an advance of salary which, if approved, will carry an interest charge at the official rate from the day it is paid into your account. As interest is charged on the advance it is not regarded as a beneficial loan by Inland Revenue and does not have to be reported under paragraphs 5.41 to 5.43. Each case is considered on its own merits at that point in time against the economic climate.

5.36 You will need to provide details of your mortgage and the selling price of your home along with your application for assistance with such a shortfall.

5.37 The recovery period for such an advance is a maximum of 20 years, and you may, if you wish defer recovery procedures for up to 4 years however, payment of the interest charges must start immediately.

5.38 The maximum advance is 12 months of your gross salary immediately after the date of your transfer.

5.39 If you also require an advance of salary for house purchase both advances may not exceed the limit in paragraph 5.38.

5.40 You will be expected to sign an undertaking to repay the outstanding amount of the advance if you cease to be a civil servant for whatever reason or if you subsequently sell your home or move to live away from this property. The conditions under which the Advance of Salary is paid to you are the same as those set out in paragraphs 5.20 to 5.24 and 5.28. However, if you have less than 20 years to serve before retiring you may repay the advance at the same rate as if you had 20 years service in prospect, provided that:

- a) it is clear that any eventual lump sum superannuation benefits, which would become payable in the event of your service terminating before full repayment has been made, would be sufficient to meet the balance; and
- b) you provide written authority for any outstanding balance to be deducted from the superannuation benefits as set out in paragraph 5.28.

Tax implications

5.41 The Inland Revenue regard interest-free advances of salary for house purchase or for season tickets as "beneficial loans" and consequently there is

a liability for tax where the total balance outstanding on all beneficial loans exceeds the Inland Revenue limit at any time during the year of assessment.

5.42 Where there is a tax liability Inland Revenue will be notified and a P11D form will be issued to you before 6 July each year detailing the chargeable benefit for the previous financial year. If your beneficial loan is purely for a season ticket which exceeds the Inland Revenue limit no P11D will be issued as this by itself is not a notifiable loan. Only when a housing loan and season ticket loan combined exceed the Inland Revenue limit will a P11D be issued and then this will be on the housing loan element alone.

5.43 If you elect to defer repayment you should note that liability for tax commences at the time you receive the advance and not at the time you begin repayment. Any tax charge will therefore be payable throughout the deferment period on the full amount of the advance. As tax is charged against the average amount outstanding in each tax year, once repayment commences the tax charge will reduce annually as the balance decreases.

For further information the Inland Revenue publish a leaflet 'Income Tax and National Insurance contributions on relocation packages' which explains the tax implications in more detail. This is a short guide for employees relocating which is also available on the internet (<http://www.hmrc.gov.uk/>), Personal Tax Payers Services.

6. Removal costs (applies to both householders & non-householders unless otherwise stated)

General

6.1 When you move your household furniture and personal family property or that of your partner from your old home you may claim the reasonable cost of:

- a) removals from your old home to the new home, or
- b) removals from the old home to store and then to the new home, plus storage charges (householders only).

All claims need to be supported by receipts covering expenses

6.2 You will be paid removal costs for all normal household and garden equipment including heavy items but if you have to transport a special item (e.g. items requiring specialist care in the handling, protection, storage or transport due to their weight, fragility or value) you must meet the extra cost yourself.

6.3 Normal domestic pets can be included but not other animals or livestock.

6.4 If, as a householder, you move to a temporary home at the new location and later move again to a permanent home you may claim to move:

- a) some items to the temporary home and some to store, or
- b) if your temporary home is fully furnished, all your furniture and effects to store, and
- c) later to have all of it moved to your new permanent home.

6.5 In the circumstances described above, the Department will want to be satisfied that you have acted reasonably, but it is recognised, particularly if

you initially have to take furnished accommodation you may not be able to house all your belongings.

6.6 Allowances for storage charges will stop: -

- a) when you move into unfurnished accommodation, or
- b) if after six months you still have not found suitable accommodation further storage charges will only be allowed and reviewed every three months up to a maximum of twelve months if you provide evidence that you are making every effort to find suitable accommodation

6.7 You may claim the extra cost of insuring the stored furniture as part of the storage charges, but only up to the value for which your furniture is normally insured. When claiming you should attach: -

- a) receipts for the insurance costs, and
- b) the last receipt for your normal insurance premium.

