

**CAMBRIDGE SUB-REGION KEY WORKER HOUSING RESEARCH  
(Report by the Head of Housing Services)**

**1. PURPOSE OF REPORT**

1.1 The purpose of this report is:

- to bring to members' attention the findings of a key worker research report;
- for Cabinet to give consideration to whether this Council would like to become members of the Employers Consortium regarding key worker housing; and
- for Cabinet to consider the participation of this Council in a sub-regional protocol for the allocation of key worker housing.

**2. SUPPORTING/BACKGROUND INFORMATION**

**2.1 Key Worker Research**

The Cambridge sub-region Affordable Housing Group commissioned a consultancy research report on key workers. The report was funded by the Housing Corporation and Bedfordshire Pilgrims Housing Association.

2.2 The Cambridge sub-region's housing market is under pressure. With high and rising costs, some key workers (whose pay is generally determined nationally) find it difficult to gain access to the local housing market. Key workers provide a range of services essential to the health and well being of the community. Difficulties in recruiting and/or retaining key workers in the sub-region caused by high local housing prices will, over time, erode the sub-region's quality of life and hinder its ability to deliver economic growth and mixed, balanced communities.

2.3 The research report reviews current practice and policy, quantifies demand from key workers within the Cambridge sub-region, and researches the types, tenure and locations of key worker housing provided. It then goes on to make proposals for a joint process for allocating key worker housing across the sub-region, putting forward a co-ordinated plan for targeting the delivery of key worker housing across the sub-region for 2004/05 to 2006/07.

2.4 A copy of the executive summary of the research report is at Appendix A to this report. A copy of the full report is available in the members' room; on request from the democratic services; or available to read or download from the internet at the following address: [www.huntsdc.gov.uk/Housing\\_Serv/documents](http://www.huntsdc.gov.uk/Housing_Serv/documents)

## 2.5 **Employers' Consortium**

The County Council was instrumental in creating and leading a consortium of public sector employers to bid for funding for key worker housing under the Government's Starter Home Initiative (SHI).

2.6 The consortium has achieved 3 successful bids under the SHI and related schemes, bringing a total of £6.2m into the County. In addition, districts have been providing key worker housing via Section 106 Agreements.

2.7 When new homes are ready for occupation there is a need to have appropriate procedures in place to nominate key workers to the properties. The process of nomination would benefit from an agreed protocol.

2.8 Appendix B contains a list of organisations currently represented on the Employers' Consortium as well as a list of potential members. This Council has been invited to become a member of the Consortium.

## 2.9 **Protocol for Key Worker Housing**

A protocol for the allocation of key worker housing is appended to this report at Appendix B. This protocol is in the process of being endorsed by each organisation represented at the Employers' Consortium as well as district councils.

## 3. **IMPLICATIONS**

### 3.1 **Key Worker Research**

The findings of the research report will inform future housing and planning policy direction and aid negotiations (as a material planning consideration) with developers.

3.2 For Huntingdonshire the projected demand for key worker housing for the period to 2006/07 is 31 units per annum. However, the demand from this group has to be weighed against the demand from other groups eg social rented housing, which has a higher demand but is also included in the 'affordable housing' definition.

3.3 There is likely to be a short-term peak in demand for housing from new recruits to Hinchingbrooke Hospital's new diagnostic centre (300 additional staff). The diagnostic centre is due to open around January 2005. The consultant estimates that an additional 30 units would be required to satisfy the demand.

### 3.4 **Employers' Consortium**

The definition of key workers is 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".*

3.5 Currently this Council does not have any significant recruitment and retention problems associated with housing provision. However, it may experience this in the future from eligible workers covered under the definition.

- 3.6 Roles of the Employers' Consortium include agreeing on an annual basis: the priority key worker job types; and the maximum and advisory minimum incomes for eligibility to key worker housing. The Council has a role to play in the social and economic well being of the area. Officer participation at the Consortium will ensure that there is HDC representation in the decision making process.
- 3.7 Potentially the Consortium, with an established protocol and managing agent, would stand a better chance of accessing future Government funding initiatives than individual Councils.
- 3.8 There is a strong drive from Government to provide for the needs of key workers. It is anticipated that future grant funding from the Housing Corporation for affordable housing will reflect this requirement.

