

CAPITAL PROGRAMME 2000 - 2002

**Lodged au Greffe on 24th November 1998
by the Policy and Resources Committee**



STATES OF JERSEY

STATES GREFFE

175

1998

P.254

Price code: C

PROPOSITION

THE STATES are asked to decide whether they are of opinion -

to receive the report dated 16th November 1998 of the Policy and Resources Committee on the capital programme 2000 - 2002; and to approve the recommended priority order of capital projects for -

2000 as set out in Table 1 and 2;

2001 as set out in Table 1 and 3;

2002 as set out in Table 1 and 4;

of the said report, in place of the recommendations in Appendices in 5.1, 5.2 and 5.4 respectively of the States Resources Plan 1998 (P.112/58).

POLICY AND RESOURCES COMMITTEE

REPORT

1. The States, on 1st July 1998, debated the Policy and Resources Committee's Resource Plan 1998 (P.112/98) and decided to refer back to the Policy and Resources Committee the priority order of capital projects for 2000, 2001 and 2002 as set out in Appendix 5.4 of the Resource Plan.
2. The recommended programme for the years 2000 - 2002 was criticised for its failure to attach sufficient importance to education, housing and health projects. To enable funds to be made available for such projects certain adjustments to the programme were suggested by members including a reduction in the expenditure on the sewers programme.
3. The Committee has revised the capital programme in the light of the views expressed during the debate on 1st July 1998, while continuing to have regard for the priority ranking determined by the Decision Conference Workshop. The Committee also has received a revised statement from the Finance and Economics Committee on the availability of funds.
4. At the same time the Committee has assumed the States would wish the population policy objectives agreed in November 1997 to be adhered to. In considering the effect of the States capital programme on the pressure on the manpower resources of the Island the Committee would wish to draw members' attention to the following building work that will be undertaken over and above the projects in the capital programme -
 - The use of loan sanctions to accommodate certain large capital projects. This spreads the claim on the funds available for the capital programme but has the effect of producing a greater level of building work than would otherwise occur in the year that the project is approved for commencement (e.g. the loan sanction for the redevelopment of Hautlieu school commencing in 1999).
 - The separate funding of capital projects (e.g. the funding of the alpha taxiway at the Airport).
 - The development to be undertaken using the share capital allocated to the Waterfront Enterprise Board Limited.
 - The social housing developments being undertaken by housing trusts.
 - Investment in car parks to be funded by car park users.
5. On the basis of the foregoing it is reasonable to assume that the total 'public' capital expenditure in the year 2000 and beyond could be of the order of £100 million per annum.
6. In assessing what can be accommodated by the States capital programme, account also has to be taken of the level of private building work. The Committee has received information that suggests that the construction industry is faced with a less buoyant private sector capital programme in the next year to 18 months. It is also suggested that the world financial/economic climate is having and will continue to have a depressing effect on investors' confidence and on private sector building work.
7. With the prospect of more difficult trading conditions in the private sector in the next year or two, the Committee is of the opinion that some upward adjustment to the States' capital programme from that proposed in the Resource Plan 1998 could be accommodated within the present capacity of the construction industry. However, the Committee would wish to keep this situation under review and if circumstances change in the future, this will need to be reflected in the States' Capital Programme and in the licensing of private building work under the Regulation of Undertakings and Development Law.
8. The Committee in putting forward a revised capital programme is also responding to the views expressed by States members during the debate on the previous programme on 1st July 1998. However, the Committee would wish to remind members that the States population policy objective is a permanent resident population equal to or less than the level in the autumn of 1995. From the increase in the manpower figures supplied by the Finance and Economics Committee, it is reasonable to assume that the present population is significantly in excess of that level; and the construction industry has contributed to this increase - over the period June 1996 to June 1997 the number of full-time employees in the construction industry increased by 500.
9. The capital projects requested by Committees and by States members during the debate on 1st July, if approved, are expected to maintain the current level of construction work in the Island, and this will not be consistent with the decision of the States in November 1997 to pursue the population policy objective. The Committee is therefore

putting forward the revised programme with reluctance. In considering the programme, the States must decide on the balance to be struck between the population policy objective and those social policy objectives that will be supported by the expenditure on the education, health and housing projects that have been accommodated in the increased capital programme.

