

## **Report of the “Key Worker” Housing Group**

### **LIST OF APPENDICES**

- A: List of Working Group Members**
  
- B: Terms of Reference**
  
- C: United Kingdom “Key Worker” Definitions**
  
- D: KWHG Data Collection**
  
- E: Current States’ Policies Affecting  
The Recruitment and Retention of “Key Workers”: States Population and  
Housing Department Licence Policies Including Rateable Value  
Restrictions**
  
- F: Current States of Guernsey Policies Affecting  
The Recruitment and Retention of “Key Workers”: Home Department  
Work Permit Policy Under the Immigration Act 1971 as extended to the  
Bailiwick of Guernsey by the Immigration (Guernsey) Order 1993**
  
- G: Current States of Guernsey Policies Affecting  
The Recruitment and Retention of “Key Workers”: Policy Council  
Human Resources Established Staff Relocation Directive 2006**
  
- H: Current States of Guernsey Policies Affecting  
The Recruitment and Retention of “Key Workers”: Provision of States  
owned/States leased accommodation**
  
- I: UK “Key Worker” Provision**
  
- J: Analysis of potential recipients of rent allowance and housing benefit in  
2004 and 2005, based on housing licence decisions**

**Appendix A: List of Working Group Members**

**Treasury and Resources**

*Strategic Property Unit*

John Hinchliffe (Chair of the Working Group March 2005-January 2006)

Dave Armstrong (Based at SPU from late December 2005 onwards)

**Policy Council**

*Policy and Research Unit*

Angela Lockwood (Strategic Advisor: Policy Development and Chair of the Working Group from January 2006)

**Housing Department**

Dr Stephen Langford (Chief Officer)

Nigel Vaughan (Director of Finance and IT)

Sarah Murphy (Projects Officer, until June 2006)

Emma Allen (Projects Officer, August 2006 onwards)

**Health and Social Services Department**

Dave Armstrong (Service Planning Manager) (Until December 2005)

Wilma Edwards (Director of Human Resources)

**Education**

Andrew Warren (Head of Staffing Services until July 2006)

Karen Brown (Personnel Manager, January 2006 onwards)

Sarah Murphy (Higher Education and Legal Manager, from June 2006 onwards)

**Home**

Chief Superintendent Mike Watson, Guernsey Police

Mark Lempriere (Strategy and Projects Co-ordinator)

**Environment Department**

Bill Lockwood (Chief Planning Officer) (March 2005 –April 2005)

Faith Rose (Forward Planning Manager) (March 2005-December 2005)

David Twigg (Principal Planning Officer - Forward Planning) (January 2006-)

**Public Sector Remuneration Committee**

Steve Naftel (Chief Negotiator)

**Appendix B: Terms of Reference**

1. A staff level working group on key worker housing has been revived with effect from March 2005. The following Departments are represented on the group: -

- Housing
- Health and Social Services -
- Treasury and Resources (Strategic Property Unit)
- Home
- Education
- Environment
- Public Sector Remuneration Committee

The objectives of the group are: -

2. To investigate the provision of affordable accommodation in Guernsey for Key Workers with the aim of: -
  - i. Defining the term key worker, taking into consideration the limitations of this definition.
  - ii. Enhancing the ability of the States to recruit and retain local and, where necessary, non-local “key workers” in priority public services.
  - iii. Addressing the inequalities between residentially qualified and non-residentially qualified persons in respect of meeting housing costs.
  - iv. Taking into consideration the three interrelated issues of a) key worker housing provision and funding, b) housing licence policies and c) remuneration packages.
  - v. Rationalising and enabling more cost-effective expenditure on housing subsidies/the provision of staff accommodation to support such recruitment and retention initiatives.
  - vi. Integrating the provision of “key worker” accommodation with other initiatives to meet the housing needs of those on modest incomes (the “intermediate housing market”) without creating further imbalance in the market.
  - vii. Developing a blueprint that can be applied corporately across all stakeholder Departments.

3. To achieve these aims by: -
  - Reviewing the contents of, and comments made on, the original draft policy letter and evaluating the current provision in Guernsey with regard to Key Worker Housing.
  - Considering the latest developments in key worker housing provision in the UK and housing provision in Guernsey post 2002.
  - Following the definition of key workers, identifying the stakeholders, both Departmental and non-Departmental, and their respective views and priorities.
4. To take into consideration the strategic and corporate policies of the States and other related work streams, such as the review of the strategic population policy, the Housing Control Law, the Corporate Housing Programme and normal planning procedures.
5. To formulate recommendations as to how the housing of key workers in Guernsey may best be addressed in the future, assessing the staffing, land use and funding implications, and formulating suggestions as to how these may best be addressed.
6. To keep the Policy and Research Unit (at staff level) and Departments / Committees represented on the group (at political level) and other identified stakeholders informed on a regular basis, by circulating key documents and minutes of the key worker housing group meetings to them.
7. To produce a green paper on the provision of key worker accommodation in Guernsey no later than the end of December 2005.

### **Appendix C: United Kingdom “Key Worker” Definitions**

- **Key Worker Living Programme**

In the UK the concept of the key worker has been defined differently by different central Government policies. Central government and regional policies now leave regions and sub-regions with the freedom to define key workers in response to local conditions. However, UK Government’s key worker living scheme does specify: -

*“Private sector key workers are not included within the eligible groups. This is because the purpose of the Key Worker Living programme is to support improvements in public services. It is the responsibility of the private and voluntary sectors to deal with their own recruitment and retention issues.”<sup>1</sup>*

Groups of key workers eligible under the key worker living programme vary by region according to specific local recruitment and retention problems, but the main groups include:-

- Nurses and other NHS staff;
- Teachers in schools and in further education and sixth form colleges;
- Police officers and some civilian staff in some police forces;
- Prison service and probation staff;
- Social workers, educational psychologists, planners (in London) and occupational therapists employed by local authorities; and
- Whole-time junior fire officers and retained fire fighters (all grades) and in some fire and rescue services (currently only Hertfordshire).

The Key Worker Living Programme defines a key worker as someone who is: employed by the public sector; in a frontline role delivering an essential public service; and in a sector where there are serious recruitment and retention problems.

