

Minister for Infrastructure

19 – 21 Broad Street
St Helier, Jersey, JE2 3RR
Tel: +44 (0)1534 448394



Connétable M. K. Jackson

Chair, Environment, Housing and Infrastructure Scrutiny Panel
Scrutiny Office
States Greffe
Morier House
St Helier
JE1 1DD

23rd November 2021

Dear Chair,

Residual Questions - Written Questions - Minister for Infrastructure

Please see below my response to Questions 1 to 6 from Public Review Hearing Government Plan 2022 -25:

1. Can you confirm the amount of the departmental base budget that you hold responsibility for?

Primary responsibility for the budget is held by the Accountable Officer at departmental level. An approximate split by Ministerial Responsibility for the Infrastructure, Housing and Environment (IHE) department is shown below:

	2022		
Service Area	Income	Expenditure	Net Revenue Expenditure
	(£'000)	(£'000)	(£'000)
Infrastructure, Housing and Environment			
Office of the DG	978	1,260	282
Operations and Transport	10,730	39,558	28,828
Property and Capital Delivery	4,736	14,944	10,208
Regulation	1,845	1,797	(48)
Net Revenue Expenditure	18,289	57,559	39,270
Covid	-	1,200	1,200
Total	18,289	58,759	40,470

For ease of administration, the entire "Office of the DG" function is shown under my remit, however, the responsibilities inevitably span the portfolio of the department as a whole, including functions relating to other Ministers.

In addition to the above, my remit also extends to the two Trading Operations run by the Government, namely Jersey Car Parking and Jersey Fleet Management, details of which can be found on page 23 of P90/2021.

2. How is the base budget for 2022 broken down between the various services that fall under your remit?

The approximate apportionment of the IHE budget relating to my portfolio for 2021 is outlined below:

Service Area	2022		
	Income	Expenditure	Net Revenue Expenditure
	(£'000)	(£'000)	(£'000)
Office of the DG	978	1,260	282
Operations and Transport			
Administration	-	825	825
Liquid Waste	771	8,158	7,387
Solid Waste	6,041	11,361	5,320
Engineering and Development	188	447	259
Highways and Infrastructure	3,446	12,871	9,425
Technical Support Services	284	5,896	5,612
	10,730	39,558	28,828
Property and Capital Delivery			
Administration	138	778	640
Property	4,598	13,977	9,379
Capital Delivery	-	189	189
	4,736	14,944	10,208
Regulation			
Driver and Vehicle Standards	1,845	1,797	(48)
Net Revenue Expenditure	18,289	57,559	39,270

Under the Covid Head of Expenditure, additional support for the Bus Service, should it be required, of up to £1.20m in 2022, is also available.

3. How does this budget compare to that available to your remit in 2021?

The approximate apportionment of the IHE budget relating to my portfolio for 2021 is outlined below:

Service Area	2021		
	Income	Expenditure	Net Revenue Expenditure
	(£'000)	(£'000)	(£'000)
Infrastructure, Housing and Environment			
Office of the DG	900	136	(764)
Operations and Transport	13,943	41,756	27,813
Property and Capital Delivery	4,672	15,433	10,761
Regulation	1,812	1,752	(60)
Net Revenue Expenditure	21,327	59,077	37,750
Covid	-	6,067	6,067
Total	21,327	65,144	43,817

4. Can you confirm how much additional funding you are requiring for the services under your remit for 2022?

Additional allocations have been made to IHE in the base budget for:

Shortfall in hazardous waste income £1.25m (based on issues experienced in 2020 and 2021 and with a potential to materialise in 2022) (GP22-CSP5-2-10 page 84 GP22 Annex) although this is currently only for one year.

Increased costs of liquid waste treatment £0.25m (based on recent funding pressures in the pumping station network as a result of increased prolonged rainfall) (GP22-CSP5-2-07 page 81 GP22 Annex) as an ongoing allocation.

Sums have also been set aside in reserves for a number of funding pressures which may materialise in 2022, including:

- Additional costs of recycling materials (based on a business case supporting both expansion of the current parish recycling schemes and additional costs of existing recycling)
- Additional costs of glass waste processing (based on a business case submitted to export glass waste)
- Additional costs of hazardous waste management in excess of that provided within the base budget for the department, should the need arise for further funding to offset shortfalls in income.

Under the Covid Head of Expenditure, additional support for the Bus Service, should it be required, of up to £1.20m in 2022, is also available.

5. What funding pressures face the services under your remit and are they being addressed by the Government Plan; and, if so, how?

A number of ongoing issues for the department have been, at least temporarily, resolved for 2022 following the recognition of pressures particularly in the solid and liquid waste areas of the service and allocation of additional resource both within the base budget and held in reserve.