6.8 If you move with your family/partner to temporary furnished accommodation at the new location and your new rent is more than your old rent or mortgage you may claim any storage charges in full. If, however your rent at the new location is less than your previous rent or mortgage you may only claim the amount by which your new rent plus storage charges exceeds your old rent or mortgage.

6.9 If you are transferred after taking up your first appointment, but before you have been joined by your family/partner at the first location you will be paid the extra cost of removal of household furniture and family effects to the new location over the estimated cost of removal to the new location. All costs are monitored against your maximum £8000 removal expense allowances.

Arranging the removal

6.10 When you are in a position to move your furniture and effects you should make contact with the Agency's relocation contractor for a list of available removers who have undertaken to provide preferential rates. From this list you choose the remover you wish to use.

6.11 Should there be special reasons why you consider that any of the companies on the list should not be used you should contact HR Reward and if your reasons are accepted you may obtain three quotes from removal contractors not on the list. These quotes together with your choice of contractor should be submitted to HR Reward for approval.

Vehicles and passengers

6.12 You may claim the public transport rate of Motor Mileage Allowance (see Part A of this Staff Handbook - Chapter 9 *Travel, Subsistence and Relocation*) for moving cars and motorcycles belonging to you or your family/partner to the new station.

6.13 You are normally expected to drive your car or motor cycle to the new location, but if this would be unreasonable in the circumstances you should contact HR Reward about transporting the vehicle in some other way (you may only do this for one vehicle).

6.14 You may not claim mileage allowance for vehicles belonging to anyone other than your partner/children or any other dependant relative who normally lives with you.

Special leave to supervise removal

6.15 You may, at the discretion of your line manager, be granted up to 2 days' special leave with pay to supervise the removal. If justified, for example by reason of the distance between the old and the new location, a further day may be granted.

6.16 In considering your application account will be taken of the need for packing and unpacking furniture.

6.17 This concession may also be extended to your spouse/ partner if he or she is also a VOSA employee and being permanently transferred and wishes to accompany you or to carry out these tasks on your behalf.

Travel and subsistence allowances for return visit to supervise removal

6.18 Subject to paragraphs 6.19 and 6.20, you will be able to claim travelling and subsistence expenses in accordance with Part A of this Staff Handbook - Chapter 9 *Travel, Subsistence and Relocation* if it is necessary for you to make a return visit to your former home to supervise removal.

6.19 Night subsistence may be paid as follows: -

- a) you may claim for one night when less than 3 days' special leave with pay is granted for the return visit.
- b) you may claim for up to two nights when three days special leave with pay is granted for the return visit.

6.20 Night subsistence is not payable when you use or could have used your accommodation at the former location or stay with relatives.

Travel allowances for the move

6.21 On the day of your move you may claim travelling expenses for the journey from your old to your new home for: -

- a) yourself and your spouse/partner
- b) your children - which includes anyone under 21 who moves to the new home because of your transfer
- c) any other dependants who normally live with you

6.22 You may claim taxi fares if they are justified.

6.23 When you claim you should: -

- a) show the ages of your children, and
- b) the relationship of each person on the claim.

Subsistence allowances for the move

6.24 If your journey is long enough to qualify for subsistence you may claim set rate allowances for you & your partner and family within the limits set out in [paragraph 3.10](#)

6.25 If you have to stay overnight in temporary accommodation while your furniture is in transit (or if in exceptional circumstances your furniture is delayed in transit) or because immediate occupation of your new home is impracticable you may claim night subsistence for not more than 3 nights if you stay in an hotel. Please consult HR Reward in advance to this expenditure.