- The eligibility criteria for Key Worker Living will expand from 1 April 2006. Those eligible will include:-
  - All clinical NHS staff
  - Teachers in schools and further education
  - Police officers and community support officers
  - Uniformed staff in Fire and Rescue Services
  - Prison and probation services staff.
  - Social workers
  - Occupational therapists
  - Educational psychologists
  - Speech and language therapists
  - Qualified nursery nurses
  - Local authority employed clinical staff
  - Local authority planners

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<sup>1</sup> HomeBuy – Expanding the Opportunity to Own. Government’s Response to Consultation. Office of the Deputy Prime Minister. September 2005.

The Cambridgeshire Key Worker Employers Consortium has defined key workers eligible for assistance with their housing as follows:

*“Key workers eligible for assistance with their housing costs will be public sector workers who are employed by the public sector and will be involved in the care and comfort of the community. Eligible workers will be employed in sectors experiencing recruitment and retention problems in the Cambridge sub-region and be unable to afford similar accommodation on the open market.”*

- **NHS**

Recent guidance from the NHS (NHS Housing Guidance, 2003) explains that all NHS workers are key workers but that staff who earn less than £35,000 are being targeted and those that are most difficult to recruit and retain are “key workers”.

Affordable accommodation is defined as accommodation which costs 25-30% of the disposable income of an NHS employee and that, “In practice this translates into rent levels of £70-100 per week for Grade D and E nurses.”

## Appendix D: KWHG Data Collection

### Introduction

On 24 May 2005 representatives from the Housing, Education, Health and Social Services and Home Departments, together with the Chair of the Key Worker Housing Group (KWHG), met to discuss a proforma for the collection of data for consideration by the KWHG.

### Aims

The aims of the data collection exercise were to consider the effects of employment-related housing licences and relocation packages on employee recruitment and retention for “key workers” (specialist/professional posts, not clerical/administrative/public service posts) from the Home, Education and Health and Social Services Departments.

### Method

- In practice the following posts were included in the analysis: -
  - Police Officers
  - Prison Officers
  - Firefighters (employed by the Home Department)
  - Customs Officers
  - Probation Officers
  - Teachers
  - Lecturers
  - Educational Psychologists
  - Nurses
- Data was broken down into current employees and 2004 leavers<sup>2</sup> subdivided firstly by: -
  - **Job type** (e.g. Police Officer, Probation Officer, Teacher) and
  - **Salary** (due to practical considerations, only two salary bands were considered – those earning less than or equal to £35,000 and those earning over £35,000 but less than or equal to £70,000)
- And then according to: -
  - Number of posts in this salary band (For 2004 leavers - the number of leavers in this salary band)
  - Length of service for those not on an employment related housing licence
  - Number of people on an employment-related housing licence, by length of licence
  - Length of service for those on an employment-related housing licence.

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<sup>2</sup> NB Education data was analysed according to the academic year. 2004 leavers were therefore those teachers/lecturers who left in July 2004.

- Number of employees living in States-owned, States-leased or private sector accommodation
  - Type and amount of Housing Benefit/Rent Allowance received (either during 2004 only for current employees or for the whole time they were employed by the States for 2004 leavers)
  - Number of people effectively receiving a subsidy to live in States-owned or States-leased accommodation compared with the equivalent market rent and the amount of this subsidy (either during 2004 for all current employees or summed over all years of service for 2004 leavers)
  - Amount of time remaining before their housing licence was due to expire
  - Amount of time remaining before their Rent Allowance/Housing Benefit was due to expire (or how long ago it had expired.)
  - For nurses only – the amount of time to go, or the amount of time since, they received their loyalty bonus.
- Data was also collected with regard to: -
    - The number of posts that were currently vacant/filled by locum staff
    - The number of posts that were vacant/filled by locum staff for more than 3 months in 2004
    - The number of posts that were vacant/filled by locum staff for more than 6 months in 2004

**Appendix E: Current States' Policies Affecting  
The Recruitment and Retention of "Key Workers": States Population and  
Housing Department Licence Policies Including Rateable Value Restrictions**

States Current Population Policy

The current States Population Objective, as expressed in the Strategic and Corporate Plan, is that the growth in population should be limited to as low a level as possible consistent with achieving Economic, Social and Environmental Objectives.

To achieve this objective, the States has agreed that the main population control measures shall be the Housing Control Law and the Right to Work Law, in support of which the Housing Department has developed policies to ensure that as far as possible jobs are filled by local residents and that local market housing is reserved for those persons with residential qualifications. However, there continues to be a need to employ overseas labour to supplement the local labour force in specific areas, including the provision of health, education, and law enforcement services.

When it is necessary to recruit overseas labour, two principal types of housing licences are used: short-term licences and "essential" licences.

Short-term licences are issued for limited periods such as 9 months or up to 3 years. They are intended for single/unaccompanied persons and are generally for restricted accommodation such as lodgings or staff quarters. They are not renewable beyond 3 years.

"Essential" licences generally enable the holder to occupy a separate local market dwelling unit and accommodate his/her dependents. They may be issued for varied periods but the Housing Department's policy, in support of the Population Objective, is that wherever possible the period of licence is limited so that the holder does not reside in Guernsey for more than 5 consecutive years.

Licences may, however, be issued for longer periods, for example, where: (i) limitation would act to the detriment of achieving economic, social and environmental objectives; or (ii) long-term continuity in the post is essential to the community; or (iii) the skills required for the post are scarce on a national or international basis so that recruiting is exceptionally difficult.

A 15-year licence enables the holder to become a qualified resident and can, therefore, also be described as a "permanent" licence. Prior to the mid-1980s most essential licences were issued on a permanent basis. The policy of 5-year licences was introduced by the then Housing Authority in the 1980s and was incorporated into the Strategic and Corporate Plan in 1992 as part of the States Population Policy. It is, therefore, the exception rather than the rule for 15-year licences to be granted, although some key public sector posts do attract 15-year licences (see below).

The other significant factor is that essential licence holders are, as stated above, generally able to occupy a separate dwelling unit. The Housing Department will usually specify a dwelling with a Rateable Value level commensurate with the

postholder's income, in order to limit pressure at the lower end of the housing market with the intention of reserving this for the residentially qualified population. However, licence holders are also usually permitted to occupy lodgings or a one-bedroomed dwelling, and the Housing Department applies Rateable Value conditions flexibly in respect of public sector workers, and in particular in respect of rented properties.