### 3.9 **Protocol for Key Workers**

Although the protocol is at final draft stage it is envisaged that some further fine tuning will be required once the protocol has completed its passage through the decision making processes of all signatories. If the Cabinet decide that the Council will become signatories to the protocol it is suggested that approval and signature of the final document is delegated to the Head of Housing Services.

- 3.10 The Council will be expected to contribute towards the fee of the managing agent. Although the managing agent has yet to be selected, it is anticipated that this District's contribution would be modest. The total cost is anticipated to be around £10k per annum and this could be shared by as many as 16 partners. The method of sharing cost has yet to be agreed.

## 4. **CONCLUSIONS**

- 4.1 The research report assists the Council in its understanding of the demand for key worker housing locally. It will be used to formulate future policy and it will aid negotiations with developers.
- 4.2 The Council has been invited to become a member of the Employers' Consortium.
- 4.3 Key worker housing is best addressed on a sub-regional basis rather than by districts individually, therefore, there needs to be a sub-region agreement on roles and responsibilities.

## 5. **RECOMMENDATIONS**

- 5.1 It is recommended to Cabinet that:
- a) the content of the executive summary of the key worker research report be noted;
  - b) the Council becomes a member of the Employers' Consortium;
  - c) the Council becomes a signatory to the key worker protocol; and
  - d) the Head of Housing Services be granted delegated authority to sign the sub-region protocol for the allocation of key worker housing, following consultation with the Executive Member for Housing Strategy on the final proposed protocol.

## **BACKGROUND INFORMATION**

Cambridge Sub-Region Key Worker Housing Research Report

**Contact Officer:** **Stephen Plant, Head of Housing Services**  
**☎ 01480 388240**

### EXECUTIVE SUMMARY

1. The Cambridge sub-region's housing market is under pressure. With high and rising costs, some key workers (whose pay is generally determined nationally) find it difficult to gain access to the local housing market. Key workers provide a range of services essential to the health and well being of the community. Difficulties in recruiting and/or retaining key workers in the sub-region caused by high local housing prices will, over time, erode the sub-region's quality of life and hinder its ability to deliver economic growth and mixed, balanced communities.
2. This report reviews current practice and policy, quantifies demand from key workers within the Cambridge sub-region, and researches the types, tenure and locations of key worker housing provided. It then goes on to make proposals for a joint process for allocating keyworker housing across the sub region, putting forward a co-ordinated plan for targeting the delivery of keyworker housing across the sub region for 2004-2005.
3. In producing this report we undertook a mix of qualitative and quantitative research:
  - Qualitative research: this involved a desktop review of the policy context; telephone interviews with nine RSLs and three local authorities (Hampshire, Hertfordshire and Surrey County Councils); meetings and workshops with local stakeholders; and group discussions with social workers and teachers to ensure that key workers opinions were taken into account.
  - Quantitative research: we asked major employers of key workers to participate in a "data mining" exercise to identify the potential key worker population, types of workers being recruited and evidence of staff retention difficulties. Some employers were more able to help than others. A postal survey of local key workers was undertaken, which achieved 1039 responses.

### EXPERIENCE FROM THE SUB-REGION AND ELSEWHERE

4. Although an emerging field, there is a great deal of work going on around the country in order to provide for the needs of key workers. We cover this in detail in the main body of the report. The Cambridgeshire Key Worker Employers Consortium (CKWEC) was one of the earliest examples of public service employer consortia. CKWEC formed in late 2000 to assemble a bid for Starter Homes funding.
5. The concept of the key worker is a relatively novel one and 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. The emerging Structure Plan makes reference to the need for affordable for housing key workers but this has yet to be reflected in all local plans across the Cambridge sub-region. CKWEC has defined key workers eligible for assistance with their housing is 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".*
6. The Consortium has agreed arrangements for the management of access to key worker housing delivered in the sub-region (including setting up a managing agent). The

arrangements are expressed in a draft Protocol (see Appendix 1). However, neither the definition of key workers eligible for assistance with housing, the principles for managing access to housing earmarked for key workers, nor the Protocol, have been discussed formally with the councils in the sub-region. This needs to be taken forward as soon as possible.

