

**Twenty- sixth Annual Report  
of the  
Jersey Homes Trust**

**Crisis or no crisis**

Our politicians have been debating the very serious shortage of affordable housing in Jersey, with disagreement on how this problem should be defined. Although frequently and popularly referred to as a “crisis”, the term is frowned upon in the upper echelons of Government. What is not disputed is the seriousness of a profound failure to provide, for the Island’s people, a decent stock of affordable housing with the resultant social and economic problems.

How did a small, easily governed and affluent Island get into this position?

When the Housing Department was transformed into the quasi-independent and very successful Andium Homes, there was discussion about any further need for a Housing Minister. I was one of those who keenly supported a continuation of the role, in order that strategic housing issues would continue to be a priority of Government. An office called the Strategic Housing Unit was established, with a Minister for Housing at its head. Regrettably, this has not been a success. The Housing Ministers who followed have not been supported with a properly functioning, properly staffed Department, developing a continuous and strategic oversight of housing need and supply, which should have been its primary concern. At the same time, there has been a proliferation of bodies and involvement of Departments with disparate objectives, agendas and policies, delivering reports, seeking sundry intervention and powers and achieving little. This fragmented and ineffective bureaucracy has been a rudderless ship with a sleeping captain.

By the time that Andium had been set up, a moratorium on Government support for affordable housing development had run for four years, resulting ultimately in a six-year hiatus in delivered construction. I repeatedly warned that affordable housing development should follow a steady course and that a problem was developing. The Government sleep-walked into a crisis that is now seriously affecting young families, causing homelessness, poverty and despair.

Andium are to be congratulated on their ambitious development plans, which will take time to deliver, and which will mitigate the crisis to some extent. The Planning Minister should also be congratulated on pushing ahead with an Island Plan seeking to offer solutions to the dearth of sites. This also will take years to deliver new homes and he will face very determined opposition. It is difficult to put a brave face on the outcome of measures that may be too little and too late.

The Government has been slow and reluctant to release redundant sites, owned by the Public, for housing development. If housing were a priority the situation would have been very different. The Jersey Homes Trust is keen to make a useful contribution to the

development of any site becoming available. The Trust is a Jersey institution. It belongs to the Island and it is run for the Island and it is about time it was perceived as such. The view that making sites available to the Trust constitutes “loss of the family silver” is as fatuous as it is false.

Our local population have as much right to an affordable home as they have to proper health and education services. A failure in any such provision is a failure of government.

### **Assessment of the need**

The Trust was a firm supporter of the establishment of the Affordable Housing Gateway, which maintains a central waiting list for affordable housing applicants. Previously each housing provider maintained its own list, resulting in duplication, inconsistency, lack of transparency and uncertain statistics of housing need. In 2018, responding to operating concerns and other issues, the Department for Strategic Policy, Performance and Population (yet another Department claiming to have an interest in housing issues) commissioned a report from UK experts with a wide brief, to consider the whole purpose, effect and operation of the Gateway.

The harsh criteria for access by applicants to the Gateway falls short of UK standards and I have campaigned for years for relaxation of rules that discriminate against many Jersey families in need of affordable housing. Although the report acknowledged the problem, it recommended delaying its resolution until housing supply was increased to meet the additional demand that widening the criteria would create. The reason given for this delay was to avoid disappointment arising from raised hopes for accommodation that could not be fulfilled. This has been the argument, trotted out for decades, to justify a policy of discrimination and exclusion. Those leaving the Island to obtain decent housing, or shacking up with in-laws, are no less disappointed.

All Jersey residents should have the opportunity to house themselves decently. Due to the shortage of supply and the high costs of ownership and renting, many Island families need to rely on subsidised housing and benefits in order to achieve what is their right. It is a serious injustice if, for example, couples without dependents are denied this opportunity. Furthermore, such exclusion distorts the official statistics of housing need, because the Gateway’s waiting lists are relied upon to measure need and to inform Government policies.

By this means, demand has been geared to meet supply, instead of the other way around. For many years, the official record of housing need has been artificially manipulated and its true extent unrecognised. The result is a housing crisis.