Revisions to the previous capital programme

10. The proposed changes to the capital programme that was included in the Resource Plan 1998 are as follows -
 - Whereas the Finance and Economic Committee was offering £45 million (at December 1997 prices) in each of the four years 1999 - 2002 for capital expenditure, that Committee has now offered to increase that sum to £49 million in each year. It should be noted that the cost estimates for the individual projects are at December 1997 prices and so the total figure quoted for each year at £49 million has to be on the same basis. The Finance and Economics Committee in its budget forecast incorporate an allowance for future inflation covering the period of each contract. This allowance is £6 million in total, which added to the £49 million produces a total inflation-adjusted annual figure of £55 million.
 - The Hautlieu School redevelopment at a cost of some £23 million commencing in 1999 is to be funded by loan sanction with repayments over five years of £4.5 million a year from the year 2000.
 - The funding proposals for the Airport having been accepted by the States, the alpha taxiway project costing some £15 million will be funded "outside" the capital programme, as also will be the replacement instrument landing system previously included in the funds "earmarked" section of Table 1 for the year 2000.
 - The sewers programme has been reduced from £6 million a year to £4.7 million in each year 2000 - 2002.
 - The Committee has sought to accommodate the declared wishes of States members in the debate on 1st July and has brought forward and included additional projects for education, health and housing. In doing so, however, the Committee has had to work with the funds expected to be made available by the Finance and Economics Committee, and also has had regard for the States population policy. For the year 2000 the Committee is not able to accommodate both the Elysee Phase 3 project and the redevelopment of Overdale Assessment and Rehabilitation Unit project. The Committee is recommending Elysee Phase 3 for year 2000 and Overdale for year 2001. In doing so the Committee has had particular regard for its support for the eradication of poverty and the fact that Elysee Phase 3 is considered to have a higher priority in this context. However, because the Elysee project is at a lower cost than the Overdale project, the Committee is able to recommend that three Health and Social Services projects not in the previously recommended programme should be included in the programme for 2000 to give a balance to that programme in accordance with the declared wishes of States members when the capital programme was debated on 1st July. These projects are Clinique Pinel refurbishment, the community dental clinic and the refurbishment of Robin Ward.
11. The recommended revised capital programme for 2000-2002 is shown in the attached tables. A précis description of the projects in the programme is also attached as Appendix A.
12. The Committee would remind States members that the capital requests received from Committees, for 2000-2002, totalled in excess of £200 million. The limits set by the funds available for capital expenditure and by the States' population policy must inevitably lead to disappointment for those Committees whose requests have not been included in the proposed programme.
13. Projects not currently included in the programme to which the Committee, in principle, attaches a relatively high priority include the Fire Service Headquarters and the Prison development.
14. The Committee considers that these projects should be further and actively considered, and all the options explored, so that the States can be satisfied that what is proposed is "best value". The Committee has left a balance of funds unallocated for 2001 and 2002, but it is clear that these and other projects that may be considered to have a relatively high priority are not fully fundable within the existing financial resources available. In this context, it should be noted that the general reserve is already under great pressure, and against the background of increasing world economic uncertainty it is important, in the view of the Committee, that the strategic reserve should be maintained and, if possible, increased. More particularly, and as if not more importantly, if projects are added to the capital programme, so the latter will more and more be in conflict with the States' population policy.

