

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY  
BY THE DEPUTY OF ST. JOHN  
ANSWER TO BE TABLED ON TUESDAY 2ND MAY 2017**

**Question**

Will the Minister advise what the impact has been on her Department's budget of the Assembly's adoption on 16th May 2013 of 'The Reform of Social Housing' (P.33/2013) and the agreement that rents in social housing would be charged at 90 per cent of market rents?

**Answer**

The agreement that rents in social housing would be charged at 90 per cent of market rents impacted the Income Support Budget across three types of tenancy: Andium, Social Housing Trust Rents and Private Sector. The impact was discussed in the [2015 Annual Update to the MTFP Department Annex](#) (Page 94):

**Income Support Costs**

The financial impact of the return to near market rent levels in the Social Sector is now significantly reduced from that previously detailed in the MTFP as the implementation will be phased over many years as new tenancies are created.

The additional Income Support costs arising from the return to near market rent levels will be met as follows:

- In the States sector, the additional cost estimated to be £300,000 in 2014, £700,000 in 2015 and potentially increasing to £2m by 2043 will be met from the Social Security budget for Income Support. The increases in Income Support in 2014 and 2015 will be topped up from Central Contingencies, if the current MTFP funding levels prove to be inadequate.
- In the Housing Trust sector, there is estimated to be a small additional cost of Income Support in 2014 and 2015, increasing to £1m by 2043. The increases in Income Support in 2014 and 2015 will be topped up from Central Contingencies, if the current MTFP funding levels prove to be inadequate.
- In the Private sector the revised rates of Income Support have been implemented with effect from April 2014. This additional cost has been provided as a growth bid in the current MTFP of £750,000 in 2014 and £1 million in 2015 which is proposed to be allocated to Social Security Income Support as part of the 2015 Budget allocation of Central Growth.

From 2016 the impact has been built in the base budget for Income Support approved in the MTFP. The amount increases each in year in line with the expectations of the number of properties moving to near-market rate.

The table below summarises the amount included for each year from 2014 to 2019.

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Andium	300	700	700	1,000	1,100	1,300
Other Housing Trusts	51	134	184	234	284	334
Private Sector	750	1,000	1,000	1,000	1,000	1,000
<b>Total</b>	<b>1,101</b>	<b>1,834</b>	<b>1,884</b>	<b>2,234</b>	<b>2,384</b>	<b>2,634</b>