7. Private sector workers have been excluded from the definition of key workers and the draft Protocol. However, local councils may have an identified need to provide housing for particular private sector workers on broader economic grounds. There therefore needs to be some flexibility so that councils which identify a particular local need can make appropriate provision.

## **HOUSING COSTS AND AFFORDABILITY IN THE CAMBRIDGE SUB-REGION**

8. We examined housing affordability in the Cambridge sub-region, looking at incomes required to access housing and at the budget shortfalls that typical key workers would experience when attempting to enter the market. We also reviewed the affordability of the private rental market at district level. We found that the income required for accessing the housing market is subject to wide variation across the sub region; the income required to access housing in the lower quartile of the property market varies from approximately £18k in Fenland to £36k in Cambridge. This is therefore a problem for particular parts of the sub-region – in particular, the Greater Cambridge area<sup>1</sup> - and for workers in particular categories and in particular household circumstances. Conversely, this means that it may be difficult to make a case for applying large amounts of funding to support key workers in certain parts of the sub-region, given that housing is generally affordable. In any event, the general affordability of some locations may mean that there is low demand for certain types of key worker housing and housing assistance.

## **RECRUITMENT AND RETENTION**

9. Initial anecdotal evidence from employers has suggested that they suffer from two main labour problems. Firstly, there is a problem of recruitment, particularly of people aged under 30. Then there is a problem of retention, which becomes particularly acute in the 30-34 age range. Here we consider both aspects of the problem.

- Recruitment: Our data indicates that approximately 3,000 workers are recruited each year for the key worker occupations in the Cambridge sub-region, both from within the sub-region and beyond. However not all employers have provided information, particularly those in Suffolk. If the Suffolk data was available, the figure would be higher. An analysis of employers' data shows that recruitment per annum is particularly concentrated in the Cambridge City district. This is for the most part attributed to Addenbrooke's hospital, the largest employer of key workers in the sub region.

- Retention: Our key worker survey suggests that employers are likely to be facing a staff retention problem linked to housing costs and that it is people in the 25-34 age range who are most vulnerable. This age range is emerging from a period where (our discussion groups suggest) house sharing is considered acceptable and even popular due to the social benefits it can afford.

*1 When using the term "Greater Cambridge" we refer to the postcodes CB1,2,3,4,5 – broadly covering an area corresponding to a 30 minute peak time journey to Cambridge and roughly equating to Cambridge City and South Cambs*

## **CHARACTERISTICS OF KEY WORKERS**

10. We have provided a profile of the current key worker population, covering areas such as income, satisfaction with housing, and housing costs. In brief:
- Living with friends is a significant option for younger key workers: 22% of key workers under 24 responding to our survey were living with parents, relatives or friends. This dropped sharply to 7% in the 25-29 age group, and fell to a negligible level thereafter.
  - Satisfaction with the tenure of accommodation is lower for those in rented accommodation than those in owner occupation. Remarkably high proportions of those in owner occupation are satisfied (97%).
  - Excluding the under 24s who are often sharing accommodation, younger people (who report being on lower incomes than the norm) are more likely to be making mid and high level rent and mortgage payments than the better paid members of older (46+) age groups. The proportion of people making high level payments peaks at 35-39, and declines thereafter. Whilst there are likely explanations for this (possibly that older people purchased their home some time ago when house prices were much lower) it does emphasise the point that individuals in their thirties often find themselves under particular financial pressure.
  - The vast majority of survey respondents wish to be owner occupiers.

