

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 4th JUNE 2013**

**Question**

Notwithstanding his response to written question 7640 of 14th May 2013 (which refers to figures which exclude the costs of annual uprates at inflation + 0.75%) will the Minister inform members what the projected total additional cost to States revenues of the Housing Transformation Plan (HTP) will be to include the impact of:

- (a) the change to inflation plus indexation from 2.5% to 4.25% and
- (b) the change to 90% of private sector rent levels on the level of the rental component of Income Support on the States social rental sector, along with the Trust and private sectors over the first 5 and 10 years of the HTP?

**Answer**

The point made in the response to written question 7640 i.e. that the “real terms” basis is the most appropriate and meaningful way of presenting these particular figures is reconfirmed.

The additional costs of the Housing Transformation Programme as presented in P.33/2013, R.44/2013, in real terms are:-

	Year 1 £000	Year 5 £000	Year 10 £000
States Social rental sector	300	1,100	1,600
Housing Trusts **	51	310	549
Private Sector	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	<u>1,351</u>	<u>2,410</u>	<u>3,149</u>

\*\* *Per P.33/2013, the intention is that these costs will be funded by the Housing Trusts themselves, as this is additional income over and above the expected levels.*

If updated at 2.5% the base figures above become:-

	Year 1 £000	Year 5 £000	Year 10 £ 000
States Social rental sector	307	1,245	2,048
Housing Trusts **	52	351	703
Private Sector	<u>1,025</u>	<u>1,131</u>	<u>1,280</u>
	<u>1,384</u>	<u>2,727</u>	<u>4,031</u>

If updated at 4.25% the base figures above become:-

	Year 1 £000	Year 5 £000	Year 10 £000
States Social rental sector	313	1,354	2,426
Housing Trusts **	53	382	832
Private Sector	<u>1,042</u>	<u>1,231</u>	<u>1,516</u>
	<u>1,408</u>	<u>2,967</u>	<u>4,774</u>

It needs to be made clear that these are indicative figures produced for the purposes of providing the answer to this specific request.

There are a number of factors, not just the Housing Transformation Programme, that will affect what the States will need to provide in terms of Income Support and these factors will impact differently from year to year. These include, for example, the actual rate of inflation and the impact of changes to household income, employment status and household composition of those in receipt of Income Support.

It is also important to recognise that the return to the States will in future years (after 2015) be increased annually by RPI.