

19-21 Broad Street | St Helier
Jersey | JE2 3RR

Deputy Hilary Jeune
Chair, Environment, Housing and Infrastructure Scrutiny Panel

BY EMAIL

29 August 2024

Dear Chair,

RE: Delivery plans and savings proposals – Budget 2025 – 2028

Thank you for your letter dated 12 August 2024 regarding the Budget for 2025 – 2028.

I have addressed your two points below:

- 1. In absence of Departmental Business Plans for 2025 ahead of the Budget debate, please provide a list of all the projects you are undertaking in 2025, alongside a list of those projects and workstreams which had been due to take place in 2025 (and agreed in previous Government Plans) which have been delayed or cancelled.**

I draw to the Panel's attention the published [Departmental Business Plans for 2024 online](#).

For the information regarding 2025, I have provided the relevant information below.

Jersey Property Holdings

Listed below are the projects JPH are intending to undertake in 2025. This list includes projects and programmes that JPH are undertaking as delivery agents sponsored by other departments with Property or estate implications.

- a. North of St Helier Youth Centre - Planning and Building Control Design
- b. Oakfield sports facility - Construction Completion
- c. Prison Improvement Works - Phase 8 - Construction Demolition Completion
- d. Police Firearms Range - Construction Completion
- e. Jersey Opera House - Post Completion Process
- f. Office Modernisation - Post Completion Variations
- g. Fire risk mitigation in CYPES – Design & Construction ongoing
- h. Head of expenditure to cover

- i. Markets roof safety system and some development
- ii. Police custody suite floor repairs
- iii. BREXIT border control facility
- iv. Highlands repairs
- v. Public lavatory rolling refurbishment
- vi. Dilapidations on exit from leased in buildings under new office project
- vii. Havre Des Pas maintenance and pool repairs

- i. Crematorium essential maintenance
- j. Mont a Labbe Secondary School - Feasibility Study
- k. North of St Helier Primary School - Feasibility Study
- l. Ambulance, Fire & Rescue Headquarters - Feasibility Study
- m. Dewberry House - Sexual Assault Referral Centre - Construction Phase
- n. La Passerelle Secondary School - Construction Refurbishment Completion
- o. Army & Sea Cadets Headquarters - Feasibility Study
- p. Therapeutic Children's Homes
- q. School improvements

I also include those projects and workstreams which had been due to take place in 2025 (and agreed in previous Government Plans) which have been delayed, cancelled, or are unfunded.

- r. Learning difficulties specialist accommodation - delayed to 2026
- s. Fort Regent – this is now being progressed by the States of Jersey Development Company
- t. Morier House refurbishment
- u. Prison Improvement Works – Re-scoped - Prison Phase 8
- v. Highlands College and University College Jersey – funding delayed to 2026
- w. Crematorium – delayed to 2026 (apart from essential maintenance stated above)
- x. Le Squez Youth Centre extension & Refurbishment – delayed to 2028
- y. North of St Helier Primary School – delayed to 2027
- z. Mont a Labbe secondary school – delayed to 2026
- aa. Army & Sea Cadets Headquarters – delayed to 2026
- bb. Ambulance, Fire & Rescue Headquarters – delayed to 2028
- cc. Field Developments & Play Space – re-scoped and cancelled
- dd. La Sente Feasibility Study – cancelled
- ee. Victoria College New Classroom Block Feasibility Study – cancelled
- ff. Victoria College Students Support Centre Feasibility Study – cancelled
- gg. Magistrate’s Court conversion – cancelled
- hh. Music Development - cancelled

Operations and Transport

There are several funded programmes of work that encompass a wide range of smaller infrastructure projects. Under each area, the status of the schemes is as shown below:

Replacement Assets (£4.55 m)

Sports Facilities, Amenities Maintenance and Repairs	- Deliver
Sewage Treatment Works Maintenance and Repairs	- Deliver
Pumping Station Maintenance and Repairs	- Deliver
Solid Waste Asset Replacements	- Deliver
Energy Recovery Facility Maintenance and Repairs	- Deliver

Each of these general themes contains multiple individual projects for delivery – these are subject to change “in year” as priorities change and emergency works are undertaken

Other Infrastructure (£2.44 m)

Coronation Park Improvements	- Deliver
Howard Davis Park Improvements	- Deliver
Millennium Town Park Improvements	- Deliver
Long Beach Play Area Improvements	- On Hold / Cancelled
Constructions of Strategic Storage Facility – La Collette	- Deliver
Development / Alteration – La Collette Waste Site	- Deliver
Foul Sewer Extensions	- Re-Scope – funding halved

Many of these lines contain multiple individual projects for delivery – in year changes may be required as priorities / emergency works impact

Infrastructure Rolling Vote (£16.85 m)

Highway Resurfacing Schemes	- Deliver
Coastal Defences Maintenance and Repairs	- Deliver
Drainage Network Maintenance and Repairs	- Deliver

Each of these general themes contains multiple individual projects for delivery – these are subject to change “in year” as priorities change and emergency works are undertaken

Public Realm - Hill Street Improvements	- Cancelled
Public Realm - Havre des Pas (Ph 2A - Heart of Village)	- Delay
Public Realm - Western Bus Gateway - Option 4	- Deliver
Public Realm - La Grande Rue - New Street	- Cancelled
Public Realm - New Cut	- Deliver
Public Realm - Beresford Street/Halkett Street Crossing	- Deliver
Public Realm - Beresford Street/Bath Street Crossing	- Delay
Public Realm - Bridging the Ringroad	- Delay
Public Realm - La Collette Gardens Regeneration	- Cancelled

The Public Realm budget has been halved for 2025 – this has necessitated rescoping the work and delaying delivery of schemes.