## **ASPIRATIONS OF KEY WORKERS**

11. The survey of key workers provided information on preferences for the types, tenures, locations and characteristics of housing:
- Trade offs: people on the whole are not willing to change career to secure the housing they want but some are willing to move away if that means they can meet their housing aspirations – although the willingness to relocate declines with age. There is, however, a blip at the age of 30-34, which indicates that this group is more willing to change career than other age groups. This group of key workers are also more likely than any other to state that they would consider moving away to get the type of housing they want.
  - Type of housing demanded: The general preference for a (semi) detached home is unsurprising. The interesting factor here is the gap between expectations and desires. Grouping together those wishing to live in a house (either terraced or semi-detached) and those expecting to, we see a picture where most groups expect to have their desires satisfied in the next two years (for example, 95% of those with children want to live in a house; and 96% of them expect to). This suggests that families neither want nor will accept flatted accommodation.
  - Location preferences: the common factor amongst survey respondents was the importance attached to good transport connections. Thereafter, respondents split (very broadly) into three groups.
    - The first group had children. They were very child orientated in their outlook, wanting to locate near to good schools and to have a property with a garden.
    - The second group – younger and without children - did not form the homogenous block of opinion that might have been expected. Couples without children had no particular wants as a group, other than the desire for a garden. They neither particularly

sought a suburban or a town centre location, but showed a small preference for a rural location.

- Young (aged under 25) single people wanted to live near to shops and recreation /entertainment facilities, but more important than this was living near to work and friends/family. We might have expected that this group would show a clear preference for living in a central location in town, but this proved not to be the case, although their general preference to live near facilities suggests an urban location would best satisfy their needs.

- It is apparent that a journey to work of more than 35-45 minutes is not considered acceptable in the sub-region.

## **OVERALL DEMAND AND PROGRAMME FOR KEY WORKER HOUSING DEVELOPMENT**

12. We calculated overall demand by looking at both staff recruitment and staff retention aspects to employers' needs. These figures were generated at district level, with separate estimates being made for Hinchingsbrooke and Addenbrooke's, reflecting their importance as key worker employers.
13. On the basis of our estimate of the requirement for key worker housing (both for recruits and for existing staff) we put forward the following as an appropriate annual programme for the three years 2004-2007:
  - Attributed to Addenbrooke's: 150 - 339 (recruitment) plus 97 (retention) = 247-436 units per annum<sup>2</sup>.
  - For other key workers in the sub-region (excluding the needs of the new unit at Hinchingsbrooke): 118 (recruitment) plus 67 (retention) = 185 units per annum
14. Using net projections at district level, this equates to the following programme:



**Table 1.1 Overall district level net key worker housing demand per annum (units)**

Cambridge City	48
South Cambridgeshire	67
East Cambridgeshire	23
Huntingdonshire (incl. current Hinchingsbrooke requirement)	31
Addenbrookes	247
Fenland	17
TOTAL	432
Hinchingsbrooke new unit (opening Jan 2005)* 30	30

\*itemised separately as this may represent a short term increase in demand

15. Forecasting demand beyond 2007 is extremely difficult. We are unable to provide estimates for the longer term and therefore the programme of key worker housing should be kept under close review.

2 These figures provide a range. The higher figure represents the gross estimate for recruitment. Gross figures do not take account of the fact that key workers on a single income may not be able to afford the costs of sub-market rent or shared ownership/equity share. Our net estimates take account of these 'low earners' who would not form part of the effective demand for key worker housing.

16. We would expect that, as the 'backlog' of demand from existing key workers is gradually satisfied over time, the need for additional housing for existing key workers will reduce. Similarly, as new housing for recruits comes on stream, casual vacancies will arise to meet some of the demand from recruits.

17. On the other hand, there will be an increasing need for key workers in the sub-region to match population growth. Furthermore, there is a big expansion plan for Addenbrooke's (which is expected to double its clinical staff requirements by 2016) and a new diagnostic treatment centre scheduled to open at Hinchingsbrooke hospital in January 2005, requiring 300 additional staff.. There is likely to be a short term peak in demand for housing from new recruits to Hinchingsbrooke Hospital's new diagnostic centre when the centre opens around January 2005. We have not included this demand in the figures presented above for the years 2004-2007 but could expect to see an additional requirement of about 30 units to satisfy this demand.

18. We believe that the tenure and scheme profile should be as follows:

- The tenure of the housing should be a mix of low cost home ownership and sub market rent. All provision for existing key workers should be low cost home ownership.
- For new recruits, from the information available to us regarding age profile and tenure expectations, we believe a 50/50 split between sub market renting and low cost home ownership should be adopted.