NOTE: the Housing Minister has announced in a policy document dated 31<sup>st</sup> December 2021 entitled “Fair Rents Plan” an intention to phase out, over several years, the more discriminatory criteria for access to the Gateway. I congratulate the Minister for taking this overdue step. I would urge the Minister to go further. Having at last recognised the injustice and its seriously detrimental effect, any further delay in resolving matters makes no sense. The criteria should be corrected forthwith. This does not increase demand; it merely measures it. Childless couples under the age of 40 years must be given some hope that their human rights are recognised even though they are unfulfilled for now. The sooner the extent of need is understood, the sooner it will assist the Minister in arguing his case before the Council of Ministers and impact on the Government’s policies. It will take years to rectify the mistakes of the past.

## **Developments.**

A second year has passed without an opportunity for the Trust to commence any further development. We have been engaged in a negotiation to acquire a country site zoned for housing development, but the outcome of this remains uncertain.

The Housing Policy Development Board, established by the previous Housing Minister, has reported in full on measures to resolve the housing crisis. The present Minister has published a Housing Action Plan and then set up the Strategic Housing Partnership, a forum for numerous stakeholders or interested parties. The proliferation of agencies, committees and Departments with an interest in housing issues cannot be helpful.

I submit that resolution of the crisis requires simple and well-understood measures, prioritising policies with leadership and consistency. Quite simply, providers and developers need sites and helpful bureaucracy. Both are in very short supply. I welcome all the measures mentioned in this report intended to alleviate and address historic failures and I wish the Government well in this. Recognition of a crisis could accelerate the process and provoke further actions.

## **Rental policy**

The Jersey Homes Trust was the first housing provider to announce a freeze on rental increases, which commenced in April 2020, in response to the Covid pandemic. The States later imposed a short-lived freeze on all residential rentals. Along with other providers, the Trust is maintaining its present freeze and will be reviewing this policy month by month.

Our managers provide helpful advice and options to tenants experiencing financial constraints arising from the pandemic and I am pleased to report that rental arrears remain at consistently low levels.

The States recently voted in principle that the present cap on social rentals should be reduced from 90% to 80% of comparable market levels. The Jersey Homes Trust is fully supportive of this measure, which now aligns with UK policy for affordable social rentals. The Trust's actual rentals stand, in fact, at less than 80% of market levels. My Trustees have always taken the view that, provided commitments to funders are met, they would be reluctant to impose the full 90% rate on their tenants. Housing Associations are not-for-profit bodies with charitable intent and my Trustees are very much aware of this. If the supply of social housing can be increased to meet demand, capping rentals at 20% below the market level will, through competition, reduce expectations in the private sector. That will be key to resolving the housing crisis in the rental market.

## **Len Norman**

I was greatly saddened by the passing of a dear friend and constant supporter of the work of the Trust, Connetable Len Norman. Len, as Housing President, asked me to set up the Trust in 1994, to take on further greatly needed social housing development. Twenty-seven years' later the Jersey Homes Trust is landlord to 839 homes with a balance-sheet valuation of £200 million. Over the years, in times of political challenges, Len was a reliable and effective champion of our ethos and performance.

My own time in the role as Chairman must now be limited, as advanced age approaches. I was greatly flattered to be invited by Len to establish the Trust and then to enjoy, over so many years, the confidence of my wonderful Trustees to act as their Chairman. I believe it is timely for them now to consider succession and continuity issues for the future. I have informed the Trustees of my intention to stand down early this year.

### **My time as Chairman**

Over the years I have worked with eleven holders of the office of Housing President or Minister, for the most part in close and harmonious collaboration. Along the way, two holders of the office were deposed by States members, when the politics of housing provision by the Trust became an issue. I played a well publicised role at the time. It is pleasing and reassuring to know that the Trust continues to enjoy recognition and the confidence of the States. The Trust has always been cognisant that the essential basis of its role is through a working partnership with the States.

