

2019

Domestic Survey: United Kingdom



Summary

Global Mobility is increasingly being asked to manage or advise on domestic moves. Although there are key differences in domestic policies by country, there are also areas of efficiencies which can be leveraged on a global basis. To understand how companies are structuring in-country relocation policies, AIRINC collected benchmark data on the types of policies and relocation support provided for one-way domestic transfers in a number of countries. The survey examined the level and types of support offered for domestic moves as well as the decision-making approach when different levels of benefits are provided.

This report details what companies are offering for in-country relocation support in the U.K. While not all companies have a formal policy designed specifically for U.K. domestic moves, many companies still have an important need to support such moves to attract and retain talent, as well as meet critical business needs. Therefore, when U.K. domestic moves are supported, the majority of organisations follow some type of formal guidelines.



48% of respondents have a specific U.K. domestic policy, with another 14% applying a global domestic policy; 24% of all respondents decide policy on a case-by-case basis



The **level of support provided for in-country U.K. moves varies by job level for 43% of companies**, by family size for 33%, and homeowner vs. renter status for 48%



Summary

CONT.



52% of respondents support relocation via a mix of cash and benefits-in-kind, 33% provide in-kind benefits only, and only 10% pay a lump sum to cover all relocation elements



When a **lump sum/cash is provided**, it most commonly includes moving costs (73%), travel to the destination location (55%), and temporary living (55%)



All companies provide some form of support for moving expenses, but 73% do not ship automobiles. 59% always provide temporary household goods storage



A miscellaneous relocation allowance intended to cover ancillary costs associated with the relocation is paid by over 90% of companies, with 64% grossing up this specific benefit to protect the employee



70% of companies offer home sale assistance in all or some cases, although of these companies just over 30% cover some element of loss on sale. 76% cover lease cancellation fees for renters in the origin location



77% sometimes or always assist with the purchase of a house in the destination location



From a settling-in perspective, **63% of companies do not provide any additional transitional or "soft-landing" assistance**



If an employee leaves the company after relocation, **75% of companies have a claw-back or repayment clause in place**



Policy Overview

1. Do you have a formal policy for domestic relocations within the U.K.?	Number of Responses	Percent Responses
Yes, we have a policy specifically for domestic moves within the U.K.	10	48%
We don't have a domestic relocation policy for moves within the U.K. but handle moves on a case-by-case basis	5	24%
We use a global domestic relocation policy for moves within the U.K. (i.e., we have one global policy which applies to all locations in which we have domestic moves)	3	14%
We use a regional domestic relocation policy for moves within the U.K. (i.e., we have a policy which applies to several locations within the same region)	0	0%
Other	3	14%
Total Responses	21	100%

2. In general, do you vary the level of support provided for domestic moves within the U.K. by job level, family size, or other factors (e.g., through tiers, core/flex, negotiation)? Check all that apply.	Number of Responses	Percent Responses
Yes, by homeowner vs. renter	10	48%
Yes, by job level	9	43%
Yes, by family size	7	33%
Handled on a case-by-case basis	4	19%
No, the same support is provided for all domestic moves within the U.K.	3	14%
Yes, by relocation distance	3	14%
Yes, by job function	1	5%
Other	2	10%
Total Responses	39	



Delivery and Calculation of Relocation Support

3. How are relocation benefits delivered?	Number of Responses	Percent Responses
Some benefits are reimbursed/delivered in-kind while others are supported through lump sum/cash allowances	11	52%
We reimburse employees for relocation expenses or pay providers directly (benefits in-kind)	7	33%
We provide a lump sum/cash allowance to cover all relocation elements (shipping, travel, etc.)	2	10%
Other	1	5%
Total Responses	21	100%

4. If you provide a lump sum for relocation benefits, how is the amount calculated?	Number of Responses	Percent Responses
We determine the amount(s) in house	9	64%
Through a 3rd party calculator/tool	2	14%
Other	3	21%
Total Responses	14	100%