19. Therefore, the total annual programme would be (using the lower net demand figure):

**Table 1.2 Annual programme (net demand)**

	<b>'Tenure</b>	
	Sub market rent	Low Cost Home Ownership
Attributed to Addenbrooke's	75	172
Rest of sub-region	59	126
<b>Total</b>	<b>134</b>	<b>298</b>

Note: Low Cost Home Ownership includes equity share and shared ownership. These figures exclude any demand from the two Suffolk districts, from the police or the fire service.

20. We believe that the preferred basis for the low cost home ownership should be equity loan (the SHI-type model) or equity share. However, we recognise that shared ownership, at low share sizes and with a low rental cost, may be a better alternative for those on lower incomes. More detailed local analysis will be required to determine which tenure is the more appropriate on a scheme by scheme basis.
21. Given the concentration of key worker employment in the Cambridge and South Cambs areas, it is apparent that the bulk of the programme should to be located within a 30 minute drive time of Cambridge – effectively in Cambridge City and South Cambs.

#### **NEXT STEPS**

22. We have sketched out the actions that we believe the sub-region should take to progress the delivery of key worker housing, as follows:
  - **Overall Approach.** It will be important for the sub-region to agree its general approach to the future provision of key worker housing. This is likely to include overall numbers and tenure, a broad indication of where key worker housing is to be provided (e.g. at district level) and more detailed location criteria (e.g. family housing near to schools and other local facilities). Over time, the sub-region approach can become embedded in development plans and other local policy guidance (e.g. SPG) as they are rolled forward. In the meantime it will be important for all the districts to 'sign up' to the approach (perhaps through 'member ratification'). The sub-region could also consider producing a joint 'key worker housing SPG'.
  - **Development Programme.** A detailed site by site programme of key worker schemes for the next 12 months needs to be agreed. A broad outline of developments expected over the subsequent two years would also be helpful, providing clarity about longer term plans.
  - **Section 106 agreements.** A very useful practical step would be the adoption of standard clauses in S106 agreements which can be used across the sub-region with developers. Relevant clauses will need to be worked up (with legal advice as appropriate) but at least one clause should cover the mechanism for 'allocating' key worker housing (as set out in the Employers' Consortium protocol).
  - **Finalising and agreeing the membership and operation of the Employers' Consortium and the draft protocol across the sub-region.** A draft allocation protocol has been agreed by Employers' Consortium members as part of this study. However, work remains to be done to establish the protocol, including a process of deciding which employers are to be represented on the Employers' Consortium, how their activities

relate back to wider sub-region policy setting at district level, and who chairs the Employers' Consortium. The Employers' Consortium will then need to decide whether it wishes to appoint a managing agent, the role of the agent, funding and selection of the agent, and agreeing timescales, the precise administrative configuration of the allocation process, and service level agreements.

- **The relationship with RSLs developing and managing key worker housing.** The way the sub region works with developing and managing RSLs for keyworker schemes needs further consideration. The sub-region will need to decide whether a common approach is advantageous and, if so, what that approach should be. One option may be to identify 'preferred sub-region partners for key worker housing' but this is not the only option and other mechanisms may provide a better way forward.