7. Continuing Commitments Allowance

General

7.1 The Continuing Commitment Allowance (CCA) compensates you for a double housing commitment if you have obtained and occupied a new home in the vicinity of your new workplace but cannot avoid necessary payment for accommodation at the old location or if you cannot avoid additional extra liabilities arising at the new location

Overlapping rent

7.2 You may claim reimbursement for overlapping rent if: -

- a) as a householder you have to pay rent for unfurnished accommodation at the new location before you can actually move into it (because your furniture is delayed, for instance), or;
- b) as a householder you move into temporary accommodation at the new location and are still committed to some rent for it when you have found and have started paying for a permanent home, or;
- c) as a householder who moves again but to the benefit of the Agency i.e. a relocatee who is already receiving CCA you find a cheaper furnished home at the new location but cannot immediately stop paying rent for the original option

7.3 If any part of the new accommodation is sub-let, any rent you receive must be deducted from this allowance

7.4 If you transfer a tenancy to release yourself from paying the rent you may claim the transfer cost.

Commitments at the old location

7.5 If you are not using the relocation service and have not sold your former home or, if renting, you still have financial responsibilities there you may claim for these expenses under the continuing commitments allowance (CCA).

7.6 Payment of a CCA will normally not continue for more than 3 months. However, the Agency may pay the allowance for a longer period if satisfied that you cannot terminate your liability satisfactorily within the first 3 months of payment. A maximum of 12 months can be allowed exceptionally for completion of the school year of your child's education or to allow your spouse/partner to complete an employment contract.

Calculation of allowances

7.7 The allowance will be based on the cost of the following items at your former home: -

- a) mortgage or rent,
- b) if appropriate, annual water rates

- c) if appropriate, annual ground rent or equivalent charge for leasehold properties,
- d) annual council tax charge, annual insurance premium on the property structure,
- e) Annual tithe payments, if any.

7.8 When you make your initial application for CCA you should provide evidence that you are making every effort to sell your former home at a realistic price for a reasonably quick sale as detailed in paragraph 4.4

7.9 All claims and requests for information should be made to HR Reward. You should notify HR Reward of any changes in these charges so that your allowance may be re-calculated.

7.10 Your mortgage costs will be calculated by multiplying your mortgage by the official interest rate as determined by the Inland Revenue (www.inlandrevenue.gov.uk).

8. Additional Housing Cost Allowance

General

8.1 If, as a result of a permanent transfer at public expense, you move home and property/accommodation costs at the new location are higher than at the old, you may qualify for an Additional Housing Costs Allowance (AHCA). The AHCA provides financial assistance for a period towards the costs specified below. The AHCA can be paid for owner-occupied or rented furnished or unfurnished property/accommodation. The AHCA payment period is for 7 years commencing immediately from the date of your transfer to the new workplace irrespective of the date you move home or begin to claim this allowance (if, during this period, you leave on grounds of redundancy, the AHCA will continue).

8.2 In the calculation of AHCA, higher accommodation costs cannot include any element of betterment. Payment of the allowance is based on a like for like basis. To ensure a fair match is achieved, your old home and area are compared against a similar home and area within travelling distance of your new workplace. This comparison is made using the Average House Prices as published by the *Valuation Office*. In calculating your AHCA there is a financial limit to the total annual amount to which you are entitled. The overall ceiling is calculated on the basis of £30,000 multiplied by the official interest rate supplied by the Inland Revenue (see paragraph 7.10). Examples of the calculation of your AHCA are shown at the end of this section.

8.3 Once a difference in property/accommodation costs has been established by the [HR Reward Team](#) using the above system, payment of the allowance will be calculated. In the case of mortgage differences, the increased mortgage costs are determined by applying this to the official interest rate supplied by the Inland Revenue (see [paragraph 7.10](#)). This rate will be reviewed on 1st August each year. If the new property/accommodation is in a similar price area but your other outgoings have increased you may also be entitled to AHCA. See 8.16 of this section.

Increased mortgage.

8.4 The calculation of your AHCA will only include the additional commercially funded mortgage that was reasonably required to complete your purchase. Situations may arise where it would be unreasonable to insist that you should put all your equity towards purchase. An example would be where you might need to take on a larger mortgage in order to reserve part of your equity for essential repairs to the new property. In general you will be expected to use all the equity available from the sale of your old property to fund your purchase. If you are in any doubt you should seek advice from [HR Reward](#).

