

Medium Term Financial Plan

General Questions arising from the Terms of Reference

1. What overall expenditure limits were allocated to the Department in the 2012 Annual Business Plan for 2012, 2013 and 2014? Have the limits changed in the Medium Term Financial Plan and, if so, why has it changed?

Unlike most other departments, the Housing Department is set a negative expenditure limit (i.e. an income limit) each year as it returns funds to the Treasury. The table below sets out the income limits in the 2012 Annual Business Plan and M.T.F.P. for 2012, 2013 and 2014.

Year	2012 Annual Business Plan	M.T.F.P.	Difference
2012	£24,557,500	£24,557,500	£0
2013	£26,288,500	£26,798,500	£510,000
2014	£27,442,200	£27,971,500	£529,300
2015	N/A	£29,338,500	N/A

The main reason for the differences in 2013 and 2014 is that the Department has now been allocated C.S.R. Procurement Savings of £491,900. The remainder of the differences is due to amended assumptions for rent increases in future years as set out in Appendix 8 of the M.T.F.P.

2. What commitments for growth were made for the Department in the 2012 Annual Business Plan for 2012, 2013 and 2014? Have growth commitments from previous Annual Business Plans addressed the issues which prompted those requests for additional funding and, if not, why not?

The Housing Department did not have any growth commitments in the 2012 Annual Business Plan.

3. What changes in staffing levels, if any, are being proposed that were not allowed for in the 2012 Annual Business Plan?

Staffing levels in 2012 Annual Business Plan were set at 43.6 F.T.E. In the M.T.F.P., staffing levels proposed, by year, are as follows:-

Year	F.T.E.
2012	43.6
2013	47.6
2014	48.6
2015	48.6

2013 Changes

Job Title	F.T.E.	Comments
Repairs and Voids Manager	+1	This additional post was identified in a review of the Department's maintenance function. It is expected to be funded from savings in the maintenance budget as a result of improved internal processes and will also deliver a better service for customers.
Customer Services Manager	+1	The Department has recently taken back all customer service activities from Cyril Le Marquand House. This transfer did not allow for the transfer of this post, although the post holder is now located in the Department.
Asset Management Support Officer	+1	This post will maintain and update the condition survey of the Department's housing stock, as the Department seeks to actively address its maintenance backlog. This is vital to ensure that the Department gains the best value from its maintenance spend.
Assistant Finance Officer	+2	These two posts support the financial processes of the Department. One of the posts is focused on income recovery and will be cost neutral through a reduction in bad debts, whilst the creation of the other post formalises a position that has been filled by temporary staff for a number of years.
Assisted Living Officer – George V	- 1	Identified C.S.R. saving through retirement of current post holder.
Total	+4	

2014 Changes

Job Title	F.T.E.	Comments
Customer Services Officer	+1	As part of a recent review of Housing Services, a number of service improvements were identified for the Department to become a best practice housing provider. This post will ensure improved customer services as recommendations are implemented.

4. How does the Department's budget break down into service areas? How does that breakdown compare to that provided for within the 2012 Annual Business Plan?

The Department's Service Analysis is set out on pages 81 and 82 of the Annex to the draft M.T.F.P. In preparation for the Housing Transformation Programme, budgets have been set out for Policy, Regulatory and Landlord Services. Policy and Regulatory functions were previously treated as overheads of the 2012 Annual Business Plan.

5. What existing services in the Department, if any, are due to be changed and, if so, how will they be changed?

The Housing Minister has set out proposals for the Housing Transformation Programme in his White Paper and will be presenting a Report and Proposition to the States later this year. These will include the transfer of policy and regulatory functions to other bodies, the transfer of landlord services to a new wholly States' owned housing association and the introduction of a new rents policy. These proposals will allow all social housing to be brought up to Decent Homes Standard and allow the sector to be sustainable in the long term.

6. What will Carry Forward funding for 2012 be used for in the Department? What ongoing items, if any, have been funded through Carry Forwards?

The Department is using the £1.38 million brought forward from 2011 to help address its maintenance backlog on a variety of schemes including the replacement of heating systems, lift refurbishments, insulation works and the replacement of the Le Marais high rise bin chutes.

7. What funding pressures are facing the Department and how will they be addressed?

The Department faces a number of long term funding pressures that will be addressed through proposals being brought through the Housing Transformation Programme. The key funding pressure relates to the following:-

- Achieving the Decent Homes Standard for all units. (27% do not meet standard);
- The regeneration of certain older estates;
- Building new affordable homes to address the present need as identified on the Affordable Housing Gateway

These funding pressures will be met through the new rents policy, continued property sales to realign the stock and external and internal borrowing over a period of twenty years, as set out in the business case which will be presented as part of the Minister's Report and Proposition to the States later this year.

8. Which bids for growth in revenue expenditure have been taken forward? For those which have, is it proposed that they be funded from Growth expenditure; Contingency expenditure; Restructuring provision; or another source?

The Department has not submitted any growth bids in the M.T.F.P. If the Housing Transformation Programme is approved, the Department will bid for a sum of £685K from the restructuring provision to fund the transition into the new Housing Association.

9. Which bids for growth appear for the first time in the Medium Term Financial Plan and which relate to bids which have been made by the Department in previous years?

The Department has not submitted any growth bids in the M.T.F.P.

10. Which bids for growth in the Medium Term Financial Plan were unsuccessful and what will be the likely impact?

The Department has not submitted any growth bids in the M.T.F.P.