16th November 1998

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TABLE 1

**POLICY AND RESOURCES COMMITTEE
CAPITAL PROGRAMME 1999 - 2002**

Financial statement and apportionment of funds

	1999 £	2000 £	2001 £	2002 £
Financial forecast for year (December 1997 prices - no allowance made for total cash limiting of projects - £55 million annually)	49,000	49,000	49,000	49,000
Funds earmarked -				
Loan sanction repayments - Marina	3,000	0	0	0
Loan sanction repayments - Airport development	2,000	0	0	0
Loan sanction repayments - Magistrate's/Royal Courts	0	2,500	2,500	2,500
Loan Sanction - Hautlieu School	0	4,500	4,500	4,500
Housing association subsidy	1,100	1,800	2,500	2,500
WEB Ltd. (suspense fund)	2,000	2,000	2,000	2,000
H.M. Prison security measures	1,464	753	0	0
Sewer extensions repay extra 1998 allocation	1,350	0	0	0
Jeffrey's Leap rockface - States funding decision	1,600	0	0	0
Total capital already allocated in year	12,514	11,553	11,500	11,500
Balance for allocation	36,486	37,447	37,500	37,500
Other adjustments -				
Central IT vote	4,500	5,000	5,000	5,000
Land acquisition vote	500	500	500	500
All Committees - minor items under £100,000 (to be funded via revenue from 2000)	514	0	0	0
Defence (fire radio communications system)	425	0	0	0
Health and Social Services (replacement medical equipment/radiology and critical care telemetry/ theatres upgrade/MRI scanner contribution/ telephone system)	3,311	0	0	0
Central planning vote	1,000	0	1,000	0
Transfer to alternative capital funding arrangements for equipment replacement, pre-plannable maintenance and minor capital items from 2000 onwards	0	6,000	6,000	6,000
Total recommended	10,250	11,500	12,500	11,500
Balance available for building and civil engineering work	26,236	25,947	25,000	26,000

TABLE 2

Building and civil engineering projects - 2000

Committee	Project	Cost and fees £
Public Services	Sewers programme	4,700
Public Services	Sludge thickening plant	1,106
Public Services	Refuse handling	265
Housing	Le Geyt - Phase 5	3,000
Housing	Elysee - Phase 3	5,800
Education	Education projects -	
	La Moye	1,460
	Grouville	1,825
	Grands Vaux	3,956
	Bel Royal	448
Health and Social Services	Clinique Pinel	859
Health and Social Services	Dental Clinic	542
Health and Social Services	Robin Ward	340
Planning and Environment	Urban renewal	500
Public Services	Les Creux leisure amenity	1,000
	Total	25,801

TABLE 3**Building and civil engineering projects - 2001**

Committee	Project	Cost and fees £
Public Services	Sewers programme	4,700
Education	Le Rocquier	6,752
Public Services	Refuse handling	265
Health and Social Services	Overdale	6,300
Housing	Kew Gardens	550
Housing	Le Geyt Phase 6	510
Education	La Pouquelaye	2,638
Education	JCG Nursery Centre	844
Planning and Environment	Urban renewal	500
	Total	23,059

TABLE 4**Building and civil engineering projects - 2002**

Committee	Project	Cost and fees £
Public Services	Sewers programme	4,700
Public Services	Sewage treatment	3,095
Housing	Le Squez	6,000
Education	Grainville Phase 2	4,225
Planning and Environment	Urban renewal	500
Housing	Le Marais refurbishment	3,700
Health and Social Services	Belle Vue residential	4,823
	Total	23,059

SUMMARY DESCRIPTION OF PROJECTS IN RECOMMENDED PROGRAMME FOR 2000 - 2002

Sewers programme - £4,700,000 (2000), £4,700,000 (2001), £4,700,000 (2002)

Reconstruction and replacement of sewers

To maintain the existing sewerage network in sound working order and to prevent the deterioration of this fundamental Island asset. Essential work is undertaken to maintain the structural and hydraulic integrity of the sewerage system.

- 2000**
 - (a) Burrard Street Brook
 - (b) Mont Nicolle Syphon
 - (c) St. Mary
 - (d) Route Orange
 - (e) Victoria Village
 - (f) General sewer refurbishment

- 2001**
 - (a) La Collette
 - (b) Rue du Pont
 - (c) Rue de Galet Foul
 - (d) General sewer refurbishment

- 2002**
 - (a) Wellington Road - Phase 3
 - (b) Brook, Gloucester Street
 - (c) New Street
 - (d) Rouge Bouillon
 - (e) General sewer refurbishment

Foul sewer extensions

The provision of foul sewers, particularly to rural areas, where there is a need for sewerage facilities. The areas are prioritised by the Sewer Working Party as areas with potential public health problems with the risk of pollution to water supplies and general surface pollution.