Renting or changing from renting to buying.

8.5 If you rent your home at the old location and wish to rent at the new or if you rent at the old location and wish to buy at the new, AHCA is calculated by comparing rental costs in both areas using the services of an independent commercial agent.

8.6 Any charges included in the rental for heating, lighting and other services will be excluded from the calculation for AHCA.

8.7 In all cases the figures taken will be those applicable at your date of your move.

Co-ownership

8.8 Co-owners' outgoing are treated in the same way as for staff who rent.

Part of accommodation used for business purposes

8.9 If any part of your property/accommodation either at the old or new location was or is used for other than your residential purposes (for example a farm, boarding house, shop, or any other commercial purpose), the value of the non-residential element will be excluded from the AHCA calculation.

8.10 Where the residential element is a separate entity (e.g. in the case of a farmhouse) a professional valuation obtained at the time of the sale or purchase must accompany your application.

Repairs, alteration and central heating

8.11 In exceptional circumstances the cost of the provision, repair or replacement of electricity, gas, water and drainage costs and the cost of essential structural alterations necessary to make the property habitable may be included in the mortgage element used to calculate AHCA.

8.12 Applications should be supported by a professional report and estimate of costs obtained at the time of purchase, that the alterations are essential to make the property habitable. The cost of decorations may not be included.

8.13 Central heating costs may also be included if you had a full central heating system in your home at the old location and must be installed within 6 months of your occupying the new property.

8.14 These provisions only apply to a central heating system built into the fabric of a house and do not include the cost of purchasing storage heaters or other portable appliances.

8.15 The cost of installing special wiring for off-peak electricity supply may be included providing your home at the old location was equipped with such special wiring or had some other type of full central heating system installed.

Other items included in the calculation

8.16 In addition to the increased mortgage/rent calculation for your new home the following items may be included in the allowance:

- a) annual Council Tax charge
- b) annual ground rent or equivalent charge
- c) annual insurance premium on the property structure
- d) annual tithe payments, if any.

8.17 If the actual property prices or rents are equitable but the above rates are higher at the new station you may qualify for an element of AHCA based on these increased costs.

8.18 If, however, average property prices are lower at the new area than at the old but your rates etc. are higher then the difference in property prices will be multiplied by the Inland Revenue official interest rate and expressed as a minus figure. Your extra outgoing on rates etc. will then be added to this figure.

8.19 In all cases the figures taken will be those operating at your date of your home move. You need take no action whenever there is a change in the interest rate as this will be undertaken by HR Reward.

Calculation before sale of old home

8.20 If you need to claim AHCA for your new home and in the unlikely circumstances that you do not yet know the selling price of your old home an estimate of the property's value obtained from the relocation contractor can be used. When your old home is sold AHCA will be recalculated and your allowances adjusted either up or down on the basis of the actual selling price. (Any "redemption money" paid to redeem feu duty or ground burden at the time of sale on properties sold in Scotland should be deducted from the sale price.)

Payment of allowance

8.21 Payment of AHCA is spread over 7 years from the date of transfer to the new workplace and is paid from the date you move into the new accommodation. Therefore, if you delay your move into permanent accommodation you will not be able to claim a full 7 year entitlement. Your allowance, which is both taxable and subject to ERNIC, will be paid monthly with your salary.

8.22 Entitlement to AHCA stops during any period of unpaid leave (for example, special leave without pay) with the exception as detailed in paragraph 8.1. On your return to work, AHCA will recommence at the point it would have reached had there been no unpaid leave and will finish at the original date. AHCA is not extended because of unpaid leave.

8.23 Payment of AHCA will stop during periods of unpaid maternity leave, start again on your return to work and continue for the balance of the payment period. Effectively this extends the 7-year payment period by the total length of you were in a no pay situation whilst on maternity leave.

Effect of subsequent moves on your allowance

8.24 If you move or you no longer reside at the address for which you are receiving AHCA you must inform HR Reward immediately. Depending on the circumstances you may be allowed to retain the AHCA but it will be re-calculated on the basis of your outgoings at the new home.

