Minister for Infrastructure

Government of Jersey
Union Street | St Helier | Jersey | JE2 3DN

Government of JERSEY

Deputy Hilary Jeune
Chair
Environment, Housing and Infrastructure Panel

BY EMAIL

30th October 2025

Dear Chair,

Proposed Budget 2026-2029

Thank you for your letter dated 10th October 2025. I apologise for the delay in submitting this response. I am pleased to respond to your questions and requests for information.

Departmental expenditure to date from the approved 2025 allocation, including spend by individual projects where possible

Infrastructure Revenue Position as at September 2025

The table below shows the Department's position by type of income and expenditure:

INF SoCNE	Year to Date			Full Year		
	Budget £'000	Actuals £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
INCOME	**(20,033)**	**(18,459)**	**(1,574)**	**(28,260)**	**(27,104)**	**(1,156)**
LEVIED BY THE STATES OF JERSEY	(31)	(29)	(2)	(41)	(46)	5
EARNED THROUGH OPERATIONS	(20,002)	(18,430)	(1,572)	(28,219)	(27,058)	(1,161)
EXPENDITURE	**65,222**	**63,592**	**1,630**	**94,764**	**92,964**	**1,800**
FINANCE COSTS	615	595	20	1,584	1,584	0
SOCIAL BENEFIT PAYMENTS	2	1	1	2	2	0
STAFF COSTS	27,050	25,520	1,530	36,332	34,252	2,079
OTHER OPERATING EXPENDITURE	37,312	37,103	209	56,210	55,970	240
GRANTS AND SUBSIDIES PAYMENTS	225	372	(148)	611	1,098	(487)
IMPAIRMENTS	19	0	19	25	57	(32)
SECONDARY COSTS	**(1,450)**	**(763)**	**(687)**	**(1,934)**	**(890)**	**(1,044)**
TOTAL	**43,739**	**44,370**	**(631)**	**64,570**	**64,970**	**(400)**

HEADLINES: YTD VAR: (631k) | FYF VAR: (400k)

The forecast net overspend of £0.4 million results from several pressures across the Department in both income and expenditure areas. Income has seen a steady fall in Operations and Transport due to external factors. Significant inflationary pressures, particularly utility, energy and chemical costs, continue to prove challenging for the Department and this is compounded by inflation outpacing the permitted rises in fees and charges for user pays services.

The key drivers of the net overall position are:

- **£2.1m underspend on staff costs** – £1.1 million due to planned vacancy to cover pressures and recruitment freeze, mainly in Operations and Transport (£0.5m) and Property (£0.5m). A further £1.0 million is due to a reduction in internal staff recharging (Secondary Costs) for internal maintenance works.
- **£1.2m net shortfall in income –** Operations and Transport have seen a significant drop in solid waste throughput charging. This is somewhat offset by maturing insurance claims, other recovered costs and a small surplus in rental income for Property.
- **£1.0m shortfall in Secondary Costs –** representing the lower than budgeted recharge for internal maintenance works – offset by the underspend in staff costs.
- **£0.5m overspend on Grants and Subsidies –** mainly the Serco Contract subsidy, in relation to the running of the Aquasplash leisure centre, expected to exceed budget.

The table below shows the Department's position by Divisional area:

INF Division	Year to Date			Full Year		
	Budget £'000	Actuals £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
Office of Dir General	1,086	1,056	30	1,603	1,543	60
Operations & Transport	29,895	29,764	131	40,455	39,993	462
Sports	3,818	3,575	242	5,436	5,898	(462)
Propery Services	8,940	9,974	(1,035)	17,077	17,537	(460)
TOTAL	**43,739**	**44,370**	**(631)**	**64,570**	**64,970**	**(400)**

HEADLINES: YTD VAR: (631k) | FYF VAR: (400k)

The Department has mitigation plans to move back to a breakeven position by the close of 2025, but these are not yet reflected in the prudent forecast position.

- **Office of Dir General –** small underspend on staff costs

- **Operations & Transport - £0.5m underspend** a mixture of:
  - £1.7m shortfall on income, mainly waste charges due to reduced tipping volumes attributed to the new AAL Recycling Ltd disposal contract which promotes diversion and recycling, alongside a general downturn in construction activity.
  - £0.9m overspend on secondary costs due to under recovery of capital recharges and reduced internal maintenance across operational areas.
  - £1.6m underspend on non-staff costs, mainly lower costs of waste services corresponding with the drop in waste throughput and income.
  - £1.5m underspend on staff costs due to short term recruitment freezes in order to offset income pressures.

- **Sports - £0.5m overspend on grant and subsidies –** the subsidy provided as part of the SERCO contract to run the Aquasplash leisure centre has seen incremental increases over the last few years and is now consistently exceeding budget. Thus, a decision was made to bring responsibility for running the operation into Government.

- **Property Services - £0.5m overspend on reactive maintenance** due to:
  - Rising contractor and material costs driven by inflationary pressures compounded by the aging estate.
  - Structural issues in aged buildings where maintenance have previously been deferred to balance budgets, now requiring urgent repair (a Conditional Survey identified £89m in deferred maintenance needs).
  - Additional responsibilities and cost pressures arising from the introduction of the Corporate Landlord service level agreement (SLA) in 2025.