- 2000**
 - (a) Les Platons, Trinity
 - (b) St. Matthieu Church, St. Peter
 - (c) La Ville des Quennevais, St. Brelade
 - (d) Mont à la Brune, St. Brelade
 - (e) Parq de L'Oeillere, St. Brelade
 - (f) Les Pallières/Portinfer, St. Ouen
 - (g) Miscellaneous/minor extensions

- 2001**
 - (a) Route de la Villaise, St. Ouen
 - (b) La Ville le Bas, St. Ouen
 - (c) Perruque, St. John
 - (d) Victoria Village, Trinity
 - (e) Rue du Coin, Grouville
 - (f) Thistlegrove, St. Lawrence
 - (g) Bas du Marais, St. Ouen
 - (h) Miscellaneous/minor extensions

- 2002**
 - (a) Halfway Hill, Grouville - Phase 2
 - (b) North of Becquet Vincent, Trinity
 - (c) Rue du Tapon, St. Saviour - Phase 2
 - (d) Les Augerez/Elysee, St. Peter
 - (e) Rue des Niemes, St. Peter
 - (f) Mont Cochon, St. Helier
 - (g) Ville au Bas, Grantez, St. Ouen
 - (h) Miscellaneous/minor extensions

Upgrading primary treatment process - sewage treatment works £3,095,000 (2002)

Increase the capacity of the sewage treatment works by 30 per cent. The increased capacity will provide considerable benefit with the management of the increasing flows from around the Island. It will also enable treatment of more storm flows with a consequent reduction in risk of overflows to sea.

The work currently in hand at the STW will enable this increase to be dealt with in the secondary treatment process. The final phase of this upgrading will require the installation of new high efficiency primary clarifiers to replace the existing ageing and inefficient units. Additionally a further U.V. disinfection plant is required to maintain the high quality effluent for the increase in flows.

Sludge thickening plant - £1,106,000 (2000)

The volumes of sludge arising from the sewage treatment works has continued to rise dramatically. This large increase is due to several factors, the main ones being the extension of the sewerage system and the disposal of food waste to the sewerage systems via undersink grinders. In summer, the volumes of sludge are close to the volumetric capacity of the anaerobic digestion units. There is a second serious problem with digested sludge as the disposal of liquid sludge to land would not cope with a prolonged outage of the sludge drying plant. Additionally, a European Union Directive and United Kingdom supermarket requirements could result in significantly reduced application of sludge to land.

To correct these serious deficiencies in the sludge handling system, it is proposed to introduce a centrifuge/belt press process which could be used to pre-thicken co-settled or activated sludge prior to digestion and part or all of the raw sludge in the event of the digestion failure.

Refuse handling - plant access and safety improvements - £265,000 (2000 and 2001)

Oversize combustible items require shredding/crushing prior to incineration. The existing site now handles in excess of 20,000 tonnes per annum and works in extremely congested conditions. A programme of segregation is required to separate the public from the heavy mobile plant used for the processing operation. A number of accidents, one serious, have occurred in this area, and the recommendation from all relevant safety authorities is that a segregated site should be provided. The project involves construction of new access roads to provide this facility. Improvements will provide for additional separation of material for recycling.

Le Geyt Flats refurbishment Phase 5 - £3,000,000 (2000)

Work on this phase of the development will include the demolition of 12 flats and the refurbishment of 30 others. The scheme also includes extensive landscaping works.

Elysee development Phase 3 - £5,800,000 (2000)

The re-development of the final phase of Elysee Estate, with the demolition of the 50 remaining units of accommodation. Replacement with four three-bedroom houses, five two-bedroom houses, 21 two-bedroom flats, one four-bedroom house and one small retail outlet.

Kew Gardens modernisation - £550,000 (2001)

The general modernisation of this small estate for elderly persons. Work will include improvements to the present heating and insulation standards and the upgrading of internal fixtures and fittings. This work will also see the complete upgrade of accommodation in the Grands Vaux area following refurbishment at Town Mills, Cherry Orchard, Le Geyt Flats and the complete redevelopment of the old Nicholson Park Estate.

Le Geyt Flats refurbishment Phase 6 - £510,000 (2001)

Completion of a five-year phased refurbishment programme.

Le Squez modernisation - Phase 2 - £6,000,000 (2002)

The continuation of a major upgrade of this large family estate (245 housing units). The upgrade will include the fitting of double glazed windows, substantial improvements to the insulation standards of the buildings. Modernised internal fixtures and fittings. Enhanced landscaped areas.