8.25 You cannot subsequently claim AHCA if you move at your own expense from a permanent home which did not qualify for AHCA to a new permanent home in the same area for which it might have been payable.

8.26 If as a result of a home move you qualify to receive AHCA and you are already receiving it for a previous transfer, you may claim: -

- a) the new AHCA entitlement, PLUS
- b) the old rate of AHCA (or Excess Rent Allowance if you are still receiving it under the old rules) as if the fresh move had not taken place - payment of which will cease at its original stop date.

8.27 If you are receiving AHCA for a permanent transfer and are transferred again and for that move you do not qualify for AHCA because your property/rent is lower your allowance will be re-calculated to the difference between costs of your new property in the latest transfer compared against the original home from which AHCA was first calculated.

8.28 Once your AHCA has been calculated it cannot be revised (on the basis of changes in average property price differentials or increases in the costs of outgoing on your home).

Accommodation sold after letting

8.29 If you sell your property at the old location after a period of letting any AHCA in payment will be re-assessed in accordance with the actual selling price but on the basis that the property was sold for that price on the date that AHCA commenced. No increase in the AHCA payments, however, will be made for the period from the commencement of transfer during which the house was let.

8.30 All claims should be supported by documentary evidence and submitted to HR Reward.

Additional Housing Costs Allowance

Valuation office list of average property prices
Example 1.

Actual selling & purchase price

Old Location-	£55,000	£57,000
New location -	£70,000	£66,000
Difference-	£15,000	£9,000

In this example £9,000 would be multiplied by the the Inland Revenue official Interest rate.

[\(http://www.hmrc.gov.uk/\)](http://www.hmrc.gov.uk/)

Example 2.

Old Location-	£55,000	£49,000
New location-	£70,000	£68,000
Difference -	£15,000	£19,000

In this example the £15,000 figure would be multiplied by the Inland Revenue official Interest rate.

Example 3 (subject to overall ceiling)

Old Location -	£60,000	£70,000
New Location -	£95,000	£90,000
Difference -	£35,000	£20,000

In this example the £20,000 figure would be multiplied by the IR official interest rate to calculate AHCA

Example 4 (subject to overall ceiling)

Old location -	£60,000	£65,000
New location -	£95,000	£99,000
Difference -	£35,000	£34,000

In this example the £30,000 ceiling would be multiplied by the IR official interest rate to calculate AHCA

These are examples only to give you a guide on what you can expect in relation to AHCA. You should not proceed with any financial commitments based on these figures until you have confirmed with HR that your application for Additional Housing Cost Allowance has been processed.

9. Transfer grant

General

9.1 The Transfer Grant is designed to compensate you for the additional expenses associated with a move of home following a permanent transfer at public expense or a detached duty posting which is converted into a permanent transfer. There are separate arrangements for staff taking up their first appointment – see [Section 11](#)

9.2 You may claim for the reimbursement of the cost of certain items up to the following limits:

Householder	£2775
Non Householder	£750

9.3 Examples of the types of costs that may be reimbursed include:-

- replacement/fitting/refitting of carpets/curtains
- replacement of built in items that cannot be moved to your new home or sold for profit
- plumbing in washing/washing up machines
- connection of telephone
- re-tuning of Televisions/videos
- removal and refitting of TV satellite dishes
- cleaning of your new home

9.4 The grant will normally be paid as a lump sum but you will need to keep all the associated receipts and to send to HR Reward details of the items the grant was spent on for record purposes. The Inland Revenue may also request to see the receipts to ensure the expenditure was in connection with the transfer. **Receipts should be kept for three years.**

9.5 You will not be eligible if you:

- a) have not moved your family from the home at which you lived whilst at your previous workplace, and are transferred either back to that workplace, or to one so near to it that you can rejoin your family there.
- b) are permanently transferred again within 6 months of the date of a previous transfer, and you have received a full transfer grant in respect of the earlier transfer.
- c) are on detached duty.