### EMPLOYERS' PROTOCOL – KEY WORKER HOUSING

- 1.0 The protocol covers the proposed definition of key workers and the approach for identifying key workers who will have access to housing provided for key workers in the Cambridge Sub Region.
- 2.0 Key Workers Eligible for Housing Assistance
  - 2.1 The definition of key workers eligible for assistance with their housing is 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.<sup>1</sup> Eligible workers will be employed in sectors experiencing recruitment and retention problems in the Cambridge sub-region and will be unable to afford similar accommodation on the open market”.
  - 2.2 This definition needs to be seen in the context of government priorities which remain for teachers, health workers and police.
  - 2.3 The Cambridge sub-region for these purposes relates to the District Council areas of Cambridge City, South Cambridgeshire, East Cambridgeshire, Huntingdon, Fenland, Uttlesford, Forest Heath and St Edmundsbury.
  - 2.4 Within the above definition, priority for key worker housing is to be based on the following criteria, in the order set out.
    - 2.4.1 Criteria 1 – Broad Occupational Groups: priority occupational groups are those identified as suffering a recruitment or retention problem priority by employers. These groups will be defined by the Employers' Consortium on an annual basis, justified by the best broadly based evidence (such as high vacancy levels in the past 12 months, known future expansion in service delivery). In coming to a view on priorities, the Employers' Consortium will be mindful of the priorities being set by the Government and the Region's Housing Board, which emphasises the particular needs of nurses, teachers and police. Newly recruited staff who have yet to take up post may be included provided a job offer has been accepted and the employer supports the application.
    - 2.4.2 Criteria 2 - Salary: a maximum income will be set, alongside an advisory minimum income. The maximum limit is intended to ensure that provision is not made for those able to afford accommodation on the open market [see 3.1.2]. There will also be an advisory minimum figure, to screen out those who would be unable to afford the cost of the intermediate accommodation available. These figures will apply across the sub-region, and will be reviewed annually.
    - 2.4.3 Criteria 3 – Proximity to place of work: when there are a number of households which qualify under Criteria 1 and 2, priority will be given to those working near the available accommodation with an advisory maximum travel time to work of 30 minutes but in certain circumstances this can be increased to 45 minutes. This is intended to ensure a) that long commutes are not built into the system, and b) that key worker housing provision in a given area is concentrated on delivering against the needs of that same

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<sup>1</sup> In consultation with other partners, the Employers' Consortium may choose to include private sector employees where public sector services have been contracted out to the private sector.

local area. Exceptions may be made where workers have a legitimate reason for living at a distance from their place of work.

2.5 Private sector workers (other than those who are providing a service otherwise delivered by the public sector) have been excluded from this sub-regional definition. However, arrangements are set out later in this section whereby a district council can, if it chooses, make available accommodation earmarked for employees in a specific job type (please refer to paragraph 7 onwards).

### 3.0 Operational Arrangements

3.1 Roles and Responsibilities of the Employers' Consortium The Employers' Consortium will have the following roles: -

3.1.1 The Employers' Consortium will agree, on an annual basis, the priority key worker job types. Promotion of a particular job type by an employer as a priority should be evidence-based. However, there needs to be an understanding that whilst some recruitment and retention problems can be shown by direct recent evidence, others may reflect events in the coming year (e.g. planned expansion of a particular service, requiring the recruitment of a number of new workers). Once accepted as a priority each individual worker will retain their priority status even though their particular occupational group may not be selected as a priority in subsequent years.

3.1.2 The Employers' Consortium will agree, on an annual basis, the maximum and advisory minimum incomes for eligibility to key worker housing. At the launch of the protocol the maximum limit will equate to that used for the Starter Home Initiative –Local Government spinal column point 45 [£32,847]. For couples, an assessment of joint income will also be undertaken in order that those who can jointly afford accommodation without assistance do not qualify for help. This should be done following consultation with the managing agent, who will have knowledge of housing market conditions.

3.1.3 On an annual basis, the Employers' Consortium will provide a short report for onward dissemination to partners including County and District Council members, Registered Social Landlords [RSLs], Government Office, the Regional Development Association and the Housing Corporation. This report should provide information on the number and types of key workers helped by the scheme and progress in delivering key worker accommodation. It should highlight lessons to be learnt or good practice to be disseminated. It may be helpful if the report reflected on how key worker needs are best addressed what sort of impact mechanism is having on recruitment and retention issues or on service quality, if the correct types of housing are in fact being brought forward and if provision is in the right place.

3.1.4 The Employers' Consortium will appoint a managing agent to administer the protocol. Selection of the managing agent will be via a transparent, competitive process. The operation of the contract will require a service level agreement (including performance targets) to be signed between the managing agent and the Employers' Consortium. The managing agent should be appointed on a 3 year renewable contract reviewed annually. The contract will be with Cambridgeshire County Council acting as lead partner for the employers' consortium.