All employment-related housing licences are conditional on the holder remaining in a specific post with a named employer.

Controls on occupation do not generally apply to properties owned by the States; housing licences are, therefore, not required for nurses living in Health and Social Services Department accommodation.

#### Application of Housing Department licensing policies to Departments employing "key workers"

As stated above, current Housing Department policies allow the grant of 15-year licences where continuity is essential or skills are scarce. For example, in the case of Education this means Head Teachers, Deputy Heads and Heads of Department. In the case of the Health and Social Services Department: Consultants, higher grade nurses, and other professionals may get 15 year licences, while lower grades will generally be on 5 year licences.

In the general public sector a wide range of posts are covered, including for example, social workers employed by the Health and Social Services Department, lawyers, architects, engineers, accountants and general administrators. Both 15-and 5-year licences are granted having regard to the policy statement set out earlier.

#### Health and Social Services Department

The Health and Social Services Department (HSSD) and the former Board of Health have had many discussions over the years with the Housing Department and former Housing Authority during which the policy in relation to nurses and other professional health care staff has evolved. The following sets out the various circumstances under which, in principle, the Housing Department grants essential licences to qualified full-time nurses:

1. Qualified nurses graded Agenda for Change band 6 (formally grade F) and above – generally limited to 5 years' residence (except in specialties with a proven record of greater than average difficulty in recruitment where licences for 7 years' residence may be granted);
2. Married (or cohabiting) couples who are both working full-time as qualified nurses (band 5) for the Health and Social Services Department. This would generally be limited to accommodation comprising no more than 3 habitable rooms (kitchens, bathrooms and toilets usually do not count as habitable) and would normally be restricted to 5 years' residence;

3. Single qualified nurses wishing to live in lodgings or “en famille” (usually limited to 5 years’ residence);
4. Groups of three or more qualified nurses of any grade may share a dwelling, subject to a maximum of 5 years’ total residency in Guernsey;
5. Qualified nurses who have already occupied the HSSD’s staff accommodation for more than 10 years may share a rented dwelling with at least two other qualified nurses, who must themselves be eligible either in this category or in category 4 above. No time limit on residency in this accommodation is applied;
6. Qualified nurses at grade 6 and above who have been in HSSD’s employ and lawfully resident in Guernsey for a total of 15 years or more may occupy controlled accommodation;
7. Staff who have completed 20 years of residence in HSSD’s accommodation and/or under housing licence will achieve local residential status.

### Home Department

In 1998 the States of Guernsey approved a graduated increase in the establishment of the Police Force from 149 to 177 by January 2000. However, extreme problems with recruitment and retention – caused, in part, by the costs of accommodation – led to a request from the then Committee for Home Affairs for an agreement in principle for a number of 15-year licences for trained UK Officers to boost the skills and experience of the Force. (These would be in addition to any 15-year licences granted in view of specialism or level of seniority.)

The then Housing Authority noted that 5-year licences were generally only of interest to UK Officers who had reached, or were approaching retirement age, and even if they could be recruited in sufficient numbers to fill the establishment, there would be some concern that the age profile of the Force would be distorted.

In the light of the above, the then Housing Authority agreed that, at least in the short-term, some special concession was necessary and agreed the following change in policy:

- that, in principle, some 15-year licences could be granted for experienced Police Constables;
- 15-year licences should only be granted to experienced Officers who were young enough to complete 15 years’ service before reaching the earliest retirement age available to them;

- that the special concession would be monitored and reviewed in the light of the overall recruitment situation.

The current Housing Department policy regarding licences for Police Officers can, therefore, be summarised as follows:

- Short-term licences for short-term secondees;
- 5-year licences for experienced officers; and
- 15-year licences for officers including specialists or (potential) senior officers.

### Education Department

The Education Department currently recruits approximately 50 teachers per year from the UK. This number is made up of:

- Local teachers returning to the Island (who do not require housing licences);
- Teachers on housing licences of up to 5 years - these are obtained for teachers on the Main Professional Pay Scale and teachers who hold a post of responsibility. These licences are available for all sectors of Education;
- Teachers on full 15-year housing licences - these are normally only available for Heads of Department in Secondary Schools who receive the Management Allowance Level 2 and above, and for Deputy and Head Teachers in all sectors of Education;
- Teachers on short-term housing licences (up to 1 year) – these licences are often used for supply teachers who are covering long-term illness and posts that the Education Department is unable to fill. The Education Department usually tries to house these teachers in self-catering apartments and, if these are not available, the Education Department will use its own flats if any are vacant.

**Appendix F: Current States of Guernsey Policies Affecting  
The Recruitment and Retention of “Key Workers”: Home Department Work  
Permit Policy Under the Immigration Act 1971 as extended to the Bailiwick of  
Guernsey by the Immigration (Guernsey) Order 1993**

The following is an extract from the Policy. The Home Department’s full policy can be viewed at: -

<http://www.gov.gg/ccm/navigation/home-department/immigration-nationality-passport/work-permits/>

The Policy (Overview)

- The work permit policy is primarily export sector based and, except as provided for within this policy, issued solely to Keyworkers
- A Keyworker Permit may be issued to skilled / qualified workers normally allowing a maximum of 4 years continuous employment. The Home Department will, however, consider a longer period if a high degree of essentiality to the Bailiwick can be demonstrated. In such a case it will be necessary:

In Guernsey: to produce written evidence from the Housing Department that the post would merit a fifteen year licence. This would be required whether or not the permit holder is to occupy an open market dwelling.

In Alderney and Sark: to produce detailed support in writing from the appropriate committee of the States of Alderney or the Chief Pleas respectively.