9.6 Application for a transfer grant should be made on the standard transfer claim form and sent to HR Reward within three months from the date at which you become eligible, i.e. when you have taken up duty and permanent residence at the new location.

9.7 If you resign or transfer voluntarily within twelve months of qualifying for a transfer grant, (including a balance of transfer grant) you will normally be required to refund the amount paid. The Agency may, at its discretion, exceptionally allow a grant to be retained if satisfied that the circumstances leading to the resignation or voluntary transfer were unforeseen at the time that the transfer grant was claimed, and that there are good reasons for allowing you to retain the amount paid to you. If you have qualified for a

transfer grant within the last 12 months and (while still working at the new station) return to live at the home which you occupied at the former station, you will be required to refund the amount paid to you.

10. Miscellaneous allowances

School fees and boarding costs

10.1 If, for educational reasons, it is necessary for you to leave your child or children at your former location, or to send them to the new location in advance of your family move, assistance may be granted towards the expenses incurred in maintaining them in accommodation.

10.2 You may claim half the extra board and accommodation cost incurred in maintaining the child providing these costs are additional to the cost previously found within a limit agreed with HR Reward.

10.3 This assistance may if necessary exceed one academic year but will not normally be given for more than five full terms.

10.4 To qualify for such assistance the over-riding consideration must be whether the timing of the transfer was such that to move your child with the rest of the family would damage their chances in the examination year.

10.5 If you are in a position to choose whether your child should commence the relevant course of study at the old location or the new location you will not qualify for assistance at the old location.

11 New entrants taking up a first appointment

Applies to:

- Level 4 & above posts
- Level 3 posts which require technical qualifications, i.e. Vehicle Inspectors

Eligibility:

- New workplace must be more than 90 minutes travelling time by public transport from old home
- New home must be within reasonable travelling time (35 miles) of new workplace

11.1 Subject to the approval of a business case by Human resources new entrants can be offered up to £8000 relocation expenses.

11.2 The business case must be made prior to the job advertisement being published.

11.3 The business case must indicate the reasons why an inducement has to be offered and what options have been considered.

11.4 All claims must relate to the reasonable expenses associated with taking up appointments offered in writing by the Agency's Human Resources

Directorate. Only actual expenditure up to £8000 will be reimbursed up to and no more than £8000 will be paid if the total expenditure exceeds this amount.

11.5 The relocation costs can include:

- a) Solicitor's fees for house sale and/or purchase. And use may be made of the Agency's relocation agent's panel of solicitors
- b) a structural survey
- c) estate agents fees for house sale
- d) stamp duty on house purchase
- e) assistance with temporary accommodation, while searching for permanent accommodation but limited to the first 30 nights following your appointment
- f) lodging allowance may be approved after the first 30 nights in exceptional circumstances
- g) Weekend fares home within the UK at the Public Transport Rate while in temporary accommodation.
- h) reasonable expenses for the removal of household effects
- i) travel costs to take up appointment
- j) value added tax with any of the above items

11.6 The claim for expenses must be supported by appropriate invoices and any element of the claim not receipted must be fully itemised and explained. The Agency reserves the right to reject claims for unsupported expenditure.

11.7 All claims should be made using forms available from Human Resources

11.8 Payments can either be made direct to the supplier if they invoice VOSA on your behalf or you can claim reimbursement upon production of receipts.

Repayment Arrangements

11.9 All assistance given is in the form of an interest free loan. You will be required to enter into an agreement to repay the money if you leave VI or ask for a transfer to another station. The amount which is repayable will reduce in line with the following:

- If you leave within the first 12 months you will repay the amount in full
- If you leave within the 2nd year you will repay half the amount
- If you leave within the 3rd year you will repay one third of the amount
- Upon completion of 3 years service the loan is considered repaid.

The HR Reward Team will have the discretion to waive the repayment requirements depending upon the circumstances of each case.

12.Exceptional Circumstances

12.1 This annex is an entitlement framework and may not exactly apply in all circumstances. Exceptions will occur but entitlements will be fully assessed and treated on their own merits in the light of the framework. These rules and any exceptional payments will need to be supported by a defined business need and approved by HR Reward.