Other responses include: Determined as set amount

5. If you provide a lump sum for relocation benefits, does the amount vary by certain factors (e.g., job level, family size)?	Number of Responses	Percent Responses
Yes, the lump sum amount varies by certain factors	11	92%
No, the lump sum amount is the same for everyone	1	8%
Total Responses	12	100%

6. If you provide a lump sum for relocation benefits, what is the amount intended to cover? Check all that apply.	Number of Responses	Percent Responses
Moving costs (packing and shipping household goods)	8	73%
Travel to destination location	6	55%
Temporary living	6	55%
Costs to secure rental accommodation in the destination location for renters	5	45%
Home purchase assistance	5	45%
Miscellaneous costs (e.g., drivers' license fees, parking charges)	5	45%
Pre-departure/house-hunting trip	4	36%
Temporary household goods storage	4	36%
Home sale assistance	4	36%
Lease cancellation assistance for renters	4	36%
Automobile shipment	2	18%
Other	0	0%
Total Responses	53	

7. If you provide a lump sum for relocation benefits, please indicate the minimum, "typical," and maximum lump sum amounts authorized for relocation expenses:	Currency	Amount
Average minimum amount	GBP	2,467
Average typical amount/flat amount for everyone	GBP	6,250
Average maximum	GBP	9,817

8. For reimbursed benefits or benefits delivered in-kind, do you set an overall maximum amount for relocation expenses?	Number of Responses	Percent Responses
No, approved expenses are covered without limit	5	29%
Yes, we set an overall limit which varies by certain factors (e.g., job level, family size)	5	29%
We set a limit for some expenses, while others are covered without a limit	5	29%
Yes, we set an overall limit which is the same for everyone	2	12%
Total Responses	17	100%

9. If applicable, please indicate the overall minimum and maximum reimbursed/in-kind amounts authorized for relocation expenses:	Currency	Amount
Average minimum amount	GBP	3,634
Average typical amount/flat amount for everyone	GBP	10,190
Average maximum amount	GBP	29,690



Relocation Benefits for Domestic Moves within the U.K.

Pre-Departure/House-Hunting Trip

10. Does your company offer a pre departure/house-hunting trip to the destination location?	Number of Responses	Percent Responses
Yes, always	7	41%
Only in certain cases	7	41%
No	3	18%
Total Responses	17	100%

11. What costs are covered during the pre-departure trip? Check all that apply.	Number of Responses	Percent Responses
Hotel	14	93%
Transportation	14	93%
Meals	12	80%
Airfare	10	67%
Incidentals	6	40%
Additional leave days	5	33%
Childcare	0	0%
Other	3	20%
Total Responses	64	

Other responses include: Second class train fare; Per diem for meals and incidentals;
Max amount to reimburse, but flex options

12. What is the income tax treatment on this benefit?	Number of Responses	Percent Responses
The company assists with the income tax costs (e.g., via gross-up)	13	93%
No company assistance; the employee pays all income taxes on the benefit	1	7%
Other	0	0%
Total Responses	14	100%

Moving and Storage Expenses

13. Does your company cover moving expenses (packing and shipping household goods) to the destination location?	Number of Responses	Percent Responses
Yes, with no limit/maximum	8	44%
Yes, up to a limit/maximum	7	39%
Only in certain cases	3	17%
No	0	0%
Total Responses	18	100%

Limits include: 40ft container; 15,000 lbs.; Varies by family size; Set budget as provided by moving company; Surface shipment only (1 container for families, half container for singles)

14. Does your company cover the cost to ship automobiles to the destination location?	Number of Responses	Percent Responses
Yes, up to 1 car for any distance	1	7%
Yes, up to 1 car if the distance between the origin and destination location is above a certain mileage	1	7%
Yes, up to 2 cars for any distance	0	0%
Yes, up to 2 cars if the distance between the origin and destination location is above a certain mileage	0	0%
Only in certain cases	2	13%
No	11	73%
Total Responses	15	100%