I have played an active role in consultations, forums and committees, such as the Housing Task Force, Housing Forums, appearances and submissions to Scrutiny Panels and other Boards. I have attended seminars on town regeneration and the Waterfront. The Housing Task Force was composed of the Chief Officers of Housing, Planning and Property Services and myself. It was powerful, dynamic and decisive and it was effective. In recent years there have been more reports, more talk, more bureaucracy and a housing crisis.

I have been interviewed on numerous occasions by all the branches of the media who generally have taken a responsible and active interest in housing issues and the role of the Trust. I would like to thank the many journalists who have been courteous to me and respectful of the vital role of the Trust.

Major estates of the Trust include Belle Vue (formerly Lesquende), Victoria Place (Waterfront), Berkshire Court (La Motte Street), John Wesley Apartments (Cannon Street), Le Coie (Springfield), La Roseaie (formerly Postal Headquarters), Le Grand Clos (St John's Road) and La Folie (Millbrook). The Housing Department and the Waterfront Enterprise Board played major roles in developing Le Coie and Victoria Place respectively. All the other developments were commissioned and fully managed by the Trust. I acted as CEO throughout, without executive officers, a staffed office or establishment. Our developments have always been on time and within budget. A full list of our estates and properties is appended. I was ably assisted by Chris Clarke, our Developments Director and professional firms of which Jersey can be proud.

Our properties have been fully occupied by residentially qualified Jersey residents, always on the basis of need. The Trust is, of course, a major landlord and puts the well-being of its tenants at the top of its agenda. A recent satisfaction survey (see below) confirmed a very high level of appreciation by tenants of their homes and their landlord services. Our properties are superbly maintained by our Managers, who enjoy the professional advice of Paul Labesse, our Estates Director.

I recruited a band of dedicated professionals to serve as my Trustees. These included a lawyer, a banker, an accountant, a building surveyor and a building engineer. All were at the top of their professions and they freely offered their time, reputations and expertise in order to make a difference to the lives of Jersey people in need of a home. All but one remain serving

as Trustees to this day. Their expertise, support and loyalty, including during some difficult times, were the key to the success of this very large endeavour. I shall always be in their debt. Martyn Scriven, my Deputy Chairman and Treasurer, played a key role in negotiating substantial funding facilities for a housing association with no track record. He has been a staunch and loyal friend. Ian Moore, our Accountant, has overseen our complex accountancy requirements in an effective and easy manner, ensuring compliance with the highest UK reporting standards. Advocate Phil Le Cornu and Frank Dearie were appointed as Trustees in more recent years, Phil as Secretary and Frank overseeing regulation and compliance.

I recall, when setting it up, that I described to Len Norman how the Trust would be composed and operated. He smiled broadly at me and said, "Oh, how I wish I could run a Committee like that!" He knew a thing or two.

### **The Future**

The Trust entered into borrowing of £120 million to fund its developments. Over the next few years the Trust is well placed to largely complete repayment of this funding. For 25 years, most of the Trust's rentals have been utilised to meet scheduled loan repayments. It can now begin to plan for substantial revenue surpluses.

The Trust has commenced a programme of refurbishments and improvements to its properties. It will be placed to invest substantial resources in new development and to leverage further funding for such purpose, when the opportunities arise.

My Trustees are ambitious to magnify their contribution to the lives of the people of the Island and look forward a close working relationship with the States, in a partnership for further social housing provision and improvement.

### **Satisfaction Survey of Tenants**

All the Trust's tenants were invited in 2021 to respond to a satisfaction survey, which is conducted every few years. About a third of tenants replied, which is considered a good response. The results were more than reassuring. Positive responses were received to the statement "I would recommend a friend or relative to live in a JHT property" (89.6%) and "I enjoy living in my home" (86%). Our Managers received positive approval ratings (93.75%) and similar ratings for efficient handling of queries (88.8%). Good responses of satisfaction were recorded for low levels of anti-social behaviour and vandalism.

These excellent results were obtained during the Covid pandemic and lock-downs that have been highly challenging to our Managers, Brunel Management. They must be congratulated for their professionalism and dedication and it is gratifying to see that their performance is appreciated by our tenants.