3.1.5 The Employers' Consortium will contribute to the funding of the role of managing agent. All members of the Employers' Consortium will be required to contribute in line with the number of key workers employed. Employers' Consortium members should understand

that any contribution they make to the management of the scheme does not necessarily mean their employees will be a priority for the available housing in any one year.

3.1.6 It is important that the Consortium's voice is heard in terms of forward planning for funding bids and generally in influencing the region's housing strategy. However, the Employers' Consortium does not make policy. It is recognised that the Employers' Consortium will be one partner in a broader coalition which sets policy and strategy. Local authorities will be important partners given their policy-making role, and control over Section 106 negotiations and the planning process.

#### 4.0 Roles and Responsibilities of the Managing Agent

4.1 The roles and responsibilities of the managing agent will be as follows: -

4.1.1 The managing agent is contracted by the Employers' Consortium to act as a clearing house between the Employers' Consortium and the RSLs that are developing and managing the key worker housing. Members of the Employers' Consortium will therefore lead the selection of the managing agent but will ensure the involvement of District Councils in the process.

4.1.2 The managing agent will hold a list of all key workers seeking key worker housing in the Cambridge sub-region. All developing RSLs and employers will be asked to refer applicant key workers to the managing agent in order to register their interest in key worker housing. The managing agent will carry out some financial checks but will not undertake detailed financial vetting. The managing agent will act as a central collection and application point, so that applicants apply only once. Information collected by the managing agent must meet the established RSL standard. Given varying house prices in each of the Cambridge sub-region's districts, it will be the managing agent's responsibility to advise applicants that they will not be supported if their income is sufficient to buy the housing offered through the key worker scheme on the open market.

4.1.3 Potential applicants can approach the RSL or managing agent but the managing agent will advise on employers' priorities. In the case of dispute, it will be the Employers' Consortium which has the decision on who is to get priority for housing.

4.2 Where there is a casual relet or resale: -

4.2.1 The relevant RSL informs the managing agent of the vacancy and the managing agent provides the RSL with the prioritised list of key workers eligible for the 'vacancy'. The RSL will then contact key workers on this list with news of the opportunity and carries out the necessary vetting process. Vetting will be undertaken on the basis of information supplied by the managing agent. The vetting process will include a stage at which the RSL checks to ensure that key workers are not able to buy the key worker housing on the open market.

4.3 In the case of a new housing scheme: -

4.3.1 The developing RSL and managing agent will need to keep each other informed of progress with the new development. At the point when the RSL wants to begin marketing the scheme, the managing agent provides the RSL with a list of potential occupiers eligible for the housing. The RSL should then market the scheme to the people on the list. Again, the developing RSL will be responsible for the detailed vetting of the applicant on the basis of information supplied by the managing agent. The

vetting process will include a stage at which the RSL checks to ensure that key workers are not able to buy the key worker housing on the open market.

- 4.3.2 With experience, the managing agent will be able to gauge how many potential applicants an RSL needs to contact in order to fill the available accommodation as quickly as possible. However, in the event of over-subscription to the scheme it will be the responsibility of the managing agent to alert the Employers' Consortium to the problem. The Consortium will have to narrow down its priority job types.

- 4.4 In the event of low demand:

- 4.4.1 The first step will be for the managing agent to identify other possible candidates from its existing database which meet the criteria of the Employers' Consortium. If this fails to provide enough names, the managing agent will ask the Employers' Consortium's to agree a wider list of eligible workers (on the basis of job type, not income) and will take responsibility for contacting relevant employees in the first instance. The fall back position is to allow the RSL to undertake its own direct marketing to either general needs applicants or to other key workers, possibly with reference to housing authority lists.

## 5.0 The Allocation Process

The allocation process flow is described diagrammatically as Appendix 1. The diagram has been split into halves: one covers the process to be followed in the case of relets and resales; and the other covers housing delivered as a part of a new scheme. The central principle of the allocation process as described here is that of ensuring that details are only provided once by the applicant. Schemes which involve different sites or different RSLs will not require the applicant to fill in new information in each new instance. However, it is recognised that applicants' circumstances will change quickly and that a developing RSL will need to confirm with applicants that the original details provided remain accurate.