12.2 In deciding the terms of any posting the Agency take into account the business needs together with the costs of a permanent transfer. A posting of 3 years or more is generally treated as permanent (section 1.1.5), however in exceptional circumstances the posting may be dealt with as a Detached Duty posting.

12.3 Exceptions to the normal rules of posting, where detached duty may apply, are if you are required to work at another station for a specific period of three years or more provided that it is certain you will be returning to your formal work place at the end of the posting. In these circumstances payment of allowances are regarded by the IR as taxable (see <http://www.hmrc.gov.uk/>)

12.4 If the post is permanent, detached duty terms will only be given if personal circumstances make it unreasonable to expect you to move your household to the new station or to give up your accommodation at the old station. Each case will be treated and documented on its own merits.

12.5 If you are approaching retirement consideration will be given to both your own wishes and those of the Agency as to your intended date of retirement when deciding on the posting terms. You will be given normal permanent transfer allowances associated with a move of home providing the post is for 3 years or more. **You will not be pressed into moving home but payment of allowances will cease no later than THREE years from the date of your transfer.**

12.6 If you qualify for a P&C transfer and you are classed as a non householder, you may be entitled to assistance to purchase a home. This would be dependant on the business case and your entitlements would be limited to the New Entrant package (Section 11 of this Annex)

13. Excess Fares Allowance on Permanent Transfer

Introduction

13.1 Officers not intending to move home may claim excess fares allowance when they move jobs, providing that the move qualifies for transfer allowances. Your circumstances may not entitle you to a move of home or you may wish to travel daily rather than move home. In either case, providing that your journey is commutable, you may claim excess fares to the new permanent location. If you choose not to move home and travel daily to your new permanent workplace payment of your excess fares allowance will be limited to within the lodging allowance rate.

13.2 It may be agreed that you may move home but you may prefer not to for personal reasons such as the disruption to your children's schooling. In this case you may choose to claim an Excess Fares Allowance providing your new journey is within reasonable travel to allow you to carry out your new role.

13.3 If you choose to do this but later find the journey too long or for some other reason you wish to change your mind, you may move home but only within 3 months of the date of transfer.

Calculation and Payment of Excess Fares

13.4 The excess fares allowance is based on the difference between your travel costs from home to office at your old location and your costs from home to the new office. The allowance is subject to tax and NI deductions as this is paid for a period of 3 years from the outset and normally paid monthly with your salary from which the deductions are made automatically. There are separate arrangements for paying this allowance if your work pattern is such that you do not travel every day to your new office. HR Reward will inform you how to claim this on an as and when basis.

13.5 Excess fares compensates you for the difference in cost between your old and new journeys to work and is normally calculated on the standard class public transport fares based on whichever type of ticket is the most reasonable to buy in your circumstances.

13.6 If you drive to work your excess fares will be calculated on the basis of the excess miles you travel to your new station at the public transport rate of motor mileage allowance.

13.7 Excess Fares Allowance is normally paid for up to 3 years from the date of your transfer during which time you must keep HR Reward informed of any changes to your circumstances that may affect your payments, for example a change of address or a further transfer. If your transfer justified a house move but you opt for excess fares as an alternative the 3 year period may, in exceptional circumstances, be extended.

13.8 Once your excess fares have been established the allowance will be paid monthly with your salary for three years. If you are absent for more than 3 weeks, either for sick leave, annual leave or detached duty elsewhere, your excess fares will cease and be re-established when you return. You will need to keep HR Reward informed if this happens for any reason.

Change in Circumstances affecting Excess Fares

13.9 When your excess fares have been calculated for the 3 year period they will not be adjusted if you move home for personal reasons to somewhere which increases your journey to work and increases your costs to work.

13.10 Your excess fares may be increased if the rates are revised in general when the public transport rate of motor mileage allowance is revised.

13.11 If you move for personal reasons during the 3 year period where your travel costs are less the allowance will be recalculated, the end date remaining the same.

13.12 If you transfer for a second time in the 3 year period at public expense your excess fares allowance will be recalculate still using your original journey to work but comparing it for the rest of the 3 year period with your journey to the new third permanent location.