15. Does your company provide temporary household goods storage?	Number of Responses	Percent Responses
Yes, up to a certain number of days	7	41%
Yes, up to a certain monetary amount	0	0%
Yes, with no limit	3	18%
Only in certain cases	3	18%
No	4	24%
Total Responses	17	100%

Min/Average/Max # of days: 30 days/93 days/6 months

Temporary Living

16. Does your company provide for temporary living expenses at relocation?	Number of Responses	Percent Responses
Yes, up to a certain number of days	13	76%
Yes, up to a certain monetary amount	0	0%
Yes, with no limit	1	6%
Only in certain cases	3	18%
No	0	0%
Total Responses	17	100%

Min/Average/Max # of days: 30 days/88 days/7 months

17. What costs are covered for temporary living? Check all that apply.	Number of Responses	Percent Responses
Hotel/serviced apartment	16	94%
Meals	6	35%
Transportation	3	18%
Incidentals	1	6%
Other	7	41%
Total Responses	33	

Other responses include: Rental unit up to a limit; Reimbursement max for relocation benefits; Differs based on length of stay and type of accommodation in destination location

18. What is the income tax treatment on this benefit?	Number of Responses	Percent Responses
The company assists with the income tax costs (e.g., via gross-up)	14	93%
No company assistance; the employee pays all income taxes on the benefit	1	7%
Other	0	0%
Total Responses	15	100%

Miscellaneous Relocation Allowance

19. Do you provide a cash relocation allowance to cover miscellaneous costs associated with the relocation?	Number of Responses	Percent Responses
Yes, always	10	56%
In certain cases	7	39%
No	1	6%
Total Responses	18	100%

20. How is the miscellaneous relocation allowance calculated?	Number of Responses	Percent Responses
One month's salary up to a cap (average cap: GBP 9,564)	3	21%
10% of salary up to a cap (average cap: GBP 4,812)	2	14%
One month's salary with no cap	1	7%
10% of salary with no cap	1	7%
Flat amount for everyone	1	7%
1.5 months' salary with no cap	0	0%
Two months' salary up to a cap	0	0%
Flat amount depending on homeowner or renter	0	0%
Other	6	43%
Total Responses	14	100%

Other responses include: Different based on furnished/unfurnished rental apartment; Flat amount depending on job grade; 2 weeks salary; Capped at specific salary grade; Included in lump sum amount

21. What is the income tax treatment on this benefit?	Number of Responses	Percent Responses
The company assists with the income tax costs (e.g., via gross-up)	9	64%
No company assistance; the employee pays all income taxes on the benefit	5	36%
Other	0	0%
Total Responses	14	100%

Home Sale Assistance

22. Does your company assist with the sale of the employee's house in the origin location?	Number of Responses	Percent Responses
Yes, always	5	29%
Only in certain cases	7	41%
No	5	29%
Total Responses	17	100%

23. If applicable, which costs are covered by the company (check all that apply)?	Number of Responses	Percent Responses
Estate agent fees	11	85%
Closing costs	10	77%
Loss on sale of home up to a limit/maximum	3	23%
Company-appraised buy-outs	3	23%
Loss on sale of home with no limit/maximum	1	8%
Other	5	38%
Total Responses	33	

Other responses include: Mortgage differential; Up to a set amount; Solicitors sale fees and disbursements; Mortgage redemption fees; Reimburse up to a cap

24. Do you vary the level of home sale assistance by job level?	Number of Responses	Percent Responses
Yes, always	4	27%
Only in certain cases	0	0%
No	11	73%
Total Responses	15	100%

Rental Assistance

25. Does your company cover lease cancellation fees for renters in the origin location?	Number of Responses	Percent Responses
Yes, always	5	28%
Only in certain cases	9	50%
No	4	22%
Total Responses	18	100%

26. Is there a limit on the amount you will cover for lease cancellation assistance?	Number of Responses	Percent Responses
Yes, up to a certain number of months (average # of months: 1.8)	6	33%
Yes, up to a certain monetary amount	2	11%
No limit	4	22%
N/A	6	33%
Total Responses	18	100%