Springfield Pitch and Floodlight Replacement (£0.85 m)

Project originally scheduled for 2026 but brought forward for delivery in 2025 following condition survey and contractual obligations

Feasibility – Shoreline Management Plan – Havre des Pas scheme development (£0.54 m)

No change

Liquid Waste Key Infrastructure (£8.35 m)

Maufant Network Capacity Improvements	- Delay
Bonne Nuit STW replacement with Pumping Station	- Deliver
St Peters Network Capacity Improvements	- Advance
West Park Surface Water Outfall	- Deliver
West Hill Network Capacity Improvements	- Deliver

The Maufant capacity improvement project has been delayed in favour of the St Peter's project as it delivers a higher affordable housing yield. Total funding availability over 2024-26 has been reduced, and funding is uncertain for 2027 and beyond, making prioritisation and planning increasingly challenging.

STW Outfall Rehabilitation (£1.3 m)

Budget set in 2019 plan – now insufficient for scale and cost of all works required so scope to be limited. Additional funding request not accepted.

Skateparks

Continue delivery of skateparks.

Policy

Policy support for the Minister will comprise the following:

- Energy policy development work relevant to MINF responsibilities including legislative updates and delivering the recommendations from the CAG Review of Critical National Infrastructure: Energy;
- Ad hoc policy support for arising sustainable transport matters, recognising that this has moved substantively to the delivery phase;
- Continuing policy support to develop and help co-ordinate the implementation of an integrated Plan for Town
- Development work on solid waste / circular economy strategy (with I&E subject matter experts).

2. More detailed information on figures provided for savings proposals (p106) for each of the years which estimates are provided and what the figures represent, including:

- a) The roles which will be lost and the anticipated impact on business-as-usual activity in the affected team/area of business.**
- b) Any anticipated loss of service provision.**
- c) Any anticipated change in policy delivery.**

2a:

In 2025 there are expected to be 2 retirements of senior staff, 1 of whom has a designate currently in post who will backfill their role, the other of which is likely to be replaced with a more junior role. It is not expected that the 2025 savings of £179,000 will have a significant impact on service delivery.

In 2026, the “role” savings of £1,019,000 will be largely delivered by a significant reduction in the cost of consultancy in line with the current CoM policy. It is not currently anticipated that further role savings will be made, although if further opportunities arise then alternative delivery options might be considered.

The reduction in the use of consultants for specialist advice, general project management and specific workstreams will inevitably have an impact on the amount of work that can be completed by the department, placing increased pressure on limited internal resources, particularly in light of the concurrent recruitment freeze. Specialist Technical advice will still be procured where required to supplement departmental resource.

2b:

“Growth Reductions” of £117,000 relate to the reduction in the growth agreed in the Government Plan 2024-2027 for Ambulance HQ maintenance and the continued operation of Fort Regent. This reduction will limit the scope of work which can be undertaken.

Remaining savings identified on page 106 include savings relating to the move to the new office and decommissioning / release of existing space. These savings include rentals, cleaning and utility costs of rented-in buildings, income from letting Government owned buildings and a degree of maintenance costs. Provided that the actual position is realised as predicted, then they should be reasonably cost neutral and have little impact on the department.

However, in addition to the proposed savings, the department is facing considerable challenges on funding which will have an impact in addition to the Government’s savings proposals shown in the Budget. Whilst some of these have been mitigated by short-term allocation of central funding, there remains a structural problem relating to funding of inflation.

The loss of Inert Waste Income (worth £2.3m in 2023) from 2025 as the La Collette site is full is a considerable challenge for the department. Proposals to introduce commercial solid waste

charging were not supported and temporary additional funding of £1.5m in 2025 and £3.0m in 2026 have been granted to defer the need to introduce these within this term of Government.

The department is unusual in that it has a larger proportion of its budget in non-staff spend related to outsourced contracts (cleaning, gardening, property maintenance etc), significant operational contracts (public / school bus services), and utility costs (particularly electricity) and fuel costs (process, vehicle and heating oil etc) than is common for Government of Jersey.

These contracts often contain provisions relating to annual increases in line with Jersey RPI (usually to the previous 3-6 months RPI figures prior to the contract anniversary). Since the adoption of P.122/2017 which required all sub-contracted and agency workers, working on behalf of the States, and on GoJ Premises, to be paid at least the Jersey Living Wage, any increases to the JLW above Jersey RPI triggers an elevated increase to these contracts as a result.

The majority of these outsourced contracts are due for renewal in 2024/2025 and in addition the public bus operating contract, inert waste disposal and waste metals operation are also currently out to re-tender. As such, there is a high degree of uncertainty on base costs at a time when financial pressures are building.

An additional draw down from the Jersey Car Parking Trading Operation is proposed for 2025 to offset the additional expected costs of concessionary passes (over 65, under 19 and disabled/carer) and allow for transition to the new bus operating contract, which is currently in tender.

A MoSCoW analysis has been undertaken to identify “Must, Should, Could and Would” services to allow consideration of how best to balance the budget. Analysis work using the most up to date estimates of staff and contract costs for 2025 will be used to inform the detailed budget setting process at service level for 2025 over the next few months.

Until tender processes are complete, detailed budget reviews have been undertaken and the outcome of existing inflationary clauses in contracts evaluated it is premature to state categorically that further reductions in service or policy delivery will not be required.

2c:

Policy delivery

There are not expected to be any significant changes in the anticipated areas of policy support or delivery to MINF as a result of the savings made to the Cabinet Office budget.

I hope this information is helpful to the Panel. I am grateful for your engagement in relation to the Government Plan and look forward to keeping you updated as the various workstreams progress.

Yours sincerely,



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Minister for Infrastructure
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