

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON MONDAY 11TH DECEMBER 2017**

Question

Will the Minister, as shareholder representative, inform members what the 'return to the Guarantor' from Andium Homes, currently £28.2 million annually and which is derived from some £46m of rental income, is used for?

Is it his assessment that this return ties Andium Homes into a high-rent business model (i.e. rents at 90% of the private sector) which makes the capping of rent levels at, say, 30% of household income impossible?

Answer

The 'return to the Guarantor' is included within General Revenue Income in the States of Jersey accounts which is offset against Net Revenue Expenditure. The return to the Guarantor is not allocated for a specific purpose but contributes to overall departmental expenditure.

In approving P.33/2013 (The Reform of Social Housing) and the policy to set rents at 90% of market rents this Assembly gave careful consideration to the Annual Return from Andium Homes and determined that the level agreed at the time, maintained in real terms (i.e. adjusted annually by RPI) was appropriate.

Income support provides components up to the full value of these rental levels thereby providing protection for Andium tenants on low incomes.