Additional emerging pressures for 2022 and beyond include high rates of building material price inflation impacting on both the remit of the Property division and the capital programme, increasing costs of process chemicals and off-Island maintenance support for major infrastructure (sewage treatment works and energy recovery facility), income risk based on existing chargeable waste streams and availability of disposal sites and, of course, the termination of the main contract for replacement of the sewage treatment works at Bellozanne and progression of those works to completion. All of these matters continue to impact the department and will need to be considered in the context of the next government plan, particularly in the capital programme for 2023 and beyond.

6. What other sources of income does the Department have and what changes, if any, are envisaged during the Government Plan period?

Particularly within my remit, income figures are shown in the table supplied in response to question 2 and below:

Service Area	Income
(£'000)	
Office of the DG	978
Operations and Transport	
Liquid Waste	771
Solid Waste	6,041
Engineering and Development	188
Highways and Infrastructure	3,446
Technical Support Services	284
	10,730
Property and Capital Delivery	
Administration	138
Property	4,598
	4,736
Regulation	
Driver and Vehicle Standards	1,845
Net Revenue Expenditure	18,289

The income under the Office of the DG relates to proposals contained within the rebalancing plan for 2020 for recharges to all capital projects for “Government overhead” related costs, and other recharges relating to direct staff costs.

Under Operations and Transport, liquid and solid waste charges relates to the existing waste charges for septic tank emptying, commercial inert waste, commercial green waste, clinical waste, plasterboard, asbestos, abattoir and knackers yard charges, etc. Engineering and Development income is mainly staff recharges, Highways and Infrastructure includes staff and engineering recharges, funding from the Jersey Car Parking trading operation for sustainable transport and concessionary pass schemes, staff recharges to capital and the climate emergency fund. Technical Support Services income relates to recharges to other service areas in respect of grounds maintenance, arboricultural services and parks.

The majority of income under the Property portfolio represents rental income and facilities management charges.

Driver and Vehicle Standards now comes under the Regulation directorate of IHE. Income represents vehicle registration and driving test income and the current vehicle inspection schemes.

Other than annual increases limited to a maximum of 2.5% in general, there are no major changes proposed to any of the existing income streams under my remit, however, proposals for the new Commercial Vehicles (Licensing Of Operators) (Jersey) Law 202_ are likely to be lodged shortly, which will introduce new charges in due course for commercial vehicle operators, if adopted by the States.

Thank you for your patience awaiting my response.

Yours sincerely,



Deputy Kevin Lewis
Minister for Infrastructure

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Chair, Environment, Housing and Infrastructure Scrutiny Panel
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JE1 1DD

26 November 2021

Dear Chair,

Residual Questions - Written Questions - Minister for Infrastructure

Please see below my response to Questions 7 to 10 from Public Review
Hearing Government Plan 2022 -25:

7. What impact has the rebalancing measures of £300,000 (to reduce a portion of property maintenance budget) had on your department/service delivery to date and do you consider the recurring efficiency as appropriate for 2022?

The rebalancing measures will occur in light of the Office Modernisation project and will be delivered by acknowledging that we will be moving out of several office spaces in 2024. In this context, the maintenance requirement can be shorter term. It will not affect the safety of occupation or the ability of the government to discharge its obligations and is appropriate for 2022.

8. A £200,000 efficiency saving (recurring from 2021) to restructure facilities management across the Government is being made in the 2022. What impact has this efficiency had on your department/service delivery to date and do you consider the recurring efficiency as appropriate for 2022?

Restructured facilities management was one of the original goals of setting up JPH in 2005. These savings are coming from all departments, particularly those that have been carrying out property activity independently of JPH and will be delivered by extending existing contracts across a wider number of premises and using existing personnel more efficiently. There will be limited impact on the department, but an overall benefit to the government.

9. Are you able to update us on the progress of the review of the Government of Jersey property portfolio being undertaken? It is our understanding that the outcome would be to clearly identify any 'non-essential' maintenance, or the maintenance of buildings which are no longer of use. How does one determine which properties should be maintained and which should not?

The review of the Property portfolio is occurring as a result of the new office project, the Our Hospital project, the Fort Regent project and the review of primary school education. It is

allowing options to be considered to meet the current need for housing, for efficient provision of blue light services, for public realm and regeneration use. All the buildings are maintained to a greater or lesser degree, depending on whether they will be demolished, refurbished, or reused.

10. The funding requested for 2022 is £230,000, please could you provide a breakdown of what this is intended to cover, including the breakdown of specific allocations?

This covers phase 6b of the Prison Improvement works

a. Do you feel this level of funding is sufficient to meet the project's aims?

Yes, I believe this level of funding is sufficient to meet the project's aims

Once again, thank you for your patience awaiting my response.

Yours sincerely,



Deputy Kevin Lewis
Minister for Infrastructure