



ANDIUM
HOMES

Senator Sarah Ferguson
Chairman
Public Accounts Committee
States Greffe Scrutiny
Morier House
St Helier
JE1 1DD

17th August 2020

Dear Senator Ferguson

Review of Estate Management

Thank for your letter to the Chairman inviting Andium Homes to make a submission to the above review. Sir Mark has asked that I respond on behalf of the Company.

As you know Andium Homes is a wholly States owned Company Limited by Guarantee, we own and manage more than 4,500 social rented homes every one of which we have brought up to the Decent Homes Standard 5 years ahead of the target set by Government. The Company has developed a far-reaching Asset Management Strategy (AMS) for every single home which ensures that adequate budget is in place to maintain the Decent Homes Standard and that investment in the portfolio is properly targeted. Our AMS ensures that decisions about refurbishment, redevelopment or disposal are taken with the best available evidence and in the long term.

We have over 700 homes currently in development, the vast majority of which will be for social rented use. This makes us one of Jersey's largest developers. These new homes will be of the highest quality in terms of space standards, sustainability, and amenities for residents. On a number of our schemes we have sought opportunities to provide positive benefits for the wider public, examples of this will be our partnerships with the Parish of St Helier and Growth, Housing & Environment which have led us to develop a new public car park below our Ann Court site and a new Pocket Park on Providence Street. We will also provide public parking below the 50% extension to the Millennium Town Park that we will deliver as part of our development of that site. As you know we have also partnered with charities such as Age Concern and Autism Jersey to provide buildings for those organisations which will assist them with their invaluable work, this is alongside our existing support to the Shelter Trust, Causeway, Women's Refuge and others.

We work closely with Jersey Property Holdings (JPH) in terms of coordinating activity and have been pursuing proposals over the long term to take on responsibility for the management of residential property still held by JPH and by other departments such as Health & Community Services. These discussions have gone well to a point. However, in some instances, the properties do not generate any rent, or insufficient rent to maintain them properly, a problem which we appreciate has been an issue for States property for many years, indeed the same was true of social housing prior to 2014 and the creation of Andium Homes.

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There has been rather more success in terms of the solutions which we came up with to assist Government with homes for Key Workers, which allowed sites such as Westaway Court to be cleared as part of the Future Hospital proposals. At that time, the Government-owned Limes Residential Home was sitting empty and we were able to find a means of affordably repurposing this building to provide homes for Junior Doctors. This was always a stop gap and we are just now in the final stages of refurbishing our Hue Court site in Union Street, which will provide 90 homes for Health Key Workers, allowing the Limes site to be cleared so that it can be redeveloped for 130 net new affordable homes. It is this sort of joined up collaborative working which we feel can make best use of existing land, provide quality homes for our population, and minimise green zone development.

Andium Homes is Jersey's largest residential landlord. We fundamentally believe that the relationship between Landlord and Tenant is a special one and very different to managing commercial buildings, offices, and public service assets such as schools and hospitals. That is not to denigrate those property management specialisms at all, they are equally important, but it is a fact that they are different and far less personal than residential management. This is a distinction that the States recognised in 2005 when it established Jersey Property Holdings as the department responsible for holding and managing all public owned property, other than Social Housing. A decision which was revalidated when Andium Homes was created in 2014.

As the Government owned residential housing specialist, we believe that we are uniquely positioned to assist Government with managing its property portfolio in a number of ways:

1. Through the transfer of all remaining Government-owned residential property to Andium Homes. Arrangements would need to be made to ensure that funding is generated to address any maintenance backlog and ongoing maintenance and management costs.
2. Repurposing surplus Government owned land for new affordable housing. The benefit here being that if we can acquire sites from the Government rather than having to compete against other developers in the marketplace then homes can be developed more cost effectively. This particularly assists in providing affordable homes for first time buyers which we do through our innovative Homebuy scheme and clearly makes it more viable to offer some of the other public benefits outlined earlier. It is also important to reflect on the fact that all new rental homes ultimately remain public assets and the rental income generated helps us to ensure that the £30m annual return to the Treasury is sustainable and secure in the long term.
3. Providing maintenance and management services. We have developed long term maintenance contracts with reputable local contractors which provide routine and planned maintenance through nationally recognised framework agreements at fixed prices and with stringent KPI's.
4. Providing further opportunities for Government key workers to have access to affordable and secure accommodation, presently these are the rental homes mentioned earlier and are limited to Health & Community Services. However, this offering could be extended to other cohorts of key workers and could include homes for purchase, something which might assist with long term key worker retention.

In your letter you specifically asked whether we had been contacted by the Government about the development of its Asset Management Strategy. The simple answer to that is that there has been no specific approach for us to input into or assist with that work, however, as I hope the above demonstrates Andium Homes stands willing to assist Government in any way possible.

Please let me know if I can provide any further information that will assist the Public Accounts Committee in its work.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Gallichan', with a long horizontal flourish extending to the right.

Ian K Gallichan
Chief Executive

