

STATES OF JERSEY



PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024): NINETEENTH AMENDMENT

FORT REGENT DEVELOPMENT

**Lodged au Greffe on 11th November 2024
by the Environment, Housing and Infrastructure Scrutiny Panel
Earliest date for debate: 26th November 2024**

STATES GREFFE

PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024):
NINETEENTH AMENDMENT

1 PAGE 2, PARAGRAPH g –

After the words “Summary Tables 5(i) and (ii) of the Report” insert the words-
“, except that, in Summary table 5(ii), after the Head of Expenditure for Major Refurbishment and upgrades, there should be inserted Heads of Expenditure entitled Fort Regent Development with an allocation of £0 to be shown against the new Head of Expenditure”.

2 PAGE 4, PARAGRAPH o –

After the words “as set out in the Appendix to the Report” insert the words –

“, except that on p57, after Table 25: Major Refurbishments and Upgrades – Breakdown of Grouped Head of Expenditure, there should be inserted the following words –

“Fort Regent Redevelopment

Fort Regent Redevelopment is established as a head of expenditure to transparently identify funding provided by Government in support of a programme of works, in conjunction with the Government’s chosen development partner, on this major publicly-owned asset.

Establishing the redevelopment project as a head of expenditure ensures that all work carried out and monies spent on the site are subject to the proper level of Ministerial and States Assembly oversight.

The Minister for Infrastructure and Council of Ministers will work with the States of Jersey Development Company to identify the appropriate funding and source for funding of feasibility work by no later than 31st March 2025.

It is recognised that the project will be iterative and involve extensive public engagement at all stages and that this and the necessary design and works will require significant funding.

The full redevelopment project – beyond feasibility – will require a further sustainable funding model. This model will be developed by the Minister to the extent that the necessary funding will be included in the Proposed Budget 2026-2029 to be brought to the Assembly for approval.”

ENVIRONMENT, HOUSING AND INFRASTRUCTURE SCRUTINY
PANEL

Note: After this amendment, the proposition would read as follows –

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

to receive the Government Plan 2025 – 2028 (entitled “Budget 2025-2028”) specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2025 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law.
- (b) to approve the proposed Changes to Approval for financing/borrowing for 2025, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approval amounts.
- (c) to approve the transfers from one States fund to another for 2025 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law.
- (d) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2025 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31st December 2024 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31st December 2025.
- (e) to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2025 of up to £2 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2024 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2025;
- (f) to approve each major project that is to be started or continued in 2025 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 – Summary Table 4 to the Report.
- (g) to approve the proposed amount to be appropriated from the Consolidated Fund for 2025, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report “, except that, in Summary table 5(ii), after the Head of Expenditure for Major Refurbishment and upgrades, there should be inserted Heads of Expenditure entitled Fort Regent Development with an allocation of £0 to be shown against the new Head of Expenditure”.
- (h) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2025 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report.

- (i) to approve the proposed amount to be appropriated from each States trading operation's trading fund for 2025 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report.
- (j) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2025 as set out in Appendix 2 – Summary Table 8 to the Report.
- (k) to approve an updated and consolidated policy of the Strategic Reserve Fund as follows:

“The Strategic Reserve Fund, established in accordance with the provisions of Article 4 of the Public Finances (Jersey) Law 2005, is a permanent reserve only to be used:

- i. in exceptional circumstances to insulate the Island's economy from severe structural decline such as the sudden collapse of a major Island industry or from major natural disaster.
 - ii. if necessary, for the purposes of providing funding (up to £100 million) for the Bank Depositors Compensation Scheme established under the Banking Business (Depositors Compensation) (Jersey) Regulations 2009, including to meet the States contribution to the Scheme and/or to meet any temporary cash flow funding requirements of the Scheme.
 - iii. to support the development of future healthcare facilities and the borrowing costs for such work, in line with a financing strategy agreed by the Assembly;
 - iv. as a holding fund for any or all monies raised through external financing until required, and for any monies related to the repayment of debt raised through external financing used to offset the repayment of debt, as and when required; and
 - v. in accordance with Article 24 of the Public Finances (Jersey) Law 2019, where the Minister for Treasury and Resources is satisfied that there exists an immediate threat to the health or safety of any of the inhabitants of Jersey, to the stability of the economy in Jersey or to the environment, for which no other suitable funding is available.”
- (l) to approve the transfer to the Strategic Reserve of the amounts due as a result of the move from prior-year basis taxation after 31st December 2025, as and when these payments are received (estimated at £280 million).
 - (m) in relation to the new Government Headquarters (office), to approve;
 - i. the exercising of the option to acquire the new Government Headquarters (estimated at £91 million), by the Public of the Island, in line with the pre-agreed terms; and
 - ii. the acquisition of the new Government Headquarters as an investment of the Social Security (Reserve) Fund (including authorising the meeting of expenses incurred in connection with the acquisition); and

- iii. the subsequent leasing of the new Government Headquarters by the Public of the Island from the Social Security (Reserve) Fund, with commercial terms to be agreed between the Minister for Infrastructure (on behalf of the Public) and Minister for Social Security and the Minister for Treasury and Resources (both on behalf of the Fund); and
- (n) in relation to the new Government Headquarters, to authorise H.M. Attorney General, the Greffier of the States, the Ministers for Infrastructure, Social Security and Treasury and Resources, and the Public of the Island, to enter into such arrangements, including financing, and pass any contracts as are necessary to put into effect paragraph (m).
- (o) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2025-2028, as set out in the Appendix to the accompanying Report “, except that on p57, after Table 25: Major Refurbishments and Upgrades – Breakdown of Grouped Head of Expenditure, there should be inserted the following words –

“Fort Regent Redevelopment

Fort Regent Redevelopment is established as a head of expenditure to transparently identify funding provided by Government in support of a programme of works, in conjunction with the Government’s chosen development partner, on this major publicly-owned asset.