27. Does your company cover costs to secure rental accommodation in the destination location for renters (e.g., realtor fees, etc. for permanent accommodation, not temporary living)?	Number of Responses	Percent Responses
Yes, with no limit	7	39%
Yes, up to a limit	3	17%
In certain cases	3	17%
No	5	28%
Total Responses	18	100%

Home Purchase Assistance

28. Does your company assist with the purchase of a house in the destination location (closing costs, estate agent fees, etc.)?	Number of Responses	Percent Responses
Yes, always	6	33%
Only in certain cases	8	44%
No	4	22%
Total Responses	18	100%

29. Please describe what type of house purchase assistance is provided (check all that apply):	Number of Responses	Percent Responses
Estate agent fees	11	79%
Home inspection fees	11	79%
Closing costs	8	57%
Other	5	36%
Total Responses	35	

Other responses include: Mortgage arrangement fees; Survey fees; Solicitors fees; Mortgage differential; Stamp duty, Legal Fees; Up to a set amount





Additional Considerations

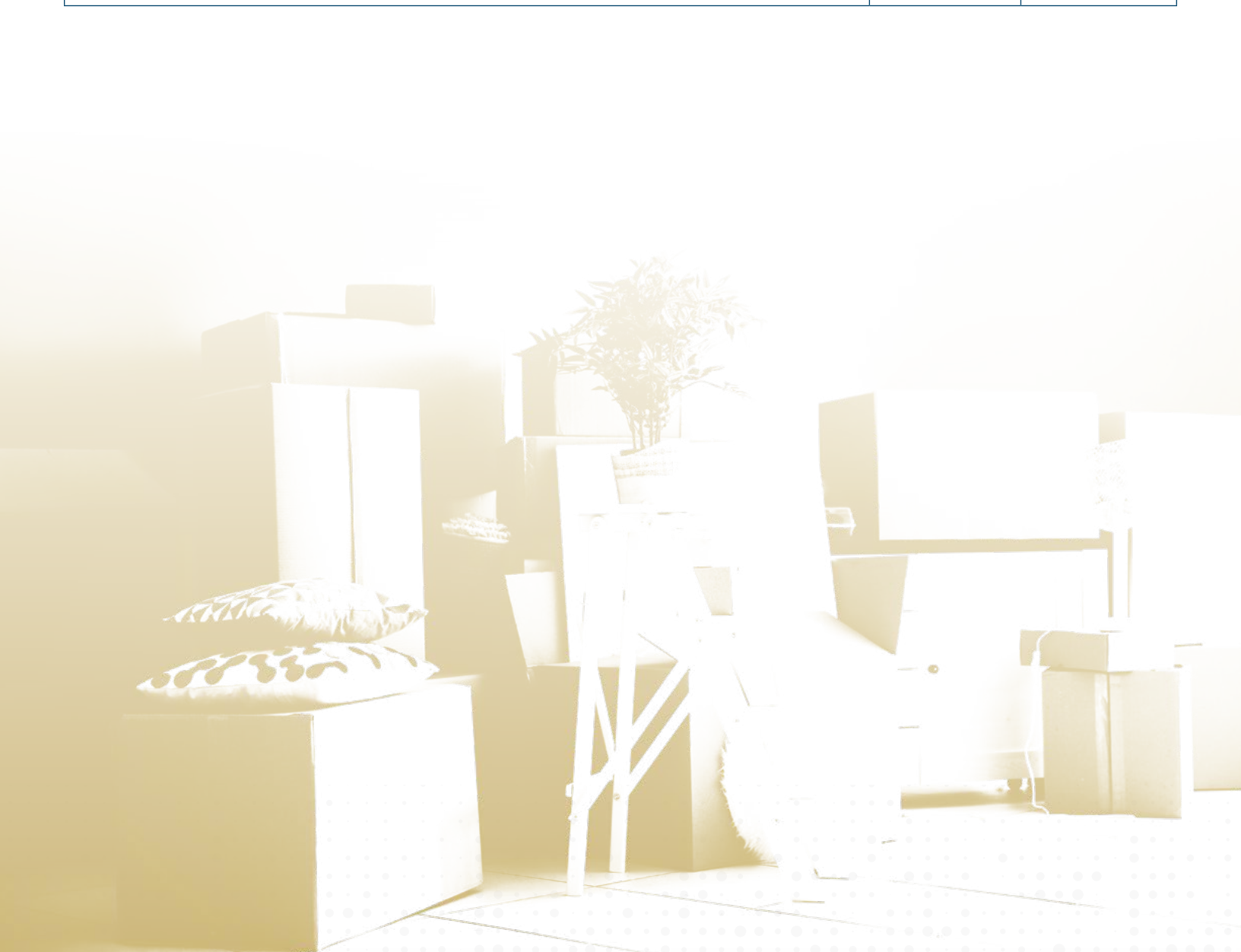
30. Do you provide transition or "soft-landing" assistance for any of the following?	Number of Responses	Percent Responses
No additional transition assistance	12	63%
Education	4	21%
Cost of living	2	11%
Hardship	1	5%
Other	6	32%
Total Responses	25	