- Certain nationals of Serbia and Montenegro [the former Federal Republic of Yugoslavia] are eligible for permits for semi skilled / unskilled employment. These are issued on a 9 months in 12 basis and only in the Hotel and Catering sector
- Permits may be issued for employment in the following Sectors:
  - 1 - **Finance**<sup>(a)</sup>
  - 2 - **Hotel and Catering**<sup>(a)</sup>
  - 3 - **Industry**<sup>(a)</sup>
  - 4 - **Internet Betting**<sup>(b)</sup> **(Alderney / Keyworker only)**
  - 5 - **Health**<sup>(c)</sup>
  - 6 - **Construction Industry**<sup>(d)</sup> **(Keyworker only)**
  - 7 - **Education**<sup>(c)</sup>

<sup>(a)</sup> Significant contributors to the Island’s economy all being Export Sectors as defined in the *2001 Economic & Statistics Review* published by Advisory and Finance as a supplement to the *2001 Policy and Resource Planning Report*.

<sup>(b)</sup> Major contributor to Alderney’s economy.

<sup>(c)</sup> In the general interests of the community as a whole.

- (d) Added August 2002 in response to the number of large scale building projects over the next few years. This will be subject to review as the number of projects decrease.
- Time spent in employment in the United Kingdom, the Bailiwick of Jersey and the Isle of Man is included in calculating continuous employment.
  - The Home Department will consider short term permits to established professional entertainers to perform in carnivals, music concerts and other cultural events. Evidence of previous tours in the UK or the EEA such as past publicity material or press reviews (with source clearly identified) will be required. Permits will be issued for a maximum period of up to 2 weeks.
  - Permits will not be issued to those who have an adverse immigration record or who pose a security, criminal or immigration threat to the United Kingdom or Islands (the Bailiwicks of Guernsey and Jersey and the Isle of Man).
  - After 4 years continuous employment in the Bailiwick of Guernsey no new permit will be issued unless a minimum period of 1 year is spent outside the United Kingdom and Islands.
  - Where references are required, they must be original, photocopies or faxes are not acceptable. They should, wherever possible, be in English, and must be on business letter-headed paper and show the dates the employment started and ended and the title, duties and responsibilities of the job(s) held. References not complying with these requirements will be rejected. The Immigration & Nationality Division reserve the right to confirm the veracity of any reference supplied to it in any way it thinks fit and work permit applications will be rejected in cases where references are false or if any checks are unsuccessful for whatever reason (e.g. where a previous employer fails to respond or where checks are not possible).

**Appendix G: Current States of Guernsey Policies Affecting  
The Recruitment and Retention of “Key Workers”: Policy Council Human  
Resources Established Staff Relocation Directive 2006**

An officer who is appointed to the Established Staff of the States of Guernsey (either on a permanent or contract basis) and is required to transfer his or her residence from the United Kingdom to Guernsey, will have certain relocation expenses met by the States, subject to certain conditions, as set out in this Directive.

*This Directive will only apply where a post has been advertised in the UK and the individual has been permanently resident there. In the case of former Guernsey residents responding to UK advertisements, the arrangement would only apply if they were not otherwise intending to return to the Island.*

Officers who are relocating to Guernsey can seek advice on the administration of this directive from their employing department, or from the Human Resources Unit.

In order to expedite the processing of claims, officers should apply in writing for the various forms of assistance to their employing department.

**Fares**

The States will pay the single fare of the officer and, where applicable, a partner and dependent children, from the United Kingdom to Guernsey. Any such travel, including a house hunting visit (described below), should be by the most efficient and economic means.

**House Hunting Visit**

The States will be prepared to pay the return fares and two nights' reasonable accommodation to enable an officer and, where applicable, a partner to make a house hunting visit to Guernsey following acceptance of an offer of appointment but before the officer reports for duty.

As an *alternative*, where the officer has taken up the appointment before the removal of household furniture and effects has taken place, the States will be prepared to pay the travelling and incidental costs of the officer **or**, where applicable, a partner, on one return trip to supervise the removal.

Each case will be considered in light of individual circumstances.

**Removal Expenses**

The States will be prepared to pay the cost of the removal of an officer's household furniture and effects (including a motor vehicle) from the UK to Guernsey, subject to the following provisions:

- a. that the officer shall submit quotations (which must include the cost of insuring the goods during transit) from at least two reputable firms to his/her employing department for its approval before acceptance; and

- b. that the officer will be required to give a written undertaking to repay a proportion of the cost of the removal (relative to the number of months remaining in a two year period commencing on the date of taking up the appointment) should employment with the States cease for any reason within the period of two years commencing on the date of taking up the appointment.

If the officer's household furniture and effects are removed to storage in Guernsey, the States will be prepared to pay the cost of removal from such storage to the officer's residence in Guernsey at the end of the storage period, subject to (a) and (b) above and provided that the officer is still in States employment.

### **Storage of Furniture**

The States will be prepared to pay the costs of storing all or part of an officer's household furniture in Guernsey while the officer is temporarily occupying furnished or unfurnished temporary accommodation up to the following limits:

- (a) for the first six months - the full cost of storage up to a maximum of £50.00 per week;
- (b) for the second six months - half of the cost of storage up to a maximum of £25.00 per week:

and subject to the following provisions:

- (a) that the officer's employing department is satisfied that it is necessary to store such furniture and effects; and
- (b) that the officer shall submit quotations (which must include the cost of insuring the goods) from at least two reputable firms to his/her employing department before acceptance.

In **exceptional** circumstances the Policy Council, Human Resources Unit may agree to the payment of the cost of the storage of household furniture and effects in the UK subject to the same provisions. In these circumstances the States may also be prepared to pay the cost of removing the goods from the officer's home to storage and, subsequently, from storage to the officer's residence in Guernsey, subject to the provisions of this Directive.

### **Lodging Allowance**

The States will be prepared to pay part of the cost of temporary accommodation for an officer and, where applicable, a partner and dependent children, by the payment of a lodging allowance, for a short period of time in a suitable boarding house or other approved accommodation until the officer is able to move into a temporary or permanent dwelling. Income Tax (see footnote) and Social Insurance contributions will be deducted from lodging allowance.

Each case will be considered in the light of individual circumstances.

*In normal circumstances, it is anticipated that lodging allowance would not exceed half the cost of such temporary accommodation for a month.*

### **Rent Allowance**

The States will be prepared to meet part of the cost of a temporary or permanent rented dwelling by the payment of a rent allowance for a period of up to two years from the date of taking up the appointment, or until the officer purchases a dwelling property in Guernsey, whichever is the sooner. Income Tax (see footnote) and Social Insurance contributions will be deducted from Rent Allowance.

