WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES BY DEPUTY K.M. WILSON OF ST. CLEMENT QUESTION SUBMITTED ON MONDAY 7th SEPTEMBER 2026 ANSWER TO BE TABLED ON MONDAY 14th SEPTEMBER 2026

Question

"Will the Minister provide, in respect of Andium Homes –

(a) the current level of funding required, and available, for its capital programme;
(b) any funding received from Government in 2026 and the reason for such funding;
(c) the annual debt-servicing costs (if any);
(d) the cash reserve position;
(e) any projected capital expenditure during this political term; and
(f) the extent to which it has been assessed that its existing business plan remains financially sustainable over the political term;

Answer

(a) Funding available:

Borrowing	Facility	Drawn	Available
Housing Development Fund	£228m	£228m	£nil
Private Placement	£100m	£100m	£nil
Revolving Credit Facility	£300m	£170m	£130m
Total	**£628m**	**£498m**	**£130m**

The current level of funding is sufficient to support Andium's contracted capital programme and next immediate priorities, including the first phase of the major refurbishments at Les Cinq Chenes and Clos des Samares. Any further capital projects would require an assessment of available resources to determine whether additional funding is needed. The assessment would take into account Andium's Treasury Management Policy that requires a certain minimum level of available funds for risk management purposes.

(b) Andium has not received any funding from Government in 2026. Andium has a number of contractual arrangements with Government relating to homes rented for healthcare workers, from which rental income has been received.

(c) 86% of Andium's borrowing is at fixed interest rates through contractual and hedging arrangements. The latest forecast for interest costs in 2026 is £22 million. This amount may fluctuate depending on borrowing levels, which are influenced by cashflows from the capital programme and property sales, as well as changes in the wider interest rate environment affecting variable rate debt. Andium's Hedging Policy stipulates that no more than 30% of total borrowing may be subject to variable interest rates.

(d) Cash requirements are managed through Andium's Revolving Credit Facility, which can be drawn upon with two working days' notice. As a result, Andium maintains relatively low cash reserves in order to minimise interest costs, fluctuating between £1m to £5m. The impact of holding cash is further mitigated through interest rate arrangements applicable to balances held in its bank accounts.

(e) Forecast capital expenditure for Andium's contracted programme and immediate priorities covering the financial years 2027 to 2030 amounts to £163 million, including £131 million of new build and major refurbishment costs and £32 million of capitalised improvements to existing homes. A further £56 million is included within Andium's next priorities over the same period, subject to the necessary viability assessments being satisfactorily completed.

(f) Andium operates a robust business model with frequent reviews and updates of their 40-year financial modelling to ensure ongoing investment in existing and new affordable homes remains financially sustainable. The model is regularly stress tested to assess the impact of changes in the macroeconomic environment, capital programme and sales programme. It is updated at least annually as part of their Strategic Business Plan process and their Board Strategy Day.

The business model includes provision to service and repay all borrowing with all borrowing, supplemented by the sale of affordable homes to First Time Buyers, funding the investment in new and existing affordable homes and serviced through the rental income on over 5,100 homes.

The Andium Board is responsible for managing the Company's finances, including monitoring debt levels and their serviceability. I receive regular reporting through the cycle of quarterly shareholder meetings and I am satisfied with the Board's governance of their finances and that their plan is well considered and financially sustainable.

The assurance over their financial sustainability is supported by the following metrics and mitigations:

- Asset Cover (asset values vs total debt value) is 299% (Gearing of 33%) and Interest Cover (income vs interest costs) 184%

- Each new project must meet strict financial viability including the associated borrowing costs.

- The Company operates a Board approved Treasury Management Policy with rules around the level of debt as a proportion of fixed assets, a funding strategy to determine the approach to managing debt and a minimum level of liquidity to ensure existing and anticipated cashflows can be met.

- The Andium Board is advised on these matters by professional debt advisors, EY.