Le Rocquier School extension and remodelling - £6,752,000 (2001)

The School's current cohort is 720 pupils, and the lack of adequate accommodation is already impacting on the school's ability to teach science, with some class groups having to receive science lessons in non-specialist rooms, rather than in laboratories. Following the discovery of asbestos products throughout the existing building, the original upgrading plans have had to be revised upwards significantly, as much of the school will need to be stripped out, repaired and refurbished, in addition to the originally envisaged extension works to take care of increased numbers.

Grainville School - extend/remodel Phase 2 - £4,225,000 (2002)

Phase 2 of a multi-phased scheme will provide new specialist art, design and technology facilities.

Grands Vaux School - rebuild - £3,956,000 (2000)

Grand Vaux School is on a restricted site and is at the end of its planned life. Following the reconstruction of Nicholson Park and the reduction of the number of family accommodation units, the schools predicted pupil population should remain fairly stable over the next ten years. It is therefore necessary to rebuild the school to a similar size but on the same site. The new building will probably be two storey, will no longer have flat roofs, and will properly accommodate seven full-sized classrooms, a nursery class, provision for special needs education together with adequate staff and parent facilities.

La Pouquelaye School - refurbish and remodel - £2,638,000 (2001)

La Pouquelaye School is of prefabricated type construction, is reaching the end of its economic life and needs to be replaced. The site is so restricted that it will not be possible to construct a new school alongside the old. Instead, it will be necessary to rebuild and modernise the existing school buildings, by decanting half the school into temporary accommodation while the works are in progress. The new school will be modern with a flexible design and will include seven classrooms, a new nursery class, a library, special needs rooms and all of the shared and communal accommodation such a school needs.

Bel Royal School - Nursery - £448,500 (2000)

Bel Royal School is the one and only resourced primary school which accommodates children between the ages of five and eleven with physical handicaps. With demographic growth and improvements in medical care and treatment, the school is having to provide for an increasing number of children with multiple or severe disabilities. It is therefore proposed to construct a new nursery class at Bel Royal School to make adequate and appropriate provision for these children.

La Moye School - extension and refurbishment (Phase 2) - £1,460,000 (2000)

La Moye School is presently full and is utilising seven temporary classrooms. Phase 1 of the extension and remodelling of the school is funded and has started but, at the end of this Phase 1 project, the school will have twelve permanent classrooms but will still have to retain at least two of the temporary classrooms, and will have by today's standard largely unsuitable shared and communal areas. The project will replace the temporary classrooms with permanent structures and will complete the upgrading and modernisation of the old school buildings, including an extended school hall and the provision of a new nursery class.

Grouville School - extension and refurbishment (Phase 2) - £1,825,000 (2000)

Phase 1 of the redevelopment of the school is funded and has started. The Phase 2 project includes three new classrooms, the refurbishment of five existing classrooms, the relocation of the hearing impaired unit and the creation of more hard and soft landscape play spaces.

Nursery Centre - £844,000 (2001)

To increase the nursery provision by 100 children from 0 to five years of age in St Helier, supplying high quality care throughout the working day and for 48 weeks of the year. It is proposed that the Centre will be established by converting existing Education premises, which will become vacant following the move of Jersey College for Girls to Mont Millais in 1999.

Clinique Pinel - refurbishment - £859,000 (2000)

The present building was constructed in 1967 and is in need of major refurbishment. The roof leaks, the windows need replacing, parts of the existing cladding are falling off, the boilers need replacing, and the internal facilities and services all need upgrading. This bid provides for new roof finishes with insulation, new double glazed windows, repairs to the external cladding, new boilers and internal upgrading where necessary.

Community dental clinic - £542,000 (2000)

Presently housed at the General and Acute Hospital there is insufficient space to provide a quality service, and at present school children have to wait and use the same facilities used by acute orthodontic and oral surgery. The result is an unacceptable waiting list, along with unsatisfactory environment for the young. The short-term plans are to lease a suitable property if one can be found. This request would allow the construction or acquisition and conversion of a purpose-built clinic which will improve access and reduce waiting lists.

