

Eleventh Annual Report of the Jersey Homes Trust.

1st January 2007

CHAIRMAN'S REPORT

Having recently taken over the Le Coie development at Springfield, the Jersey Homes Trust is now the owner and manager of 650 units of accommodation. Three further current developments that have been approved will take this total well beyond 700. Over the last ten years the main efforts of the Trustees, by necessity, have been concentrated on the procurement and development of some 15 housing developments, most of them of major proportions. The main focus of the Trustees is now shifting to the efficient conduct of 650 tenancies and the good management of 650 units of stock.

The environment in which the Trust operates is very much in the minds of Trustees. Although the provision of affordable housing remains a social priority with which few would question, the nature of the role of housing trusts and their place in the general strategy of housing policy is a matter of current debate and some speculation. The Housing Department is conducting a review of social housing in Jersey which I understand to be far reaching and thorough and it is inevitable that the final conclusions of this exercise will be much influenced by the policies and goals of the Council of Ministers. No further developments of social housing will be supported by the Housing Minister before the review is concluded. Any developments thereafter which may be supported will have to comply with a new strategy, the direction of which remains unknown at present.

My Trustees are fully aware that their role is to work with government, as part of an overall social and financial strategy, to deliver and manage affordable housing for those in need, through the discipline of an approved and efficient format. Their endeavours will achieve success only if and to the extent that this essential partnership remains healthy and pro-active. I am delighted to report that the Housing Minister, Senator Terry Le Main, remains totally supportive of the Trust and of the role of housing trusts and I am pleased to express my appreciation of his talents and dedication that have produced so much new housing for Jersey people. Trustees await the outcome of the review with confidence that they may continue to have an active and creative place in the procurement of further social housing in the Island.

Going forward, it is predictable that there will be a greater emphasis on the provision of accommodation for the elderly and also for shared-equity schemes. Trustees are ready to embrace the new challenges that these developments will incur.

One of the issues facing all the providers of social rented housing is the empowerment of tenants. As the Island moves toward solving a shortage of provision that had been acute for many years, tenants will expect to begin to enjoy greater choice. They will not necessarily be happy to take and then to remain in the first home

offered. They may well wish to move house, to be closer to schools or workplace, or to return to the Parish of their birth. They may wish to move from private to public sector, or vice-versa. They may seek a greater voice in the management of their estates. In the UK, Government is sponsoring efforts to reduce the level of paternalism in social housing management, and it is inevitable in a just and affluent society that Jersey will take a similar course. One definition of poverty concentrates on lack of choice. Elimination of poverty therefore implies the affording of choice.

The Jersey Homes Trust will cooperate in offering choice to its tenants. Our managers will attempt to satisfy the particular housing requirements of our tenants and will not impede transfers to and from other housing trusts or the public sector. We shall continue to sponsor and support residents' associations and encourage dialogue with tenant groups. Tenants will have continuing opportunity to communicate their satisfaction levels and concerns through surveys and the like. Our popular news bulletin, dedicated telephone lines and the Trust's website all assist contact and a sense of belonging. A vertically structured management system provides individual managers who know their tenants. Through these carefully constructed processes it is hoped our tenants will feel consulted and empowered in a system that genuinely cares about them and their needs.

Once again I draw attention to the benchmarking exercise conducted annually by the Trust for comparison with the performance indicators of UK housing associations. The Trust has no employees and no offices. It out-sources all of its administration, legal services, property management and accounting functions as well as repairs and maintenance under a strict code of conduct to ensure full transparency and value for money. The code specifically permits the awarding of some contracts for remunerated services to firms having a connection with a Trustee. It is incumbent on the Trustees therefore to show that these arrangements deliver efficiency and cost-effectiveness. I believe that the efficiency of the Trust has never been in doubt. I submit that the benchmarking exercise is total confirmation that the operation costs of the Trust represent excellent value-for-money and are lower than equivalent costs of UK housing associations. I would assert that the efficiency and effectiveness of the Jersey Homes Trust has very much depended upon these arrangements.

The Trust continues to receive substantial subsidies from the States. It is fully accountable to the Housing and Finance Ministries and operates transparently under well understood safeguards and protocols. It is committed under legal agreement to remit to the States any uncommitted cash surpluses it may accumulate and all its property must be retained for rental to Jersey residents in need. Transparency is the pre-requisite of all our activities. Our independently audited accounts are voluntarily and fully compliant with UK standards and protocols and are submitted annually to the Housing and Finance Ministers. Auditors certify that all related-party contracts are awarded in accordance with the strict regulations of our constitution. Our website contains detailed information about all aspects of the Trust. This Chairman's report is submitted annually to all the media. In the near future it is intended to publish a set of Trust accounts annually on our website.

Trustees remain unremunerated. Their appointments were all approved in the first place by the Housing Committee and all future appointments must be similarly approved. It is my duty and pleasure to record my great appreciation and admiration

for my fellow Trustees, who have all remained in office since the formation of the Trust in 1995.

Le Coie: The Trust took over the Le Coie housing development in August 2006. We pay tribute to the Housing Department who were the developers of this very fine scheme. It comprises 96 units of accommodation, mainly single and two-bedded apartments, which are proving to be very popular with its residents. All the accommodation was let to needy applicants within two months, 80 per cent of whom were nominated by the Housing Department. The 20 per cent allocated by the Trust were nominated strictly on a need basis from the Trust's own waiting lists.