Infrastructure Capital Projects Forecast as at September 2025

Feasibility

£'000	Spon Dept	Supp Dept	2025 Original Budget	2025 New Budget	2025 Budget Movement	2025 Forecast	2025 Variance	Comments
Vehicle Testing Service	T&E	I&E	100	-	(100)	-	-	
Shoreline Management Plan	T&E	I&E	542	542	-	542	-	
Crematorium feasibility	T&E	I&E	300	300	-	100	200	This underspend will be used to cover RIDA
Total Feasibility			**942**	**842**	**(100)**	**642**	**200**	

Estates

£'000	Spon Dept	Supp Dept	2025 Original Budget	2025 New Budget	2025 Budget Movement	2025 Forecast	2025 Variance	Comments
North of St Helier Youth Centre	CYPES	I&E	2,500	1,350	(1,150)	1,350	-	
Oakfield and Fort Regent Decant	I&E	I&E	7,490	7,490	0	7,490	-	
Office Modernisation	I&E	I&E	519	519	(0)	519	-	
Major Refurbishment and Upgrades	I&E	I&E	6,449	6,449	-	6,449	-	
Other I&E Estate Projects	I&E	I&E	1,360	803	(557)	803	-	reprofiling of skate park into 2026
Ambulance, Fire & Rescue Headquarters	JHA	I&E	113	60	(53)	60	-	
Total Estates			**18,431**	**16,671**	**(1,760)**	**16,671**	**-**	

Infrastructure

£'000	Spon Dept	Supp Dept	2025 Original Budget	2025 New Budget	2025 Budget Movement	2025 Forecast	2025 Variance	Comments
Infrastructure Rolling Vote and Public Realm	I&E	I&E	16,850	16,850	-	16,850	-	
Sewage Treatment Works	I&E	I&E	1,703	1,703	(0)	1,703	-	
Liquid Waste Key Infrastructure	I&E	I&E	8,435	4,307	(4,128)	4,307	-	Major contract works now start 2026
Springfield Pitch & Floodlights	I&E	I&E	845	845	-	845	-	
Other Infrastructure	I&E	I&E	2,443	2,443	-	2,443	-	
Total Infrastructure			**30,276**	**26,148**	**(4,128)**	**26,148**	**-**	

Information Technology

£'000	Spon Dept	Supp Dept	2025 Original Budget	2025 New Budget	2025 Budget Movement	2025 Forecast	2025 Variance	Comments
Regulation Improvement to Digital Assets (RIDA)	I&E	I&E	#N/A	339	339	688	(349)	New budget represents available rather than original requested budget. Overspend to be met from Crematorium underspend and remaining shortfall from other non-I&E projects
Total Information Technology			**#N/A**	**339**	**339**	**688**	**(349)**	

Replacement Assets and Minor Capital

£'000	Spon Dept	Supp Dept	2025 Original Budget	2025 New Budget	2025 Budget Movement	2025 Forecast	2025 Variance	Comments
Replacement Assets and Minor Capital - I&E	I&E	I&E	4,550	4,550	-	4,550	-	
Fisheries Protection Vessel & Auxiliary Vessels	I&E	I&E	2,800	1,581	(1,219)	1,581	-	
Total Replacement Assets and Minor Capital			**7,350**	**6,131**	**(1,219)**	**6,131**	**-**	

Projects Funded from the Criminal Offenses

£'000	Spon Dept	Supp Dept	2025 Original Budget	2025 New Budget	2025 Budget Movement	2025 Forecast	2025 Variance	Comments
Dewberry House - Sexual Assault Referral Centre	SoJP	I&E	1,638	175	(1,463)	175	-	
Prison Phase 8	JHA	I&E	1,122	1,122	0	1,122	-	
Total COCF Projects			**2,760**	**1,297**	**(1,463)**	**1,297**	**-**	
TOTAL PROGRAMME I&E			**59,758**	**51,428**	**(8,331)**	**51,577**	**(149)**	

2026 projects

The CABO Business Plan refers to energy policy development work relevant to MINF responsibilities including legislative updates. This was a reference to the gas information gathering powers legislation (Draft Jersey Gas Company Amendment Law 202-). This is now being lead by the Minister for Justice and Home Affairs. It is my understanding that this is due to be relodged shortly.

Accelerated, Deferred or withdrawn projects

Budget 2025-28 set out the Department's plans with respect to projects under this Government. There are no projects scheduled for 2026 in Budget 2025-28 that have been deferred or withdrawn.

Two projects will now be implemented to accelerated timescales:

- Major Refurbishments and Upgrades: Highlands College – previously due to extend into 2028 now scheduled to complete in 2026 with works started in 2025
- Skateparks – previously scheduled for 2028 in Budget 25 now programmed for 2026 with some initial work undertaken in 2025.

Preliminary work has been undertaken to explore the potential introduction of policy and legislation to enable the appropriate use of personal light electric vehicles and can be progressed and integrated into any emergent revised legal framework for the island's roads, following consultation.

Fort Regent

At a political level the Minister for Infrastructure is the responsible minister and policy oversight is provided through the Regeneration Steering Group which is chaired by the Chief Minister.

At an officer level, the Chief Officer – Infrastructure and Environment is the Accountable Officer for the Project. He is supported a Project Board that includes:

- Group Director of Jersey Property Holdings (Senior Responsible Officer)
- Head of Capital Delivery
- Head of Corporate Portfolio Management Office
- Head of Investment Appraisal
- Head of Local Economy
- Head of Property Strategy
- Head of Shareholder Relations
- Head of Strategic Housing and Regeneration
- Capital Project Delivery Manager

Budget 2026-29 commits to a Budget of £43 million for phase 1 enabling works. The full detailed scope for phase 2 is not yet finalised. Building on the outcomes of the public consultation, further work is being undertaken to refine the proposals for the Fort. This involves additional market testing and detailed design and feasibility work to confirm that the preferred approach will deliver a sustainable long-term future for the site.

The remaining questions outlined in your letter are all addressed in the attached business case.

Yours sincerely

Andy Jehan.

Connétable Andy Jehan
Minister for Infrastructure