

# Housing

## **AIM**

The provision of long term, sustainable and affordable housing to meet the needs of all residents.

## **Objectives**

The core strategic objectives of the Housing Committee are to:

- contribute toward the management of housing demand;
- improve the management and long term sustainability of the States rental housing stock;
- assess and manage the ongoing demand for accommodation;
- improve security of tenure for tenants;
- improve affordability of accommodation by the introduction of a shared equity or similar scheme, initially targeting States tenants; and
- support the development and implementation of Income Support to enable those in need to afford accommodation appropriate to their needs.

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## **FINANCIAL COMMENTARY**

### **Financial Implications 2007 to 2009**

The structure and service delivery of the Housing Department will change significantly over the next three years. Already the Department has seen the transfer of housing legislation to the Population Office, which forms part of the Chief Minister's Department.

In 2007, rent subsidies will be incorporated into the new Income Support System that is being delivered by the Social Security Department.

Due to funding constraints and the increasing demand on the Department's revenue to provide funding for the rent subsidy schemes, there has been inadequate investment in the maintenance of the social housing stock over a number of years. To allow the provision of good standard accommodation now and for the future, two things are required, the first is some significant investment in refurbishing the stock, and the second is that the Department be allowed to retain sufficient of its income for maintenance purposes. The refurbishment programme will commence in 2007 with an allocation of £6 million from the Capital Programme. While this begins to address the immediate problem in respect of the refurbishment programme, the issue of adequate long term maintenance funding will need to be finally resolved.

The Department is committed to encouraging home ownership. Following on from the success of the sale of parts of the redeveloped Le Squez and Le Marais estates to tenants, housing will be looking at extending the scheme to allow tenants to purchase homes on other regenerated estates.

### **Strategic Plan and Resource Allocation Funding**

The Housing Department has been awarded £600,000 for the anticipated growth in the demand for private sector rent rebate.

The housing revenue maintenance budget has been reduced by £190,000.

### **Summary of three year position**

The Department will continue to improve the management and long term sustainability of the States rental housing stock.

The award of a rolling capital vote will allow the Department to plan a more adequate programme of maintenance and refurbishment on social housing.

# Housing

## SUMMARY OF KEY OBJECTIVES AND PRIORITIES AND KEY PERFORMANCE CRITERIA FOR 2007

**Objective 1:** Improve the management and long term sustainability of the States rental housing stock.

**Performance/success criteria:**

- States approval for the proposed changes to the management of the States rental housing stock, which will incorporate the States of Jersey core values: Customer Focus and Improve Efficiency.
- Approval of a Report and Proposition incorporating the Department's 'Property Plan' setting out how the Department intends to fund the necessary £89,000,000 refurbishment of its stock.
- Approval of a Report and Proposition into the future delivery of social housing in the Island.
- Agreement with the States of Jersey Treasury that Housing is permitted to retain a sufficient amount of its rental income to ensure that it is self sufficient and able to maintain its Social Housing to an acceptable standard in accordance with its obligations as a Social Rented Landlord.
- Development/Refurbishment of States owned sites as per agreed plans.
- Reduce the percentage of rent arrears to 3.5% by 2008.

**Strategic Plan Commitment(s):** 3.8, 3.8.1, 3.8.3 and 3.8.4

**Objective 2:** Assess and manage the ongoing demand for accommodation.

**Performance/success criteria:**

- In conjunction with Planning, an update of the Planning for Homes document published by July every year.
- Security of tenure legislation introduced.

**Strategic Plan Commitment(s):** 3.1, 3.8 and 3.8.2

**Objective 3:** Improve affordability of accommodation by the introduction of a shared equity or other similar scheme, initially targeting States tenants.

**Performance/success criteria:**

- Additional schemes in place to assist first time buyers by 2008.
- Encourage home ownership amongst states tenants.
- Complete the triennial rent review to compare Housing fair rents with private sector rents by October 2008.

**Strategic Plan Commitment(s):** 3.1, 3.8, 3.8.5 and 3.8.8

**Objective 4:** Support the Social Security Department in the development and implementation of a generic income support benefit to enable those in need to afford accommodation appropriate to their needs.

To support the Social Security department in the development and implementation of a generic income support benefit to enable those in need to afford accommodation appropriate to their needs.

**Performance/success criteria:**

- Income support benefit implemented in 2007 successfully as per plans to be agreed.