Establishing the redevelopment project as a head of expenditure ensures that all work carried out and monies spent on the site are subject to the proper level of Ministerial and States Assembly oversight.

The Minister for Infrastructure and Council of Ministers will work with the States of Jersey Development Company to identify the appropriate funding and source for funding of feasibility work by no later than 31st March 2025.

It is recognised that the project will be iterative and involve extensive public engagement at all stages and that this and the necessary design and works will require significant funding.

The full redevelopment project – beyond feasibility – will require a further sustainable funding model. This model will be developed by the Minister to the extent that the necessary funding will be included in the Proposed Budget 2026-2029 to be brought to the Assembly for approval.”

REPORT

The purpose of this amendment is to ensure that funding for and expenditure on Fort Regent is transparently represented in the Budget 2025 -2028.

The amendment is to establish ‘Fort Regent Development’ as a new and separate estates Capital Head of Expenditure.

Fort Regent is a publicly owned asset and, as such, the States Assembly should have the opportunity to decide how or whether that work should be prioritised through its inclusion in the Budget.

The Panel is concerned that the current situation means that significant expenditure could take place on a publicly owned asset by a States-Owned Entity but without clarity on how projects will be prioritised or funded beyond design stage.

The creation of a Head of Expenditure for this work will allow for greater transparency on future funding allocations and spend in the same way that is usually afforded to other major and capital projects which have been allocated a Head of Expenditure.

While the Panel accepts that the budget required for the project is currently not decided, it is clear that feasibility work is being done by an external partner and so money is being spent now and over the lifetime of this proposed Budget. The Panel feels that its exclusion as a Head of Expenditure is an omission that should be corrected.

The Panel understands from information provided by the Minister for Infrastructure that the Regeneration Steering Group has requested that the States of Jersey Development Company (SoJDC) undertake a feasibility study to assess the future of Fort Regent¹. The Terms of Reference for this work are under development² with:

‘the intended outcome to refurbish the existing roof and structures, and to introduce all weather family activities that would add significant amenities for the local community.’

While the SoJDC is a States-owned entity and working on behalf of the Government on this project, the Panel is keen to ensure that there is an adequate level of Ministerial oversight and States Assembly approval of the project.

It is important that it remains a community-led project by design and that this is reflected in the oversight of the monies allocated to it. This amendment seeks to make this the case. Members will have noted that the Panel has chosen not to allocate or identify funds for the line of expenditure in this amendment but, rather, has tasked the Minister with exploring avenues for funding with SoJDC as has been the case for the early work completed by the organisation.

The Panel cannot seek to presuppose what the Budget would be. The Minister’s letter of 16th October 2024 indicates that a ‘funding source has not yet been decided or a budget determined and that the likely current source of income – the proceeds of the College Gardens development – would not be sufficient.

¹ [Letter from Minister for Infrastructure to EHI Scrutiny Panel re Fort Regent and Plans of Work Process 16 October 2024.pdf](#)

² This refers to the letter at point 1 above which was provided to the Panel on 16 October.

‘A budget has not yet been set for design, planning and construction. The proceeds of the College Gardens development would only be able to partly fund feasibility and design work, as detailed plans, consents and construction would require significant levels of funding.’³

To ensure that, in the first instance, the feasibility works can be adequately supported the Minister should work with SoJDC to establish the funding requirement and identify a source with SoJDC should it exceed the amount available from the proceeds of the College Gardens development. Given that this work appears to be ongoing and that a funding decision is due to be taken in December 2024, it is reasonable to expect that a figure for the feasibility work should be available by 31 March 2024.

	Activity	Start	Finish
1)	Roof – design	Aug-24	Dec-24
2)	Roof – Planning Application		Dec-24
3)	Funding decision	Dec-24	Feb-25
4)	Public Engagement	Feb-25	Mar-25
5)	Layout – planning design	Feb-25	Apr-25
6)	Layout – Planning Application(s)		May-25
7)	Layout – building control design	May-25	Aug-25
8)	Layout – Building Control Application(s)		Sep-25
9)	Fort Regent fully vacated		Dec-25
10)	Funding provided		Jan-26
11)	Construction works	Feb-26	Jul-28
12)	Fort Regent re-opened		Aug-28

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The Panel also believes that the same table of indicative works gives a timeframe which means that more certainty on the funding for the redevelopment project as a whole should be able to be made available to develop a sustainable funding model and business case for the Proposed Budget 2026-2029.

The Panel wants to ensure that this information is available to the States in order to make well-informed decisions on the progression of works at Fort Regent.

Conclusion

The creation of a Head of Expenditure for the Fort Regent redevelopment would correct the omission of the project from the Proposed Budget 2025 – 2028 and would ensure that greater transparency on future funding allocation and spend in the same way that is usually afforded to major and capital projects.

Fort Regent is a significant public asset of community importance and its redevelopment and the necessary funding should be subject to a high level of public engagement, Ministerial oversight and robust scrutiny. In bringing this amendment, the Panel is seeking to ensure that a community-led focus is established and maintained from feasibility to completion of work.

³ [letter from minister for infrastructure to ehi scrutiny panel re fort regent and plans of work process 16 october 2024.pdf](#)

⁴ [letter from minister for infrastructure to ehi scrutiny panel re fort regent and plans of work process 16 october 2024.pdf](#)

Financial and staffing implications

It is not intended that the creation of a head of expenditure should have financial implications. The funding required for the Fort Regent redevelopment project will need to be determined by the Minister for Infrastructure and the Council of Ministers for States Assembly approval.

Children's Rights Impact Assessment

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.