13.13 When the 3 year period is over you may receive a further period of excess fares based on the 3 year cycle which starts from the date of your second transfer. The calculation will then be based on the difference between your travel costs to the second permanent location and those to the new third location.

Excess Fares Paid as a Lump Sum

13.14 There is no automatic right to have your allowance paid as a lump sum but you may apply to HR Reward for this entitlement to be considered.

13.15 The allowance paid in this way is generally due to exceptional circumstances and based on the Public Transport Motor mileage allowance where a lump sum is an alternative to a house move or the new journey to work cannot be made by public transport and there is a need to purchase a second car. In exceptional circumstances excess fares may be paid as a lump sum to assist with finances for the purchase of a more reliable vehicle. The lump sum will be assessed on a weekly entitlement of Public Transport Rate of motor mileage allowance multiplied by 44 weeks per year. If one years worth of allowance is advanced to you your entitlement for the remaining 2 years will be paid with salary.

13.16 You will be asked to sign an undertaking to repay a proportion of the allowance if you leave the Agency, if you do not complete the period in the location to which your allowance payment relates or if there are any other changes in circumstances which may affect your entitlement to excess fares. If you receive a lump sum you should report any absences for sick leave, special leave or detached duty of over 3 weeks to HR Reward for the period which the lump sum was calculated. Because excess fares are taxable their payment in a lump sum may in some cases lead to an additional tax liability and the Agency cannot pay any compensation should this occur.

Excess Fares on Permanent Transfer based on Detached Duty Terms

13.17 If your permanent transfer has been agreed based on detached duty terms (see [Section 9.11](#)) and you travel daily from your permanent home to your temporary workplace the excess fares allowance is the difference between:-

- a) your travel costs at standard public transport rate or appropriate ticket fare from your existing permanent home to your old workplace, and
- b) your travel costs at the standard public transport rate or the appropriate ticket rate from your existing permanent home to the

new workplace.

You would normally claim this excess fares allowance weekly/monthly for the period of detached duty if this is less than 24 months. If this arrangement is for more than 2 years arrangements will be made for the excess fares to be paid with salary.

Forms to apply for Permanent Transfer Expenses

VIPM7

Application for permanent transfer allowances will be sent with your posting letter and returned to HR Reward to establish status,- 'householder' or 'non householder', and to confirm whether excess fares or a house move is appropriate.

VIPM7(a)

Change of circumstances i.e. change of address following P&C move

Application for Advance of salary

On the system and e mailed or sent manually to officer normally when moving to a higher priced area

Transfer Grant Form

On the system and can be e mailed or sent manually to Officer to claim for curtains/ carpets/installation of washing machine etc.

Claim form for Additional Housing Costs (AHCA)

On the system and can be e mailed or sent manually to officer when the costs are higher in new area (AHCA not in the case of new entrants)

Application form to apply for relocation expenses as a new entrant

up to £8000 in total

Application for disturbance allowance for new entrants

if relocation terms approved up to £1000 may be paid for curtains & carpets etc.

List of Forms for *claiming* Permanent Transfer Expenses

A/Cs 902 Removal expenses on permanent transfer

Legal expenses for sale of old house/estate agents' fees/removal & storage expenses. Legal fees for new home/survey fees/stamp duty/excess rent allowance/miscellaneous expenses.

A/Cs 903PT Permanent transfer claims

Night subsistence, lodging allowance, room retention and travelling expenses arising out of a permanent transfer

ANNEX F

OVERSEAS SUBSISTENCE RATES AND ALLOWANCES AS AT AUGUST 2000

OVERSEAS SUBSISTENCE RATES

The rates payable are the Foreign and Commonwealth Office rates which can be obtained from Human Resources

INCIDENTAL ALLOWANCE

£10 flat rate for each overnight stay

CLIMATIC CLOTHING

£175 not more than once every three years

LUGGAGE

£50 not more than once every two years

ANNEX G

Claiming Compensation For Uninsured Losses

Follow this [link](#) to view the printable form

[Chapter 9 - Annex G](#)