**In exceptional circumstances**, the payment of rent allowance may be extended beyond the two-year period. It will be necessary to consult the employing department in the first instance.

The level of rent allowance will be equal to the difference between the minimum qualifying rental charge of £128.00 per week and the rent actually charged. The maximum weekly allowance payable will be £225.00. The table below gives examples of the rent allowance payable at differing levels of rent charged.

Officers on short term housing licences of three, five or seven years have the option of having their rent allowance paid over two, three or five years. The total amount paid in each payment option will be the same amount but it mean officers will be able to receive financial support over a longer period. This is also illustrated in the table below.

<b>Rent Charged (per week)</b>	<b>Rent Allowance payable over 2 Years (per week)</b>	<b>Rent Allowance payable over 3 Years (per week)</b>	<b>Rent Allowance payable over 5 Years (per week)</b>
£ 150.00	£ 22.00	£ 14.67	£ 8.80
£ 175.00	£ 47.00	£ 31.33	£ 18.80
£ 200.00	£ 72.00	£ 48.00	£ 28.80
£ 250.00	£ 122.00	£ 81.33	£ 48.80
£ 353.00 +	£ 225.00	£150.00	£ 90.00

### **Additional Rent Allowance**

The States will be prepared to pay an additional rent allowance of up to £112.50 per week to an officer who is in receipt of rent allowance, for a period of up to 21 months commencing three months after the officer takes up the appointment, subject to the following provisions:

- a. the officer will be required to provide his/her employing department with documentary evidence which shows that the officer is making mortgage payments in respect of a dwelling property in the UK;
- b. the officer will be required to provide written confirmation that they are unable to sell that dwelling property;
- c. the officer will be required to provide written confirmation that they are not receiving a rental income in respect of that dwelling property.

Income Tax and Social Insurance contributions will be deducted from additional rent allowance.

Each case will be considered in the light of individual circumstances.

### **Housing Benefit**

The States will be prepared to pay a housing benefit (payable at the time of the purchase of a dwelling property in Guernsey provided that this occurs within a period of two years of the officer's taking up the appointment) to an officer who has had to sell a dwelling property in the UK as a result of moving to Guernsey to take up an appointment, as follows:

an initial lump sum of £8,448;

thereafter monthly payments in arrears (from which Income Tax and Social Insurance contributions will be deducted) amounting to:

£2,553 per annum in the first year  
£1,702 per annum in the second year  
£ 849 per annum in the third year

and subject to the following provisions:

- a. the officer will be required to provide his/her employing department with documentary evidence of the sale of a dwelling property in the UK and the purchase of a dwelling property in Guernsey; and
- b. the officer will be required to give a written undertaking to repay a proportion of the initial payment (relative to the number of months remaining in a period of three years commencing on the date that the initial payment is made) should employment with the States cease for any reason within the period of three years commencing on the date of the initial payment.

***In exceptional circumstances*** the Policy Council, Human Resources Unit may agree to the payment of a housing benefit notwithstanding the fact that an officer has been in States employment for more than two years.

### **Relocation Assistance for Short Term Licence Holders**

The Policy Council, Human Resources Unit has agreed that provision should be made within the Relocation Directive for assistance to Established Staff short-term licence holders who remain in post for the duration of their contract.

Assistance will be provided for officers on short-term licences (usually 3,5 or 7 years), and who have reached the last 6 months of their service. This assistance will be discretionary and may not be available to an officer whose conduct or performance has not been satisfactory.

Officers can benefit only if:-

- a. they are going to other employment, or have made every effort to secure other employment;
- b. the employment is in the UK;
- c. they provide written evidence to prove that their new or prospective employer is not already providing similar assistance for them.

Assistance will be limited to:-

### **1. Relocation**

The cost of fares to the UK for the officer and his/her family, together with reasonable removal costs of furniture and effects from Guernsey to the UK.

### **2. Job and/or Accommodation Hunting**

Reimbursement for the cost of up to 3 return journeys by the officer to the UK for the specific purpose of either attending interviews or finding accommodation.

The officer should provide written details (in advance if possible) of each visit to his/her Chief Officer for approval of payment of travel costs.

### **3. Training for New Employment**

Officers should be encouraged to maintain their skills to the mutual benefit of themselves and their Department. In this respect, they will be able to take full advantage of the training programme offered by the Policy Council, Human Resources Unit and can discuss specific needs with the Units' training and Human Resource staff.

### **Administration**

It has been agreed that the administration of the Relocation Directive shall be delegated to Chief Officers of States Departments.

Any case involving unusual or exceptional circumstances, or which falls outside the provisions of the Directive for any other reason, should continue to be referred to the Human Resources Unit for a decision.

This directive replaces all previous directives with effect from 1 January 2006.



Brian Castle  
Head of Human Resources

## **Health and Social Services Department – Relocation Policy**

The Health and Social Services Department does offer the Policy Council Human Resources relocation package to non-residentially qualified nurses moving to the Island. Rent Allowance has a fixed limit of 3 years. Rent Allowance is not provided for those staff who occupy Health and Social Services Department accommodation (see **Appendix I**) due to the fact that the rents for these units are already subsidised.

## **Education Department– Relocation Policies**

The Education Department provides a relocation package of rent subsidy or Housing Benefit, plus relocation costs, to teachers moving from the UK to Guernsey and finding their own accommodation. The Education Department's relocation package is restricted to teachers moving to Guernsey from the UK to take up contracts of any length. It is not available to teachers moving into Education Department managed accommodation.

The current level of assistance available to teachers is:

Rent Subsidy – Base Rate of £70.00 per week and maximum Rent Subsidy of £70.00 per week (£303.33 pcm) for two years

Housing Benefit – Grant of £4,000 if within two years of appointment and if property has been sold in the UK

- 1<sup>st</sup> Year Payments of £2,123
- 2<sup>nd</sup> Year Payments of £1,415
- 3<sup>rd</sup> Year Payments of £706

It is recognised that this level of subsidy for teachers does not equate with the package offered to established staff by the Policy Council, but it should be noted that the Education Department also pays for the relocation of local teachers who are giving up their permanent homes to move back to Guernsey to take up a teaching post. This is a facility that it is not provided by other States' departments.