We were thrilled to let the two superb amenity units at Le Coie to two admirable local charities. The purpose-built day-care centre was let to Centre Point, for the after-school care of schoolchildren, and the ground-floor corner multi-function unit to Headway, which assists victims of head injuries to live and work in the community. This unit will also remain available for community use, under the control of Headway. I can also report that the spacious 5-bedroomed community home was let to Les Amis whom we are delighted to welcome again as our tenants.

Current Developments

Le Clos Vaze: This is a development of Field 1218 at Mont a l'Abbe by Marett Homes for Category A housing. The Trust has acquired part of the development which will be named Le Grand Clos and which will provide 54 units for the Trust, 40 of them houses. The project, of which the total cost is £8,426,000, is close to completion.

Field 690A: This is also a development by Marett Homes, at Maufant. We anticipate acquisition of the site by the Trust in the very near future prior to the commencement of construction. It will yield nineteen 3-bed houses for Jersey Homes Trust at a gross project cost of £3,353,000.

Field 1370: The Trust recently acquired this site for the development of thirteen houses at Mont-au-Pretre by G R Langlois Ltd. The total project cost is £2,255,000.

Annual benchmarking of performance

The table of results follows.

Benchmarking JHT with Performance Indicators of UK Housing Associations (2005)

	All UK Associations Average data	Selected UK Associations Average data	Jersey Homes Trust Actual data
No. of Units Owned	2975	762	538
Vacant units available to let	1.00%	1.30%	0.00%
Vacant units unavailable to let	1.30%	0.80%	0.00%
Average re-let time (days)	43	38	0.54
Average weekly gross rent	£63.46	£69.24	£167.04
Weekly operating cost per unit	£51.00		£32.36
Above cost excluding foncier rates	£51.00		£29.83
Total costs as proportion of rents	80.37%		19.37%
Rent arrears as % of annual rent	5.70%		0.07%

NOTES:

Sources:

The Housing Corporation Performance Indicators website (www.housingpis.co.uk)

The audited accounts and annual report of The Jersey Homes Trust.

Housing Associations selected for benchmarking exercise:

All Associations: General Needs owned.

Selected Associations; By size; General Needs owned 500 to 1000 units.

Note: Blank data cells indicate data unavailable.

Operating costs are all **property expenses** including maintenance and repairs and all **management and administration costs** including audit, accountancy, insurances and legal & professional fees.

The operating costs for UK associations are filtered to exclude costs not relating to landlord activities.

The operating costs for JHT include all costs of the Trust without exclusion.

Average re-let time calculated by number of void days divided by number of re-lets in year.

Property Management Report.

A total of 653 units are presently under management.

Brooklands: Old Trinity Hill, St Helier. 15 units of flats and houses.

La Folie Estate: St Lawrence. 30 units of houses and flats.

Maison de St Nicolas: St Peter. 6 flats.

St Paul's Gate: Dumaresq St, St Helier. 17 flats.

Cherry Grove: Roussel St, St Helier. 12 flats

Kent Lodge: Clarendon Rd, St Helier. 7 flats.

St Saviour's Court: St Saviour's Rd, St Helier. 28 flats.

Belle Vue: Route des Quennevais, St Brelade. 90 houses and flats on this estate.

La Roseraie, Mont Millais, St Helier. An estate of 35 units of houses and 10 flats.

Le Jardin Fleuri: Grouville. An estate of 16 houses.

Berkshire Court, La Motte Street, St Helier. 113 flats and 1 amenity unit.

5 St Clement's Road, St Helier. 10 flats,

John Wesley Apartments, Cannon Street, St Helier. 40 flats and 1 house.

Parkside, West Park and Lewis St, St Helier. 19 flats and maisonettes.

Victoria Place, Albert Pier. 77 flats and a 5-unit group home, on the waterfront.

Clement Court, Ann Street, St Helier. 26 flats.

Le Coie, Springfield, St Helier. 96 flats and 2 amenity units.

The Trust holds title to all the above estates and properties.

Letting: I am delighted to report that all units under management are fully let.

Rental: The current annual rental of the Trust's property is £5,722,736.

Void & Arrears: Please refer to the benchmarking table above.

Disputes and Legal Proceedings.

Clement Court :

In my previous report I drew attention to legal proceedings arising from events occurring in connection with the Clement Court project.

These matters are proceeding.

Acknowledgements

To:

Jim Bailey (Chairman's Assistant and JHT Monitoring Surveyor);

Marion Falle (our public relations consultant);

Stephen Van Neste and his team at Brunel Management (our Property Managers);

Thank you all. You are totally professional and unstintingly loyal.

To:

Ian Gallichan (Chief Executive Officer at the Housing Department);

Senator Terry Le Main, Housing Minister;

Gentlemen, your continuing support and encouragement are hugely appreciated.

To my Trustees:

You continue to amaze and humble me.

MICHAEL VAN NESTE**CHAIRMAN**

The Jersey Homes Trust is a Jersey Housing Association, registered in the Royal Court on 9th June 1995 as an association for the purposes of the law entitled "Lois (1862) sur les teneures en fideicommiss et l'incorporation d'associations". The 1862 law provides for duly registered incorporated associations and trusts to hold land and property for charitable purposes.

The Trustees of the Jersey Homes Trust:

Michael Van Neste, Chairman;

Advocate Steven Meiklejohn, Secretary;

Martyn Scriven, Treasurer;

Ian Moore, Accountant;

Chris Clarke, Developments Director;

Paul Labesse, Estates Director.