## 6.0 Underlying Principles

- 6.1 Employer representation on the Employers Consortium will be a pre-requisite for employees' access to key worker housing created through this scheme. Employers who do not pay their fees and provide the requisite information will not be able to access housing for their employees through this scheme.
- 6.2 When a key worker housing scheme involves public subsidy or is delivered through a S106 agreement on a mixed tenure scheme, then the accommodation will be available through this scheme.
- 6.3 When a key worker housing scheme involves part funding direct from an employer, with the remaining funding being made through public subsidy or S106, then the employer has rights to place their employees into a proportion of the units created in line with the proportion of direct funding offered to the project. For example, if an employer contributes 25% of the funding (not made by the RSL) to a development, then the 25% of the units could be expected to be occupied by that employer's workers. The remaining units would have occupiers nominated from the priority list maintained by the managing agent.
- 6.4 If an employer develops key worker housing on its own land holdings and/or is the funder of the full costs of the accommodation, then the employer has exclusive 'rights' to place its own workers into this accommodation. In doing this, the employer may choose

to set up independent arrangements with the developing RSL. (The employer may however choose to accept candidates from the central list maintained by the managing agent if too few candidates for the accommodation come forward from with the ranks of its own employees).

6.5 The arrangements described in the Protocol requires co-operation between the employers and between the employers and the planning and housing authorities (i.e. the district and county councils involved). This includes local authorities negotiating separate arrangements with an employer and/or RSL to provide for specific groups of key workers on sites in their area using a S106 agreement and/or public subsidy. Nothing can be put in place to stop this, other than precluding all employees in their area from the wider benefits of the Employers' Consortium scheme put forward here. It is hoped that when S106 agreements are negotiated by districts, these are line with this protocol and the methods adopted at sub-regional level.

## 7.0 Private Sector Workers

7.1 The Employers' Consortium scheme excludes the private sector (other than where employees are providing services for the public sector on a contract basis). However, local councils may have an identified need to provide housing for particular key workers on broader economic grounds. A Council could identify a subsidised/S106 key worker scheme for key workers falling outside the Consortium's definition. The provision that such a Council made for groups outside the Employers' Consortium's definition of key worker would be additional to the allocations made through the Employers' Consortium scheme.

7.2 An alternative route for councils to make local provision for 'private sector' key workers could be through the development/management of other affordable housing provided in their area. For example, an authority could earmark a number of social rented relets or LCHO [Low Cost Home Ownership] resales for their own priority group and/or give priority to new build schemes delivered through the rest of their affordable housing programme. But affordable housing is a scarce resource and if a council uses on part of its affordable housing programme in this way, it may not be able to secure additional housing for key workers, managed through the Employers' Consortium scheme.

## 8.0 Review

8.1 This protocol will be reviewed on an annual basis.



## 9.0 List of Potential Members of the Employers Consortium

*This is not an exhaustive list but gives an indication of the scope and range of key worker employers who could be considered.*

Addenbrookes Hospital

Ambulance Service [Cambs, Suffolk {covering St Edmundsbury and Forest Heath} and Essex {Uttlesford} ]

Anglia Support Partnerships representing Primary Care Trusts and all NHS Trusts bar Addenbrookes

Cambridgeshire County Council

Essex County Council

Suffolk County Council

Cambridge City Council

East Cambridgeshire District Council

Fenland District Council

Fire and Rescue [Cambs, Suffolk {covering St Edmundsbury and Forest Heath} and Essex { Uttlesford} ]

Huntingdon District Council

Police [Cambs, Suffolk {covering St Edmundsbury and Forest Heath} and Essex { Uttlesford} ]

Primary Care Trust covering Uttlesford area

Prison Service [ Whitemoor, Littlehey, Highpoint]

South Cambridgeshire District Council

West Suffolk Hospital

West Suffolk PCT

*The current members are:*

Addenbrookes Hospital

Anglia Support Partnerships representing Primary Care Trusts and all NHS Trusts bar Addenbrookes

Cambridgeshire County Council

Fire and Rescue Service

Police

Bedford Pilgrims Housing Association

Cambridge Building Society