## **Home Department – Relocation Policies**

Up until recently the Guernsey Police Relocation Directive has stated that Police Officers who were offered appointments on a 5-or 15-year contract basis (under a housing licence) with the Guernsey Police would have certain relocation expenses met, subject to certain conditions. The most significant of these were a Lodging Allowance (for temporary accommodation) and a Rent Allowance (for temporary or permanent accommodation).

A Rent Allowance would have been payable for a period of up to two years from the date of the Officer taking up appointment, or until the Officer purchased a private dwelling in Guernsey, whichever was sooner. In exceptional circumstances, the payment of a Rent Allowance might have been extended beyond the two year period. Officers on a 5-year housing licence had the option of having their rent allowance paid over two, three or five years. The total amount paid in each payment option

would have been the same amount but it meant Officers received financial support over a longer period.

Probation Services staff are established staff and therefore those employees moving to the Island under an essential housing licence are eligible for the Policy Council Human Resources Unit's relocation package.

At the time of the Key Worker Housing Group's data collection exercise, no Prison Officers were in receipt of Housing Benefit or a Rent Allowance.

## APPENDIX H

### **Appendix H: Current States of Guernsey Policies Affecting The Recruitment and Retention of “Key Workers”: Provision of States owned/States leased accommodation**

The following paragraphs describe the wide range of accommodation provided directly or indirectly by States Departments to house their “key workers”.

#### **Health and Social Services Department**

Traditionally, Health and Social Services Department accommodation has been provided for five main categories of employee: -

- i) qualified single nurses of Band 5 – categories for which, in line with Housing Department policy, the Health and Social Services Department cannot obtain a housing licence;
- ii) qualified single nurses of Band 6 and above who do not wish to take up a licence;
- iii) members of staff, married or single, who have just arrived in the island and have been issued with a housing licence (subject to a maximum of 6 months);
- iv) locum medical and professional staff;
- v) other short-term occupiers.

However, in recent years there has been increasing pressure to house other staff groups due to “hot patches” of recruitment and retention difficulty.

As at September 2006 the Health and Social Services Department managed 324 units of accommodation, as summarised below:-

- Owned by the Health and Social Services Department      202
- Rented by Health and Social Services Department      122

*In April 2005 it was estimated that the future accommodation requirements, which could result from service developments and inability to recruit staff locally, could lead to an additional requirement for accommodation, in the region of 75 units.*

In order to cope with this demand, the Health and Social Services Department increased its bedstock by: -

- a) purchasing large Guest Houses e.g. Arlington Court and Rosewood;
- b) leasing of several properties;
- c) leasing of rooms in ex visitor accommodation, particularly for locum staff.

Although it has not been the Department's intention to renew the leases of some of the rented accommodation, this may need reconsideration in the short- to medium-term. All large units have had their leases renewed for another 5 years.

The Health and Social Services Department has also tried to improve the quality of its accommodation, e.g. at John Henry Court. It should however be noted that upgrading of existing units of accommodation to provide a higher standard of accommodation actually reduces the number of units available.

Over the next 3 years, the Health and Social Services Department has predicted that demand will increase for:

- a) single en-suite rooms in hostel type accommodation at an affordable price;
- b) accommodation for couples (both employed by the Department) either married or co-habiting;
- c) single flats for Band 6 nurses.

### **Education Department**

Education Department managed "key worker" accommodation is restricted to teachers moving to Guernsey from the UK to take up contracts of one year or less. It is open to both residentially-qualified and non-residentially qualified teachers.

As at March 2005 the Education Department had 27 tenants in Guernsey (this number had fallen to 25 at the time of the Working Group's data collection exercise in May 2005) in the following units of accommodation: -

- Owned by States of Guernsey (Education Department) 7
- Owned by States of Guernsey (T&R) 2
- Rented by Education (Guernsey) 24

The Education Department estimates that the accommodation results in a net loss to the Department's budget of £100,000, plus a staffing cost of 0.5 fte established staff.

### **Home Department**

The Probation Service utilise no units of accommodation for any staff.

Prison Officers are not offered the use of any accommodation as part of their employment. Contracted prison nurses are given (when available) a room in nurses' accommodation, owned and administered by the Health and Social Services Department.

Two Prison Officers live in States-owned property, although this was not provided for them by the Home Department.

The Police do not own any units of accommodation. In the past, Guernsey Police have provided accommodation for seconded officers.

### Appendix I: UK “Key Worker” Provision

In April 2000, the UK Government published a Housing Green Paper, Quality and Choice: A decent home for all, which set out its policies on home ownership, including existing schemes and proposals for a new initiative to help people into low cost home ownership called the “Starter Home Initiative”. This was expected to help around 10,000 (later revised to 9,000) “key workers” to buy homes where high prices would otherwise prevent them from living in or near to the communities they served.

Starter Home Initiative schemes involved different kinds of assistance such as shared ownership; repayable equity loans<sup>3</sup>; cash grants to assist with a home purchase; or other innovative approaches provided they met the main criteria set out above. In essence, therefore, the Starter Home Initiative provided a special pot of money from which grants could be made to housing associations and the like for “key worker” housing projects.

The Starter Home Initiative was only available to support the purchase of homes by persons who were both “key workers” and first-time buyers; it did not cover rented accommodation. However, funding could be used to support the purchase of homes in mixed tenure schemes where homes for rent were funded from other sources.

Access was restricted by salary with an earnings limit set at £35,000 for single people and £42,000 for couples. Purchasers tended to buy a property with an extra room where they could afford it, but were limited by the scheme’s rules to one extra room.

The big change which the Starter Home Initiative introduced was that **housing need was not the main determinant of access to subsidised housing for this group of key worker households. Instead the importance of the delivery of frontline public services to the maintenance of thriving and sustainable communities in high value areas was recognised as sufficient to justify a special spending programme dedicated to meeting their needs.**

Some employers, particularly the NHS, commented that lower paid staff would always need either rent or very low shared ownership and the Starter Home Initiative had not been of benefit to them, even though they were eligible. Local authorities recognised the value of the Starter Home Initiative but commented on the needs of other low income workers and expressed concern that funding should not be taken from mainstream social rented provision.