### **Bench-marking our performance:**

As usual, the results of the annual bench-marking of the Trust's performance are appended. The bench-marking results are authenticated by the Trust's independent auditors.

The UK results used for comparison are based on the global accounts of associations owning over 1,000 units (90% of the sector). The Trust owned 839 units in the period of review. For fair comparison, it should be noted that larger associations enjoy the benefit of economies of

scale and that the Trust operates in an environment much more costly than in most parts of the UK.

We include the results of the Trust for the preceding three years, in order for year-on-year comparison of its own performance. Management costs must be expected to reflect UK levels, since they include all professional fees, accountancy and administration costs, insurance and legal expenses. All are much higher in Jersey. It is pleasing, therefore, that overall operating costs remain below the UK levels.

The bench-marking exercise validates our out-sourced management structure which continues to be our preferred business model, for reasons of both efficiency and cost. Of benefit in this context is our ability to utilise remunerated services at 'arm's length' terms from firms connected to Trustees, under well understood protocols. All related-party contracts are reported and fully detailed in the audited accounts of the Trust, which are submitted to the Treasury and Housing Ministers and published on the Trust's website.

### **Acknowledgements**

To:

Nigel Sweeny (our monitoring surveyor);

Marion Falle (our public relations consultant);

Stephen Van Neste and his team at Brunel Management (our property managers);

Paul Fleming and the team at IQEQ (accountancy services);

Becky Fernandes and her colleagues at Intertrust (secretarial services);

and, of course, my wonderful Trustees (see below).

Thank you all for your outstanding support and service over many years.

**MICHAEL VAN NESTE** CIHM.

**CHAIRMAN**

1st January 2022

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;

Martyn Scriven, Deputy Chairman; Treasurer;

Advocate Philip Le Cornu, Secretary;

Chris Clarke, (Chartered Structural Engineer) Developments Director;

Frank Dearie; Risk, Regulation and Compliance;

Ian Moore, (Chartered Accountant) Accountant;

Paul Labesse, (Chartered Building Surveyor) Estates Director.

**THE JERSEY HOMES TRUST**

**Annual Benchmarking of Performance Indicators (2018 – 2020)**

**against Performance Indicators of UK Housing Associations (2019 -2020)**

	UK Associations		Jersey Homes Trust		
	2019	2020	2020	2019	2018
Average stock per provider	12,389	12367	842	842	805
Rent loss from void properties	1.5%	1.5%	0.2%	0.0%	0.0%
Average re-let time (days)*	unreported	unreported	17.68	0.32	0.0
Rent arrears at year end	4.70%	4.90%	0.69%	0.14%	0.07%
Bad Debts	0.80%	1.00%	0.32%	0.16%	0.27%
Maintenance & Repairs per unit: Weekly	£37.20	£39.78	£34.63	£42.40	£31.94
Annual	£1,934	£2,068	£1,801	£2,205	£1,661
As percentage of Turnover	35.86%	37.41%	14.32%	17.84%	14.27%
Management cost per unit; Weekly	£22.17	£23.14	£21.78	£21.44	£20.60
Annual	£1,153	£1,203	£1,132	£1,115	£1,071
As percentage of Turnover	21.38%	21.77%	9.01%	9.02%	9.20%
Overall costs per unit: Weekly	£60.08	£64.37	£57.21	£64.25	£53.20
Annual	£3,124	£3,347	£2,975	£3,341	£2,766
As percentage of Turnover	57.93%	60.54%	23.66%	27.03%	23.77%

**NOTES:**

“**Management Cost**” includes all administration costs, management fees, accountancy and audit fees, property insurances, P.I. Insurance and legal and professional fees.

**To achieve like-for-like and meaningful comparisons:**

All costs are nett of depreciation and impairment costs.

JHT costs are nett of Foncier Rates (for which there is no UK equivalent).

**Re-let time:**

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

**Sources:**

The “2020 Global Accounts of private registered providers”

published by the Regulator of Social Housing.

The independently audited Financial Statements of The Jersey Homes Trust and reports to Trustees by Managing Agents.

**Unreported data in the UK statistics:**

Re-let times: last reported in 2010 as 33.2 days.