Other responses include: Finding schools; % of salary for first month; Housing support depending on location; Mortgage differential assistance; Housing tapering

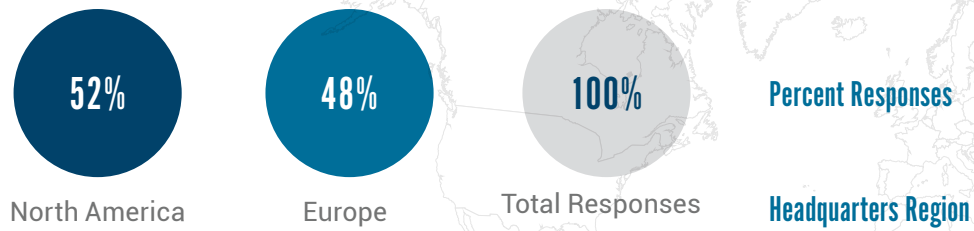
31. Do you cover any other relocation-related expenses for domestic moves within the U.K.?	Number of Responses	Percent Responses
No, we don't cover any other expenses	10	50%
Destination services	7	35%
Spousal assistance	2	10%
Duplicate housing assistance	2	10%
Rental car	2	10%
Pet shipment	1	5%
Return trips to origin location	1	5%
Other	3	15%
Total Responses	28	






Other responses include: Housing support where destination costs are higher; Tapered rental assistance; Mortgage differential assistance; Assistance finding schools; Transfer allowance paid first month in new location; Relocation reimbursement provide up to a maximum amount

32. Do you have a "claw-back" or repayment clause in which the employee must repay the company for some or all relocation costs if the employee leaves the company under specified circumstances within a certain time frame after moving?	Number of Responses	Percent Responses
Yes, within the first 12 months	6	30%
Yes, within the first 24 months	8	40%
Yes, within the first 36 months	0	0%
No, we don't have a repayment clause	5	25%
Other	1	5%
Total Responses	20	100%



Demographics



Primary Industry	Percent Responses
 Engineering & Construction	15%
 Pharmaceuticals	15%
 High-Tech & Computers/Software	15%
 Oil/Gas & Energy Services	20%
 Consumer Goods	10%
Other	25%

Approximate number of intra-U.K. relocations in the past year:	Percent Responses
1–10	47%
11–50	32%
51–100	11%
101+	11%

Below is a partial list of participants:

- Babcock International – Marine
- Bayer Plc
- BD
- Boeing
- Bridgestone EMEA
- British Petroleum Co plc
- Centrica
- Ensco
- GSK
- Intact Financial Corporation
- Jaguar Land Rover
- nVent
- Phillips 66
- Pivotal
- Rocket Software Inc.
- Tesco
- Unilever
- Urenco



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