In January 2005 the Deputy Prime Minister set out a five year plan entitled “Homes For All” setting out how everyone owner-occupiers, first-time buyers, social tenants, “key workers” and people who were renting privately – could be extended the opportunity of a home of their own at a price they could afford. It is the UK

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<sup>3</sup> An equity loan is an arrangement whereby a lump sum contribution is made towards the purchase price of a property. Instead of making monthly repayments on the loan, it is repaid when the property is sold. The amount repaid is the equivalent percentage of the value of the property at the time of the resale. For example, if a person was given £25,000 as an equity loan and that represented 25% of the value of the property (assuming a £100,000 purchase price), when the property was sold 25% of the sale proceeds (i.e. the value of the property at that time) would be handed over to the organisation that provided the equity loan.

Government's intention to assist 80,000 households into home ownership by 2010 as well as providing opportunity for up to 300,000 social housing tenants to buy a stake in their home.

In April 2005 the UK Government followed this with the launch of a consultation paper "HomeBuy – expanding the opportunity to own," setting out three schemes for purchasing, depending on whether the homes to be purchased are existing market housing (Open Market HomeBuy), existing social housing (Social HomeBuy) or new-build housing (New Build HomeBuy).

Following the Government's consultation, for Social Homebuy and Newbuild HomeBuy it intends to introduce a maximum cap on rental charges of 3% on all remaining equity chargeable from day one. The maximum limit on the annual increase of rental charges will be RPI plus 0.5%.

For OpenMarket HomeBuy the UK Government may introduce a modest rental charge on their equity loan at a level to be confirmed. The proceeds from any rental charge will offset some of the administrative costs of the scheme.

For Social HomeBuy and New Build HomeBuy there will be a minimum initial purchase of 25%.

For Open Market HomeBuy purchasers will be expected to buy around 75% and equity loan support will be provided to a maximum of £50,000.

From 1 April 2004 the Starter Home Initiative in the UK was replaced by the Key Worker Living Initiative, for which a pot of £690 million has been set aside.

Key Worker Living comprises four products: Key Worker HomeBuy (including Open Market HomeBuy and New Build HomeBuy referred to above), Key Worker Shared Ownership, Intermediate Rent and London Challenge Teacher HomeBuy. It is the intention that other groups identified as priorities by Regional Housing Boards will, in addition to key workers, be able to purchase a home through Open Market HomeBuy and New Build HomeBuy.

Key Worker Living applies in London, the South East and East of England, where house prices are high and recruitment and retention is difficult. Groups of key workers eligible under the Key Worker Living Programme vary by region according to specific local recruitment and retention problems, but the main groups include:-

- Nurses and other NHS staff;
- Teachers in schools and in further education and sixth form colleges;
- Police officers and some civilian staff in some police forces;
- Prison service and probation staff;
- Social workers, educational psychologists, planners (in London) and occupational therapists employed by local authorities; and
- Whole-time junior fire officers and retained firefighters (all grades) and in some fire and rescue services (currently only Hertfordshire).

### Key Worker HomeBuy

This scheme provides an equity loan of up to £50,000 to buy a home on the open market or a new property built by a registered social landlord (RSL). There are no monthly repayments on the loan, and the loan only becomes repayable should the recipient sell the property or stop being a key worker. The amount repayable will be the proportion of the original value of the property paid for by the loan and must be repaid within two years.

### Key Worker Shared Ownership

Under this scheme key workers buy an equity share of at least 25% of the home and pay a reduced rent on the remaining share. Shared Ownership is only available on new homes built by Registered Social Landlords. Key workers can increase the share of the property they own and have the opportunity to eventually own the property outright. Should the key worker sell the property before they own 100% or leave an eligible occupation, then they must pay back the proportion of the original value of the property still covered by key worker living. Staircasing to 100% will not be restricted, as the UK Government wishes purchasers to have the opportunity to move to full ownership wherever possible and sustainable.

### Intermediate Rent

Under intermediate rent properties developed by registered Social Landlords are let out to key workers at submarket rents (75-80% of private market rates).

### London Teacher Challenge HomeBuy

London Challenge Teacher HomeBuy provides a higher-value equity loan of up to £100,000 for a small group of school teachers in London identified as having leadership potential. The operation of the loan is the same as for the Key Worker HomeBuy product.

Two further reports have been produced by the UK Government: -

- “HomeBuy – Expanding the Opportunity: Government’s Response to Consultation.”
- “Evaluation of Key Worker Living: Early Findings.”

These documents report that: -

- By December 2004, a total of 2,236 “key workers” had accessed the Key Worker Living scheme. The split between different employee groups has been around 40:40:20 for education: health: community safety workers, respectively.
- The average grant has been £36,381 or £40,504, inclusive of London Teacher Challenge.

- As of December 2004 the majority of enquiries (87%) were about HomeBuy; just 8% and 5% of all enquiries have been about shared ownership and intermediate rent respectively.
- There is competition between HomeBuy and Shared Ownership and the Challenge Fund, with HomeBuy and the Challenge Fund proving to be more popular. In some cases shared ownership is in competition with HomeBuy, where mortgage payments, rent and service charges are roughly equivalent to a single mortgage payment. In these cases, the preference of key workers is for Homebuy. There has also been competition with other programmes which do not have a clawback element to them. The lower take-up of shared ownership could possibly be due to a lack of availability of properties or their location. Although there appears to be little demand for intermediate rent, this may also be due to a lack of provision, rather than a lack of demand.
- HomeBuy is highly regarded due to its flexibility and the fact that accommodation is not specifically branded for key workers. It is not just aimed at first time buyers, includes a greater product range, and has a clawback aimed at improving retention with regard to area and occupation. It has proven to be attractive to groups of workers such as the Police, who are usually especially adverse to specific “key worker” housing developments.
- It is widely considered that rent set at 70-80% of market rent is still unaffordable in many areas to large groups of key workers, which might affect take-up. The issue of affordability is crucial given that lower paid key workers are the target group for this product. Intermediate rent is also in competition with some existing employer provision, which is much cheaper than 80% of market rate in most cases.
- The majority of interviewees during the evaluation of the Key Worker Living scheme considered the main current labour market problem to be one of retention rather than recruitment of key workers. The general pattern reported by a majority of employers interviewed was of a crisis in the recruitment and retention of key workers around 3-4 years ago. This had now been followed by a pause and decline in turnover and wastage over the last 3-4 years. Most employers thought that housing interventions had had a positive effect on improving the recruitment and retention situation.
- The Key Worker Living evaluation found that it was not possible to assess the exact role that housing interventions had played, due to other recruitment and retention initiatives. However, most employers interviewed did think that housing interventions had had a positive effect on improving recruitment and retention.
- With regard to whether Key Worker Living represented value for money, the Key Worker Living evaluation noted that this would depend upon the state of the housing market, the operation of clawback, and the appropriate recycling of the HomeBuy subsidy when properties were sold and/or key workers left a key worker profession. The evaluation report concluded that if clawback worked well and the housing market remained stable or continued to appreciate, then Key Worker Living represented a relatively small investment; and that, in comparison with

