

**Treasury and Resources Department**

**Treasurer of the States**

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8<sup>th</sup> August 2012

Deputy Kristina Moore

Chairman

Health, Social Security and Housing Scrutiny Panel

Scrutiny Office

Morier House

Halkett Place

St Helier

JE1 1DD

Our Ref: LR/DB/12-066

Your Ref:

Dear Kristina

**Housing Transformation Programme Scrutiny Sub – Panel Thursday 26<sup>th</sup> July 2012**

I found it very useful to attend the Scrutiny sub-panel and to understand the issues that were of concern.

I am currently in the process of getting together the additional information that I said I would provide and hope to have that with the Scrutiny Officer by the end of the week. Having now had the chance to review the transcript of the meeting I realise that I had misunderstood one of your questions and inadvertently given a wrong answer. Obviously I would wish to correct this.

The question you asked was, “ May I just ask one very quick question before we close, and it is about the idea of the housing trusts giving a proportion of the increase in rent to the Treasury in order to help fund social security income support? I replied, “We did not think that would be very popular, Chair.”

The reality is that the Housing Trusts will benefit from increased rent income as a result of the planned move from 70% to 90% of market rents. The aim is that, insofar as this increase relates to Housing Trust tenants who are in receipt of Income support, this additional income will be passed to Treasury to fund the additional increase in Income Support that will arise, as a result of the rent increase. This means the tenant is fully protected.

This issue is covered in the Housing White Paper and also in the Medium Term Financial Plan – Appendix 6 (Pages 294 to 296). The table on page 296, “Revenue Financial Implications” identifies the estimated cost to Social Security of this and the corresponding funding stream from the Housing Trusts (£825,000 in 2013 and £1,100,000 in 2014).

Please accept my apology for not answering your question fully. I trust that this letter along with the information provided in the MTFP provides the information you require and clarifies the position. If not, please do not hesitate to contact me and I would be happy to discuss further.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Laura Rowley', with a long horizontal flourish underneath.

**Laura Rowley**  
Treasurer of the States

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Copy: Fiona Scott, Scrutiny Officer