

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 15th JANUARY 2013**

Question

Further to the answer given on 6th December 2012 (7269) will the Minister state what precise impact the continuing payment of the sum of £24 million (indexed) to the Treasury will have on the ability of the new arms-length housing organisation to fund the building, maintenance and repair of social housing over the coming decade with specific reference to the business plans on which the Housing Transformation Project (HTP) is based?

Will he further state what efforts he has made, if any, to reduce these payments in the HTP and, if not, will he do so before lodging the HTP proposition?

What evidence, if any, does the Minister have to contradict Professor Whitehead's finding that £2.5 million would be produced by a £35 increase in weekly rent, but cost £3.3 million in additional Income Support, and if none, why does he not rule out rent increases to fund future day-to-day repairs and scheduled maintenance (historically running at £7.5 million annual underfunding)?

Answer

In my answer to the question from the Deputy on 6th December 2012, I stated that the overall budget allocated to the Housing Department over a long period had not been adequate to ensure that all States owned housing meets the English Decent Homes Standard resulting in a deteriorating stock. Clearly this is something that, as the Housing Minister, I have a duty to address whilst paying due attention to the States' overall financial position.

I have supported the Medium Term Financial Plan and I intend to keep the commitments contained therein. However, the Medium Term Financial Plan also includes a section on the Housing Transformation Programme and forewarns that changes will be required to the funding of social housing to ensure that the sector is sustainable, viable and suitable in the long-term for residents requiring decent social rented homes.

The new wholly States owned Housing Association will be unable to operate unless these changes to the funding of social housing are made. The changes required are both complex and long term in nature and will be set out fully in the Report and Proposition and supporting Full Business Case that I will lodge shortly. As you would expect, my Final Business Case is a substantial and detailed document that sets out a coherent plan for the long term funding of social housing and it would be inappropriate for me to set out what is still policy in development in this answer.

I am and will continue to work closely with the Treasury and Resources Minister to ensure that the new Housing Association is sustainable, viable and suitable in the long-term.

In relation to the third part of the Deputy's question, I refer him to my previous answer given on 6th December, 2012 and reiterate that Professor Whitehead was referring to the current arrangements. Further work undertaken for the Minister for Social Security by the Cambridge Centre for Housing and Planning Research, (currently policy in development), has indicated that there are other ways of setting the rental components for those renting in the private sector. Those alternative options would not result in the position set out within my Department's Green Paper.

The Minister for Social Security and I have agreed that he will publish his proposals for setting the private sector rental component of income support following my lodging of proposals for housing transformation so that all States Members can understand the full context.