See also the following information sheet.

## **Jersey Homes Trust**

### Benchmarking of Performance Indicators: 2021 reporting.

- This exercise compares both the performance and costs of the Trust with those of major UK housing associations, as well as with prior years' performance of the Trust itself. As the UK Regulator has advised, higher costs may be the result of higher standards of maintenance. This is particularly relevant in this year's reporting since, due to the Covid pandemic, planned renovations were postponed; the consequent reduction in overall costs, year on year, is a reflection of this.
- The "Global Accounts of private registered providers", published by the Regulator of Social Housing, are the aggregated accounts of UK housing associations managing/owning more than 1,000 social housing units, which account for over 95% of the sector. There were 215 such providers out of a total number of approximately 1,400 active providers. The results of the great majority of providers UK housing associations, with fewer than 1,000 units, are therefore not included.
- The UK Regulator reports that, "Bad debts, void losses and current tenant arrears are key performance indicators in assessing the efficiency of letting and rent collection".

### Headline costs: economies of scale

The UK Regulator has confirmed that larger associations benefit from economies of scale when comparing costs. The costs of associations with fewer than 1,000 units, which are excluded from the data set, would be expected to be higher than the costs reported in the Global Accounts. In the case of the Trust, with 842 units, like for like comparison is therefore negatively compromised.

### Average re-let time (days) and rental loss from void properties

These parameters normally achieve nil results by successful policies of re-letting homes "back-to-back", (the incoming tenant securing the home immediately on the departure of the tenant vacating) and also through carrying no vacant stock. The requirements of social distancing during the Covid emergency prevent different contractors working together and delay the inspections of premises by prospective tenants. An average re-let time of 17.68 days and a rental loss of 0.2% is the result. This still compares very favourably with the performance of UK providers, even in normal times. The issue will continue to impact results until normality returns.

### Decent Homes Standard: Major Repairs

This parameter is no longer reported, since almost all UK stock now achieves the standard. The cost of repairs generally has now levelled in the UK, following the major repairs programmes that achieved the standard throughout the sector, and current levels of maintenance costs in the UK continue to benefit.

### Overall Cost per unit: Maintenance & Repairs

Overall costs per unit have dipped below UK levels. This is a temporary phenomenon and is largely the result of delayed planned refurbishments (see above). Comparisons are actually disadvantaged by unequal economies of scale (see above). Also, it should be noted that the Trust operates in a cost environment very much higher than in the UK. As a percentage of turnover, the costs of the Trust remain very much lower than those in the UK.

### Management Cost per unit

The Trust's costs remain close to the UK's costs. The cost of professional fees and insurances in Jersey are unavoidably higher than in the UK.

### Other providers

The Trust's Benchmarking is not suitable for comparison with the performance of UK local authority housing or with Andium Homes in Jersey.



The estates of The Jersey Homes Trust as at 1<sup>st</sup> January 2022

Name of Property	Bedrooms					Total Units
	1	2	3	4	5	
Brooklands	1	11	3			15
Berkshire Court	113					113
Belle Vue	24	53	11	2		90
Clement Court	27	5				32
Clos Du Ruisseau			19			19
Cherry Grove		12				12
Le Grand Clos	14	6	27	7		54
Garrett Anderson House	37	3				40
Hameau de la Mer	18	3				21
Jardin de la Mare			29			29
John Wesley Apts	17	23	1			41
Kent Lodge		7				7
Le Coie	49	46			1	96
La Folie	3	29	10			33
Le Jardin Fleuri		4	12			16
La Roseraie	4	14	27			45
Milbrook Gardens		5				5
Maison St Nicolas		6				6
Parkside	1	6	8	2	2	19
Clos Le Gallais		2	11			13
5 St Clements Road	9	1				10
St Paul's Gate		17				17
St Saviour's Court		24	4			28
Victoria Place Group Home	5					1
Victoria Place	22	51	4			77
TOTALS	344	328	157	11	3	839

The Trust owns the freehold of all properties listed, which also include 3 commercial units, which are not listed. All units listed are fully occupied.