11. In which areas of the Department were CSR savings targets identified? Will the Department meet those specific savings targets? If not, in which areas will the savings not be met and what contingency plans, if any, does the Department have in place?

The Department will meet its 2013 savings target in full as detailed below:-

2013 Proposals	£	F.T.E.
Savings Proposals		
Efficiency savings in the estates cleaning service with T.T.S.	56,000	
Reduction in servicing of wet heating systems through the conversion to electrical systems.	58,000	
Offer properties to capable applicants with limited decoration vouchers. Maintain refurbishment levels for vulnerable customers only.	146,000	
Reduction in heating repair calls following roll out of electric heating systems.	100,000	
Reduce scale of annual review of condition survey and rent review.	125,000	
Remove budget provision for temporary staff.	57,800	
Reduction in General Overheads.	2,700	
Retirement of Assisted Living Officer at Cottage Homes. Post will not be replaced.	28,500	1
Reduce the budget for consultants assisting with the move to Housing Association status.	25,000	
User pays		
Increased rental income from reduced void turnaround times.	60,000	
Increased parking income from letting out more spaces.	20,000	
Total	679,000	1

12. What capital projects are proposed for the Department, both specifically for 2013 to 2015 and for the Long Term Capital Plan for 2012 to 2032?

The Department's future capital projects are set out in Appendices 4 and 6 of the M.T.F.P. A number of major refurbishment projects are proposed, along with new homes on sites already in States' ownership.

13. Have any capital projects been delayed or not provided for?

The Department was advanced £27.1 million under P40/2012 to undertake six projects identified for 2012. Funding for future projects beyond this sum relies upon sale receipts and changes in policy as detailed in the Housing Transformation Programme, namely the new rent policy and borrowing from both internal and external sources. No capital allocations are provided for in the M.T.F.P.

14. What policy changes being considered by the Department (but which have yet to be agreed and / or implemented) which could impact upon other Departments or the public?

The policy changes are set out in the Minister's White Paper and will be the subject of the Report and Proposition presented to the States, later this year.

15. What new 'user pays' charges have been considered and which will be pursued?
What increases to existing 'user pays' charges have been considered?

The Department is not considering any new charges. It is planned that rentals will be increased in line with the assumptions in Appendix 8 of the M.T.F.P. and recharges will follow any movement in prices levied by the Utility companies.

Should the Minister's proposals in the Housing Transformation Programme be approved early in 2013, then an amendment to the M.T.F.P. as set out in Appendix 6 of the M.T.F.P. will be needed to address the financial implications arising from the changes.

16. What requirement, if any, does the Department have for restructuring provision?

If the Housing Transformation Programme proposals are approved, the Department will bid for a sum of £685K from the restructuring provision to fund the transition into the new Housing Association.

17. What sources of income does the Department have and what changes, if any, are proposed to the levels levied?

The Department has two main sources of income:-

Rental Income - £40 million (in 2013)

Recharge Income - £2 million (in 2013)

Changes to these levels are set out in the answer to question 15 above.

18. What funding, if any, does the Department receive from charitable or other sources in order to support the delivery of its services and for what purposes?

The Department does not receive any funding from other sources.

19. What outstanding issues facing the Department, if any, have not been taken into account in the Medium Term Financial Plan?

The M.T.F.P. does not reflect the impact of the Housing Transformation Programme, although the financial implications of this are shown in Appendix 6 of the M.T.F.P. If the Minister's proposals for the Housing Transformation Programme are approved, then the

M.T.F.P. will be amended accordingly. If the proposals are not approved then the level of funding, as set out in the M.T.F.P., will not be sufficient to meet the funding pressures as set out in the answer to question 7 above.

If applicable:

20. What delivery plans have been developed to ensure that clear systems, action plans and success criteria are developed for the Strategic Plan priority entitled 'promote family and community values'?

The Housing Department recognises that it has an important role to play in preserving and enhancing community values and services.

Perhaps the most obvious example of this is the work that the Department does with various residents' association on its estates, promoting community values and supporting community events. The Department also works with other agencies and Parishes to ensure that estates have facilities that meet the wider needs of the community. This can range from the installation of playground equipment for children to the provision of a new youth club and community facilities as proposed for the Le Squez Estate redevelopment, where the Department has been working with the Parish Constable and Deputies, the Education Department and the existing residents' association. The Department is also working with Health & Social Services to deliver, over time, more appropriate housing for our ageing population, particularly those with illness/disability where additional care is required. This will include the development of "community hubs" where housing and support will come together in a more appropriate community environment.

Additionally, the Department's Assisted Living Team remit includes significant levels of multi-agency working in order to ensure a co-ordinated approach in supporting vulnerable children, young people and families with their housing needs. The Team manages the Supported Housing Group, giving those most vulnerable in our society the opportunity to be housed with co-ordinated and targeted support being provided by partner agencies.

The Department will also be a key partner in the development of implementation plans for the six key objectives contained in the Children and Young People's Strategic Framework. Key amongst this will be the provision of affordable housing and improving existing stock to meet the Decent Homes Standard, in line with the Housing Transformation Programme.

21. What funding has been allocated to ensure the delivery of these plans?

No additional funding has been allocated to deliver these plans at present, but the Department does spend significant sums on ensuring that community services form part of its plans when upgrading existing estates or building new homes.

Additionally, the Department's budget includes the cost of the Assisted Living team, as well as an annual budget for medical adaptations, allowing those with illness/disability to remain in their homes for longer with appropriate adaptations being carried out to keep them independent and safe.