**Strategic Plan Commitment(s):** 3.1, 3.6 and 3.7

# Housing

## Revenue Cash Limits 2007 to 2009

	2007 £'000	2008 £'000	2009 £'000
<b>Base Budget b/fwd</b>	1,581.6	1,856.5	2,133.3
Departmental transfers	(428.1)	-	-
Resource Allocation Process	410.0	60.0	-
Strategic Plan funding	-	-	-
Efficiency savings	5.2	(77.8)	(8.9)
Pay awards	77.2	61.8	63.3
Non-staff inflation	210.6	232.8	238.3
Other adjustments	-	-	-
<b>Cash Limit</b>	<b>1,856.5</b>	<b>2,133.3</b>	<b>2,426.0</b>
<b>Variation (%)</b>	<b>17.4%</b>	<b>14.9%</b>	<b>13.7%</b>
<b>Manpower Costs (£'000)</b>	<b>2,449</b>	<b>2,510</b>	<b>2,573</b>
<b>Manpower Numbers (FTE)</b>	<b>69.46</b>	<b>69.46</b>	<b>69.46</b>

## Capital Programme 2007 to 2009

<b>2007</b>	<b>£</b>
Housing Works	6,000,000
<b>Total</b>	<b>6,000,000</b>
<b>2008</b>	<b>£</b>
Housing Works	6,000,000
<b>Total</b>	<b>6,000,000</b>
<b>2009</b>	<b>£</b>
Housing Works	6,000,000
<b>Total</b>	<b>6,000,000</b>

# Housing

## Net Expenditure – Service Analysis

2005 Actual £	2006 Estimate £		2007 Estimate £
276,244	236,900	Administration of Housing Legislation	-
(7,713,589)	(8,039,500)	Social Housing Provision	(7,751,900)
8,788,216	9,384,200	Private Sector Housing Subsidies	9,608,900
<b>£ 1,350,871</b>	<b>£ 1,581,600</b>	<b>Net Revenue Expenditure</b>	<b>£ 1,857,000</b>
-	-	Allocation of Additional Funding for the Comptroller and Auditor General	(500)
<b>£ 1,350,871</b>	<b>£ 1,581,600</b>		<b>£ 1,856,500</b>

Note:

The Administration of Housing Legislation has transferred to the Population Office, which forms part of the Chief Minister's Department.

Note: The Council of Ministers received an additional funding request from the Comptroller and Auditor General for £109,000. The Council of Ministers agreed the request, but were not prepared to increase total expenditure, and consequently have agreed a pro-rata reduction in all Ministerial departments' cash limits.

# Housing

## Reconciliation of 2007 Net Revenue Expenditure to 2006 Net Revenue Expenditure

	£	£
<b>2006 Net Revenue Expenditure</b>		<b>1,581,600</b>
<b>Departmental Transfers</b>		
Removal of PECRS Provision for Pre 1987 Debt Repayment	(46,900)	
Transfer of Staff to Customer Contact Centre	(159,600)	
Transfer of Population Office to Chief Minister	(107,400)	
Transfer to Jersey Property Holdings	(113,700)	
Allocation of Additional Funding for the Comptroller and Auditor General	(500)	
<b>2006 to 2008 Resource Allocation Process:</b>		
Additional Funding Approved:		
Housing Benefit Growth	600,000	
Service Reduction Approved:		
Reductions in Housing Maintenance	(190,000)	
<b>Allocation of Efficiency Savings</b>	<b>5,200</b>	
		<b>(12,900)</b>
<b>Additional Expenditure:</b>		
Annual Pay Awards	77,200	
Non-Staff Inflation	210,600	
		<b>287,800</b>
<b>2007 Net Revenue Expenditure</b>		<b>£ 1,856,500</b>

# Housing

## Service Analysis - Objectives and Performance Measures

Service	Objectives	Performance Measures
Social Housing Provision (£7,751,900) 66.0 FTE	Maximise rental income.	% of rent charges collected.
	Reduce levels of arrears amongst States tenants.	Rent arrears equates to X% of rental income.
	Reduce levels of significant debt amongst States tenants.	% of tenants with more than 36 days rent arrears.
	Maximise value for money from repairs budget.	% of response repairs carried out on a fixed price basis.
	Concentrate on the expeditious turnaround of void properties, thus maximising rental income.	On average a standard void property is vacant for X days.
	Encourage tenants to become involved in management of the housing stock.	% of tenants engaged in management decisions.
	Bring all States Rental Homes up to 'Decent Homes Standard'.	Refurbishment programme underway.
Provision of Housing Subsidies £9,608,900 3.5 FTE	Provide financial subsidy to those in need.	% rental subsidy overspend.

# Housing

## Strategic Plan Initiatives

- 3.8.1 From 2007 commence a programme to bring States-owned housing stock up to United Kingdom 'Decent Homes Standard' by 2016 (HOUS).
- 3.8.2 Review Housing demand/supply through the publication of 'Planning for Homes' in 2006 (HOUS).
- 3.8.3 Produce detailed proposals for the procurement of funding to sustain a programme of refurbishment works for States rental accommodation with acceptance of a report and proposition by July 2006 (HOUS).
- 3.8.4 Review, develop and implement strategies for the provision of Social Housing in the Island, including the long-term management of States rental accommodation (HOUS).
- 3.8.5 Introduce new policies which will ensure more equality in entitlement to accommodation by 2008 (see also 2.10.4) (HOUS).
- 3.8.8 Introduce a shared equity and, if appropriate, potential discount scheme, initially using existing Housing Department stock to increase home ownership (HOUS).
- 3.8.9 Introduce security of tenure legislation by 2007 (HOUS).