alternative scenarios, especially increased salaries for all “key workers”, then Key Worker Living did represent value for money.

- Some occupations/workers being ineligible for the programme, (e.g. Police staff, classroom assistants, NHS Administrators, and auxiliary nurses are excluded), had had a negative effect on morale in some employers.
- Other unintended consequences could include the fact that key workers may feel tied to an area or career through their housing – in this case it would be better for an unhappy employee to leave rather than be retained.
- Some of the feedback on the Key Worker Living initiative suggested that resources had been used to address the intermediate housing market when there were still problems with homelessness and a need for traditional social housing provision.
- Another concern was that properties built under Key Worker Living were likely to be lost to the long-term “key worker” market as “key workers” bought out the full equity on these properties and sold them on the open market. This was a strong possibility, as some key worker salary scales rise quite steeply.
- In addition new build properties tended to be smaller units and flats. “Key workers” moving to larger properties as they start a family were therefore unlikely to be attracted to this provision. Therefore the retention aims of the programme might not be met.
- The Zone Agent (i.e. one-stop shop) model had proven to be an appropriate means of delivery, although Key Worker Living needed to be marketed.
- The eligibility criteria for Key Worker Living would expand from 1 April 2006. Those eligible will include:-
  - All clinical NHS staff
  - Teachers in schools and further education
  - Police officers and community support officers
  - Uniformed staff in Fire and Rescue Services
  - Prison and probation services staff
  - Social workers
  - Occupational therapists
  - Educational psychologists
  - Speech and language therapists
  - Qualified nursery nurses
  - Local authority employed clinical staff
  - Local authority planners

One member of the Key Worker Housing Group met with staff at the Office of the Deputy Prime Minister and also met with Pilgrim Housing in Bedford, the Zone Agent for Key Worker Living in that region.

These meetings elucidated the following additional points:-

- The uptake of “key worker” housing initiatives in the UK had been slow. This was thought to be due to a lack of marketing and had led to the formation of Zone Agents, which were essentially a one-stop shop for “key workers”.
- There had been a mixed level of interest from employers. For example, some Health Trusts employing thousands of people who were not “key workers” under the definition adopted by central and local government did not regard Key Worker Living as being high on their list of priorities.
- When intermediate rents were typically set at 80% of market rent, the remaining 20% was repaid to Registered Social Landlords by a government subsidy in the form of a grant payment.
- The upper limit for assistance with Homebuy was a household income of £60,000. This upper threshold was not tapered. The maximum income limit for intermediate rent was £19,000.
- It was not known whether there were any constraints on the type/size of property that could be purchased under the Homebuy scheme. However, there was also an affordability criteria based on disposable income plus any existing equity savings.
- The situation with regard to repairs was that, as owners, individuals became responsible.
- Disadvantages of Key Worker Living included quite a large lag time between registering an interest in Homebuy and completing the purchase. Also there was a high fall out rate between those expressing an interest in purchasing under the Key Worker Living scheme and those actually completing a purchase.
- The manager in charge of Pilgrim advised that about 70% of their “key worker” clients opted for home ownership and only 30% rented.
- Under the shared ownership scheme most people opted to purchase 50% equity as opposed to the minimum 25%.
- The attraction of the HomeBuy scheme over shared ownership was that people did not need to pay for the equity loan whilst they were occupying the house and were still a “key worker”.

Other models that have been applied in the UK are employee guarantee subsidies and public private partnerships.

For example, it has been possible to secure rents at some 30% to 40% below market rates by giving guarantees on rental streams and with employers taking high risks on voids and entering into relatively long contracts with housing associations.

The void costs are paid from a “pool”, with each employer paying a share depending on size and income. Local ownership is thus created and if usage is high any surplus is repaid. The pool operates at a 10% risk level and has a value of £2m for 2,000 units of accommodation. This form of intervention means that there is a continuing government commitment and risk.

The other model is a public private partnership e.g. between the public sector, housing associations, commercial lenders and institutional investors, whereby the public sector and private investors, invest in the proportion of the equity not purchased by the employee / key worker.

**Appendix J: Analysis of potential recipients of rent allowance and housing benefit in 2004 and 2005, based on housing licence decisions**

*Number of housing licences issued to States' departments in the years 2004 and 2005*

<b>DEPARTMENT</b>	<b>2004</b>	<b>2005</b>
Education	62	88
Environment	1	1
Health and Social Services	60	48
Home	5	8
Housing	1	0
Law Officers of the Crown	1	2
<b>TOTALS</b>	<b>130</b>	<b>147</b>

(NB All references are to departments after the changes in the machinery of government in 2004. Licences issued to pre-2004 committees have been assigned to the successor departments.)

Notes

1. Licences issued to Education were predominantly, but not exclusively, for teachers and lecturers.
2. Licences issued to Environment were for Planning or Building Control Officers.
3. Licences for Health and Social Services covered a very wide range of posts, not just nurses who make a small proportion of the total numbers. This is consistent with the large number of nurses that are accommodated in Health and Social Services' own accommodation where no housing licence is required.
4. Home Department licences were split between Police and Probation Officers.
5. The licence for the Housing Department was for a senior post requiring specialist knowledge and experience.
6. The Law Officers of the Crown were issued with licences for Legislative Draftsmen.