

# STATES OF JERSEY



## JERSEY HOMES TRUST RENT INCREASE – ASSISTANCE SCHEME

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Lodged au Greffe on 28th March 2023  
by Deputy G.P. Southern of St. Helier Central  
Earliest date for debate: 18th April 2023

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STATES GREFFE

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

To request the Minister for Social Security, in consultation with the Minister for Housing and Communities and as a matter of urgency, to establish a scheme for those tenants in relative low-income households affected by the Jersey Homes Trust rent increase of up to 9%, whereby rent increases would be subsidised in whole or in part, for a period of up to three months.

**DEPUTY G.P. SOUTHERN OF ST. HELIER CENTRAL**

## **REPORT**

The Jersey Homes Trust – which owns and manages 839 homes across 24 estates – recently began contacting tenants to inform them of the increase, which, while it is below inflation at 12.7%, will come on top of large hikes in the price of many goods especially food and fuel.

This will inevitably result in increased hardship for hundreds living in social housing.

The Trust's Chair, Philip Le Cornu, explained that the housing provider, which froze rents due to covid in 2020 and 2021, receives "no government funding, and ongoing refurbishment and upgrades of our properties are funded through rental income."

The news of the rises in a short time period during a cost-of-living crisis has come as a "shock" to many of its constituents, who have appealed to Reform Jersey appealed to the party for help.

*"As an accredited social-housing provider, the Jersey Homes Trust is obligated to meet high standards of care for its tenants, and the government has a special interest in working with the trust to help safeguard the wellbeing of the hundreds of Islanders who live in JHT properties.*

*"We are disappointed that more notice was not provided to tenants of this rent increase and, given how substantial it is, that no work appears to have been done with the Housing Advice Service to communicate with tenants about what rights they have, including what potential entitlement they may have for financial support through Income Support."*

### **Reform Jersey Statement**

One tenant to have been affected states that he "might have to sell [his] car", which he bought only last year, as the "astronomical" increase which would see his rent go up by £116 per month or close to £1400 annually.

Another resident, a mother of-two, said: "I'm not sure what to do. I can't afford to stay in Jersey and I can't afford to leave."

She added that she wasn't alone in this: "There are a lot of people who are not sure where they are going to get the extra money from."

Jersey Homes Trust rents were frozen in 2020 and 2021. In 2022 all rents for the Trust's 839 properties went up by 3.8% in line with the Retail Price Index (RPI), and this year are being kept below RPI.

Reform Jersey has written to the Minister for Housing and Communities and the Minister for Social Security to urge them to take action and has also requested a meeting with Jersey Homes Trust representatives to discuss a way forward.

Concerned about the notice period, the Minister wrote to the Trust asking them to put the increase back by a month. They have, today, informed the Minister that they have agreed to his request, and are now contacting residents.

Jersey Homes Trust Chairman, Philip Le Cornu, added: “The Minister for Housing and Communities wrote to the Jersey Homes Trust on 14 March, asking for rent increases which were due to take effect in April 2023 to be delayed by a month. The Trustees have agreed to this reasonable request and therefore all rent increases previously advised will now take effect from May 2023. Jersey Homes Trust is in the process of communicating this change to their tenants directly.”

Deputy David Warr stated –

*“Although JHT have held rents stable over the past few years, the higher increase in some of the rents will have distressed many families where household budgets need to be carefully planned.”*

*“I’m thankful to the Jersey Homes Trust and their trustees for acting so quickly upon receipt of my letter, and for agreeing to delay the rent rise until May. This will give tenants better opportunity to get financial arrangements in place and, where appropriate, discuss the issue further with our Housing Advice Service or Income Support teams.”*

Many tenants will be grateful to have the period of notice extended, but for some this will mean major upheaval as they see whether they can manage on a new tighter budget or are forced to move out and seek cheaper alternatives. Reform considers that 3 months (13 weeks) notice would be a more appropriate period.

### **Financial and manpower implications**

The rises of up to 9% in rents are clearly significant, and some would say damaging.

For example, taking a minimum impact, the income support component for a 1-bed flat rate within Income Support is £250.74 weekly. A 9% increase amounts to around £98 a month. Again, taking the basic income support component for a 3-bedroom house, the increase is around £134.34 a month. Without full details of the number of properties, the rental charges or the relevant assessment of those on relative low income, it is impossible to accurately identify the financial implications. This proposition is, however, time limited and costs would not be expected to exceed £250,000 and would likely be far less.

Coping with this degree of rent rise will undoubtedly prove difficult. In manpower terms this proposal falls within the range of assistance available through the existing Housing Advice Service.